

## Public Tender Offer

by

### Tyco Electronics (Switzerland) Holding II LLC, Schaffhausen, Switzerland

for all publicly held registered shares with a nominal value of CHF 32.50 each

of

### Schaffner Holding Ltd., Luterbach, Switzerland

<b>Offer Price:</b>	<p>Tyco Electronics (Switzerland) Holding II LLC ("<b>Offeror</b>" or "<b>TE</b>") offers CHF 505.00 net in cash for each registered share in Schaffner Holding Ltd. ("<b>Company</b>" or "<b>Schaffner</b>") with a nominal value of CHF 32.50 each ("<b>Schaffner Shares</b>", each a "<b>Schaffner Share</b>").</p> <p>The Offer Price (as defined in Section A3 (<i>Offer Price</i>) below) will be reduced by the gross amount of any dilutive effects in respect of the Schaffner Shares prior to the consummation of the Offer ("<b>Settlement</b>"). Dilutive effects include, <i>inter alia</i>, dividend payments and other distributions of any kind, demergers and spin-offs, mergers and similar transactions, disposals of assets below or acquisitions of assets above their market value, capital increases and the sale of treasury shares at an issuance or sale price per Schaffner Share below the Offer Price (as defined in Section A3 (<i>Offer Price</i>) below), the purchase by the Company or any of its subsidiaries (each direct or indirect subsidiary of the Company or of the Offeror, hereinafter a "<b>Subsidiary</b>"; the Company together with its Subsidiaries the "<b>Schaffner Group</b>" and the Offeror together with its direct and indirect parent entities and its Subsidiaries the "<b>Offeror Group</b>") of Schaffner Shares at a purchase price above the Offer Price (as defined in Section A3 (<i>Offer Price</i>) below), the issuance by the Company or any of its Subsidiaries of options, warrants, convertible securities or other rights to acquire Schaffner Shares or other securities of the Company, and repayments of capital in any form.</p>
<b>Offer Period:</b>	From 13 October 2023 until 10 November 2023, 4:00 p.m. Central European Time (CET) (subject to any extension of the Offer Period).
<b>Financial Advisor:</b>	Enqcor AG, Zurich (" <b>Enqcor</b> ")

<b>Offer Manager:</b>	Zürcher Kantonalbank, Zurich (" <b>ZKB</b> ")
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Registered shares of Schaffner Holding Ltd. **not tendered** (first trading line)

Securities No.:	ISIN:	Ticker Symbol:
906209	CH0009062099	SAHN

Registered shares of Schaffner Holding Ltd. **tendered** (second line, no trading)

Securities No.:	ISIN:	Ticker Symbol:
129873386	CH1298733861	n/a

Offer prospectus dated 28 September 2023 ("**Offer Prospectus**")

## **Offer Restrictions**

### **General**

The public tender offer described in this Offer Prospectus ("**Offer**") is not being and will not be made, and Schaffner Shares will not be accepted for purchase from or on behalf of persons, directly or indirectly, in any country or jurisdiction in which the making or acceptance of such Offer would be considered unlawful or otherwise violate any applicable laws or regulations of such jurisdiction, or which would require any registration, approval or other measures with any regulatory authority not expressly contemplated by this Offer Prospectus, or which would require the Offeror or any of its Subsidiaries to change or amend the terms or conditions of the Offer in any way, to make an additional filing with any governmental, regulatory or other authority or take additional action in relation to the Offer. It is not intended to extend the Offer to any such country or jurisdiction. Persons obtaining and/or into whose possession this Offer Prospectus comes are required to take due note and observe all such restrictions and obtain any necessary authorizations, approvals or consents. Any such document relating to the Offer must neither be distributed in any such country or jurisdiction nor be sent into such country or jurisdiction, and must not be used for the purpose of soliciting the purchase of securities of the Company by any person or entity resident or incorporated in any such country or jurisdiction. Any person (including, without limitation, custodians, nominees and trustees) who intends to forward this Offer Prospectus or any related document to any jurisdiction outside Switzerland should carefully read this section "Offer Restrictions" before taking any action. The distribution of this Offer Prospectus in jurisdictions other than Switzerland may be restricted by law and, therefore, persons into whose possession this Offer Prospectus comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Each acceptance of the Offer based on active promotion in, or based on another, violation of the above restrictions will not be accepted.

According to Swiss law, Schaffner Shares tendered into the Offer may generally not be withdrawn after they have been tendered, except under certain circumstances, in particular in case a competing offer for the Schaffner Shares has been launched. This Offer Prospectus has been prepared in compliance with Swiss law, and the information disclosed may not be the same as that which would have been disclosed if this Offer Prospectus had been prepared in accordance with the laws of jurisdictions outside of Switzerland.

The acceptance of the Offer by persons who are resident in a country other than Switzerland may be subject to specific obligations and restrictions. It is the sole responsibility of the addressees of the Offer to comply with these rules and to verify such rules and their application before accepting the Offer according to the recommendation of their own advisors.

Other than to the extent required by mandatory law, this Offer Prospectus will not be supplemented or updated with any financial statement release, interim

report, half-year report or other stock exchange releases published by the Company after the date of this Offer Prospectus nor will the Offeror otherwise separately inform about the publication of any such financial statement release, interim report, half year report or other stock exchange releases by the Company.

All financial and other information presented in this Offer Prospectus concerning the Company has been extracted from, and has been prepared exclusively based upon, publicly available information including the annual report for the business year ended 30 September 2022, the half-year report as of 31 March 2023 as well as the interim financial statements as of 30 June 2023, other stock exchange releases published by the Company and other publicly available information. Consequently, the Offeror does not accept any responsibility for such information except for the accurate restatement of such information herein.

### **Notice to U.S. Holders**

Shareholders of the Company in the United States (the "**U.S.**") are advised that the registered shares of the Company are not listed on a U.S. securities exchange and that the Company is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the "**SEC**") thereunder.

The Offer is being made for the registered shares of the Company, a Swiss company whose shares are listed on the SIX Swiss Exchange Ltd. ("**SIX**"), and is subject to Swiss disclosure and procedural requirements, which are different from those of the United States.

The Offer is being made in the United States pursuant to Section 14(e) of, and Regulation 14E under, the Exchange Act, subject to the exemption provided under Rule 14d-1(c) under the Exchange Act for a tier I tender offer (the "**Tier I Exemption**"), and otherwise in accordance with the requirements of Swiss law. Accordingly, the Offer is subject to disclosure and other procedural requirements, including with respect to withdrawal rights, Offer timetable, settlement procedures, waiver of conditions, timing of payments and procedural requirements that are different from those applicable under U.S. tender offer procedures and laws. Holders of Schaffner Shares resident in the United States (each a "**U.S. Holder**") are urged to consult with their own legal, financial and tax advisors (including with respect to Swiss law) regarding the Offer.

To the extent permissible under applicable law or regulations, the Offeror and its affiliates or its brokers and its brokers' affiliates (acting as agents for the Offeror or its affiliates, as applicable) may from time to time after the date of this Offer Prospectus and during the pendency of the Offer, and other than pursuant to the Offer, directly or indirectly purchase or arrange to purchase Schaffner Shares or any securities that are convertible into, exchangeable for or exercisable for Schaffner Shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Switzerland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. Holders of the Company of

such information. In addition, the financial advisers to the Offeror may also engage in ordinary course trading activities in securities of the Company, which may include purchases or arrangements to purchase such securities. To the extent required in Switzerland, any information about such purchases will be made public in Switzerland in the manner required by Swiss law.

In particular, the financial information, any financial statements or figures included or referenced in this Offer Prospectus have been prepared in accordance with the applicable accounting standards of, or recognized in, Switzerland, which may not be comparable to the financial statements or financial information of U.S. companies. The Offer is being made to U.S. Holders on the same terms and conditions as those made to all other shareholders of the Company to whom an offer is made. Any informational documents, including this Offer Prospectus, are being disseminated to U.S. Holders on a basis comparable to the method that such documents are provided to the Company's other shareholders.

As permitted under the Tier I Exemption, the settlement of the Offer is based on the applicable Swiss law provisions, which differ from the settlement procedures customary in the United States, particularly as regards to the time when payment of the consideration is rendered. The Offer, which is subject to Swiss law, is being made to U.S. Holders in accordance with the applicable U.S. securities laws, and applicable exemptions thereunder, in particular the Tier I Exemption. To the extent the Offer is subject to U.S. securities laws, those laws only apply to U.S. Holders of Schaffner Shares and will not give rise to claims on the part of any other person. U.S. Holders should consider that the Offer Price for the Offer is being paid in CHF and that no adjustment will be made based on any changes in the exchange rate.

It may be difficult for the Company's shareholders to enforce their rights and any claim they may have arising under the of U.S. federal securities laws, since the Offeror and the Company are located in a non-U.S. jurisdiction, and some or all of their officers and directors may be residents of a non-U.S. jurisdiction. Company shareholders may not be able to sue the Offeror or the Company or their officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel the Offeror and the Company and their respective affiliates to subject themselves to a U.S. court's judgment.

The receipt of cash pursuant to this Offer by a U.S. Holder may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local laws, as well as foreign and other tax laws. Each holder of Schaffner Shares is urged to consult his or her independent professional advisor immediately regarding the tax consequences of an acceptance of the Offer.

Neither the SEC nor any securities commission of any State of the U.S. has (i) approved or disapproved of the Offer; (ii) passed upon the merits or fairness of the Offer; or (iii) passed upon the adequacy, accuracy or completeness of the disclosure in relation to the Offer. Any representation to the contrary is a criminal offence in the United States.

## **United Kingdom**

The communication of this Offer Prospectus is not being made, and has not been approved, by an authorised person for the purposes of Section 21 of the Financial Services and Markets Act 2000, as amended. In the United Kingdom ("**U.K.**"), this communication and any other offer documents relating to this Offer is/will be directed only at persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Order**"), (ii) falling within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). No communication in respect of this Offer must be acted on or relied on by persons who are not Relevant Persons. This Offer, any investment or investment activity to which this communication relates is/will be available only in the United Kingdom to Relevant Persons and will be engaged in only with Relevant Persons.

## **Australia, Canada, Japan and South Africa**

This Offer is not being made or addressed to shareholders of the Company whose place of residence, seat or habitual abode is in Australia, Canada, Japan or South Africa, and such shareholders may not accept this Offer. This Offer Prospectus and any and all materials related thereto should not be sent in or into Australia, Canada, Japan or South Africa, (including by use of, or by any means or instrumentality, for example, e-mail, post, facsimile transmission, telephone or internet, of interstate or foreign commerce, or any facilities of a national securities exchange), and the Offer Prospectus cannot be accepted directly or indirectly or by any such use, means, or instrumentality, in or from within Australia, Canada, Japan or South Africa. Accordingly, copies of this Offer Prospectus and any related materials are not being, and must not be, mailed, forwarded, transmitted or otherwise distributed or sent in or into or from Australia, Canada, Japan or South Africa, or, in their capacities as such, to custodians, trustees, agents or nominees holding Schaffner Shares for Australian, Canadian, Japanese or South African persons, and persons receiving any such documents (including custodians, nominees and trustees) must not distribute, forward, mail, transmit or send them in, into or from Australia, Canada, Japan or South Africa. Any person accepting the Offer Prospectus shall be deemed to represent to the Offeror such person's compliance with these restrictions and any purported acceptance of the Offer that is a direct or indirect consequence of a breach or violation of these restrictions shall be null and void. Shareholders of the Company wishing to accept the Offer must not use the mailing system of Australia, Canada, Japan or South Africa for any purpose directly or indirectly related to the acceptance of the Offer. Envelopes containing acceptances must not be post marked in Australia, Canada, Japan or South Africa. When completing the acceptance, shareholders wishing to accept the Offer must provide an address that is not located in Australia, Canada, Japan or South Africa. Shareholders will be deemed to have declined the Offer if they (i) submit an envelope postmarked in Australia, Canada, Japan or South Africa or (ii) provide an address located in Australia, Canada, Japan or South Africa. Share-

holders will be deemed to have declined the Offer if they do not make the representations and warranties set out in the acceptance.

