

EATON CORP  
 Form 424B5  
 September 08, 2017  
Table of Contents

Filed Pursuant to Rule 424(b)(5)

Registration Statement No. 333-202308

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities Offered</b>	<b>Amount to be Registered</b>	<b>Maximum Offering Price Per Unit</b>	<b>Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(1)</b>
3.103% Notes due 2027	\$700,000,000	100.000%	\$700,000,000	\$81,130.00
Guarantee of 3.103% Notes due 2027(2)				
3.915% Notes due 2047	\$300,000,000	100.000%	\$300,000,000	\$34,770.00
Guarantee of 3.915% Notes due 2047(2)				

- (1) The filing fee is calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended. The total registration fee being paid in connection with this offering is \$115,900.00.
- (2) Pursuant to Rule 457(n) of the Securities Act of 1933, no separate registration fee is payable for the guarantees.

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**Table of Contents**

**PROSPECTUS SUPPLEMENT**

**(To Prospectus Dated February 26, 2015)**

**\$1,000,000,000**

**EATON CORPORATION**

**\$700,000,000 3.103% Notes due 2027**

**\$300,000,000 3.915% Notes due 2047**

**Fully and unconditionally guaranteed by**

**Eaton Corporation plc, Cooper B-Line, Inc., Cooper Bussmann, LLC, Cooper Crouse-Hinds, LLC, Cooper Industries Unlimited Company, Cooper Lighting, LLC, Cooper Offshore Holdings S.à r.l., Cooper Power Systems, LLC, Cooper Wiring Devices, Inc., Eaton Aeroquip LLC, Eaton Aerospace LLC, Eaton Capital Unlimited Company, Eaton Controls (Luxembourg) S.à r.l., Eaton Electric Holdings LLC, Eaton Hydraulics LLC, Eaton Leasing Corporation, Eaton Technologies (Luxembourg) S.à r.l., Eaton US Holdings, Inc., Turlock B.V., Wright Line Holding, Inc. and Wright Line LLC**

The 3.103% Notes due September 15, 2027 (the 2027 Notes ) and the 3.915% Notes due September 15, 2047 (the 2047 Notes ), and together with the 2027 Notes, the Notes ) will bear interest from September 15, 2017 at a rate of 3.103% per annum, in the case of the 2027 Notes, and 3.915% per annum, in the case of the 2047 Notes. Interest on the Notes will be payable semi-annually in arrears on March 15 and September 15, beginning on March 15, 2018. The 2027 Notes will mature on September 15, 2027 and the 2047 Notes will mature on September 15, 2047. We may redeem some or all of the Notes at any time, in whole or in part, at our option, at the redemption prices set forth under the heading Description of Notes Optional Redemption. If a Change of Control Triggering Event as described herein with respect to the Notes occurs, Eaton Corporation (the Issuer ) will be required to offer to repurchase the Notes at the price described in this prospectus supplement.

The Notes will be unsecured obligations of the Issuer and will rank equally with all of the Issuer's other senior unsecured indebtedness from time to time outstanding. The obligations of the Issuer under the Notes will be fully and unconditionally guaranteed by Eaton Corporation plc (the Parent ) and certain direct and indirect subsidiaries of the Parent (the Subsidiary Guarantors and, together with the Parent, the Guarantors ), with such guarantees ranking equal in right of payment with all other existing and future unsecured and unsubordinated indebtedness of the Guarantors.

**Investing in the Notes involves risks. See Risk Factors on page S-7 of this prospectus supplement and Risk Factors beginning on page 4 of the accompanying prospectus.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	<b>Per 2027</b>		<b>Per 2047</b>	
	<b>Note</b>	<b>Total</b>	<b>Note</b>	<b>Total</b>
Public Offering Price <sup>(1)</sup>	100.000%	\$ 700,000,000	100.000%	\$ 300,000,000
Underwriting Discount	0.650%	\$ 4,550,000	0.875%	\$ 2,625,000
Proceeds to Eaton Corporation (before expenses)	99.350%	\$ 695,450,000	99.125%	\$ 297,375,000

(1) Plus accrued interest, if any, from September 15, 2017, if settlement occurs after that date.

The underwriters expect to deliver the Notes to investors in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, S.A., Luxembourg ( Clearstream, Luxembourg ) and/or Euroclear Bank S.A./N.V. ( Euroclear ), on or about September 15, 2017.

### *Joint Book-Running Managers*

**BofA Merrill Lynch**

**Citigroup**

**Goldman Sachs & Co. LLC**

**J.P. Morgan**

### *Co-Managers*

**Deutsche Bank Securities**  
**Barclays BNP PARIBAS Credit Suisse**  
**BNY Mellon Capital Markets, LLC**

**HSBC KeyBanc Capital Markets**  
**PNC Capital Markets LLC**

**Morgan Stanley**  
**Wells Fargo Securities**  
**Loop Capital Markets**

**September 6, 2017**

**Table of Contents**

**We have not, and the underwriters have not, authorized any other person to provide you with any information or make any representation other than those contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any permitted free writing prospectus that we have prepared. We and the underwriters take no responsibility for, and can provide no assurances as to the reliability of, any information that others may give you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.**

Table of Contents

**TABLE OF CONTENTS**

**PROSPECTUS SUPPLEMENT**

	<b>Page</b>
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	S-1
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	S-2
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	S-3
<u>SUMMARY</u>	S-4
<u>RISK FACTORS</u>	S-7
<u>USE OF PROCEEDS</u>	S-8
<u>CAPITALIZATION</u>	S-9
<u>DESCRIPTION OF NOTES</u>	S-10
<u>CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS</u>	S-19
<u>UNDERWRITING</u>	S-20
<u>LEGAL OPINIONS</u>	S-25
<u>EXPERTS</u>	S-26

**PROSPECTUS**

	<b>Page</b>
<u>ABOUT THIS PROSPECTUS</u>	1
<u>FORWARD LOOKING STATEMENTS</u>	1
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	3
<u>RISK FACTORS</u>	4
<u>THE COMPANY</u>	5
<u>USE OF PROCEEDS</u>	8
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	8
<u>DESCRIPTION OF DEBT SECURITIES</u>	9
<u>DESCRIPTION OF ORDINARY SHARES AND PREFERRED SHARES</u>	41
<u>DESCRIPTION OF DEPOSITARY SHARES</u>	53
<u>DESCRIPTION OF WARRANTS</u>	56
<u>CERTAIN TAX CONSIDERATIONS</u>	58
<u>UNITED STATES FEDERAL INCOME TAXATION</u>	58
<u>PLAN OF DISTRIBUTION</u>	71
<u>EXPERTS</u>	73

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This prospectus supplement relates to a prospectus that is part of a registration statement on Form S-3ASR that we filed with the U.S. Securities and Exchange Commission, or SEC, utilizing a shelf registration process. Under this shelf registration process, we may sell debt securities described in the accompanying prospectus in one or more offerings. The accompanying prospectus provides you with a general description of the debt securities we may offer. This prospectus supplement contains specific information about the terms of this offering. This prospectus supplement may add, update or change information contained in the accompanying prospectus. To the extent that information in this prospectus supplement is inconsistent with information in the accompanying prospectus, the information in this prospectus supplement replaces the information in the accompanying prospectus and you should rely on the information in this prospectus supplement. Generally, when we refer to the prospectus, we are referring to both parts of this document combined.

As used in this prospectus supplement, the terms we, us, our, the Company, and our company refer to Eaton Corporation plc and its consolidated subsidiaries, unless the context otherwise requires, Eaton and the Issuer refers to Eaton Corporation and Parent refers to Eaton Corporation plc. References in this prospectus supplement to U.S. dollars, U.S. \$ or \$ are to the currency of the United States of America.

S-1

**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and special reports and other information with the Securities and Exchange Commission (SEC). You may read and copy any document we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on its public reference rooms. The Parent's SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>. The Parent's ordinary shares are listed on the New York Stock Exchange, and information about the Parent is also available there.

This prospectus supplement is part of a registration statement that we have filed with the SEC. The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to other documents that we identify as part of this prospectus supplement. Our subsequent filings of similar documents with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), until we sell all of these securities.

Annual Report on Form 10-K for the year ended December 31, 2016.

Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017.

Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017.

Current Reports on Form 8-K filed on January 3, 2017, February 24, 2017 and May 1, 2017.

Definitive Proxy Statement on Schedule 14A, filed with the SEC on March 17, 2017 (but only with respect to information required by Part III of our Annual Report on Form 10-K for the year ended December 31, 2016).

You may obtain a copy of these filings at no cost by writing to or telephoning the Issuer at the following address:

Eaton Corporation

1000 Eaton Boulevard

Cleveland, Ohio 44122

(440) 523-5000

You should rely only on the information incorporated by reference or provided in this prospectus supplement and the accompanying prospectus. We have not authorized anyone else to provide you with different information. This prospectus supplement is an offer to sell or buy only the securities described in this document, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement is current only as of the date of this prospectus supplement.





**Table of Contents**

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Some of the statements included or incorporated by reference in the accompanying prospectus or this prospectus supplement constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may discuss goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition, or state other information relating to us, based on current beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking statements generally will be accompanied by words such as anticipate, believe, could, estimate, expect, forecast, guidance, intend, may, possible, potential, predict, project or other similar words, phrases or expressions. These statements should be used with caution and are subject to various risks and uncertainties, many of which are outside of our control. The following factors could cause actual results to differ materially from those in the forward-looking statements: unanticipated changes in the markets for the company's business segments; unanticipated downturns in business relationships with customers or their purchases from us; competitive pressures on sales and pricing; unanticipated changes in the cost of material and other production costs, or unexpected costs that cannot be recouped in product pricing; the introduction of competing technologies; unexpected technical or marketing difficulties; unexpected claims, charges, litigation or dispute resolutions; strikes or other labor unrest; the performance of recent acquisitions; unanticipated difficulties integrating acquisitions; new laws and governmental regulations; interest rate changes; changes in tax laws or tax regulations; stock market and currency fluctuations; and unanticipated deterioration of economic and financial conditions in the United States and around the world. We do not assume any obligation to update these forward-looking statements.

**Table of Contents**

**SUMMARY**

*This summary may not contain all of the information that may be important to you. You should read the entire prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference into this prospectus supplement and the accompanying prospectus, before making an investment decision.*

**The Company**

We are a power management company with 2016 net sales of \$19.7 billion. We provide energy-efficient solutions that help our customers effectively manage electrical, hydraulic and mechanical power more efficiently, safely and sustainably. We have approximately 95,000 employees and sell products to customers in more than 175 countries.

**Corporate Information**

The Parent is incorporated in Ireland. The Parent's ordinary shares are listed on the New York Stock Exchange under the ticker symbol ETN. The Parent's principal executive office is located at Eaton House, 30 Pembroke Road, Dublin 4, Ireland. The telephone number of the Parent is +353 1637 2900.

The Issuer is incorporated in Ohio. The Issuer's principal executive office is located at 1000 Eaton Boulevard, Cleveland, Ohio 44122 and its telephone number is (440) 523-5000.