### **Forward-Looking Statements**

This Offer Prospectus includes "forward-looking statements", including statements about the expected timing and completion of the Offer, and language indicating trends. Generally, words such as may, should, could, aim, will, would, expect, intend, estimate, anticipate, believe, plan, seek, contemplate, envisage, continue or similar expressions identify forward-looking statements. These statements are subject to risks, uncertainties, assumptions and other important factors, many of which may be beyond the control of the Offeror, and could cause actual results to differ materially from those expressed or implied in these forward-looking statements. Factors that could cause actual results to differ from such statements include: the occurrence of any event, change or other circumstances that could give rise to the termination of the Offer, the failure to receive, on a timely basis or otherwise, the required approvals by government or regulatory agencies, the risk that a condition to consummating the Offer may not be satisfied, the ability of the Company to retain and hire key personnel and maintain relationships with customers, suppliers and other business partners pending the completion of the Offer, and other factors.

Although the Offeror believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. The Offeror undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws or by any appropriate regulatory authority.

## **Public tender offer by the Offeror for Schaffner ("Offer" or "Public Tender Offer")**

### **Background and Purpose of the Offer**

Tyco Electronics (Switzerland) Holding II LLC is a Swiss limited liability company (*Gesellschaft mit beschränkter Haftung*) with its registered office in Schaffhausen, Switzerland. It is an indirect, wholly owned Subsidiary of TE Connectivity Ltd., a Swiss stock corporation (*Aktiengesellschaft*) also having its registered office in Schaffhausen, Switzerland, whose shares are listed on the New York Stock Exchange (NYSE) (ISIN: CH0102993182; ticker symbol: TEL). TE Connectivity Ltd. is a global industrial technology leader creating a safer, sustainable, productive and connected future. It provides a broad range of connectivity and sensor solutions, proven in the harshest environments, which enable advancements in transportation, industrial applications, medical technology, energy, data communications, and the home. TE Connectivity Ltd. has more than 85,000 employees, including over 8,000 engineers, working alongside customers in approximately 140 countries.

Schaffner is a Swiss stock corporation (*Aktiengesellschaft*) with its registered office in Luterbach, Switzerland. The Schaffner Shares have been listed on SIX (securities number: 906209; ISIN: CH0009062099; ticker symbol: SAHN) since 1998. Headquartered in Switzerland and with subsidiaries around the world, Schaffner is a global leader in electromagnetic solutions that ensure the efficient and reliable operation of electronic systems. The Schaffner Group are experts in EMC filter solutions, harmonic filters, electromagnetic components and electromagnetic solutions.

The purpose of the Offer is to build a market-leading EMC (*electromagnetic compatibility*) filter business, built upon Schaffner's strong product portfolio, engineering expertise and manufacturing capabilities and TE's portfolio breadth and global customer access in several focus market segments.

On 16 August 2023, the Offeror and the Company entered into a transaction agreement (the "**Transaction Agreement**"). Under the terms of the Transaction Agreement, the board of directors of the Company agreed, *inter alia*, to unanimously recommend to the holders of Schaffner Shares the acceptance of the Offer (see Section D3.1 (*Agreements in Connection with the Offer between the Offeror and Schaffner*) for more details).

Also on 16 August 2023, the Offeror, on the one hand, and BURU Holding AG as well as Mr. Philipp Buhofer, on the other hand, entered into a tender agreement, in which BURU Holding AG and Mr. Philipp Buhofer agreed, *inter alia*, to tender all of their freely transferable Schaffner Shares into the Offer (see Section D3.2 (*Agreements in Connection with the Offer between the Offeror and Shareholders of Schaffner*) for more details).

In addition, on 24 August 2023, the Offeror entered into additional, separate tender agreements with each of Mr. Marc Alexander Buhofer, Mr. Jörg Wolle, Matter Group AG and J. Safra Sarasin Investmentfonds Ltd., in which each of the latter four agreed, *inter alia*, to tender all Schaffner Shares held by them into the Offer

(see Section D3.2 (*Agreements in Connection with the Offer between the Offeror and Shareholders of Schaffner*) for more details).

## **A The Offer**

### **1 Pre-Announcement**

A pre-announcement ("**Pre-Announcement**") of the Offer has been made in accordance with art. 5 et seqq. of the Swiss Takeover Board's Ordinance on Tender Offers (*Verordnung der Übernahmekommission über öffentliche Kaufangebote*; "**TOO**").

The Pre-Announcement was published on 17 August 2023 before the opening of trading at SIX in English, German and French on TE's website and on the website of the Swiss Takeover Board ("**TOB**") and was furthermore disseminated in accordance with art. 7 TOO.

In its decision (*Verfügung*) dated 15 August 2023 (decision 849/01), the TOB confirmed, *inter alia*, that the conditions of the Pre-Announcement and the valuation report of the review body Ernst & Young Ltd., Zurich, for the purposes of determining the minimum price in accordance with art. 135 para. 2 lit. b of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading ("**FinMIA**") in connection with art. 42 para. 4 of the Ordinance of the Swiss Financial Market Supervisory Authority on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading ("**FinMIO-FINMA**") comply with the legal provisions on public tender offers. The dispositive of this decision was reproduced in the Pre-Announcement and the decision was published on the same day as the Pre-Announcement on the website of the TOB. No objection or appeal has been filed against this decision, which is why in the meantime it has become legally binding. In addition, no shareholder has filed a request for party status.

### **2 Object of the Offer**

Except as set forth below and subject to the Offer Restrictions set forth above, the Offer extends to all publicly held Schaffner Shares.

The Offer will not extend to Schaffner Shares held by the Schaffner Group nor to Schaffner Shares held by the Offeror Group (if any).

Hence, the Offer extends to the following number of Schaffner Shares, which as of 26 September 2023 is calculated as follows:

	<b>Schaffner Shares</b>
Number of listed Schaffner Shares (according to the number of shares registered with the commercial register as of 26 September 2023)	635,940
- minus Schaffner Shares held by the Schaffner Group (as of 26 September 2023)	5,127*
- minus Schaffner Shares held by the Offeror Group (as per 26 September 2023)	0
<b>Schaffner Shares subject to the Offer</b>	<b>630,813</b>

\* The number of treasury shares might decrease to 2,672 Schaffner Shares (and the number of Schaffner Shares subject to the Offer would as a result increase to up to 633,268 Schaffner Shares), depending on when Schaffner will transfer the up to 2,455 Schaffner Shares allocated to certain employees and board members under the long term incentive plan according to Schaffner's remuneration policy for the members of the board of directors and selected key employees of Schaffner effective as of 1 October 2018 ("**Long Term Incentive Plan**").

On 14 June 2023, the board of directors of Schaffner decided to allocate a total of up to 2,455 of its treasury shares to certain employees and board members under the Long Term Incentive Plan, of which 2,053 Schaffner Shares for FY 2022/2023 and up to 402 Schaffner Shares for Q1 of FY 2023/2024. If these up to 2,455 Schaffner Shares will be transferred to the respective employees and board members before the end of the additional acceptance period, they will become subject to the Offer and accordingly, the number of Schaffner Shares subject to the Offer will increase to up to 633,268 Schaffner Shares.

In addition to the total of 635,940 Schaffner Shares, no additional Schaffner Shares may be issued by Schaffner.

### **3 Offer Price**

The offer price for each Schaffner Share subject to the Offer amounts to CHF 505.00 net in cash ("**Offer Price**").

The Offer Price will be reduced by the gross amount of any dilutive effects in respect of the Schaffner Shares prior to the Settlement of the Offer. Dilutive effects include, *inter alia*, dividend payments and other distributions of any kind, demergers and spin-offs, mergers and similar transactions, disposals of assets below or acquisitions of assets above their market value, capital increases and the sale of treasury shares at an issuance or sale price per Schaffner Share below the Offer Price, the purchase by the Company or any of its Subsidiaries of Schaffner Shares at a purchase price above the Offer Price, the issuance by the Company or any of its Subsidiaries of options, warrants, convertible securities or other rights to acquire Schaffner Shares or other securities of the Company, and repayments of capital in any form.

The performance of the Schaffner Share on SIX since 2019 is as follows (prices in CHF refer to the lowest and highest closing price):

<b>Schaffner Share</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023**</b>
Low*	189.00	122.00	191.00	261.00	262.00
High*	277.00	220.00	312.00	340.00	309.00

\* Daily closing price in CHF

\*\* 3 January 2023 to 16 August 2023 (last Trading Day prior to the publication of the Pre-Announcement)

Closing price on 16 August 2023 (last Trading Day prior to the publication of the Pre-Announcement): CHF 282.00

Source: Bloomberg

The Offer Price implies a premium of 74.5% to the volume-weighted average price of all on-exchange transactions in Schaffner Shares executed on SIX during the sixty (60) SIX trading days (each a "**Trading Day**") prior to the publication of the Pre- Announcement (being CHF 289.33).

The Schaffner Share is considered an illiquid equity security for the purposes of the application of the minimum price rule according to art. 135 para. 2 lit. a FinMIA and its implementing ordinances. Therefore, for the purposes of determining the relevant minimum price, a valuation of the Schaffner Share had to be carried out by a review body.

The review body Ernst & Young Ltd., Zurich, prepared a valuation report and conducted a valuation and calculated the minimum price in the sense of art. 135 para. 2 lit. a FinMIA in connection with art. 42 para. 4 FinMIO-FINMA as of 16 August 2023. Applying the DCF method as the primary valuation method, a value range from CHF 318.7 to CHF 355.2 per Schaffner Share was calculated, taking further into account two sensitivity analyses regarding the value per Schaffner Share (first sensitivity analysis: weighted average cost of capital (WACC) and terminal growth rate +/- 0.25 percentage points; second sensitivity analysis: WACC +/- 0.25 percentage points and terminal EBITDA margin rate +/- 0.5 percentage points). The application of the market method leads to a value range of the Schaffner Share from CHF 339.0 to CHF 507.1 for the trading multiples and from CHF 242.1 to CHF 341.8 for the transaction multiples and supports the value conclusion based on the DCF method.

Based on the valuation methods applied and the considerations above, Ernst & Young Ltd. assumed the result of the DCF valuation as a value-determining basis and determined a point estimate of CHF 336.4 per Schaffner share as the minimum price according to art. 135 para. 2 lit. b FinMIA in connection with art. 42 para. 4 FinMIO-FINMA. The Offer Price offered by TE implies a premium of 50.1% to the minimum price.

The valuation report of Ernst & Young Ltd., Zurich, is available in German, French and English free of charge from Zürcher Kantonalbank at Bahnhofstrasse 9, 8001 Zurich, Switzerland (e-mail: prospectus@zkb.ch; phone: +41 44 292 20 22) and

also available on the websites of the TOB and of the Offeror (<https://www.emc-power-offer.com>).

In its decision (*Verfügung*) dated 15 August 2023 (decision 849/01), the TOB confirmed, *inter alia*, that the valuation report of Ernst & Young Ltd. complies with the provisions of the FinMIA and its implementing ordinances. The dispositive of this decision was reproduced in the Pre-Announcement and the decision was published on the same day as the Pre-Announcement. No objection or appeal has been filed against this decision, which is why in the meantime it has become legally binding. In addition, no shareholder has filed a request for party status.

#### **4 Cooling-Off Period**

Subject to any extension by the TOB, the cooling-off period shall last ten (10) Trading Days after publication of the Offer Prospectus, i.e., from 29 September 2023 until 12 October 2023 (the "**Cooling-Off Period**"). The Offer may only be accepted after expiry of the Cooling-Off Period.