**Table of Contents**

**The Offering**

Issuer	Eaton Corporation
Parent Guarantor	Eaton Corporation plc
Subsidiary Guarantors	Cooper B-Line, Inc., Cooper Bussmann, LLC, Cooper Crouse-Hinds, LLC, Cooper Industries Unlimited Company, Cooper Lighting, LLC, Cooper Offshore Holdings S.à r.l., Cooper Power Systems, LLC, Cooper Wiring Devices, Inc., Eaton Aeroquip LLC, Eaton Aerospace LLC, Eaton Capital Unlimited Company, Eaton Controls (Luxembourg) S.à r.l., Eaton Electric Holdings LLC, Eaton Hydraulics LLC, Eaton Leasing Corporation, Eaton Technologies (Luxembourg) S.à r.l., Eaton US Holdings, Inc., Turlock B.V., Wright Line Holding, Inc. and Wright Line LLC
Notes Offered	\$700,000,000 aggregate principal amount of Notes due 2027.  \$300,000,000 aggregate principal amount of Notes due 2047.
Maturity	The 2027 Notes will mature on September 15, 2027.  The 2047 Notes will mature on September 15, 2047.
Interest Rate	The 2027 Notes will bear interest at 3.103% per year.  The 2047 Notes will bear interest at 3.915% per year.
Interest Payment Dates	Semi-annually in arrears on March 15 and September 15, beginning on March 15, 2018.
Redemption	Prior to June 15, 2027 in the case of the 2027 Notes and prior to March 15, 2047 in the case of the 2047 Notes, the Notes may be redeemed at any time at the option of the Issuer, in whole or in part, at the greater of (i) 100% of the principal amount of the Notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of

principal and interest on the Notes being redeemed from the date of redemption to the applicable Par Call Date (as defined below) discounted to the redemption date on an annual basis at the Treasury Rate (as defined under Description of Notes Optional Redemption ), plus 15 basis points in the case of the 2027 Notes and 20 basis points in the case of the 2047 Notes, plus, in each case, accrued and unpaid interest on the Notes being redeemed to, but not including, the redemption date. At any time on or after the applicable Par Call Date, the Issuer may redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount thereof to be redeemed, plus accrued and unpaid interest, if any, to, but not including, the redemption date.

Par Call Date means June 15, 2027 (three months prior to their maturity date), in the case of the 2027 Notes, and March 15, 2047 (six months prior to their maturity date), in the case of the 2047 Notes.

**Table of Contents**

Guarantee	The obligations under the Notes will be fully, unconditionally and irrevocably guaranteed (the guarantee), on a senior unsecured basis, by the Parent and the Subsidiary Guarantors.
Ranking	The Notes will rank equally with all other senior unsecured indebtedness of the Issuer from time to time outstanding. The obligations of the Issuer under the Notes will be fully and unconditionally guaranteed by the Guarantors with such guarantees ranking equal in right of payment with all other existing and future unsecured and unsubordinated indebtedness of the Guarantors.
Change of Control	If a Change of Control Triggering Event as described herein with respect to the Notes occurs, the Issuer will be required to offer to repurchase such Notes at the price described in this prospectus supplement.
Authorized Denominations	Minimum denominations of \$2,000 and integral multiples of \$1,000 in excess of \$2,000.
Use of Proceeds	The Issuer expects the net proceeds from the sale of the Notes offered hereby to be approximately \$992,175,000, after deducting the underwriting discount and offering expenses. The Issuer will use these proceeds to repay the Issuer's outstanding 1.50% Notes due 2017.
Trustee, Registrar and Paying Agent	The Bank of New York Mellon Trust Company, N.A.
Governing Law	State of New York
Risk Factors	Investing in the Notes involves risk. You should carefully consider all of the other information in this prospectus supplement, the accompanying prospectus and in the documents incorporated by reference. In particular see Risk Factors on page S-7 of this prospectus supplement for a discussion of the factors you should carefully consider before deciding to invest in the Notes.

**Table of Contents**

**RISK FACTORS**

Before purchasing any Notes, you should read carefully this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein, including risk factor discussions in our 2016 Annual Report on Form 10-K, for risk factors regarding the Company.

S-7

**Table of Contents**

**USE OF PROCEEDS**

The Issuer expects the net proceeds from the sale of the Notes offered hereby to be approximately \$992,175,000, after deducting the underwriting discount and offering expenses. The Issuer will use these proceeds to repay the Issuer's outstanding 1.50% Notes due 2017.

S-8

Table of Contents**CAPITALIZATION**

The following table sets forth the capitalization of the Parent and its consolidated subsidiaries at June 30, 2017. The As Adjusted capitalization set forth below gives effect to the issuance of the Notes offered hereby and the use of proceeds to repay \$1.0 billion of debt maturing in November 2017.

	<b>As of June 30, 2017</b>	
	<b>Historical</b>	<b>As Adjusted</b>
	<i>(In millions)</i>	
Short-term debt	\$ 846	\$ 846
Current portion of long-term debt	1,495	495
<b>Total short-term debt and current portion of long-term debt</b>	<b>\$ 2,341</b>	<b>\$ 1,341</b>
Long-term debt		
4.215% Japanese Yen notes due 2018	\$ 89	\$ 89
6.95% notes due 2019	300	300
3.875% debentures due 2020	239	239
3.47% notes due 2021	300	300
8.10% debentures due 2022	100	100
2.75% senior notes due 2022	1,600	1,600
3.68% notes due 2023	300	300
0.75% euro notes due 2024	628	628
6.50% debentures due 2025	145	145
3.103% notes due 2027 offered hereby		700
7.65% debentures due 2029	200	200
4.00% senior notes due 2032	700	700
5.45% debentures due 2034	136	136
5.80% notes due 2037	240	240
4.15% senior notes due 2042	1,000	1,000
3.915% notes due 2047 offered hereby		300
5.25% to 8.875% notes (maturities ranging from 2019 to 2035)	203	203
Other	84	84
<b>Total long-term debt</b>	<b>6,264</b>	<b>7,264</b>
Shareholders' equity		
Eaton shareholders' equity	15,552	15,552
Noncontrolling interests	42	42
<b>Total equity</b>	<b>15,594</b>	<b>15,594</b>
<b>Total capitalization (long-term debt and equity)</b>	<b>\$ 21,858</b>	<b>\$ 22,858</b>

The Parent's outstanding capital as of June 30, 2017 consisted of 444.8 million ordinary shares, par value \$0.01 (750 million ordinary shares authorized).





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**Table of Contents**

**DESCRIPTION OF NOTES**

**General**

The following description of the particular terms of the Notes offered hereby supplements the description of the general terms and provisions of debt securities under the heading "Description of Debt Securities" in the accompanying prospectus. Capitalized terms used in this section of this prospectus supplement that are otherwise not defined have the meanings given to them in the accompanying prospectus.

The Notes will be senior unsecured debt issued under the Indenture to be dated as of September 15, 2017, as supplemented from time to time (the "Indenture"), among the Issuer, the Parent, the Subsidiary Guarantors, and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). You should read the Indenture for a complete understanding of the Notes and the terms that are applicable to them. This summary is qualified in its entirety by the provisions of the Indenture.

The Notes will rank equally with all other senior unsecured indebtedness of the Issuer from time to time outstanding. The obligations of the Issuer under the Notes will be fully and unconditionally guaranteed by the Guarantors with such guarantees ranking equal in right of payment with all other existing and future unsecured and unsubordinated indebtedness of the Guarantors. Because the Notes will not be secured, they will be effectively subordinated to any existing and future secured indebtedness of the Issuer and the Guarantors to the extent of the value of the collateral securing that indebtedness. The Notes will also be structurally subordinated to the liabilities of any subsidiaries of the Parent that are not Subsidiary Guarantors. The Indenture does not contain any provision that gives you protection in the event that the Issuer, Parent or any other Guarantor issues a large amount of debt. The Indenture does not limit the amount of debt securities that the Issuer, Parent or any other Guarantor is authorized to issue from time to time.

The Issuer will issue the aggregate principal amount of \$700,000,000 3.103% Notes due 2027 (the "2027 Notes") and the aggregate principal amount of \$300,000,000 3.915% Notes due 2047 (the "2047 Notes"). The 2027 Notes will mature on September 15, 2027 and the 2047 Notes will mature on September 15, 2047. The Issuer will issue the Notes only in book-entry form, in denominations of \$2,000 and integral multiples of \$1,000 in excess of \$2,000. The Notes will not be subject to any sinking fund and will not be convertible into or exchangeable for any of the Issuer's or Parent's equity interests.

The Issuer may, without the consent of the holders of the Notes, issue additional debt securities having the same ranking and the same interest rate, maturity and other terms as the Notes of a particular series. Any such additional debt securities and the Notes of such series will constitute a single series under the Indenture. None of these additional Notes may be issued if an Event of Default has occurred and is continuing with respect to the Notes of such series.

**Principal and Interest**

The Notes will mature on September 15, 2027 in the case of the 2027 Notes and September 15, 2047 in the case of the 2047 Notes, bear interest at the annual rate shown on the cover of this prospectus supplement and accrue interest from September 15, 2017 or from the most recent date to which interest has been paid or provided for. Interest will be payable semi-annually, on March 15 and September 15, beginning on March 15, 2018 to each person in whose name the Notes are registered at the close of business on the 15<sup>th</sup> calendar day (whether or not that date is a business day as that term is defined in the Indenture), immediately preceding the interest payment date. The Issuer will compute interest on the Notes on the basis of a 360-day year consisting of twelve 30-day months. If any interest payment date or maturity or redemption date falls on a day that is not a business day, then the payment will be made on the next business day without additional interest and with the same effect as if it were made on the originally scheduled date.

S-10

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**Table of Contents**

**Guarantees**

Payment of principal of, premium, if any, and interest, and additional interest, if any, on the Notes will be guaranteed, jointly and severally, on an unsecured unsubordinated basis by the Parent and certain direct and indirect subsidiaries of Parent: Cooper B-Line, Inc., Cooper Bussmann, LLC, Cooper Crouse-Hinds, LLC, Cooper Industries Unlimited Company, Cooper Lighting, LLC, Cooper Offshore Holdings S.à r.l., Cooper Power Systems, LLC, Cooper Wiring Devices, Inc., Eaton Aeroquip LLC, Eaton Aerospace LLC, Eaton Capital Unlimited Company, Eaton Controls (Luxembourg) S.à r.l., Eaton Electric Holdings LLC, Eaton Hydraulics LLC, Eaton Leasing Corporation, Eaton Technologies (Luxembourg) S.à r.l., Eaton US Holdings, Inc., Turlock B.V., Wright Line Holding, Inc. and Wright Line LLC (collectively, the Subsidiary Guarantors ).

**Optional Redemption**

Prior to June 15, 2027 (three months prior to maturity), in the case of the 2027 Notes and March 15, 2047 (six months prior to maturity), in the case of the 2047 Notes, (the Par Call Date ), all or a portion of the Notes may be redeemed at the Issuer's option at any time or from time to time. The redemption price for the Notes to be redeemed on any redemption date will be equal to the greater of the following amounts:

100% of the principal amount of the Notes being redeemed on the redemption date; and

the sum of the present values of the scheduled payments of principal and interest from the redemption date to the applicable Par Call Date on the Notes being redeemed on that redemption date (not including any interest accrued to the redemption date), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below), plus 15 basis points, in the case of the 2027 Notes, and 20 basis points in the case of the 2047 Notes, as determined by the Independent Investment Banker (as defined below),

plus, in each case, accrued and unpaid interest on the Notes being redeemed to the redemption date. At any time on or after the applicable Par Call Date, the Issuer may redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount thereof to be redeemed, plus accrued and unpaid interest, if any, to, but not including, the redemption date.