#### **5 Offer Period**

Subject to any extension of the Cooling-Off Period by the TOB, the Offer will remain open for acceptance for a period of twenty-one (21) Trading Days after the Cooling-Off Period expires. The Offer is consequently expected to be open for acceptance from 13 October 2023 until 10 November 2023, 4:00 p.m. CET (the "**Offer Period**").

The Offeror reserves the right to extend the Offer Period once or several times to a maximum of forty (40) Trading Days. An extension of the Offer Period beyond forty (40) Trading Days would require the prior consent of the TOB.

#### **6 Additional Acceptance Period**

After the expiration of the (possibly extended) Offer Period and if the Offer is declared successful (*zustande gekommen*), there will be an additional acceptance period of ten (10) Trading Days for the subsequent acceptance of the Offer.

Unless the Cooling-Off Period and/or the Offer Period are extended, the additional acceptance period is expected to run from 17 November 2023 until 30 November 2023, 4:00 pm CET (the "**Additional Acceptance Period**").

#### **7 Offer Conditions, Waiver of Offer Conditions, Duration of Offer Conditions and Postponement of Settlement**

##### **7.1 Offer Conditions**

The Offer is subject to the following conditions (the "**Offer Conditions**" or "**Conditions**" and each an "**Offer Condition**" or a "**Condition**"):

- (a) *Minimum Acceptance Level*: By the end of the (possibly extended) Offer Period, the Offeror shall have received valid and irrevocable acceptance declarations for such number of Schaffner Shares representing, when combined with any Schaffner Shares that the Offeror and its Subsidiaries will

hold at the end of the (possibly extended) Offer Period (but not including Schaffner Shares held by the Company or any of its Subsidiaries), at least 67% of the fully diluted share capital of Schaffner as at the end of the (possibly extended) Offer Period (i.e., of all Schaffner Shares issued as at such date plus all Schaffner Shares the issuance of which (i) has been resolved by a shareholders' meeting or the board of directors of the Company by such date, or (ii) may occur through the exercise of options or conversion or other rights for the issuance, acquisition, transfer or receipt of Schaffner Shares which are issued at, or the issuance of which has been resolved by the shareholders' meeting or the board of directors of the Company, by such date).

- (b) Merger Clearances and Other Approvals: All waiting periods applicable to the acquisition of the Company by the Offeror shall have expired or been terminated and all competent merger control and other authorities and, if applicable, courts in all jurisdictions shall have approved or cleared or, as the case may be, not prohibited or objected to, the Offer, its Settlement and the acquisition of the Company by the Offeror (each such expiration or termination of a waiting period, approval, clearance, non-prohibition or non-objection, a "**Clearance**"). No condition, restriction or undertaking shall have been imposed on the Offeror, the Company and/or any of their Subsidiaries in connection with any Clearance, and no Clearance shall be subject to any condition, restriction or undertaking on any of them that, individually or together with any other condition, restriction or undertaking or other facts, occurrences, circumstances or events, in the opinion of an independent accounting firm or investment bank of international repute to be appointed by the Offeror (the "**Independent Expert**") would reasonably be capable of causing a Material Adverse Effect (as defined below) on the Offeror, the Company, any of their respective Subsidiaries or on the combined group consisting of the Offeror Group and the Schaffner Group when aggregating all respective effects on the Offeror Group and the Schaffner Group.
- (c) No Injunction or Prohibition: No judgment, award, decision, order or other authoritative measure shall have been issued temporarily or permanently, in full or in part, preventing, prohibiting or declaring illegal the Offer, its acceptance, the Settlement or the acquisition of the Company by the Offeror.
- (d) No Material Adverse Effect: By the end of the (possibly extended) Offer Period, no facts, occurrences, circumstances or events shall have arisen or occurred, and no facts, occurrences, circumstances or events shall have been disclosed or reported by the Company or otherwise come to the Offeror's attention which, individually or together with any other facts, occurrences, circumstances, events or conditions, restrictions or undertakings, in the opinion of the Independent Expert, would reasonably be capable of having a Material Adverse Effect on the Company, any of its Subsidiaries or on the Schaffner Group, taken as a whole.

A "**Material Adverse Effect**" means a reduction of:

- the consolidated operating profit (EBIT) by an amount of CHF 1,539,900 (which, according to the annual report of Schaffner for the financial year ended 30 September 2022, corresponds to approximately 10% of the consolidated operating profit (EBIT) of the Schaffner Group for the financial year 2021/2022) or more (whereby, for the avoidance of doubt, any external cost in relation to the transaction contemplated hereby, shall not be taken into account); or
  - the consolidated annual net sales by an amount of CHF 7,909,250 (which, according to the annual report of Schaffner for the financial year ended 30 September 2022, corresponds to approximately 5% of the consolidated net sales of the Schaffner Group for the financial year 2021/2022) or more; or
  - the consolidated equity by an amount of CHF 6,985,400 (which, according to the annual report of Schaffner for the financial year ended 30 September 2022, corresponds to approximately 10% of the consolidated equity of the Schaffner Group for the financial year 2021/2022) or more.
- (e) Registration in the Share Register of the Company: The board of directors of the Company shall have resolved to register the Offeror and/or any other company controlled and designated by the Offeror in the Company's share register as shareholder(s) with full voting rights with respect to all Schaffner Shares that the Offeror or any of its Subsidiaries has acquired or may acquire (with respect to Schaffner Shares to be acquired in the Offer, subject to all other Conditions having been satisfied or waived), and the Offeror and/or any other company controlled and designated by the Offeror shall have been registered in the share register of the Company as shareholder(s) with full voting rights with respect to all acquired Schaffner Shares.
- (f) Resignation and Appointment of Members of the Board of Directors of the Company; Approval of Delisting: All members of Schaffner's board of directors shall have resigned from their functions on the board of directors of the Company and its Subsidiaries with effect from and subject to the Settlement, and a duly convened general meeting of the Company's shareholders shall have (i) elected the persons nominated by the Offeror to the Company's board of directors (including a president of the Company's board of directors and the members of the remuneration committee of the Company's board of directors) with effect from and subject to the Settlement and (ii) approved the delisting of the Schaffner Shares from SIX, subject to the Settlement of the Offer, and instructed the newly elected board of directors of the Company to implement the shareholders' resolution so as to effect the delisting.
- (g) No Adverse Resolutions by the General Meeting of Shareholders of the Company: The general meeting of shareholders of the Company shall not have:
- resolved or approved any dividend, other distribution or capital reduction or any acquisition, spin-off (*Abspaltung*), transfer of assets and lia-

bilities (*Vermögensübertragung*) or other disposal of assets (i) with an aggregate value or for an aggregate consideration of more than CHF 12,082,500 (corresponding to 10% of the consolidated total assets of the Schaffner Group as of 30 September 2022, as per Schaffner's annual report for the financial year 2021/2022), or (ii) contributing in the aggregate more than CHF 1,539,900 to the annual consolidated operating profit (EBIT) (corresponding to 10% of the EBIT of the Schaffner Group as of 30 September 2022, as per Schaffner's annual report for the financial year 2021/2022);

- resolved or approved any merger, demerger (*Aufspaltung*), ordinary or conditional increase of the share capital of the Company or introduction of a capital band; or
- adopted any amendment of the articles of association of the Company to introduce any transfer restrictions (*Vinkulierung*) or voting limitations (*Stimmrechtsbeschränkungen*).

(h) *No Acquisition or Sale of Material Assets or Incurrence or Repayment of Material Indebtedness:* With the exception of the obligations that are related to the Offer or arise from the Settlement, between 30 September 2022 and the transfer of control to the Offeror, the Company and its Subsidiaries shall not have undertaken to acquire or sell (or have acquired or sold) any assets or to incur or repay (or have incurred or repaid) any indebtedness in the aggregate amount or aggregate value of more than CHF 12,082,500 (corresponding to 10% of the consolidated total assets of the Schaffner Group as of 30 September 2022, as per the Company's annual report for the financial year 2021/2022).

## **7.2 Waiver of Offer Conditions**

The Offeror reserves the right to waive, in whole or in part, one or more of the Offer Conditions.

## **7.3 Duration of Offer Conditions and Postponement of Settlement**

Conditions (a) and (d) shall be in effect until the expiration of the (possibly extended) Offer Period.

Conditions (b), (c), (g) and (h) shall be in effect until the Settlement.

Conditions (e) and (f) shall be in effect until the Settlement or, if earlier, until the date when the applicable corporate body of the Company has taken the required resolution mentioned therein.

If any of the Conditions (a) or (d) have not been satisfied or waived by the end of the (possibly extended) Offer Period, the Offer will be declared unsuccessful.

If the respective corporate body of the Company resolves on the matters specified in Conditions (e) or (f) prior to the expiration of the (possibly extended) Offer Period and any of the Conditions (e) or (f) have not been satisfied or waived (with respect to the resolutions of corporate bodies mentioned therein) by the

end of the (possibly extended) Offer Period, the Offer will be declared unsuccessful.

If the Condition (b) has not been satisfied or waived by the anticipated Settlement Date, the Offeror is obliged to postpone the Settlement for a period of up to four (4) months after the expiration of the Additional Acceptance Period (the "**Postponement**"). If any of the Conditions (c), (g) or (h) or, if and to the extent still applicable (see preceding paragraphs), any of the Conditions (e) or (f), have not been satisfied or waived by the anticipated Settlement Date, the Offeror shall be entitled to declare the Offer unsuccessful or to declare a Postponement. During the Postponement, the Offer shall continue to be subject to the Conditions (b), (c), (g) and (h) and, if and to the extent still applicable (see preceding paragraphs), Conditions (e) and (f), as long as, and to the extent, such Conditions have not been satisfied or waived. Unless the Offeror applies for, and the TOB approves, an additional postponement of the Settlement, the Offeror will declare the Offer unsuccessful if such Conditions have not been satisfied or waived during the Postponement.

## **B Information on Tyco Electronics (Switzerland) Holding II LLC (Offeror)**

### **1 Name, Domicile, Capital, Shareholders and Business Activity**

Tyco Electronics (Switzerland) Holding II LLC is a Swiss limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated (and entered into the commercial register) on 18 September 2007 with a quota capital of CHF 60,000, divided into 3 quota shares with a nominal value of CHF 20,000 each. The Offeror has its registered office in Schaffhausen, Switzerland. The Offeror has the following purpose:

"The purpose of the Company is the purchase, holding, transfer and maintenance of participations of other companies in Switzerland and abroad, in particular in electrical systems and electronics branch. The Company can transact all businesses, which are in direct or indirect connection with her consolidated subsidiary. The Company can set up branches and subsidiaries in Switzerland and abroad and can acquire, own and dispose of immovable property. The Company can grant loans and guarantees in support of subsidiaries."

The Offeror is an indirect, wholly owned Subsidiary of TE Connectivity Ltd., a Swiss stock corporation (*Aktiengesellschaft*) having its registered office in Schaffhausen, Switzerland, whose shares are listed on the New York Stock Exchange (NYSE) (ISIN: CH0102993182; ticker symbol: TEL). TE Connectivity Ltd. is a global industrial technology leader providing a broad range of connectivity and sensor solutions, proven in the harshest environments, which enable advancements in transportation, industrial applications, medical technology, energy, data communications, and the home.

The direct holder of all quota shares in the Offeror is Tyco Electronics Group S.A. with its registered office in Luxembourg, Grand-Duchy of Luxembourg.

## **2 Persons acting in concert with the Offeror**

In connection with this Offer, all companies and persons (directly or indirectly) controlled by TE Connectivity Ltd. are deemed to be acting in concert with the Offeror within the meaning of art. 11 para. 1 TOO.

In addition, Schaffner and all companies (directly or indirectly) controlled by Schaffner, for the time period after 16 August 2023, the date on which the Offeror and Schaffner entered into the Transaction Agreement described in Section D3.1 (*Agreements in connection with the Offer between the Offeror and Schaffner*), are deemed to be acting in concert with the Offeror in the sense of article 11 para. 1 TOO.

## **3 Annual Reports**

The Offeror is a limited liability company and does not publish annual reports. The annual reports and quarterly reports of TE Connectivity Ltd. are available at <https://investors.te.com/financial-reports/>.

## **4 Purchases and Sales in Shares and Securities of Schaffner**

During the twelve (12) months period preceding the date of the Pre-Announcement, the Offeror and the persons acting in concert with the Offeror (excluding Schaffner and its Subsidiaries) did not purchase or sell any Schaffner Shares. During the same period, the Offeror and the persons acting in concert with the Offeror (excluding Schaffner and its Subsidiaries) did not purchase or sell any equity derivatives with respect to Schaffner Shares.

Following the date of the Pre-Announcement until 26 September 2023, the Offeror and the persons acting in concert with the Offeror (excluding Schaffner and its Subsidiaries) did not purchase or sell any Schaffner Shares and did not purchase or sell any equity derivatives with respect to Schaffner Shares.

According to Schaffner, since 16 August 2023, the date on which the Offeror and the Company signed the Transaction Agreement described in Section D.3.1 (*Agreements in connection with the Offer between the Offeror and Schaffner*), until 26 September 2023, neither Schaffner nor any of its Subsidiaries have purchased or sold any Schaffner Shares or equity derivatives with respect to Schaffner Shares.

## **5 Participations in Schaffner**

As of 26 September 2023, the share capital of Schaffner (as registered with the Commercial Register of the Canton of Solothurn as of 26 September 2023) amounts to CHF 20,668,050 divided into 635,940 registered shares with a nominal value of CHF 32.50 each. The Offeror and the persons acting in concert with the Offeror within the meaning of art. 11 para. 1 TOO (excluding Schaffner and its Subsidiaries) do not hold any Schaffner Shares as of 26 September 2023.

Taking into consideration the 5,127 Schaffner Shares held by Schaffner, the Offeror and all persons acting in concert with the Offeror within the meaning of

art. 11 para. 1 TOO hold as of 26 September 2023 0.81% of the share capital (and the voting rights) of Schaffner.

The Offeror and the persons acting in concert with the Offeror within the meaning of art. 11 para. 1 TOO hold no equity derivatives with respect to Schaffner Shares.

## **C Financing**

The Offeror finances the Offer from funds of the Offeror Group which it has at its disposal or which are made available to it from within the Offeror Group.

## **D Information on Schaffner Holding Ltd. (Target Company)**

### **1 Name, Domicile, Share Capital, Business Activity and Annual Report**

Schaffner Holding Ltd. is a stock corporation (*Aktiengesellschaft*) incorporated under the laws of Switzerland for an indefinite period with its registered office in Luterbach, Switzerland. Its main corporate purpose is the investment in other companies in Switzerland and abroad. It may establish branches and subsidiaries in Switzerland and abroad and acquire, hold and sell real estate. Further, the Company may engage in all commercial, financial and other activities which are connected with its purpose. In pursuing its corporate purpose, the Company strives to the creation of long-term, sustainable value.

As of 26 September 2023, Schaffner has a share capital of CHF 20,668,050 divided into 635,940 registered shares with a nominal value of CHF 32.50 each. Schaffner has neither a conditional share capital nor an authorized capital or a capital band in place.

The Schaffner Shares are listed pursuant to the Swiss Reporting Standard of SIX under the Swiss Security Number 906209 (ISIN: CH0009062099; Ticker Symbol: SAHN).

The annual report of Schaffner (including the corporate governance report, the compensation report and the financial report) for the business year ended 30 September 2022, the half-year report as of 31 March 2023 as well as the interim financial statements as of 30 June 2023 are available at <https://www.schaffner.com/investors/reports-and-presentations>.

### **2 Intentions of the Offeror with respect to Schaffner, its Board of Directors and its Management**

Through the Offer, the Offeror intends to obtain full (100%) control of Schaffner.

The Offeror is developing an integration plan in close collaboration with Schaffner's management. Following the Settlement of the Offer, TE plans to commence the integration process and Schaffner will become part of TE's industrial business unit and is intended to become the global "EMC Center of Excellence" for the entire TE group. TE intends to join forces with all relevant stakeholders to create a market leader in EMC Filters that is well-positioned to serve customers and expand market share. The Offeror intends to replace the members

of the board of directors of Schaffner as of the Settlement. In the Transaction Agreement, Schaffner agreed to procure that all incumbent members of Schaffner's board of directors will resign from their function(s) on the board of directors of Schaffner and the board of directors (or equivalent corporate body) of any of Schaffner's Subsidiaries, if applicable, with effect as of the Settlement. In addition, Schaffner, subject to the Offeror declaring the Offer successful, undertook to hold an extraordinary shareholders' meeting of Schaffner between the expiration of the Offer Period and two (2) Trading Days prior to the Settlement, and to, *inter alia*, propose and recommend (i) the election of the nominees to be designated by the Offeror to the Company Board, the remuneration committee and as chairperson and (ii) the delisting of the Schaffner Shares from SIX.

In the event that, after the Settlement, the Offeror holds more than 98% of the voting rights in Schaffner, the Offeror intends to apply for the cancellation of the remaining Schaffner Shares in accordance with art. 137 FMIA.

In the event that the Offeror, as a consequence of the Offer, holds between 90% and 98% of the voting rights in Schaffner after the Settlement, the Offeror intends to merge Schaffner with the Offeror respectively a direct or indirect Swiss Subsidiary of the Offeror, whereby the remaining public shareholders of Schaffner would be compensated (in cash) and not receive any shares in the surviving company. The Swiss tax consequences resulting from a squeeze-out merger with a cash-only consideration may be considerably worse than the tax consequences of an acceptance of the Offer for individuals who are resident in Switzerland for tax purposes and hold the Schaffner Shares as their private assets (*Privatvermögen*) and for foreign investors (see also Section H7 (*Possible Tax Consequences*)).

Furthermore, after the Settlement of the Offer and irrespective of the acceptance level, the Offeror intends to have Schaffner submit an application to SIX Exchange Regulation for the delisting of the Schaffner Shares in accordance with the listing rules of SIX Exchange Regulation and, in the event that the Offeror holds more than 98% of the voting rights in Schaffner after the Settlement, for an exemption from certain disclosure and publicity obligations under the listing rules of SIX Exchange Regulation until the date of delisting of the Schaffner Shares.

### **3 Agreements between the Offeror and its Shareholders and Schaffner, its Corporate Bodies and Shareholders**

#### **3.1 Agreements in connection with the Offer between the Offeror and Schaffner**

##### ***Confidentiality Agreement***

On 21/22 March 2023, TE Connectivity Ltd. and Schaffner entered into a confidentiality agreement customary for this type of transaction, pursuant to which the parties essentially agreed to treat any non-public information which may be exchanged between them as confidential, and TE Connectivity Ltd. agreed, from the date of the confidentiality agreement until the later of the date falling twelve (12) months after such date or nine (9) months after the termination of a poten-

tial public tender offer of TE Connectivity Ltd. for all Schaffner Shares, and subject to a deviating agreement or Schaffner's prior written consent, not to (i) make any transactions in Schaffner Shares or equity securities with Schaffner Shares as underlying and (ii) publicly announce any intention to acquire or publicly make an offer with respect to Schaffner Shares or equity securities with Schaffner Shares as underlying.

### **Transaction Agreement**

On 16 August 2023, the Offeror and Schaffner entered into a Transaction Agreement, which was unanimously approved by Schaffner's board of directors, in which the parties agreed, among others, the following:

- The Offeror agreed to publish, either itself or through a direct or indirect 100% Subsidiary, the Offer Prospectus and to conduct the Offer in accordance with the terms of the Transaction Agreement, and Schaffner's board of directors unanimously resolved, *inter alia*, to recommend the acceptance of the Offer to the shareholders of the Company and to publish the board report on the Offer in the Offer Prospectus (see Section F (*Report of the Board of Directors of Schaffner pursuant to art. 132 FMIA*)).
- The Company agreed to actively support the Offer and to refrain, and procure that its Subsidiaries and its Subsidiaries' representatives will refrain, from any acts, filings and statements that would adversely affect the Offer or its success.
- The Company agreed to undertake not to, and procure that it and its Subsidiaries' representatives will not, (i) neither directly nor indirectly, solicit, initiate, propose or encourage the submission of a third party transaction or take any other action which may encourage, facilitate, support or assist in the preparation of a third party transaction, (ii) enter into any (binding or non-binding) letter of intent or any other agreement with respect to a third party transaction or (iii) directly or indirectly initiate, participate in or continue any discussions or negotiations regarding a third party transaction or provide any information relating to the Schaffner Group or grant access to the Schaffner Group's businesses, properties etc. to any third party, or cooperate in any way with, or knowingly assist, participate or encourage any effort by any third party that is seeking to make, or has made a third party transaction. However, the board of directors of Schaffner may, until the Trading Day prior to the expiration of the Offer Period, if and to the extent deemed required by its fiduciary duties as determined in good faith by the board of directors of Schaffner, and in response to an unsolicited written letter to the Company expressing the firm intention to announce a **Better Offer** (being defined as a *bona fide*, written unsolicited firm offer made by a third party to acquire all of the Shares or all or substantially all of the assets of the Company (including its Subsidiaries), pursuant to a public tender or exchange offer, a merger or similar transaction, at terms and conditions which the Company's board of directors, excluding conflicted members, determines in its good faith judgment after consultation with outside counsel and its financial advisor to be, in the

aggregate, and considering all relevant aspects (including transaction certainty and the risk of consummation), more favorable to its shareholders than the terms and conditions of the Public Tender Offer) by a third party, who the board of directors of Schaffner determines, in its good faith judgment, is reasonably capable of expeditiously making, financing and consummating a Better Offer on the terms and conditions set out in such letter, (i) furnish information with respect to the Company Group to such third party pursuant to a customary confidentiality and standstill agreement and (ii) participate in discussions or negotiations with such third party regarding its Better Offer, if and after the Offeror has been informed by the Company within forty-eight (48) hours on the offer price and the main terms and conditions of such contemplated Better Offer and has had the chance to reasonably present its view to the Company on such terms and conditions. Neither the board of directors of Schaffner nor any committee thereof shall, *inter alia*, (i) revoke, withdraw or modify its resolution to recommend the acceptance of the Offer or the approval of the board report or its issuance, (ii) withdraw, modify or qualify in any manner adverse to the Offeror the recommendation of the Offer or the board report, (iii) approve or enter into any letter of intent, acquisition agreement or similar agreement relating to any third party transaction, (iv) approve or recommend, or announce publicly to approve or recommend, any third party transaction or (v) in each case of (i) through (iv) above, make any announcement to that effect, *unless*, in each case, until the Trading Day prior to the expiration of the Offer Period, a Better Offer is submitted to the board of directors of the Company and the latter determines in good faith after consultation with outside counsel and its financial advisor, that the third party who made such Better Offer is capable of making, financing and consummating such Better Offer in a reasonable time frame, in which case the Company and the board of directors of Schaffner shall be allowed to take any action referred to in sub-paragraphs (i) through (v) above; *provided, however*, that, prior to taking any action referred to in sub-paragraphs (i) through (v) above, the Company shall have promptly (but no later than forty-eight (48) hours after receipt) notified the Offeror in writing of such Better Offer, including the identity of the person making such Better Offer and the terms and conditions of such Better Offer, and shall have given the Offeror five (5) Trading Days to submit an improved binding Offer, so that the improved Offer is at least as favorable to the holders of the Shares as such Better Offer, in which case the Company shall not have the right to take any of the actions set forth in subparagraphs (i) through (v) above or take any other action that would adversely affect the Offer or its success.