The Issuer will send notice of any redemption to each registered holder of the Notes at least ten days but not more than 60 days before the redemption date. Once notice of redemption is sent, the Notes will become due and payable on the redemption date and at the redemption price, plus accrued and unpaid interest to the redemption date.

Treasury Rate means, with respect to any redemption date,

the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release published by the Board of Governors of the Federal Reserve System designated as Statistical Release H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three

months before or after the maturity date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month), or

if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate shall be calculated on the third business day preceding the redemption date.

S-11

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**Table of Contents**

**Comparable Treasury Issue** means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed (assuming the Notes matured on the applicable Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Notes.

**Comparable Treasury Price** means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (2) if the Quotation Agent obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such quotations.

**Quotation Agent** means a Reference Treasury Dealer selected by the Issuer for the purpose of performing the functions of the Quotation Agent with respect to the Notes.

**Reference Treasury Dealer** means a primary U.S. Government securities dealer in the United States selected by the Issuer.

**Reference Treasury Dealer Quotation** means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York time, on the third business day preceding such redemption date.

On and after the redemption date, interest will cease to accrue on the Notes or any portion of the Notes called for redemption (unless the Issuer defaults in the payment of the redemption price and accrued interest). On or before the redemption date, the Issuer will deposit with a paying agent (or the Trustee) money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on that date. If less than all of the Notes are to be redeemed, the Notes to be redeemed shall be selected by lot by The Depository Trust Company, New York, New York ( "DTC" ), in the case of Notes represented by a global security.

**Change of Control Offer**

If a Change of Control Triggering Event (as defined below) occurs with respect to the Notes, unless the Issuer has exercised its option to redeem the Notes by notifying the noteholders to that effect as described above, the Issuer will be required to make an offer (a "Change of Control Offer") to each holder of the series of Notes as to which the Change of Control Triggering Event has occurred to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess of \$2,000) of that holder's Notes on the terms set forth in such Notes. In a Change of Control Offer, the Issuer will be required to offer payment in cash equal to 101% of the aggregate principal amount of the Notes repurchased, plus accrued and unpaid interest, if any, on the Notes repurchased to the date of repurchase (a "Change of Control Payment"). Within 30 days following any Change of Control Triggering Event or, at the Issuer's option, prior to any Change of Control, but after public announcement of the transaction that constitutes or may constitute the Change of Control, a notice will be sent to holders of the Notes, describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase the Notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is sent (a "Change of Control Payment Date"). The notice will, if sent prior to the date of consummation of the Change of Control, state that the Change of Control Offer is conditioned on the Change of Control Triggering Event with respect to the Notes occurring on or prior to the Change of Control Payment Date.

On each Change of Control Payment Date, the Issuer will, to the extent lawful:

accept for payment all Notes or portions of such Notes properly tendered pursuant to the Change of Control Offer;

S-12

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**Table of Contents**

deposit with the paying agent an amount equal to the Change of Control Payment in respect of all such Notes or portions of such Notes properly tendered; and

deliver or cause to be delivered to the trustee the Notes properly accepted together with an officers certificate stating the aggregate principal amount of Notes or portions of Notes being repurchased and that all conditions precedent provided for in the Indenture to the Change of Control Offer and to the repurchase by the Issuer of the Notes pursuant to the Change of Control Offer have been met.

The Issuer will not be required to make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer and the third party repurchases all Notes properly tendered and not withdrawn under its offer. In addition, the Issuer will not repurchase any Notes if there has occurred and is continuing on the Change of Control Payment Date an event of default under the Indenture with respect to such Notes, other than a default in the payment of the Change of Control Payment upon a related Change of Control Triggering Event.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a related Change of Control Triggering Event. To the extent that the provisions of any such securities laws or regulations conflict with the Change of Control Offer provisions of the Notes, the Issuer will comply with those securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Offer provisions of the Notes by virtue of any such conflict.

For purposes of the Change of Control Offer provisions of the Notes, the following terms will be applicable:

Change of Control means the occurrence of any of the following: (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of related transactions, of all or substantially all of the assets of the Parent and the assets of its subsidiaries, taken as a whole, to any person, other than the Parent or one of its subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Parent or other Voting Stock into which the Voting Stock of the Parent is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (3) the Parent consolidates with, or merges with or into, any person, or any person consolidates with, or merges with or into, the Parent, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Parent or the Voting Stock of such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of the Parent outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving person or any direct or indirect parent company of the surviving person immediately after giving effect to such transaction; (4) the first day on which a majority of the members of the Board of Directors of the Parent are not Continuing Directors or (5) the adoption of a plan relating to the liquidation or dissolution of the Parent. A transaction will not be deemed to involve a Change of Control under clause (2) above if (i) the Parent becomes a direct or indirect wholly-owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of the Voting Stock of the Parent immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company. The term person, as used in this definition, has the meaning given thereto in Section 13(d)(3) of the Exchange Act.



Change of Control Triggering Event means the occurrence of both a Change of Control and a Rating Event.

S-13

## **Table of Contents**

**Continuing Directors** means, as of any date of determination, any member of the Board of Directors of the Parent who (1) was a member of the Board of Directors of the Parent on the date the applicable Securities were issued or (2) was nominated for election, elected or appointed to the Board of Directors of the Parent with the approval of a majority of the Continuing Directors who were members of the Board of Directors of the Parent at the time of the nomination, election or appointment (either by a specific vote or by approval of the proxy statement of the Parent in which that member was named as a nominee for election as a director, without objection to the nomination).

**Fitch** means Fitch Inc., and its successors.

**Investment Grade Rating** means a rating equal to or higher than Baa3 (or the equivalent) by Moody's, BBB- (or the equivalent) by S&P and BBB- (or the equivalent) by Fitch, and the equivalent investment grade credit rating from any replacement rating agency or rating agencies selected by the Parent.

**Moody's** means Moody's Investors Service, Inc., and its successors.

**Rating Agencies** means (1) each of Moody's, S&P and Fitch; and (2) if any of Moody's, S&P or Fitch ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons beyond the Issuer's control, a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act selected by the Parent (as certified by a resolution of the Parent's Board of Directors) as a replacement agency for Moody's, S&P or Fitch, or all of them, as the case may be.

**Rating Event** means the rating on the applicable Notes is lowered by at least two Rating Agencies and such Notes are rated below an Investment Grade Rating on any day during the period (which period will be extended so long as the rating of such Notes is under publicly announced consideration for a possible downgrade by any of the Rating Agencies) commencing 60 days prior to the first public notice of the occurrence of a Change of Control or the Parent's intention to effect a Change of Control and ending 60 days following consummation of such Change of Control.

**S&P** means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors.

**Voting Stock** means, with respect to any specified person (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of that person that is at the time entitled to vote generally in the election of the board of directors of that person.

The definition of **Change of Control** includes a disposition of all or substantially all of the assets of the Parent and the assets of its subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase **substantially all**, there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of **all or substantially all** of the assets of the Parent and its subsidiaries. As a result, it may be unclear as to whether a Change of Control has occurred and whether a holder of the Notes may require the Issuer to make a Change of Control Offer.

## **Future Guarantors**

The Issuer and Parent will cause (i) any Subsidiary, other than Excluded Persons, that is or becomes (x) the issuer or co-issuer of, or borrower or guarantor under, any series of U.S. debt securities or any U.S. syndicated credit facility, (y) the guarantor of any series of debt securities or any syndicated credit facilities of Parent or (z) the issuer or co-issuer of, or borrower or guarantor under, any other series of debt securities or any other syndicated credit facility or (ii) any person that (A) is or becomes a direct or indirect parent entity of the Issuer and (B) holds any material

assets (other than the Equity Interests of any Subsidiary that is or becomes a direct or

S-14

**Table of Contents**

indirect parent entity of the Issuer) or owes any material liabilities, whether by formation, acquisition, redomiciliation or otherwise, to execute and deliver to the Trustee a supplemental indenture to the Indenture pursuant to which such Subsidiary or such person irrevocably and unconditionally guarantees the Notes on an unsubordinated basis.

**Defeasance and Covenant Defeasance**

In some circumstances, the Issuer may elect to discharge its obligations on the Notes through defeasance or covenant defeasance. See Description of Debt Securities Defeasance and Covenant Defeasance in the accompanying prospectus for more information about how the Issuer may do this.

**Book-Entry System**

The Issuer will issue each series of the Notes in the form of one or more fully registered global securities, as described in Description of Debt Securities Book-Entry Debt Securities in the accompanying prospectus. The Issuer will deposit these global securities with, or on behalf of, DTC, and register these securities in the name of DTC's nominee.

Investors may elect to hold interests in the Notes in global form through either DTC in the United States or Clearstream Banking, S.A., Luxembourg ( Clearstream, Luxembourg ) or Euroclear Bank S.A./N.V., as operator of the Euroclear System (the Euroclear System ), in Europe if they are participants in those systems, or indirectly through organizations which are participants in those systems. Clearstream, Luxembourg and the Euroclear System will hold interests on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg's and the Euroclear System's names on the books of their respective depositaries, which in turn will hold those interests in customers' securities accounts in the depositaries' names on the books of DTC. Citibank, N.A. will act as depositary for Clearstream, Luxembourg and JP Morgan Chase Bank will act as depositary for the Euroclear System (in those capacities, the U.S. Depositaries ).

DTC advises that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (the DTC Participants ) deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, the American Stock Exchange, Inc., and the Financial Industry Regulatory Authority, Inc. Access to DTC's system is also available to others, including securities brokers and dealers, banks and trust companies that clear transactions through or maintain a direct or indirect custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Clearstream, Luxembourg advises that it is organized under the laws of Luxembourg as a professional depositary. Clearstream, Luxembourg holds securities for its participating organizations ( Clearstream Participants ) and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic markets in several countries. As a professional depositary, Clearstream, Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the



## **Table of Contents**

Financier). Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant, either directly or indirectly.

Distributions with respect to interests in the Notes held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures, to the extent received by the U.S. Depository for Clearstream, Luxembourg.

The Euroclear System advises that it was created in 1968 to hold securities for participants of the Euroclear System ( Euroclear Participants ) and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. The Euroclear System includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. The Euroclear System is operated by Euroclear Bank S.A./N.V. (the Euroclear Operator ). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear System cash accounts are accounts with the Euroclear Operator. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to the Euroclear System is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the Terms and Conditions ). The Terms and Conditions govern transfers of securities and cash within the Euroclear System, withdrawals of securities and cash from the Euroclear System, and receipts of payments with respect to securities in the Euroclear System. All securities in the Euroclear System are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no records of or relationship with persons holding through Euroclear Participants.

Distributions with respect to the Notes held beneficially through the Euroclear System will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depository for the Euroclear System.

The Issuer will issue the Notes of a particular series in definitive certificated form if DTC notifies the Issuer that it is unwilling or unable to continue as depository for the Notes of such series or DTC ceases to be a clearing agency registered under the Exchange Act and the Issuer does not appoint a successor depository within 90 days. In addition, beneficial interests in a global security certificate may be exchanged for definitive Note certificates of the related series upon request by or on behalf of DTC in accordance with customary procedures following the request of a beneficial owner seeking to exercise or enforce its rights under those Notes. If the Issuer determines at any time that the Notes of a particular series shall no longer be represented by global security certificates, the Issuer will inform DTC of its determination, and DTC will, in turn, notify participants of their right to withdraw their beneficial interests from the related global security certificates. If those participants elect to withdraw their beneficial interests, the Issuer will issue certificates in definitive form in exchange for the beneficial interests in the global security certificates. Any global security certificate, or portion thereof, that is exchangeable pursuant to this paragraph will be exchangeable for Note certificates of the related series registered in the names directed by DTC. The Issuer expects that these instructions will be based upon directions received by DTC from its participants with respect to ownership of

beneficial interests in the global security certificates.

As long as DTC or its nominee is the registered owner of the global security certificates, DTC or its nominee, as the case may be, will be considered the sole owner and holder of the global security certificates and

S-16

## **Table of Contents**

all Notes represented by these certificates for all purposes under the Notes and the Indenture governing the Notes. Except in the limited circumstances referred to above, owners of beneficial interests in global security certificates:

will not be entitled to have the Notes represented by these global security certificates registered in their names, and

will not be considered to be owners or holders of the global security certificates or any Notes represented by these certificates for any purpose under the Notes or the junior subordinated indenture governing the Notes. All payments on the Notes represented by the global security certificates and all transfers and deliveries of related Notes will be made to the depositary or its nominee, as the case may be, as the holder of the securities.

Ownership of beneficial interests in the global security certificates will be limited to participants or persons that may hold beneficial interests through institutions that have accounts with DTC or its nominee. Ownership of beneficial interests in global security certificates will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by DTC or its nominee, with respect to participants' interests, or any participant, with respect to interests of persons held by the participant on their behalf. Payments, transfers, deliveries, exchanges and other matters relating to beneficial interests in global security certificates may be subject to various policies and procedures adopted by DTC from time to time. Neither the Issuer nor the Trustee will have any responsibility or liability for any aspect of DTC's or any participant's records relating to, or for payments made on account of, beneficial interests in global security certificates, or for maintaining, supervising or reviewing any of DTC's records or any participant's records relating to these beneficial ownership interests.

Although DTC has agreed to the foregoing procedures in order to facilitate transfers of interests in the global security certificates among participants, DTC is under no obligation to perform or continue to perform these procedures, and these procedures may be discontinued at any time. The Issuer will not have any responsibility for the performance by DTC or its direct participants or indirect participants under the rules and procedures governing DTC.

The information in this section concerning DTC, its book-entry system, Clearstream, Luxembourg and the Euroclear System has been obtained from sources that the Issuer believes to be reliable, but the Issuer has not attempted to verify the accuracy of this information.

## **Global Clearance and Settlement Procedures**

Initial settlement for the Notes will be made in immediately available funds. Secondary market trading between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. Secondary market trading among Clearstream Participants and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and the Euroclear System, as applicable.

Cross-market transfers between persons holding directly or indirectly through DTC on the one hand, and directly or indirectly through Clearstream Participants or Euroclear Participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its U.S. Depositary; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in that system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction



meets its settlement requirements, deliver instructions to its U.S. Depositary to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC.

S-17

**Table of Contents**

Clearstream Participants and Euroclear Participants may not deliver instructions directly to their respective U.S. Depositories.

Because of time-zone differences, credits of Notes received in Clearstream, Luxembourg or the Euroclear System as a result of a transaction with a DTC Participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. The credits or any transactions in the Notes settled during the processing will be reported to the relevant Euroclear Participant or Clearstream Participant on that business day. Cash received in Clearstream, Luxembourg or the Euroclear System as a result of sales of the Notes by or through a Clearstream Participant or a Euroclear Participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or the Euroclear System cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream, Luxembourg and the Euroclear System have agreed to the foregoing procedures in order to facilitate transfers of Notes among participants of DTC, Clearstream, Luxembourg and the Euroclear System, they are under no obligation to perform or continue to perform those procedures and those procedures may be discontinued or changed at any time.

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**Table of Contents**

**CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS**

Prospective investors should consult their professional advisors on the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile. Please see the discussion in the accompanying prospectus under the heading **United States Federal Income Taxation** for a description of certain material United States federal tax requirements and considerations for persons that invest in the Notes. In particular, if you are a U.S. person please see the subheadings **United States Holders**, **Payments of Interest on Notes**, **United States Holders**, **OID Notes** and **United States Holders**, **Purchase, Sale, Exchange or Retirement of Notes** and if you are a foreign person, please see the discussion in the accompanying prospectus under the subheading **Non-United States Holders**.

The following disclosure supersedes the discussion under **Non-United States Holders**, **Foreign Account Tax Compliance Act** in the accompanying prospectus.

***Foreign Account Tax Compliance Act***

The Foreign Account Tax Compliance Act provisions of the Hiring Incentives to Restore Employment Act and Treasury regulations thereunder, commonly referred to as **FATCA**, when applicable, will impose a U.S. federal withholding tax of 30% on payments of interest on the Notes and gross proceeds from the disposition of Notes (if such disposition occurs on or after January 1, 2019) if paid to a foreign financial institution or a non-financial foreign entity (each as defined in the Code) (including, in some cases, when such foreign financial institution or non-financial foreign entity is acting as an intermediary), unless:

- (i) in the case of a foreign financial institution, such institution enters into an agreement with the U.S. government to withhold on certain payments, and collects and provides to the U.S. tax authorities information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners), or such institution is located in a jurisdiction which has implemented an intergovernmental agreement with the United States to implement FATCA ( **IGAs** ) and complies with such IGA;
- (ii) the non-financial foreign entity either certifies it does not have any substantial U.S. owners (as defined in the Code) or controlling U.S. persons (as defined in the relevant IGA), or furnishes identifying information regarding each substantial U.S. owner (generally by providing an IRS Form W-8BEN-E); or
- (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules and provides appropriate documentation (such as an IRS Form W-8BEN-E).

The withholding obligations described above generally will apply to (i) payments of interest on the Notes regardless of when made, and (ii) to payments of gross proceeds from a sale or other disposition of Notes only on or after January 1, 2019.

In addition, the FATCA withholding regime will apply to foreign passthru payments no earlier than January 1, 2019. Under current guidance, the term **foreign passthru payments** is not defined.

Investors are urged to consult their own tax advisors regarding FATCA and the application of these requirements to their investment in the Notes.



**Table of Contents****UNDERWRITING**

Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as joint book-running managers of the offering of the Notes and are acting as representatives of the underwriters named below.

Subject to the terms and conditions stated in the underwriting agreement, dated the date of this prospectus supplement, each underwriter named below has severally agreed to purchase, and we have agreed to sell to that underwriter, the principal amount of the Notes set forth opposite the underwriter's name.

<b><u>Underwriter</u></b>	<b>Principal Amount of 2027 Notes</b>	<b>Principal Amount of 2047 Notes</b>
Citigroup Global Markets Inc.	\$ 118,125,000	\$ 50,625,000
Goldman Sachs & Co. LLC	118,125,000	50,625,000
J.P. Morgan Securities LLC	118,125,000	50,625,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	118,125,000	50,625,000
Deutsche Bank Securities Inc.	30,100,000	12,900,000
Morgan Stanley & Co. LLC	30,100,000	12,900,000
Barclays Capital Inc.	21,000,000	9,000,000
BNP Paribas Securities Corp.	21,000,000	9,000,000
Credit Suisse Securities (USA) LLC	21,000,000	9,000,000
HSBC Securities (USA) Inc.	21,000,000	9,000,000
KeyBanc Capital Markets Inc.	21,000,000	9,000,000
Wells Fargo Securities, LLC	21,000,000	9,000,000
BNY Mellon Capital Markets, LLC	16,100,000	6,900,000
PNC Capital Markets LLC	16,100,000	6,900,000
Loop Capital Markets LLC	9,100,000	3,900,000
<b>Total</b>	<b>\$ 700,000,000</b>	<b>\$ 300,000,000</b>

The underwriting agreement provides that the obligations of the underwriters to purchase the Notes included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the Notes if they purchase any Notes.

The underwriters propose to offer the Notes directly to the public at the public offering price set forth on the cover page of this prospectus supplement and may offer the Notes to dealers at the public offering price less a concession not to exceed 0.400% of the principal amount of the Notes, in the case of the 2027 Notes, and 0.500% of the principal amount of the Notes, in the case of the 2047 Notes. The underwriters may allow, and dealers may reallow, a concession not to exceed 0.250% of the principal amount of the Notes, in the case of the 2027 Notes, and 0.300% of the principal amount of the Notes, in the case of the 2047 Notes. If all the Notes are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms. The offering of the Notes by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

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The following table shows the underwriting discount that the Issuer is to pay to the underwriters in connection with this offering (expressed as a percentage of the principal amount of the Notes).

	<b>Paid by Eaton</b>
Per 2027 Note	0.650%
Per 2047 Note	0.875%

The Notes are a new issue of securities with no established trading market. The Notes will not be listed on any securities exchange or on any automated dealer quotation system. The underwriters may make a market in

S-20

## **Table of Contents**

the Notes after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes or that an active public market for the Notes will develop. If an active public market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected.

In connection with the offering, the representatives, on behalf of the underwriters, may purchase and sell Notes in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment involves syndicate sales of Notes in excess of the principal amount of Notes to be purchased by the underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover syndicate short positions. Stabilizing transactions consist of certain bids or purchases of Notes made for the purpose of preventing or retarding a decline in the market price of the Notes while the offering is in progress.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the representatives, in covering syndicate short positions or making stabilizing purchases, repurchase Notes originally sold by that syndicate member.

Any of these activities may have the effect of preventing or retarding a decline in the market price of the Notes. They may also cause the price of the Notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The underwriters may conduct these transactions in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

We estimate that our total expenses for this offering will be approximately \$650,000.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have performed commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and expenses. The underwriters may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business. In addition, certain of the underwriters or their respective affiliates are dealers in the Issuer's commercial paper program and/or are lenders under one or more of the Issuer's credit facilities.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the underwriters or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Issuer and the Guarantors have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the United States Securities Act of 1933, as amended, or to contribute to payments the underwriters

may be required to make because of any of those liabilities.

S-21



## **Table of Contents**

It is expected that delivery of the Notes will be made against payment therefor on or about the closing date specified on the cover page of this prospectus supplement, which will be the seventh business day following the date of pricing of the Notes (this settlement cycle being referred to as T+7). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or the next four succeeding business days will be required, by virtue of the fact that the Notes initially will settle in T+7, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement.

## **Notice to Prospective Investors**

### ***European Economic Area***

In relation to each Member State of the European Economic Area, no offer of Notes which are the subject of the offering has been, or will be made to the public in that Member State, other than under the following exemptions under the Prospectus Directive:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives of the underwriters; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (a) to (c) above shall result in a requirement for the Company or any Representative to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

This prospectus supplement has been prepared on the basis that any offer of Notes in any Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Member State of Notes which are the subject of the offering contemplated in this prospectus supplement may only do so in circumstances in which no obligation arises for the Company or any of the Representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the Representatives have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Company or the Representatives to publish a prospectus for such offer.

For the purposes of this provision, the expression an offer of notes to the public in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Member State.

The above selling restriction is in addition to any other selling restrictions set out below.

*United Kingdom*

In addition, in the United Kingdom, this prospectus supplement is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (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 ) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being

S-22

## **Table of Contents**

referred to as relevant persons ). This prospectus supplement must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this prospectus supplement relates is only available to, and will be engaged in with, relevant persons.