- The board of directors of Schaffner procured that the fairness opinion commissioned from Raiffeisen Bank, confirming that the Offer Price is fair from a financial perspective, be published as an integral part of and concurrently with the board report on the Offer.
- Subject to the satisfaction or waiver by the Offeror of all other Offer Conditions, the Company agreed to undertake to promptly enter the Offeror and any of its affiliates (if applicable) into the share register of the Company as

shareholders with full voting rights with respect to all Schaffner Shares held and acquired by them with effect as from the Settlement or before.

- The parties have entered into customary undertakings to pursue the fulfillment of the Offer Conditions.
- The Company agreed to use, and to procure that its affiliates and its affiliates' representatives use, their reasonable best efforts (i) to directly liaise with shareholders and approach them to cause them to tender or sell their Schaffner Shares or Schaffner Shares represented by them and (ii) subject to applicable data protection laws, to disclose such information on the Company's shareholder base to the Offeror, the Offer Manager and any persons acting on their behalf, and provide such other assistance as to enable them to plan and engage in efforts at procuring tenders of Schaffner Shares from shareholders of the Company. Further, subsequent to the publication of the Pre-Announcement, the Company agreed to use its reasonable best efforts to support the Offeror in explaining the Offer to significant shareholders that have publicly disclosed their shareholding and to use their commercially reasonable best efforts to convince certain of such significant shareholders to enter into tender undertakings regarding the Offer as soon as practicable prior to the publication of the Offer Prospectus. The Company further agreed to procure that no treasury shares will be tendered into the Offer and confirmed that each of the members of the board of directors and the group executive management have confirmed that they will tender into the Offer any Schaffner Shares directly or indirectly owned or controlled by them.
- Subject to the Offeror declaring the Offer successful, the Company agreed to undertake to hold an extraordinary shareholders' meeting between the expiration of the Offer Period and two (2) Trading Days prior to the scheduled date of the Settlement and to propose and recommend to the shareholders (i) the election of the nominees designated by the Offeror to the board of directors of the Company, to the remuneration committee of the Company and as chairman of the board of directors of the Company, in each case with effect as per the Settlement, (ii) the delisting of the Schaffner Shares from SIX and (iii) the discharge of the resigning members of the board of directors of the Company.
- The Company agreed to procure that all incumbent members of the board of directors of the Company will resign from their function(s) in the Company's board of directors and the board of directors (or equivalent corporate body) of any of the Company's Subsidiaries, if applicable, with effect as per the Settlement.
- The Company agreed to undertake to, and procure that the Company Group will, continue to operate its business as a going concern, in the ordinary course of business consistent with past practice and the current budget and business plan and with the required diligence at all times from the date of the Transaction Agreement through the Settlement and to take certain ac-

tions, and to procure that each of its Subsidiaries will take certain actions, only with the prior consent of the Offeror, except as required by applicable laws and regulations.

- The Company agreed to undertake, at all times from the date of execution of the Transaction Agreement until the earlier of (i) the day falling six (6) months after the end of the Additional Acceptance Period of the Offer, and (ii) the termination of the Transaction Agreement, to comply, and to procure that all of its Subsidiaries and other affiliates comply, with the best price rule set forth in art. 12 para. 1 TOO, including without limitation to refrain, and procure that all of its Subsidiaries refrain, from doing anything that would trigger the best price rule pursuant to art. 12 para. 1(b) and art. 10 TOO.
- With regard to the Company's Long Term Incentive Plan and other incentive plans of the Company, the Company agreed (a) to arrange that, with the agreement of the employee or member of the Company's board of directors concerned, the shares already issued to such employee or member of the Company's board of directors and blocked under the Long Term Incentive Plan shall be tendered into the Offer, the blocking period shall be lifted for that purpose, and the corresponding purchase price shall be paid to the employee or member of the Company's board of directors concerned in accordance with the terms of the Offer and (b) that any Schaffner Shares to be delivered to the management under the Long Term Incentive Plan for FY 2022/2023 and for the first quarter of FY 2023/2024 shall be paid in cash applying the Offer Price and that likewise, the pro-rata remuneration of the members of the Company's board of directors (to the extent the Long Term Incentive Plan provides for payment in Schaffner Shares) shall be paid in cash, which amount shall be determined based on the Offer Price. With regard to (a), should the Offer fail, the shares shall remain blocked as per the Long Term Incentive Plan. All such measures, decisions or allocations are subject to a corresponding final decision of the TOB and other competent authorities that there is no violation of the minimum price rule, best price rule and any other applicable rules under Swiss takeover law. To the extent any such measure, decision or allocation fails to comply with these rules, the Long Term Incentive Plan shall remain unchanged and none of the non-compliant measures, decisions or allocations shall be implemented.
- The Offeror agreed to undertake to develop a severance scheme with the Company in relation to any employee of the Schaffner Group that shall be terminated after Settlement but with effect before the end of 2024 to realize cost synergies and not for valid reasons (*zureichende Gründe*) due to their insufficient performance. Any severance payment offered under such severance scheme shall be based on the years of service and the individual contribution of any relevant employee and shall target for all employees concerned a severance payment in aggregate of no less than three (3) months.
- The parties made certain representations and warranties customary for this type of transaction. *Inter alia*, the Company represented and warranted that

as of the date of the Transaction Agreement, (i) it has not taken, proposed or approved, since 31 March 2023, any actions that have any dilutive effect on the Schaffner Shares, (ii) it has not taken, proposed or approved, since the date the minimum price rule started to apply to the Company, any actions that violate the minimum price rule, the best price rule or any other applicable rules under Swiss takeover law that, in all cases, could lead to an increase of the Offer Price, (iii) it is not aware of any facts or circumstances that should have been disclosed under ad hoc publicity rules of SIX Exchange Regulation and it is not holding back any price-sensitive facts pursuant to art. 54 of the listing rules of SIX Exchange Regulation and (iv) it is not aware of any facts or circumstances which could materially impair or prevent the success of the Offer. The Company agreed to deliver to the Offeror, immediately prior to each of the publication of the Offer Prospectus, any publication of an amendment of the Offer (if any) and the expiration of the Offer Period, a written certificate issued by the chairman of the board of directors and the CEO of the Company dated that day confirming in writing that, to the best of their knowledge, the representations are still true and correct as of such date.

- Subject to applicable laws, the Company agreed to support any actions reasonably proposed by the Offeror in order to achieve control over 100% of the Schaffner Shares, to delist the Schaffner Shares from SIX and to prepare and facilitate the combination and integration of the Schaffner Group with and into the Offeror Group.
- The Company agreed to pay to the Offeror an amount of CHF 3.2 million as a lump sum cost reimbursement if the Offer is not successful or does not become unconditional for a reason attributable to a material breach by the Company of the Transaction Agreement or the failure to satisfy the Offer Conditions relating to (i) the resignation of members of the Company's board of directors, (ii) the absence of adverse resolutions of the shareholders' meeting or (iii) the limitations on material acquisitions and dispositions and the incurrence of indebtedness. The Offeror agreed to pay to the Company an amount of CHF 3.2 million as a lump sum cost reimbursement if the Offer is not successful or does not become unconditional for a reason attributable to a material breach by the Offeror of the Transaction Agreement.
- TE Connectivity Ltd. agreed to covenant that a guarantee in relation to the payment obligation of the Offeror will be provided by TE Connectivity Ltd. or a creditworthy and financially sound Subsidiary if necessary to satisfy the certain fund requirements in relation to the Offer.
- The Transaction Agreement may be terminated with immediate effect (i) by mutual written consent of both parties, (ii) by either party if the Offer is not successful or is withdrawn in accordance with applicable legal requirements, (iii) by either party if the Offeror publicly declares that the Offer will not be further pursued or has failed or if the Offeror otherwise withdraws from launching, continuing or settling the Offer in accordance with Swiss takeover

laws and regulations, or if the TOB prohibits the Offer from being launched, from remaining open, or from settling, so long as the Party seeking to terminate is not in breach of the Transaction Agreement, (iv) by either party if the other party fails to meet material obligations or its representations and warranties under the Transaction Agreement, unless promptly and fully remedied by the breaching party, (v) by either party, if the Company enters into a definitive agreement with a third party regarding a third party transaction, provided that the Company may only exercise this termination right if it has complied with its obligations under section 3.3 (Non-solicitation) of the Transaction Agreement and the Offeror has failed to improve its Offer such that the third party transaction may not be regarded by the Company's board of directors, properly exercising its duties, as a Better Offer, and (vi) by the Offeror, if the Company's board of directors or any committee thereof (a) fails to unconditionally recommend the Offer to the shareholders of the Company as contemplated in the Transaction Agreement, (b) withdraws, modifies or qualifies its recommendation of the Offer or makes an announcement to that effect, or (c) approves or recommends a third party transaction or makes an announcement to that effect. If the Transaction Agreement is terminated according to these provisions, all other provisions of the Transaction Agreement become ineffective, with the exception of section 9 (Break fee), 10 (Termination) and 12 (Miscellaneous) of the Transaction Agreement.

### **3.2 Agreements in Connection with the Offer between the Offeror and Shareholders of Schaffner**

On 16 August 2023, the Offeror, on the one hand, and BURU Holding AG as well as Mr. Philipp Buhofer, on the other hand, entered into a tender agreement, in which BURU Holding AG and Mr. Philipp Buhofer agreed to tender all of their freely transferable Schaffner Shares into the Offer (109,155 Schaffner Shares, corresponding to 17.16% of the Company's share capital and voting rights).

On 24 August 2023, the Offeror entered into additional, separate tender agreements with each of Mr. Marc Alexander Buhofer, Mr. Jörg Wolle, Matter Group AG and J. Safra Sarasin Investmentfonds Ltd., in which each of the latter four agreed, *inter alia*, to tender all Schaffner Shares held by them into the Offer (19,662 Schaffner Shares, corresponding to 3.09% of the Company's share capital and voting rights, held by Mr. Marc Alexander Buhofer; 24,503 Schaffner Shares, corresponding to 3.85% of the Company's share capital and voting rights, held by Mr. Jörg Wolle; 30,162 Schaffner Shares, corresponding to 4.74% of the Company's share capital and voting rights, held by Matter Group AG; 55,014 Schaffner Shares, corresponding to 8.65% of the Company's share capital and voting rights, held by J. Safra Sarasin Investmentfonds Ltd.). In addition, each of Mr. Marc Alexander Buhofer, Mr. Jörg Wolle, Matter Group AG and J. Safra Sarasin Investmentfonds Ltd. in their respective tender agreement undertook not to acquire any additional Schaffner Shares or financial instruments relating thereto from the date of the agreement until the expiration of the term during which the best price rule according to art. 10 TOO applies.

### **3.3 No other Agreements**

Apart from the agreements summarized above, no agreements exist in connection with or related to the Offer between the Offeror and its shareholders on the one hand and Schaffner and the members of its board of directors and management and shareholders on the other hand.

### **3.4 Confidential Information**

The Offeror confirms pursuant to art. 23 para. 2 TOO that, with the exception of information which has been publicly announced in this Offer Prospectus and in the report of Schaffner's board of directors (see Section F (*Report of the Board of Directors of Schaffner pursuant to art. 132 FMIA*)), neither the Offeror nor the persons acting in concert with the Offeror within the meaning of art. 11 para. 1 TOO (excluding Schaffner and its Subsidiaries) have received either directly or indirectly from Schaffner confidential information concerning Schaffner which might materially influence the decision of the recipients of the Offer.

## **E Report of the Review Body according to art. 128 FMIA dated 27 September 2023**

### **Report of the review body according to art. 128 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading ("FMIA")**

As a review body recognized according to the FMIA to review public takeover offers, we have reviewed the offer prospectus of Tyco Electronics (Switzerland) Holding II LLC ("**Offeror**"). The report of the board of directors of the target company and the fairness opinion of Raiffeisen Bank were not subject to our review.

The preparation of the offer prospectus is the responsibility of the Offeror. Our responsibility is to express an opinion on the offer prospectus based on our review. We confirm that we comply with the independence requirements provided by takeover law and that there are no facts which are incompatible with our independence.