### ***Canada***

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

### ***Switzerland***

This prospectus supplement does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the Notes will not be listed on the SIX Swiss Exchange. Therefore, this prospectus supplement may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the Notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the Notes with a view to distribution. Any such investors will be individually approached by the underwriters from time to time.

### ***Hong Kong***

The Notes have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a prospectus as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Notes has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

### ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and accordingly, will not be offered or sold, directly or

S-23

**Table of Contents**

indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

***Singapore***

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is: a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except: to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; where no consideration is or will be given for the transfer; where the transfer is by operation of law; as specified in Section 276(7) of the SFA; or as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

***The Netherlands***

Each underwriter has represented and agreed that the Notes are not, and may not be, offered to the public in The Netherlands other than to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

**Table of Contents**

**LEGAL OPINIONS**

The validity of the Notes will be passed upon for the Issuer by Clifford Chance US LLP, New York, New York. Particular matters with respect to Irish law will be passed upon by McCann FitzGerald. Particular matters with respect to Luxembourg law will be passed upon by Clifford Chance, société en commandite simple (inscrite au Barreau de Luxembourg). Particular matters with respect to Dutch law will be passed upon by Clifford Chance LLP. The validity of the Notes will be passed upon for the underwriters by Shearman & Sterling LLP, New York, New York. Shearman & Sterling LLP has in the past provided, and may continue to provide, legal services to the Company.

S-25

**Table of Contents**

**EXPERTS**

Ernst & Young LLP, an independent registered public accounting firm, has audited our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016, and the effectiveness of our internal control over financial reporting as of December 31, 2016, as set forth in their reports, which are incorporated by reference in this prospectus supplement and elsewhere in the registration statement. Our financial statements are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

S-26

**Table of Contents**

**Eaton Corporation plc**

**Eaton Corporation**

**Turlock B.V.**

**Eaton US Holdings, Inc.**

**Eaton Controls (Luxembourg) S. à r.l.**

**Eaton Technologies (Luxembourg) S. à r.l.**

**Eaton Aeroquip LLC**

**Eaton Aerospace LLC**

**Eaton Hydraulics LLC**

**Eaton Leasing Corporation**

**Wright Line Holding, Inc.**

**Wright Line LLC**

**Cooper Industries**

**Eaton Electric Holdings, LLC**

**Cooper Offshore Holdings S. à.r.l.**

**Cooper B-Line, Inc.**

**Cooper Bussmann, LLC**

**Cooper Crouse-Hinds, LLC**

**Cooper Lighting, LLC**

**Cooper Power Systems, LLC**

**Cooper Wiring Devices, Inc.**

**Eaton Capital**



**Debt Securities**

**Guarantees**

**Preference Shares**

**Ordinary Shares**

**Depository Shares**

**Warrants**

**Units**

We may offer and sell, from time to time, in one or more offerings, debt securities, guarantees of such debt securities, preference shares, ordinary shares and warrants, as well as units that include any of these securities or securities of other entities. The debt securities, preference shares and warrants may be convertible into or exercisable or exchangeable for ordinary or preference shares or other securities of the Company or debt or equity securities of one or more other entities. We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis.

The specific terms of any securities to be offered will be described in a prospectus supplement or term sheet. You should read this prospectus and the accompanying prospectus supplement or term sheet carefully before you invest in our securities.

The ordinary shares of the Company are listed on the NYSE and trade under the ticker symbol **ETN** .

Investments in the securities involve certain risk. See **Risk Factors** beginning on page 4 of this prospectus.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is February 26, 2015.

**Table of Contents**

**TABLE OF CONTENTS**

<u>ABOUT THIS PROSPECTUS</u>	1
<u>FORWARD LOOKING STATEMENTS</u>	1
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	3
<u>RISK FACTORS</u>	4
<u>THE COMPANY</u>	5
<u>USE OF PROCEEDS</u>	8
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	8
<u>DESCRIPTION OF DEBT SECURITIES</u>	9
<u>DESCRIPTION OF ORDINARY SHARES AND PREFERENCE SHARES</u>	41
<u>DESCRIPTION OF DEPOSITARY SHARES</u>	53
<u>DESCRIPTION OF WARRANTS</u>	56
<u>CERTAIN TAX CONSIDERATIONS</u>	58
<u>UNITED STATES FEDERAL INCOME TAXATION</u>	58
<u>PLAN OF DISTRIBUTION</u>	71
<u>EXPERTS</u>	73

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**Table of Contents**

**ABOUT THIS PROSPECTUS**

The information contained in this prospectus is not complete and may be changed. You should rely only on the information provided in or incorporated by reference in this prospectus, any prospectus supplement or other offering materials. We have not authorized anyone else to provide you with different information. We are not making an offer of any securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus, any prospectus supplement, other offering materials or any document incorporated by reference is accurate as of any date other than the date of the document in which such information is contained or such other date referred to in such document, regardless of the time of any sale or issuance of a security.

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the SEC) using a shelf registration process. Under this shelf process, we may sell any combination of the following securities in one or more offerings:

debt securities ( debt securities ), which may be either senior or subordinated, unsecured or secured, guaranteed by Eaton Corporation plc and/or certain subsidiaries of Eaton Corporation plc, which may include Eaton Corporation, Turlock B.V., Eaton US Holdings, Inc., Eaton Controls (Luxembourg) S.à.r.l., Eaton Technologies (Luxembourg) S.à.r.l., Eaton Aeroquip LLC, Eaton Aerospace LLC, Eaton Hydraulics LLC, Eaton Leasing Corporation, Wright Line Holding, Inc., Wright Line LLC, Cooper Industries, Eaton Electric Holdings, LLC, Cooper Offshore Holdings S.a.r.l., Cooper B-Line, Inc., Cooper Bussmann, LLC, Cooper Crouse-Hinds, LLC, Cooper Lighting, LLC, Cooper Power Systems, LLC, Cooper Wiring Devices, Inc., and Eaton Capital (collectively, the Subsidiary Guarantors, and, together with Eaton Corporation plc, the Guarantors );

guarantees of debt securities ( guarantees );

euro deferred shares, A preferred shares, and serial preferred shares of Eaton Corporation plc ( preference shares );

ordinary shares of Eaton Corporation plc ( ordinary shares );

depository shares of Eaton Corporation plc ( depository shares );

warrants to purchase debt securities, ordinary shares, or preference shares of Eaton Corporation plc ( warrants ); or

units to purchase ordinary shares of Eaton Corporation plc ( units ).

This prospectus contains a general description of the securities we may offer. Each time we sell or issue securities we will provide a prospectus supplement or term sheet that will contain specific information about the terms of that offering and the manner in which they may be offered. The prospectus supplement or term sheet may also add to,

update or change information contained in this prospectus. If so, the prospectus supplement or term sheet should be read as superseding this prospectus. You should read both this prospectus and any prospectus supplement or term sheet, together with additional information described under the heading "Where You Can Find More Information", before making an investment decision. As used in this prospectus, the terms "we", "us", "our", "the Company", and "our company" refer to Eaton Corporation plc and not to its subsidiaries, unless the context otherwise requires and "Eaton" refers to Eaton Corporation.

### **FORWARD LOOKING STATEMENTS**

This prospectus, any prospectus supplement and the documents incorporated into this prospectus by reference contain forward-looking statements, as defined in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Exchange Act. Statements that are not historical facts, including statements about beliefs and expectations, are forward-looking statements. These statements discuss potential risks and uncertainties and, therefore, actual results may differ materially.

**Table of Contents**

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. Eaton Corporation plc does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Such forward-looking statements may include, without limitation, statements relating to the following:

projections of revenues, income, earnings per share, capital expenditures, dividends, capital structure, or other financial measures;

goals, intentions and expectations as to future trends, plans, and events;

descriptions of anticipated plans or objectives of management for operations, products, or services;

forecasts of performance; and

assumptions regarding any of the foregoing.

Because these statements involve anticipated events or conditions, forward-looking statements often include words such as anticipate, believe, can, could, estimate, expect, intend, may, plan, project, should, ta similar expressions.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections, and other outcomes described or implied in forward-looking statements will not be achieved. A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

Do not unduly rely on forward-looking statements. They represent our expectations about the future and are not guarantees. Forward-looking statements are only as of the date they are made, and, except as required by law, might not be updated to reflect changes as they occur after the forward-looking statements are made. We urge you to review the Company's filings with the Securities and Exchange Commission for any updates to our forward-looking statements.

**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly, and special reports, proxy statements, and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on its public reference room. Our SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>. Our ordinary shares are listed on the New York Stock Exchange and information about us also is available there.

This prospectus is part of a registration statement that we have filed with the SEC. The SEC allows us to incorporate by reference into this prospectus the information we file with it. This means that we can disclose important information to you by referring you to other documents separately filed with the SEC. The information incorporated by reference is considered to be part of this prospectus, unless and until that information is updated and superseded by the information contained in this prospectus or any information incorporated later. We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), until our offering of securities has been completed.

Annual Report on Form 10-K for the year ended December 31, 2014.

Our filings with the SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, current reports on Form 8-K and amendments to those reports, are available free of charge on our website as soon as reasonably practicable after they are filed with, or furnished to, the SEC. Our internet website is located at <http://www.eaton.com>. The contents of the website are not incorporated by reference into this prospectus. You may also obtain a copy of these filings, at no cost, by writing to or telephoning us at the following address:

Eaton Corporation plc

Eaton House, 30 Pembroke Rd.

Dublin 4, Ireland

Attn: Company Secretary

+353 1 669 4663

**Table of Contents**

**RISK FACTORS**

Your investment in the securities involves certain risks. In consultation with your own financial and legal advisers, you should carefully consider whether an investment in the securities is suitable for you. The securities are not an appropriate investment for you if you do not understand the terms of the securities or financial matters generally. In addition, certain factors that may adversely affect the business of Eaton Corporation plc are discussed in our periodic reports referred to in *Where You Can Find More Information*, above. For example, our Annual Report on Form 10-K for the year ended December 31, 2014 contains a discussion of significant risks that could be relevant to an investment in the securities. You should not purchase the securities described in this Prospectus unless you understand and know you can bear all of the investment risks involved.

**Table of Contents**

**THE COMPANY**

Eaton Corporation plc is a power management company with 2014 net sales of \$22.6 billion. The Company provides energy-efficient solutions that help its customers effectively manage electrical, hydraulic and mechanical power more efficiently, safely and sustainably. The Company has approximately 102,000 employees in over 60 countries and sells products to customers in more than 175 countries.

The Company electronically files or furnishes reports pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (Exchange Act) to the United States Securities and Exchange Commission (SEC), including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and proxy and information statements, as well as any amendments to those reports. As soon as reasonably practicable, these reports are available free of charge through the Company's Internet website at <http://www.eaton.com>. These filings are also accessible on the SEC's Internet website at <http://www.sec.gov>.

**Acquisitions and Sales of Businesses**

*Cooper Industries plc*

On November 30, 2012, Eaton Corporation acquired Cooper Industries plc (Cooper) for a purchase price totaling \$13,192 million, which consisted of cash totaling \$6,543 million and Eaton Corporation plc share consideration valued at \$6,649 million.