Our review was conducted in accordance with the standards promulgated by the Swiss profession (PS 880), which require that a review according to article 128 FMIA be planned and performed to verify the formal completeness of the offer prospectus according to the FMIA and its ordinances and to obtain reasonable assurance about whether the offer prospectus is free from material misstatement in consequence of violation or errors. It must be noted that ciphers 4 to 7 below cannot be reviewed with the same assurance as ciphers 1 to 3. We have examined the information in the offer prospectus by means of analyses and ascertainties on a test basis. Furthermore, we have verified the compliance with the

FMIA and its ordinances. We believe that our review provides a reasonable basis for our opinion.

In our opinion

1. the Offeror has taken the necessary measures in order for the required funds to be available on the settlement date;
2. the provisions governing change of control offers, in particular those governing the minimum price, have been observed; and
3. the Best Price Rule has been observed until 27 September 2023.

Furthermore, we have not encountered any facts from which we had to infer that:

4. the recipients of the offer are not treated equally;
5. the offer prospectus is not complete and accurate in accordance with the provisions of the FMIA and its ordinances;
6. the offer prospectus is not in accordance with the FMIA and its ordinances; and
7. the provisions regarding the effects of the pre-announcement have not been observed.

This report is neither a recommendation for the acceptance or rejection of the offer nor a confirmation (Fairness Opinion) regarding the financial appropriateness of the offer price.

Ernst & Young Ltd

Marc Filleux  
Partner

Nadia Schneider  
Senior Manager

## **F Report of the Board of Directors of Schaffner pursuant to art. 132 FMIA<sup>1</sup>**

The board of directors of Schaffner Holding AG ("**Board of Directors**") with registered office in Luterbach, Switzerland ("**Schaffner**" or the "**Company**", and together with its subsidiaries, the "**Schaffner Group**"), hereby comments pursuant to article 132 para. 1 of the Financial Market Infrastructure Act ("**FMIA**") and ar-

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<sup>1</sup> In this section F (*Report of the Board of Directors of Schaffner pursuant to Art. 132 FMIA*), definitions differing from the rest of the Offer Prospectus are used in part.

articles 30-32 of the Takeover Ordinance on the public tender offer ("**Offer**") of Tyco Electronics (Switzerland) Holding II LLC, with registered office in Schaffhausen, Switzerland ("**Offeror**" and together with its ultimate parent entity and its subsidiaries the "**TE Group**"), for all publicly held registered shares of Schaffner with a nominal value of CHF 32.50 each (each a "**Share**").

## **I Recommendation of the Board of Directors and Rationale**

### **1 Recommendation**

Based on an in-depth review of the Offer and taking into account the fairness opinion of Raiffeisen Schweiz Genossenschaft ("**Raiffeisen**"), which forms an integral part of this report ("**Board Report**") (see section I.2.3 below), the Board of Directors, composed of the members set out in section II.1.1 below, resolved unanimously, once with all members and once under the abstention of Philipp Buhofer, on 16 August 2023 to recommend to the shareholders of Schaffner to accept the Offer submitted by the Offeror and approved the content of this Board Report on 27 September 2023.

### **2 Rationale**

The Board of Directors negotiated a transaction agreement ("**Transaction Agreement**") that governs the time between the publication of the pre-announcement on 17 August 2023 ("**Pre-Announcement**") and Settlement of the Offer and certain aspects of the continuation of Schaffner's business and made an in-depth review of the Offer. The Offer is further described in the offer prospectus of the Offeror ("**Offer Prospectus**").

#### **2.1 Offer Price**

The price offered by the Offeror amounts to CHF 505 net in cash for each Share ("**Offer Price**"). The Offer Price implies a premium of approximately 79.1% to the unaffected closing price of the Shares on 6 June 2023 and a 74.5% premium to the volume-weighted average price ("**VWAP**") of the Shares during the sixty (60) SIX trading days prior to the publication of the Pre-Announcement.

#### **2.2 Offer Conditions**

The Offer remains subject to the conditions and further terms set forth in the Offer Prospectus, including:

- by the end of the (possibly extended) offer period, the Offeror shall have received valid and irrevocable acceptances for such number of Shares representing, when combined with the Shares that the Offeror will own at that point in time, at least 67% of the fully diluted share capital of Schaffner;
- further customary offer conditions, such as regulatory approvals, absence of dilutive corporate actions, absence of material adverse change in the business, assets, liability or condition of the Company, exchange of the Compa-

ny's board of directors and approval by the shareholders' meeting of the Company to delist the Shares.

For a more detailed description of the Offer conditions please refer to section A of the Offer Prospectus. The Offer period will commence according to the Offer Prospectus on 13 October 2023 and the transaction is currently expected to complete by 14 December 2023.

### **2.3 Fairness Opinion**

To evaluate and confirm the financial fairness, the Board of Directors mandated Raiffeisen to act as independent expert and to issue a fairness opinion to assess the financial appropriateness of the Offer Price. In the fairness opinion dated 7 September 2023, Raiffeisen concluded, based on its analysis, that the Offer Price is fair and appropriate from a financial point of view. Based on and subject to the assumptions set out therein, Raiffeisen determined, as of the valuation date of 16 August 2023 and based on a conducted Discounted Cash Flow (DCF) analysis, a DCF sensitivity analysis, an analysis of valuations of comparable listed companies, an analysis of valuations of comparable acquisitions and an analysis of paid premiums in previous takeover transactions, a value of CHF 452 per Share with a range of CHF 423 to CHF 482 per Share. Given the conclusions of the Fairness Opinion, the share price development over the last years, and the Offer Price of CHF 505 per Share, the Board of Directors is convinced that the shareholders of Schaffner have received a fair and favorable Offer.

The fairness opinion can be ordered in German, French and English at no cost at Schaffner Holding AG, Investor Relations, Nordstrasse 11e, 4542 Luterbach, Switzerland (email: [investor-relations@schaffner.com](mailto:investor-relations@schaffner.com)) or downloaded on <https://www.schaffner.com/investors>.

### **2.4 Business Rationale**

Schaffner is a market leader in industrial Electromagnetic Compatibility (EMC) filter solutions and is offering a comprehensive product portfolio in this market. Schaffner has a proven business model, combining customized solutions distributed via direct sales and standard solutions sold via distribution partners, seamless integration of and transition between them in product development. Schaffner has established itself as the technology and innovation leader in this space.

The TE Group is a global industrial technology leader creating a safer, sustainable, productive and connected future. Its broad range of connectivity and sensing solutions, proven in the harshest environments, enables advancements in transportation, industrial applications, medical technology, energy, data communications and the home. The TE Group has more than 85,000 employees, including over 8,000 engineers, working alongside customers in approximately 140 countries.

The Board of Directors, with the assistance of professional advisors, has thoroughly explored different strategic alternatives, including the integration into the TE Group. The respective opportunities and risks including transactional execu-

tion risks have been assessed and the interests of all stakeholders of Schaffner carefully considered.

The Board of Directors concluded that the Offer provides an excellent strategic opportunity for Schaffner with a compelling underpinning industrial logic to meet future market challenges from a position of strength and to create substantial value for stakeholders. EMC filters are of high strategic interest to both Schaffner and the TE Group as they are a critical product in many focus applications, such as motion control, robotics, industrial machinery, building technology, medical, e-mobility, etc., and as they can leverage the scale of TE Group's global go-to-market model (OEMs, EMS companies, distributors and end-users). The TE Group intends to integrate its own filter business into Schaffner, creating a market leader in EMC Filters that is well positioned to serve customers and expand market share.

The combined group will benefit from broader market access and a global customer base, especially among major international corporations. Through the global sales and distribution network, Schaffner's product and solution offering reaches significantly more customers. Also, TE is a large strategic supplier and innovation partner to many of the key customers in Schaffner's focus growth market segments. Board of Directors believes that Schaffner will be able to leverage this position to benefit its business in an accelerated manner.

The TE Group intends to preserve today's key success factors of Schaffner in order to realize the full potential of the combination. Thanks to its technological leadership and innovation expertise, Schaffner shall become the global "EMC Center of Excellence" for the entire TE Group. This gives Schaffner the ability to drive its innovation and product roadmaps across multiple strategic market segments and leverage TE Group's scale and expertise. Schaffner will also gain access to TE Group's Center of Excellence for Manufacturing Automation, whose expertise can be used to further increase production efficiency. Schaffner sites are envisaged to also benefit from additional production volume. In addition, the higher purchasing volume is expected to improve the company's position in the procurement market in the areas of freight, logistics, raw material procurement and other areas. The Board of Directors believes that all these factors will add up to a more competitive combined business.

With TE Group's global presence and scale in multiple countries and in several market segments, Schaffner team members are expected to have access to additional development and career growth opportunities.

Overall, the Board of Directors believes that the Offer is not only beneficial for the business of Schaffner and its customers, but also for the employees and other stakeholders.

## **2.5 Squeeze-Out and Delisting**

In the event that after the consummation of the Offer ("**Settlement**"), the Offeror holds more than 98% of the voting rights of the Company, the Offeror intends to request the cancellation of the remaining Shares in accordance with art. 137 FMIA with the competent court. In the event that after the Settlement, the Offeror holds between 90% and 98% of the voting rights of Schaffner, the Offeror in-

tends to compensate the remaining minority shareholders of Schaffner in cash in connection with a squeeze-out merger pursuant to art. 8 para. 2 of the Swiss Merger Act.

The shareholders not accepting the Offer may thus be compulsorily squeezed-out of the Company. In case of a possible squeeze-out merger, the compensation may in certain cases deviate from the Offer Price. The tax consequences of a squeeze-out by way of a cancellation or a squeeze-out merger are described in section H.7.2.2 of the Offer Prospectus.

After the Settlement of the Offer, the Offeror intends to have the Shares delisted from SIX Swiss Exchange. The delisting may significantly impair the ability to trade in Shares.

## **2.6 Agreements with Major Shareholders**

The Board of Directors has, when deciding to support the transaction, taken note of the fact that the major shareholders of Schaffner holding (directly or indirectly) 238,796 or 37.55% of all Shares have each individually contractually agreed to tender their Shares (except for 300 blocked Shares) into the Offer.

## **2.7 Conclusion**

Based on the above considerations, the Board of Directors came to the conclusion that the Offer is in the best interest of Schaffner, its shareholders, employees, customers and suppliers and that the Offer Price is fair and appropriate. The Board of Directors therefore unanimously resolved to recommend to the shareholders of Schaffner to accept the Offer of the Offeror.

## **3 Agreements with the Offeror**

On 21 March 2023, Schaffner and TE Connectivity Ltd., the ultimate parent company of the Offeror, signed a confidentiality agreement, following the execution of which TE Group was allowed to conduct a limited due diligence relating to Schaffner.

In addition, Schaffner and the Offeror concluded a Transaction Agreement on 16 August 2023, which in essence contains provisions regarding the takeover process and terms and conditions of the Offer and the respective rights and obligations of Schaffner and the Offeror in relation to the Offer. In particular, the Transaction Agreement sets forth the Offer Price to be offered by the Offeror and that the Board of Directors undertakes to support the Offer and to recommend its acceptance to the shareholders of Schaffner. In addition, the Transaction Agreement contains obligations of Schaffner, which among others include the following (in summarized form):

- Schaffner has agreed to actively support the Offer and to refrain from anything that may affect the Offer or its success, subject to legal requirements. This also includes admissible preparatory work for the smooth combination of Schaffner and the Offeror.

- Schaffner undertook not to solicit, initiate, propose or negotiate, or continue discussions or negotiations regarding, any third party transaction. However, Schaffner is allowed, in response to an unsolicited written approach to acquire all Schaffner Shares or all or substantially all assets of Schaffner, which the Board of Directors determines in its good faith judgment and after consultation with its financial advisor, is reasonably capable of expeditiously making, financing and consummating an offer that is in the aggregate and considering all relevant aspects more favorable to the Company and its shareholders than the Offer (the transaction for which such proposal is made, a "**Better Offer**") and after having notified the Offeror of the Better Offer, to furnish information to and participate in discussions and negotiations with the relevant third party.
- Schaffner undertook to procure that neither the Board of Directors nor any committee thereof shall (i) revoke, withdraw or modify its resolution to recommend the acceptance of the Offer or the approval of the Board Report or of its issuance, (ii) withdraw, modify or qualify in any manner adverse to the Offeror the recommendation of the Offer or the Board Report, (iii) approve or enter into any letter of intent, acquisition agreement or similar agreement relating to any third party transaction, (iv) approve or recommend, or announce publicly to approve or recommend, any third party transaction or (v) in each case of (i) through (iv) above, make any announcement to that effect, *unless*, in each case, until the trading day prior to the expiration of the main offer period, a Better Offer is submitted to the Company Board and the Company Board determines in good faith after consultation with outside counsel and its financial advisor, that the third party who made such Better Offer is capable of making, financing and consummating such Better Offer in a reasonable time frame, in which case the Company and the Company Board shall be allowed to take any action referred to in (i) through (v) above; provided, however, that, prior to taking any such action, the Company shall have notified the Offeror about the Better Offer, shall have provided the Offeror the opportunity to submit an improved Offer and the Offeror not having submitted such improved Offer within the agreed period.
- Schaffner undertook to operate its business in the ordinary course of business, consistent with past practice and based on the current budget as well as with the required diligence from the date of the Transaction Agreement through the Settlement and to execute certain business matters only with the consent of the Offeror, unless required by applicable laws, fairly disclosed or if the Board of Directors has withdrawn or modified its recommendation of the Offer. Schaffner further undertook to use its commercially reasonable efforts to preserve substantially intact its business organization and goodwill, keep available the services of its officers and employees and preserve the relationships with the persons having business relationships with the Schaffner Group.
- Offeror agreed to develop a severance scheme with Schaffner in relation to any employee of the Schaffner Group that shall be terminated after Settle-

ment but with effect before the end of 2024 to realize cost synergies and not for valid reasons (*zureichende Gründe*) due to their insufficient performance. Any severance payment offered under such severance scheme shall be based on the years of service and the individual contribution of any relevant employee and shall target for all employees concerned a severance payment in aggregate of no less than 3 months.

A detailed summary of the content of the Transaction Agreement can be found in section D.3.1 of the Offer Prospectus.

## **II Additional information required by Swiss takeover law**

### **1 Potential Conflicts of Interest of the Board of Directors and the Executive Committee**

#### **1.1 Board of Directors**

The Board of Directors of Schaffner is composed of four (4) members: Markus Heusser (chairman), Philipp Buhofer (vice-chairman), Gerhard Pegam and Andrea Tranel.

In case the Offer is successful, all members of the Board of Directors will resign from their functions with effect from the Settlement of the Offer.

Philipp Buhofer and BURU Holding AG entered into a tender agreement with the Offeror. Philipp Buhofer is a substantial shareholder of BURU Holding AG. No other member of the Board of Directors has entered into a contractual or other relationship with the Offeror. No member of the Board of Directors has been elected at the request of the Offeror or is exercising his/her mandate following instructions of the Offeror. The members of the Board of Directors are neither employees nor members of any corporate bodies of the Offeror or of companies having a significant business relationship with the Offeror. All members of the Board of Directors have expressed their intent to tender the Shares they hold into the Offer.

In view of the above, the Board of Directors concluded that it cannot fully rule out a conflict of interest on the part of Philipp Buhofer. No other member of the Board of Directors has a conflict of interest in connection with the Offer. As a result, the Board of Directors decided on the entering into the Transaction Agreement and the recommendation of the Offer once with and once without the vote of Philipp Buhofer.

Except for the facts described in section II.2 below, the Offer does not have any financial consequences for the members of the Board of Directors.

#### **1.2 Executive Committee**

The executive management of the Schaffner Group consists of Marc Aeschlimann (CEO, Head of Industrial Division) and Christian Herren (CFO) (the "**Executive Committee**").

No member of the Executive Committee has entered into a contractual or other relationship with the Offeror. The Offeror intends to continue to operate Schaffner under the current management. The members of the Executive Committee are neither employees nor members of any corporate bodies of the Offeror or of companies having significant business relations with the Offeror.

Accordingly, no member of the Executive Committee has a conflict of interest in connection with the Offer.

Except for the facts described in section II.2 below, the Offer does not have any financial consequences for the members of the Executive Committee.

## **2 Possible financial consequences of the Offer for the Members of the Board of Directors and the Executive Committee**

### **2.1 Participation Plans – Overview and consequences of the Offer on Participation Plans**

#### **2.1.1 Remuneration of the Members of the Board of Directors**

For their service on the Board of Directors, in particular for the preparation of and the participation in board meetings, the members of the Board of Directors receive a fixed annual fee in cash. For their work in the board committees (currently, the Nomination & Compensation Committee and the Risk and Audit Committee), the members of the Board of Directors receive, in addition to the fixed fee, a flat annual committee fee, which differs between committee chairman and the other committee members. This flat committee fee is paid only once per person, even if the recipient is a member of more than one board committee. The Board of Directors has resolved that the chairman of the Board of Directors shall be paid a remuneration of CHF 3,000 per day of proven extra work in connection with the Offer or an alternative transaction, irrespective of its success and subject to the approval by the general meeting of shareholders.

The members of the Board of Directors participate in the Long Term Incentive Plan ("**LTIP**", see also below) which rewards the Board of Directors for their contribution to the continued success of the Group. The LTIP provides a fixed number of target Shares per participant per year, whereby the number of Shares depends on the function within the Board of Directors.

#### **2.1.2 Remuneration of the Members of the Executive Committee**

The members of the Executive Committee receive a fixed base salary, which is paid monthly. The amount is determined by the Board individually for each member and on a discretionary basis, taking into account the individual's role and amount of responsibility. The members of the Executive Committee further receive a variable cash compensation, which is performance based. It is tied to the achievement of corporate financial targets and personal targets. The corporate financial targets are set annually in advance for a one-year performance period. In fiscal year 2022/23 these target metrics were Group net sales, Group EBIT and Group free cash flow for the two members of the Executive Committee. The personal annual targets are set individually for each member of the Executive

Committee before the start of the assessment period. They relate to current projects, the agreed strategic goals, and longer-term company performance and development. Target achievement is evaluated by the Board after the end of the fiscal year. The target amount is contractually set and cannot exceed 50% of fixed compensation. The variable cash compensation can increase up to a maximum of 150% of the target amount if all targets are significantly surpassed, and can fall to 0% of the target amount if the targets are not achieved. The Company and the CEO entered into a retention agreement for the payment of CHF 300,000 which is, among other things dependent on that the CEO's employment agreement is not terminated before the end of the calendar year. An identical retention agreement was entered into with the CFO for a payment of CHF 200,000. Both agreements are not conditional on the Offer, shall make sure the two key executives are retained, and compensate them for the additional work.

As long-term compensation, the members of the Executive Committee participate in the LTIP and are annually awarded a variable number of Shares.

### **2.1.3 Long-Term Incentive Plan (LTIP)**

The Board of Directors has established the LTIP with effect since the fiscal year 2018/2019. The LTIP is an equity award in form of restricted Shares which rewards the Board of Directors, the Executive Committee and certain members of the senior management of the Group for their contribution to the continued success of the Group. The LTIP provides a fixed number of target Shares per participant. The number of target Shares to be granted depends on the participant's function within the Group and the relation to the total target compensation. The final number of Shares effectively allocated and transferred to a participant will be determined annually by the relevant body based on the number of target Shares granted multiplied by the achievement factor, whereby the number of Shares to be allocated to the members of the Board of Directors is fixed. Any allocations to members of the Board of Directors and the Executive Committee are approved by the Board of Directors upon proposal by the Nomination & Compensation Committee.

Shares effectively allocated under the LTIP are subject to a minimum three-year restriction period ("**Restriction Period**") starting on the date of allocation (such restricted Shares, the "**Restricted Shares**"). The Board of Directors upon proposal by the Nomination & Compensation Committee sets the applicable Restriction Period annually and on an individual basis for each allocation. After expiry of the Restriction Period, the participant is free to dispose of his/her Shares, subject to applicable restrictions such as blackout periods, insider information and other applicable selling restrictions.

Participants leaving the Group may keep any Shares that have already been effectively allocated under the LTIP. Such allocated Shares remain, however, blocked until the expiry of the relevant Restriction Period. In case of a change of control event, any Restricted Shares may be released upon decision by the Board of Directors.

Given the foreseeable results of the current year and the advances with respect to the implementation of the strategy, the Board of Directors resolved to set the

achievement factor for the allocation of Shares to the management to 150% for the financial year 2022/23 and the first quarter of the financial year 2023/24.

## **2.2 Shares and entitlements held by members of the Board of Directors and the Executive Committee**

### **2.2.1 Board of Directors**

As of the date of this Board Report, the members of the Board of Directors hold the following numbers of Shares:

<b>Name</b>	<b>Unblocked Shares</b>	<b>Blocked Schaffner-Shares</b>
Markus Heusser	105	0
Philip Buhofer (including Shares held by BURU Holding AG)	109,155	300
Gerhard Pegam	576	300
Andrea Tranel	0	200

These numbers do not include the Shares that will be allocated for the term from the last general meeting until the time the members of the Board of Directors either resign in case of Settlement or, should the Offer not be successful, their term ends at the end of the next ordinary general meeting.

### **2.2.2 Executive Committee**

As of the date of this Board Report, the members of the Executive Committee hold the following numbers of Shares:

<b>Name</b>	<b>Unblocked Shares</b>	<b>Blocked Schaffner-Shares</b>
Marc Aeschlimann, CEO	1,418	1,050
Christian Herren, CFO	411	325

These numbers do not include the Shares that will be allocated for the financial year 2022/23 and the first quarter of financial year 2023/24.

### **2.3 Compensation and Benefits**

The members of the Board of Directors are not granted any compensation, severance payments or other benefits as a result of the Offer. Moreover, no member of the Board of Directors or the Executive Committee was granted any loan or credit from the Company or the Offeror.

The members of the Executive Committee are not granted any severance payments and the employment contracts of the members of the Executive Committee do not contain any change of control clauses. Only the LTI contains a change of control clause allowing the Board of Directors to lift the blocking period.

In the Transaction Agreement, the Offeror undertook (i) to ensure that the Company and its subsidiaries will put the discharge of the persons who, at the time of the signing of the Transaction Agreement and/or the Settlement of the Offer, are members of the Board of Directors or of the Executive Committee, respectively members of the board of directors or of the executive management of the subsidiaries of the Company, on the agenda of the next extraordinary and the next ordinary shareholders' meeting of the Company and of its subsidiaries, respectively (ii) to vote all shares it holds in the Company and its subsidiaries, whether directly or indirectly, in favor of the discharge of the persons mentioned in (i) above respectively to ensure that the voting rights are exercised in this manner and (iii) to waive all claims against the persons mentioned in (i) above in connection with acts or omissions committed in their function as members of the Board of Directors or the Executive Committee, respectively as members of board of directors or the executive management of a subsidiary of the Company, except for willful, fraudulent or gross negligent acts or omissions.

### **3 Contractual Agreements and other Connections with the Offeror**

Apart from the confidentiality agreement signed on 21 March 2023 and the Transaction Agreement, there are no contractual agreements or other connections between Schaffner and its company bodies and the Offeror or, respectively, entities of the TE Group.