Cooper was a diversified global manufacturer of electrical products and systems, with brands including Bussmann electrical and electronic fuses; Crouse-Hinds and CEAG explosion-proof electrical equipment; Halo and Metalux lighting fixtures; and Kyle and McGraw-Edison power systems products. Cooper had annual sales of \$5,409 million for 2011. The Company's Consolidated Financial Statements include Cooper's results of operations from November 30, 2012. For segment reporting purposes, Cooper has been included within the Electrical Products and the Electrical Systems and Services business segments. Additional information related to the acquisition of Cooper and business segments is presented in Note 2 and Note 14, respectively, of the Notes to the Consolidated Financial Statements.

*Acquisitions of Other Businesses*

The Company's other acquired businesses for 2012 are presented in Note 2 of the Notes to the Consolidated Financial Statements, which are incorporated by reference herein in the Annual Report on Form 10-K for the year ended December 31, 2014.

*Sale of Aerospace Power Distribution Management Solutions and Integrated Cockpit Solutions*

On May 9, 2014, the Company sold the Aerospace Power Distribution Management Solutions and Integrated Cockpit Solutions businesses to Safran for \$270, which resulted in a pre-tax gain of \$154.

*Sale of Apex Tool Group, LLC*

In July 2010, Cooper formed a joint venture, named Apex Tool Group, LLC (Apex), with Danaher Corporation (Danaher). On February 1, 2013, Cooper and Danaher sold Apex to Bain Capital for approximately \$1.6 billion, subject to post-closing adjustments.

**Business Segment Information**



Information by business segment and geographic region regarding principal products, principal markets, methods of distribution, net sales, operating profit and assets is presented in Note 14 of the Notes to the Consolidated Financial Statements. Additional information regarding the Company's segments and business is presented below.

## **Table of Contents**

### *Electrical Products and Electrical Systems and Services*

Principal methods of competition in these segments are performance of products and systems, technology, customer service and support, and price. The Company has a strong competitive position in these segments and, with respect to many products, is considered among the market leaders. In normal economic cycles, sales of these segments are historically lower in the first quarter and higher in the third and fourth quarters of a year. In 2014, 18% of these segments' sales were made to four large distributors of electrical products and electrical systems and services.

### *Hydraulics*

Principal methods of competition in this segment are product performance, geographic coverage, service, and price. The Company has a strong competitive position in this segment and, with respect to many products, is considered among the market leaders. Sales of this segment are historically higher in the first and second quarters and lower in the third and fourth quarters of the year. In 2014, 12% of this segment's sales were made to three large original equipment manufacturers or distributors of agricultural, construction, and industrial equipment and parts.

### *Aerospace*

Principal methods of competition in this segment are total cost of ownership, product and system performance, quality, design engineering capabilities, and timely delivery. The Company has a strong competitive position in this segment and, with respect to many products and platforms, is considered among the market leaders. In 2014, 30% of this segment's sales were made to three large original equipment manufacturers of aircraft.

### *Vehicle*

Principal methods of competition in this segment are product performance, technology, global service, and price. The Company has a strong competitive position in this segment and, with respect to many products, is considered among the market leaders. In 2014, 57% of this segment's sales were made to seven large original equipment manufacturers of vehicles and related components.

## **Information Concerning the Company's Business in General**

### *Raw Materials*

The Company's major requirements for raw materials include iron, steel, copper, nickel, aluminum, brass, tin, silver, lead, molybdenum, titanium, vanadium, rubber, plastic, electronic components, insulating materials, and fluids. Materials are purchased in various forms, such as extrusions, castings, powder metal, metal sheets and strips, forging billets, bar stock, and plastic pellets. Raw materials, as well as parts and other components, are purchased from many suppliers, although there are limited sources of supply for electrical core steel and insulating fluids. Under normal circumstances, the Company has no difficulty obtaining its raw materials. In 2014, the Company maintained appropriate levels of inventory to prevent shortages and did not experience any availability constraints.

### *Patents and Trademarks*

The Company considers its intellectual property, including patents, trade names and trademarks, to be of significant value to its business as a whole. The Company's products are manufactured, marketed, and sold under a portfolio of patents, trademarks, licenses, and other forms of intellectual property, some of which expire or are allowed to lapse at various dates in the future. The Company develops and acquires new intellectual property on an ongoing basis and

considers all of its intellectual property to be valuable. Based on the broad scope of the Company's product lines, management believes that the loss or expiration of any single intellectual property right would not have a material effect on the Company's consolidated financial statements or its business segments. The Company's policy is to file applications and obtain patents for the great majority of its novel and innovative new products including product modifications and improvements.

**Table of Contents**

*Order Backlog*

A significant portion of open orders placed with the Company are by original equipment manufacturers or distributors. These open orders are not considered firm as they have been historically subject to month-to-month releases by customers. In measuring backlog orders, only the amount of orders to which customers are firmly committed are included. Using this criterion, total backlog at December 31, 2014 and 2013 was approximately \$4.4 billion and \$4.6 billion, respectively. Backlog should not be relied upon as being indicative of results of operations for future periods.

*Research and Development*

Research and development expenses for new products and improvement of existing products in 2014, 2013, and 2012 were \$647 million, \$644 million, and \$439 million, respectively. Over the past five years, the Company has invested approximately \$2.6 billion in research and development.

*Environmental Contingencies*

Operations of the Company involve the use and disposal of certain substances regulated under environmental protection laws. The Company continues to modify processes on an ongoing, regular basis in order to reduce the impact on the environment, including the reduction or elimination of certain chemicals used in, and wastes generated from, operations. Compliance with laws that have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, are not expected to have a material adverse effect upon earnings or the competitive position of the Company. The Company's estimated capital expenditures for environmental control facilities are not expected to be material for 2015 and 2016. Information regarding the Company's liabilities related to environmental matters is presented in Note 7 of the Notes to the Consolidated Financial Statements.

Our principal executive office is located at Eaton House, 30 Pembroke Rd., Dublin 4, Ireland, and our telephone number is +353 1 669 4663.

**Table of Contents****USE OF PROCEEDS**

Except as may be described otherwise in a prospectus supplement or term sheet, we will use the net proceeds from the sale of the securities under this prospectus for general corporate purposes, which may include additions to working capital, acquisitions, or the retirement of existing indebtedness via repayment, redemption, or exchange.

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table shows our ratio of earnings to fixed charges for each of the five years in the period ended December 31, 2014.

	<b>For the Years Ended December 31,</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Ratio of Earnings to Fixed Charges	5.99	6.03	4.83	7.41	5.50

For the purpose of computing the ratio of earnings to fixed charges, earnings consist of consolidated pretax income from continuing operations before adjustment for minority interests in consolidated subsidiaries and income (loss) of equity investees, plus (1) amortization of capitalized interest, (2) distributed income of equity investees, and (3) fixed charges described below, excluding interest capitalized. Fixed charges consist of (1) interest expensed, (2) capitalized interest, (3) amortization of debt issue costs, and (4) that portion of rent expense estimated to represent interest. We have had only 10,000 preferred A shares outstanding since 2012, therefore, our ratio of earnings to combined fixed charges and preferred share dividends has been the same as the ratio of earnings to fixed charges for each of the above periods.

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**Table of Contents**

**DESCRIPTION OF DEBT SECURITIES**

We, Eaton, or a Subsidiary Guarantor may issue debt securities from time to time in one or more distinct series. This section summarizes the material terms of the debt securities that are common to all series. Most of the financial terms and other specific material terms of any series of debt securities offered will be described in a prospectus supplement or term sheet. Furthermore, since the terms of specific debt securities may differ from the general information provided below, you should rely on information in the prospectus supplement or term sheet that is inconsistent with the information below.

The debt securities are governed by a document called an indenture. An indenture is a contract between us, Eaton and the Guarantors, if applicable, and a financial institution acting as Trustee on your behalf. The Trustee has two main roles. First, the Trustee can enforce your rights against us if we default. There are some limitations on the extent to which the Trustee acts on your behalf. Second, the Trustee performs certain administrative duties for us.

The debt securities are to be issued under an indenture among us, Eaton, the Guarantors, and The Bank of New York Mellon Trust Company, N.A., as trustee (the Trustee). A form of the indenture for the debt securities (the Indenture) is included as an exhibit to the registration statement of which this prospectus forms a part. In the discussion that follows, we summarize particular provisions of the Indenture. Our discussion of the Indenture provisions is only a summary and is not complete. You should read the Indenture, including changes to be filed as part of any supplemental prospectus, for a more complete understanding of the provisions we describe. The Indenture is subject to and governed by the Trust Indenture Act of 1939, as amended (the Trust Indenture Act).

Because this section is a summary of the material terms of the Indenture, it does not describe every aspect of the debt securities. This summary is qualified in its entirety by the provisions of the Indenture, including definitions of certain terms used in the Indenture. For example, in this section, we use capitalized words to signify terms that are specifically defined in the Indenture. Some of the definitions are repeated in this prospectus, but for the rest you will need to read the Indenture. We also include references in parentheses to certain sections of the Trust Indenture Act. Whenever we refer to particular sections or defined terms of the Indenture, those sections or defined terms are incorporated by reference in this prospectus or in the prospectus supplement or term sheet.

**General**

Unless otherwise specified in the applicable prospectus supplement, the debt securities will be issued by Eaton and be Eaton's unsecured obligations and will rank equally with all of its other unsecured and unsubordinated indebtedness and will be guaranteed by the Company and/or any Subsidiary Guarantors, if applicable. In the case of debt securities issued by the Company or a Subsidiary Guarantor, such debt securities will be the relevant issuer's unsecured obligations and will rank equally with all of their other unsecured and unsubordinated indebtedness and will be guaranteed by Eaton and/or any of the other Subsidiary Guarantors, if applicable. The Company, Eaton and/or a Subsidiary Guarantor that issues debt securities each is referred to herein as an issuer. The Company guarantee, the Eaton guarantee and any Subsidiary Guarantor guarantees, as applicable, will rank equally with all of their other unsecured and unsubordinated indebtedness.

Under the Indenture, any debt securities may be issued and offered under this prospectus and the accompanying prospectus supplement or term sheet (offered debt securities) and any debt securities issuable upon the exercise of debt warrants or upon conversion or exchange of other offered securities (underlying debt securities), as well as other unsecured debt securities.