### **4 Intentions of Shareholders who hold 3% or more of the Voting Rights**

To the knowledge of the Board of Directors, at the time of the publication of this Board Report, the following shareholders hold 3% or more of the voting rights of Schaffner:

Shareholder	Number of Shares*	Percentage*
BURU Holding AG (Beneficial Owners: Elisabeth Buhofer-Rubli, Philipp Buhofer, Annelies Häcki-Buhofer, Erbengemeinschaft M. Buhofer)	109,455	17.21%
J Safra Sarasin Investmentfonds AG	55,014	8.65%
RoPAS (CH) Institutional Fund – Equities Switzerland (5.66%) (Collective Investors, Licensee: UBS Fund Management (Switzerland) AG, Aeschenvorstadt 1, 4052 Basel, Schweiz)	58,960	9.271%
Jörg Wolle	24,503	3.85%
Arpad Eden Lombard-Martin	19,630	3.09%
Marc Buhofer	19,662	3.09%
Matter Group AG	30,162	4.74%

\* As disclosed with the SIX Disclosure Office and amended based on disclosures made at the Swiss Takeover Board.

On 16 August 2023, BURU Holding AG and Philipp Buhofer signed a tender agreement, according to which they agreed to tender their above mentioned Shares into the Offer, except for 300 blocked Shares held by Philipp Buhofer in his capacity as board member. On 24 August 2023, each of J. Safra Sarasin Investmentfonds AG, Jörg Wolle, Marc Buhofer and Matter Group AG entered into separate tender agreements with the Offeror with respect to their Shares providing for the obligation to tender their Shares into the Offer.

The Board of Directors is not aware of the intentions of other shareholders who hold 3% or more of the voting rights in Schaffner in connection with the Offer.

## **5 Defensive measures pursuant to art. 132 para. 2 FMIA**

The Board of Directors has not taken any defensive measures against the Offer and does not intend to take defensive measures in the future or to propose any such defensive measures to an extraordinary shareholders' meeting.

## **6 Financial Reporting: Material Changes in the Assets and Liabilities, Financial Condition, Profits and Losses and Business Perspectives**

The annual report as of 30 September 2022 of Schaffner was published on 6 December 2022. In addition, on 4 May 2023, Schaffner published its half-year report as of 31 March 2023. Further, the Company established an interim report as of 30 June 2023. The annual reports and the half-year reports as well as the in-

terim report as of 30 June 2023 are available under <https://www.schaffner.com/investors/reports-and-presentations>.

Other than the transaction to which this Board Reports relates, the Board of Directors is not aware of any significant changes in the assets and liabilities, financial condition, profits and losses and business perspectives of Schaffner since 30 June 2023, which could influence the decision of the shareholders of Schaffner regarding the Offer of the Offeror.

Luterbach, 27 September 2023

On behalf of the Board of Directors of Schaffner Holding AG

Markus Heusser

Chairman of the Board of Directors

## **G Decision of the Swiss Takeover Board**

On 27 September 2023, the TOB issued the decision 849/03 in the matter of *Schaffner Holding AG* and decided the following (unofficial translation of the German original):

- "1. *The public tender offer of Tyco Electronics (Switzerland) Holding II LLC to the shareholders of Schaffner Holding Ltd. complies with the provisions of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading and its implementing ordinances.*
2. *Tyco Electronics (Switzerland) Holding II LLC is required to publish the dispositions of this decision together with the offer prospectus.*
3. *The present decision will be published on the website of the Swiss Takeover Board after the publication of the offer prospectus of Tyco Electronics (Switzerland) Holding II LLC.*
4. *The fee to be borne by Tyco Electronics (Switzerland) Holding II LLC amounts to CHF 138'712."*

## **H Implementation of the Offer**

### **1 Information**

Shareholders of Schaffner holding their Schaffner Shares in a custody account will be informed about the Offer by their custody bank and are requested to proceed in accordance with the instructions of their custody bank.

Shareholders of Schaffner keeping their Schaffner Shares at home or in a bank safe will be informed about the Offer by the share register and are requested to proceed in accordance with the instructions of the share register.

## **2 Offer Manager**

ZKB, with its registered office in Zurich, Switzerland, has been mandated with the execution of the Offer.

## **3 Tendered Schaffner Shares**

Upon tender, tendered Schaffner Shares will be booked on the separate Swiss securities number 129873386 (ISIN: CH1298733861; second line, not tradable), blocked by the respective custody bank and cannot be traded or transferred.

## **4 Payment of the Offer Price/Date of Settlement**

Payment of the Offer Price for the Schaffner Shares which will have been validly tendered during the Offer Period and the Additional Acceptance Period is expected to take place on or around 14 December 2023 ("**Settlement Date**"). In the event of an extension of the Offer Period pursuant to Section A5 (*Offer Period*) or a Postponement of the Settlement in accordance with Section A7.3 (*Duration of Offer Conditions and Postponement of Settlement*), the Settlement Date will be deferred accordingly.

## **5 Squeeze-out and Delisting**

After the Settlement of the Offer, as set out in Section D2 (*Intentions of Offeror with respect to Schaffner, its Board of Directors and its Management*), the Offeror intends to request the cancellation of the outstanding publicly held Schaffner Shares in accordance with art. 137 FMIA, or to merge Schaffner with the Offeror or a Swiss Subsidiary of the Offeror whereby the remaining public shareholders of Schaffner will receive a compensation (in cash), but no shares of the surviving company, if permitted by law. Furthermore, after the Settlement of the Offer, the Offeror intends to have Schaffner apply with SIX Exchange Regulation for the delisting of the Schaffner Shares in accordance with the regulations of SIX Exchange Regulation.

## **6 Costs and Fees**

During the Offer Period and the Additional Acceptance Period, Schaffner Shares deposited with banks in Switzerland may be tendered free of costs and fiscal charges. Any Swiss transfer stamp duty (*Umsatzabgabe*) will be borne by the Offeror.

## **7 Possible Tax Consequences**

*All shareholders of Schaffner Shares and beneficial owners of Schaffner Shares are expressly advised to consult their own tax advisors with respect to the Swiss and foreign tax consequences of the Offer and its acceptance or non-acceptance, respectively.*

In general, the following Swiss tax consequences are likely to arise for the shareholders of the Schaffner Shares:

### **7.1 Swiss Tax Consequences for Shareholders who TENDER their Schaffner Shares into the Offer**

No Swiss withholding tax will be levied on the sale of Schaffner Shares pursuant to this Offer.

The following Swiss individual and corporate income tax consequences will likely result for shareholders of Schaffner Shares who are resident in Switzerland for tax purposes and who tender their Schaffner Shares into the Offer:

- Generally, shareholders holding their Schaffner Shares as private assets (*Privatvermögen*) and who tender their Schaffner Shares into the Offer either realize a tax-free private capital gain or suffer a non-tax-deductible capital loss.
- Shareholders holding their Schaffner Shares as business assets (*Geschäftsvermögen*) or classifying as professional securities dealer (*gewerbsmässiger Wertschriftenhändler*) who tender their Schaffner Shares into the Offer either realize a taxable capital gain or suffer a tax-deductible capital loss depending on the relevant income tax value of their Schaffner Shares.

Shareholders who are not tax residents in Switzerland are not subject to Swiss individual and corporate income taxes, except if their Schaffner Shares are attributable to a permanent establishment (*Betriebsstätte*) or a fixed place of business in Switzerland. However, shareholders who are not resident in Switzerland must check which tax consequences may arise in their country of residence or permanent establishment.

### **7.2 Swiss Tax Consequences for Shareholders who do NOT TENDER their Schaffner Shares into the Offer**

#### **7.2.1 The Offeror holds more than 98% of the voting rights in Schaffner after the Settlement**

If TE Connectivity Ltd. and its Subsidiaries (including the Offeror) hold more than 98% of the voting rights in Schaffner after the Settlement, the Offeror intends to request the cancellation of the outstanding publicly held Schaffner Shares in accordance with article 137 FMIA. In such a case, the Swiss tax consequences for the shareholders of Schaffner Shares will be the same as if they had tendered their Schaffner Shares into the Offer (see above).

### **7.2.2 The Offeror holds between 90% and 98% of the voting rights in Schaffner after the Settlement**

If TE Connectivity Ltd. and its Subsidiaries (including the Offeror) hold between 90% and 98% of the voting rights in Schaffner after the Settlement, the Offeror intends to merge Schaffner with the Offeror respectively a direct or indirect Swiss Subsidiary of the Offeror, whereby the remaining public shareholders of Schaffner would be compensated (in cash) and not receive any shares in the surviving company in accordance with article 8 para. 2 and article 18 para. 5 of the Swiss Merger Act.

- The consideration paid to remaining Schaffner minority shareholders (irrespective of their tax residence) in the squeeze-out merger may, depending on the structuring of the squeeze-out-merger and the merger compensation, be subject to Swiss withholding tax of 35% on the difference between (i) the amount of the consideration and (ii) the sum of the nominal value of the Schaffner Shares concerned and of the proportionate part of Schaffner's reserves from capital contribution (*Reserven aus Kapitaleinlagen*) attributable to the respective Schaffner Shares. Depending on the tax status and tax domicile of the shareholder, the withholding tax is fully, partially or not at all reclaimable.
- Schaffner shareholders who are resident in Switzerland and who hold their Schaffner Shares as private assets (*Privatvermögen*) may realize a taxable income on the difference between (i) the amount of the consideration and (ii) the sum of the nominal value of the Schaffner Shares concerned and of the proportionate part of Schaffner's reserves from capital contributions (*Reserven aus Kapitaleinlagen*) attributable to the respective Schaffner Shares.
- Shareholders who are resident in Switzerland and who hold their Schaffner Shares as business assets (*Geschäftsvermögen*), for example by classifying as professional securities dealer (*gewerbsmässiger Wertschriftenhändler*), realize either a taxable capital gain or a tax-deductible capital loss depending on the relevant income tax value of their Schaffner Shares.

Shareholders who are not tax residents in Switzerland are not subject to Swiss individual and corporate income taxes, except if their Schaffner Shares are attributable to a permanent establishment (*Betriebsstätte*) or a fixed place of business in Switzerland. However, shareholders who are not resident in Switzerland must check which tax consequences may arise in their country of residence or permanent establishment. For Swiss withholding tax consequences, see above.

## **I Indicative Timetable**

28 September 2023	Publication of Offer Prospectus
29 September 2023	Start of Cooling-Off Period
12 October 2023	End of Cooling-Off Period
13 October 2023	Start of Offer Period
10 November 2023	End of Offer Period, 4:00 p.m. CET*
13 November 2023	Publication of Provisional Notice of the Interim Result*
16 November 2023	Publication of Definitive Notice of the Interim Result*
17 November 2023	Start of Additional Acceptance Period*
30 November 2023	End of Additional Acceptance Period, 4:00 p.m. CET*
1 December 2023	Publication of Provisional Notice of the Final Result*
6 December 2023	Publication of Definitive Notice of the Final Result*
7 December 2023	Extraordinary shareholders' meeting*
14 December 2023	Settlement of the Offer*

\* The Offeror reserves the right to extend the Offer Period pursuant to Section A5 (*Offer Period*) once or several times, in which case the above dates will be deferred accordingly. In addition, the Offeror reserves the right to postpone the Settlement of the Offer pursuant to Section A7.3 (*Duration of Offer Conditions and Postponement of Settlement*).

## **J Governing Law and Jurisdiction**

The Offer and all rights and obligations arising out of or in connection with the Offer shall be governed by, and construed in accordance with, Swiss substantive law. Zurich 1, Switzerland shall be the place of exclusive jurisdiction for all disputes arising out of or in connection with the Offer.

## **K Publications**

This Offer Prospectus and all other publications of the Offeror in connection with the Offer are published on the website of the Offeror (<https://www.emc-power-offer.com>) and provided electronically to the major Swiss media, the significant information service agencies operating in Switzerland, the significant electronic

media which disseminate stock exchange information, as well as the Swiss Take-over Board.

This Offer Prospectus is available in German, French and English free of charge from Zürcher Kantonalbank at Bahnhofstrasse 9, 8001 Zurich, Switzerland; (e-mail: [prospectus@zkb.ch](mailto:prospectus@zkb.ch); phone: +41 44 292 20 22).