With respect to the offered debt securities and any underlying debt securities, you should read the prospectus supplement or term sheet for the following terms and other material terms, which will be established by authority of the issuer's Board of Directors or pursuant to an officer's certificate or a supplement to the Indenture before the issuance of the debt securities:

the title of the debt securities, whether the securities will be senior or subordinated and if issued by the Company and/or a Guarantor;

the total principal amount of the debt securities and any limit on the total principal amount of debt securities of each series;

the date or dates when the principal of the debt securities will be payable or how those dates will be determined or extended;

the interest rate or rates, which may be fixed or variable, that the debt securities will bear, if any, or how such rate or rates will be determined, the date or dates from which any interest will accrue, if any, or how such date or dates will

**Table of Contents**

be determined, the interest payment dates, the record dates for such payments, if any, or how such date or dates will be determined and the basis upon which interest will be calculated, if other than that of a 360-day year or twelve 30-day months;

whether the amount of payments of principal of (or premium, if any), or interest on, the debt securities will be determined with reference to an index, formula or other method (which could be based on one or more Currencies, commodities, equity indices or other indices) and how such amounts will be determined;

any optional redemption provisions;

if debt securities are not guaranteed by the Company and any modifications to such guarantee;

whether debt securities are guaranteed by any Subsidiary Guarantors and/or the Company, as applicable, and any deletions from, modifications to, or additions to such guarantees, Events of Default or covenants with respect to such guarantees;

any sinking fund or other provisions that would obligate us to repurchase or otherwise redeem the debt securities;

if other than U.S. dollars, the Currency or Currencies in which the debt securities are denominated and/or payable;

if other than denominations of \$2,000 and integral multiples of \$1,000 thereafter in the case of Registered Securities, the denominations in which the offered debt securities will be issued;

if not the principal amount of the debt securities, the portion of the principal amount at which the debt securities will be issued and, if not the principal amount of the debt securities, the portion of the principal amount payable upon acceleration of the maturity of the debt securities or how that portion will be determined;

the form of the debt securities, if other than a registered global note, including whether the debt securities are to be issuable in permanent or temporary global form, as Registered Securities, Bearer Securities or both, any restrictions on the offer, sale or delivery of Bearer Securities, and the terms, if any, upon which you may exchange Bearer Securities for Registered Securities and vice versa (if permitted by applicable laws and regulations);



any modifications or additions to the provisions of Article Fourteen of the Indenture described below under

Defeasance and Covenant Defeasance if that Article is applicable to the debt securities;

any changes or additions to the Events of Default or our covenants with respect to the debt securities;

the place or places, if any, other than or in addition to The City of New York, of payment, transfer, conversion, and/or exchange of the debt securities, and where notices or demands to or upon us in respect of the debt securities may be served;

whether the issuer or a holder may elect payment of the principal or interest in one or more Currencies other than that in which such debt securities are stated to be payable, and the period or periods within which, and the terms and conditions upon which, that election may be made, and the time and manner of determining the exchange rate between the Currency or Currencies in which they are stated to be payable and the Currency or Currencies in which they are to be so payable;

if other than the Trustee, the identity of each Security Registrar and/or Paying Agent;

the designation of the Exchange Rate Agent, if applicable;

the Person to whom any interest on any Registered Security of the series will be payable, if other than the registered holder as of the close of business on the Regular Record Date, the manner in which, or the Person to whom, any interest on any Bearer Security of the series will be payable, if not upon presentation and surrender of the coupons relating to the Bearer Security as they mature, and the extent to which, or the manner in which, any interest payable on a temporary global security on an Interest Payment Date will be paid if not in the manner provided in the Indenture;

**Table of Contents**

whether and under what circumstances the issuer will pay additional amounts as contemplated under the Indenture ( Additional Amounts ) in respect of any tax, assessment, or governmental charge and, if so, whether the issuer will have the option to redeem the debt securities rather than pay the Additional Amounts (and the terms of any such option);

any provisions granting special rights to the holders of the debt securities upon the occurrence of specified events;

whether the debt securities will be convertible into or exchangeable for any other securities and the applicable terms and conditions;

in the case of convertible securities, any terms by which they may be convertible into ordinary shares;

if the issuer issues the debt securities in definitive form, the terms and conditions under which definitive securities will be issued;

if the issuer issues the debt securities upon the exercise of warrants, the time, manner, and place for them to be authenticated and delivered;

the manner for paying principal and interest and the manner for transferring the debt securities; and

any other terms of the debt securities that are consistent with the requirements of the Trust Indenture Act.

For purposes of this prospectus, any reference to the payment of principal of (or premium, if any) or interest on debt securities will include Additional Amounts if required by the terms of the debt securities.

The Indenture does not limit the amount of debt securities that the issuer is authorized to issue from time to time. When a single Trustee is acting for all debt securities issued under the Indenture, those Securities are called the Indenture Securities. The Indenture also provides that there may be more than one Trustee thereunder, each for a series of Indenture Securities. At a time when two or more Trustees are acting under the Indenture, each with respect to only certain series, the term Indenture Securities means the series of debt securities for which each respective Trustee is acting. If there is more than one Trustee under the Indenture, the powers and trust obligations of each Trustee will apply only to the Indenture Securities for which it is Trustee. If two or more Trustees are acting under the Indenture, then the Indenture Securities for which each Trustee is acting would be treated as if issued under separate indentures.

The Indenture does not contain any provisions that give you protection in the event we issue a large amount of debt or we are acquired by another entity.

The issuer may issue Indenture Securities with terms different from those of Indenture Securities already issued. Without the consent of the holders thereof, the issuer may reopen a previous issue of a series of Indenture Securities

and issue additional Indenture Securities of that series unless the reopening was restricted when that series was created.

There is no requirement that the issuer issue debt securities in the future under the Indenture, and the issuer may use other indentures or documentation containing different provisions in connection with future issues of such other debt securities.

We and/or an issuer, as applicable, may issue the debt securities as original issue discount securities, which are debt securities, including any zero-coupon debt securities, that are issued and sold at a discount from their stated principal amount. Original issue discount securities provide that, upon acceleration of their maturity, an amount less than their principal amount will become due and payable. We will describe Irish tax and/or United States federal income tax consequences and other considerations applicable to original issue discount securities in any prospectus supplement or term sheet relating to them.

Unless otherwise specified in the applicable prospectus supplement or term sheet, the debt securities will be denominated in U.S. dollars and all payments on the debt securities will be made in U.S. dollars. If any series of debt securities is sold for, payable in or denominated in one or more foreign Currencies, the issuer will specify applicable restrictions, elections, tax consequences, specific terms and other information in the applicable prospectus supplement or term sheet. For further information regarding foreign currency debt securities, see Foreign Currency Risk Fluctuations and Controls below.

**Table of Contents**

Payment of the purchase price of the debt securities must be made in immediately available funds.

As used in this prospectus, **Business Day** means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation, or executive order to close in The City of New York; *provided, however*, that, with respect to foreign currency debt securities, the day is also not a day on which commercial banks are authorized or required by law, regulation, or executive order to close in the Principal Financial Center of the country issuing the specified currency (or, if the specified currency is the euro, the day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open); and *provided further* that, with respect to debt securities as to which LIBOR is an applicable interest rate basis, the day is also a London Business Day.

**London Business Day** means a day on which commercial banks are open for business (including dealings in the designated LIBOR Currency) in London.

**Principal Financial Center** means (i) the capital city of the country issuing the specified currency or (ii) the capital city of the country to which the designated LIBOR Currency relates, as applicable, except that the term **Principal Financial Center** means the following cities in the case of the following currencies:

<b>Currency</b>	<b>Principal Financial Center</b>
U.S. dollars	The City of New York
Australian dollars	Sydney
Canadian dollars	Toronto
New Zealand dollars	Auckland
South African rand	Johannesburg
Swiss francs	Zurich

and in the event the LIBOR Currency is euro, the **Principal Financial Center** is London.

**LIBOR Currency** means the currency specified in the applicable prospectus supplement or term sheet as to which LIBOR shall be calculated or, if no such currency is specified in the applicable prospectus supplement or term sheet, U.S. dollars.

The authorized denominations of debt securities denominated in U.S. dollars will be integral multiples of \$1,000, subject to a minimum denomination of \$2,000. The authorized denominations of foreign currency debt securities will be set forth in the applicable prospectus supplement or term sheet.

**Ranking**

The debt securities, unless otherwise more fully described in a related prospectus supplement or term sheet, will be:

the unsecured unsubordinated obligations of Eaton and will rank equally with all of Eaton's other unsecured unsubordinated indebtedness;

effectively subordinated to any existing or future secured obligations of Eaton, to the extent of the value of the collateral securing such obligations;

senior in right of payment to any obligations of Eaton that are by their terms expressly subordinated or junior in right of payment to the debt securities; and

**Table of Contents**

structurally subordinated to the obligations of the subsidiaries of Eaton that do not guarantee the debt securities.

As more fully described in a related prospectus supplement or term sheet, in the case of debt securities issued by the Company or a Subsidiary Guarantor, such debt securities will be the relevant issuer's unsecured obligations and will rank equally with all of their other unsecured and unsubordinated indebtedness and will be guaranteed by Eaton and/or any of the other Subsidiary Guarantors, if applicable. The guarantees of the debt securities, unless otherwise more fully described in a related prospectus supplement or term sheet:

will be the unsubordinated obligations of each Guarantor;

will rank equally in right of payment with any existing and future unsubordinated indebtedness of each Guarantor;

will be senior in right of payment to any obligations of each Guarantor that are by their terms expressly subordinated or junior in right of payment to the guarantees of the debt securities; and

will be effectively subordinated to any existing or future secured obligations of each Guarantor, to the extent of the value of the collateral securing such obligations.

**Guarantees**

Payment of principal of, premium, if any, and interest, and Additional Interest, if any, on the debt securities will be guaranteed, on an unsecured, unsubordinated basis by us and/or certain of our subsidiaries. Each guarantee will be full and unconditional and joint and several. As more fully described in a related prospectus supplement or term sheet, in the case of debt securities issued by the Company or a Subsidiary Guarantor, the Eaton guarantee and any Subsidiary Guarantors guarantee securities will be Eaton's and the relevant Subsidiary Guarantor's unsecured obligations and will rank equally with all of their other unsecured and unsubordinated indebtedness. The Company directly or indirectly owns 100% of Eaton and the other Guarantors.

As described in the applicable prospectus supplement or term sheet, the debt securities are guaranteed by the Company, Eaton, and/or the Guarantors. In addition, we will cause (i) any Subsidiary, other than Excluded Persons, that is or becomes (x) the issuer or co-issuer of, or borrower or guarantor under, any series of U.S. debt securities or any U.S. syndicated credit facility, (y) the guarantor of any series of our debt securities or any syndicated credit facilities, or (z) the issuer or co-issuer of, or borrower or guarantor under, any other series of debt securities or any other syndicated credit facility or (ii) any person is or becomes a direct or indirect parent entity of us that holds any material assets (other than the Equity Interests of any Subsidiary that is or is a parent entity of us) or owes any material liabilities, whether by formation, acquisition, redomiciliation, or otherwise to execute and deliver to the Trustee a supplemental indenture to the Indenture pursuant to which such Subsidiary or such person irrevocably and unconditionally guarantees the debt securities on an unsubordinated basis.

The obligations of each Guarantor under its guarantee of the debt securities will be limited as necessary to prevent such guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable law; this limitation, however, may not be effective to prevent such guarantee from constituting a fraudulent conveyance.

Any guarantee of the debt securities by a Guarantor that is a Subsidiary shall provide by its terms that it shall be automatically and unconditionally released and discharged upon:

(a) the consummation of any transaction permitted under the Indenture (including a sale, transfer, disposition, or distribution of such Guarantor to a Person that is not Eaton or one of its Subsidiaries, or a dissolution) resulting in such Guarantor ceasing to be a Subsidiary; or

(b) to the extent such Guarantor does not remain an issuer or co-issuer of or borrower or guarantor under any U.S. debt securities or U.S. syndicated credit facilities, such Guarantor becoming an Excluded Person.

Any guarantee of the debt securities by a direct or indirect parent of Eaton (other than the Company) shall provide by its terms that it shall be automatically and unconditionally released and discharged, to the extent such Guarantor does not remain an issuer or co-issuer of or borrower or guarantor under any debt securities or syndicated credit facilities, if, at any time after becoming a Guarantor:

(a) such Guarantor becomes prohibited by any applicable law, rule or regulation binding on such Guarantor or its properties from guaranteeing the obligations under the Indenture; or

## **Table of Contents**

(b) remaining a Guarantor would, in our reasonable determination, result in material adverse tax consequences to Eaton or any of its Subsidiaries.

The Indenture does not contain any release provisions for guarantees of debt securities by the Company, if applicable.

## **Optional Redemption, Repayment and Repurchase**

The prospectus supplement or term sheet for a debt security will indicate whether the issuer will have the option to redeem the debt security before the stated maturity and the price and date or dates on which redemption may occur. If the issuer is allowed to redeem a debt security, the issuer may exercise the option by notifying the Trustee and the paying agent at least 45 days prior to the redemption date. In the case the issuer elects to redeem less than all of a series of debt securities, the issuer may exercise the option by notifying the Trustee and the paying agent at least 60 days prior to the redemption date. At least 30 but not more than 60 days before the redemption date, the Trustee will mail notice or cause the paying agent to mail notice of redemption to the holders. If a debt security is only redeemed in part, the issuer will issue a new debt security or debt securities for the unredeemed portion.

The prospectus supplement or term sheet relating to a debt security will also indicate whether you will have the option to elect repayment by us prior to the stated maturity and the price and the date or dates on which repayment may occur.

For a debt security to be repaid at your election, the paying agent must receive, at least 30 but not more than 45 days prior to an optional repayment date, if, in certificated form, such debt security with the form entitled "Option to Elect Repayment" on the reverse of the debt security duly completed. You may also send the paying agent a facsimile or letter from a member of a national securities exchange or the Financial Industry Regulatory Authority (FINRA) or a commercial bank or trust company in the United States describing the particulars of the repayment, including a guarantee that the debt security and the form entitled "Option to Elect Repayment" will be received by the paying agent no later than five Business Days after such facsimile or letter. If you present a debt security for repayment, such act will be irrevocable. You may exercise the repayment option for less than the entire principal of the debt security, *provided* the remaining principal outstanding is an authorized denomination. If you elect partial repayment, your debt security will be cancelled, and the issuer will issue a new debt security or debt securities for the remaining amount.

The Depository Trust Company or its nominee will be the holder of each global security and will be the only party that can exercise a right of repayment. If you are a beneficial owner of a global security and you want to exercise your right of repayment, you must instruct your broker or indirect participant through which you hold your interest to notify The Depository Trust Company. You should consult your broker or such indirect participant to discuss the appropriate cut-off times and any other requirements for giving this instruction. The giving of any such instruction will be irrevocable.

Regardless of anything in this prospectus, if a debt security is an OID Note (as defined below) (other than an Indexed Note), the amount payable in the event of redemption or repayment prior to its stated maturity will be the amortized face amount on the redemption or repayment date, as the case may be. The amortized face amount of an OID Note will be equal to (i) the issue price specified in the applicable prospectus supplement or term sheet plus (ii) that portion of the difference between the issue price and the principal amount of the debt security that has accrued at the yield to maturity described in the prospectus supplement or term sheet (computed in accordance with generally accepted U.S. bond yield computation principles) by the redemption or repayment date. However, in no case will the amortized face amount of an OID Note exceed its principal amount.



Regardless of anything in this prospectus, if a debt security is an OID Note (as defined below) (other than an Indexed Note), the amount payable in the event of acceleration shall be the portion of principal amount specified in the terms of that series of notes to be due and payable immediately.

The issuer may at any time purchase debt securities at any price in the open market or otherwise. The issuer may hold, resell, or surrender for cancellation any debt securities that the issuer purchases.

### **Conversion and Exchange**

If you may convert or exchange debt securities for other Securities, the prospectus supplement or term sheet will explain the terms and conditions of such conversion or exchange, including:

the conversion price or exchange ratio (or the calculation method);

## **Table of Contents**

the conversion or exchange period (or how such period will be determined);

if conversion or exchange will be mandatory, at your option or at our option;

provisions for adjustment of the conversion price or the exchange ratio; and

provisions affecting conversion or exchange in the event of the redemption of the debt securities.

The terms may also include provisions under which the number or amount of other Securities to be received by the holders of such debt securities upon conversion or exchange would be calculated according to the market price of such other Securities as of a time stated in the prospectus supplement or term sheet.

## **Issuance of Securities in Registered Form**

The issuer may issue the debt securities in registered form, in which case the issuer will issue them in book-entry form only. Debt securities issued in book-entry form will be represented by global securities. The prospectus supplement or term sheet will also describe the requirements with respect to our maintenance of offices or agencies outside the United States and the applicable U.S. federal tax law requirements.

*Book-Entry Holders.* The issuer will issue registered debt securities in book-entry form only, unless the issuer specifies otherwise in the applicable prospectus supplement or term sheet. This means debt securities will be represented by one or more global securities registered in the name of a depositary. Financial institutions that participate in the depositary's book-entry system will hold beneficial interests in the debt securities held by or on behalf of the depositary or its nominee. These institutions may hold these interests on behalf of themselves or customers.

Under the Indenture, only the person in whose name a debt security is registered is recognized as the holder of that debt security. Consequently, for debt securities issued in book-entry form, the issuer will recognize only the depositary or its nominee as the holder of the debt securities and the issuer will make all payments on the debt securities to the depositary. The depositary will then pass along the payments it receives to its participants, which, in turn, will pass the payments along to their customers who are the beneficial owners. The depositary and its participants will do so under agreements they have made with one another or with their customers; they are not obligated to do so under the terms of the debt securities or the indenture.

As a result, investors will not own debt securities directly. Instead, they will own beneficial interests in a global security, through a bank, broker or other financial institution that participates in the depositary's book-entry system or holds an interest through an indirect participant. As long as the debt securities are represented by one or more global securities, investors will be indirect holders, and not holders of the debt securities.

*Legal Holders.* An issuer's obligations, as well as the obligations of the trustee and those of any third parties employed by such issuer or the trustee, run only to the legal holders of the debt securities. The issuer does not have obligations to investors who hold beneficial interests in global securities, in street name or by any other indirect means. This will be the case whether an investor chooses to be an indirect holder of a debt security or has no choice because the issuer is issuing the debt securities only in book-entry form.

For example, once the issuer makes a payment or gives a notice to the holder, the issuer has no further responsibility for the payment or notice even if that holder is required, under agreements with depositary participants or customers or by law, to pass it along to the indirect holders but does not do so. Similarly, if the issuer wants to obtain the approval of the holders for any purpose (for example, to amend the Indenture or to relieve such issuer of the consequences of a default or of the issuer's obligation to comply with a particular provision of the Indenture), the issuer would seek the approval only from the holders, and not the indirect holders, of the debt securities. Whether and how the holders contact the indirect holders is up to the holders.

## **Table of Contents**

When we refer to you, we mean those who invest in the debt securities being offered by this prospectus, the prospectus supplement, or term sheet whether they are the holders or only indirect holders of those debt securities. When we refer to your debt securities, we mean the debt securities in which you hold a direct or indirect interest.

*Special Considerations for Indirect Holders.* If you hold debt securities through a bank, broker or other financial institution, either in book-entry form or in street name, we urge you to check with that institution to find out:

how it handles securities payments and notices;

whether it imposes fees or charges;

how it would handle a request for the indirect holders' consent, if ever required;

whether and how you can instruct it to send you debt securities registered in your own name so you can be a holder, if that is permitted in the future for a particular series of debt securities;

how it would exercise rights under the debt securities if there were a default or other event triggering the need for holders to act to protect their interests; and

if the debt securities are in book-entry form, how the depository's rules and procedures will affect these matters.

## **Interest and Interest Rates**

### *General*

Each debt security will begin to accrue interest from the date it is originally issued or from a specified date. The related prospectus supplement or term sheet will specify each debt security as a Fixed Rate Note, a Floating Rate Note, an Amortizing Note, or an Indexed Note and set forth the interest rate or describe the method of determining the interest rate, including any Spread and/or Spread Multiplier. For an Indexed Note, the related prospectus supplement or term sheet also will describe the method for the calculation and payment of principal and interest. The prospectus supplement or term sheet for a Floating Rate Note or Indexed Note may also specify a maximum and a minimum interest rate.

A debt security may be issued as a Fixed Rate Note or a Floating Rate Note or as a debt security that combines fixed and floating rate terms.

Each interest payment on a debt security will include interest accrued from, and including, the issue date, a specified date or the last Interest Payment Date, as the case may be, to but excluding the applicable Interest Payment Date or the Maturity Date (as defined below), as the case may be.

### *Fixed Rate Notes*

The prospectus supplement or term sheet for debt securities with a fixed interest rate ( Fixed Rate Notes ) will specify a fixed interest rate payable semiannually in arrears on dates specified in such prospectus supplement or term sheet (each, with respect to Fixed Rate Notes, an Interest Payment Date ). Unless otherwise specified in a prospectus supplement or term sheet, interest on Fixed Rate Notes will be computed on the basis of a 360-day year of twelve 30-day months. If the stated maturity date, any redemption date or any repayment date (together referred to as the Maturity Date ) or an Interest Payment Date for any Fixed Rate Note is not a Business Day, principal of, premium, if any, and interest on that Note will be paid on the next Business Day, and no interest will accrue from and after the Maturity Date or Interest Payment Date on the payment so deferred. Interest on Fixed Rate Notes will be paid to holders of record as of the close of business on the Regular Record Date. Unless otherwise specified in a prospectus supplement or term sheet, a Regular Record Date will be the fifteenth calendar day (whether or not a Business Day) preceding the applicable Interest Payment Date.

**Table of Contents**

*Original Issue Discount Notes*

An issuer may issue OID Notes (including zero coupon debt securities), which are debt securities issued at a discount from the principal amount payable on the Maturity Date. There may not be any periodic interest payments on OID Notes. For OID Notes, interest normally accrues during the life of the Note and is paid on the Maturity Date. Upon a redemption, repayment, or acceleration of the maturity of an OID Note, the amount payable will be determined as set forth under Optional Redemption, Repayment and Repurchase. This amount normally is less than the amount payable on the stated maturity date.

*Amortizing Notes*

An issuer may issue amortizing debt securities, which are Fixed Rate Notes for which combined principal and interest payments are made in installments over the life of each debt security ( Amortizing Notes ). Payments on Amortizing Notes are applied first to interest due and then to the reduction of the unpaid principal amount. The related prospectus supplement or term sheet for an Amortizing Note will include a table setting forth repayment information.

*Floating Rate Notes*

Each debt security whose interest is determined by reference to an interest rate basis or formula is referred to herein as a Floating Rate Note. That basis or formula may be based on:

the CD Rate;

the Commercial Paper Rate;

LIBOR;

EURIBOR;

the Federal Funds Rate;

the Prime Rate;

the Treasury Rate;

the CMT Rate;

the Eleventh District Cost of Funds Rate; or

another negotiated interest rate basis or formula.

The prospectus supplement or term sheet will also indicate any Spread and/or Spread Multiplier, which would be applied to the interest rate formula to determine the interest rate. Any Floating Rate Note may have a maximum or minimum interest rate limitation. In addition to any maximum interest rate limitation, the interest rate on the Floating Rate Notes will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application.

The issuer will appoint a calculation agent to calculate interest rates on the Floating Rate Notes. Unless the issuer identifies a different party in the prospectus supplement or term sheet, the paying agent will be the calculation agent for each Note.

Unless otherwise specified in a prospectus supplement or term sheet, the Calculation Date, if applicable, relating to an Interest Determination Date will be the earlier of (i) the tenth calendar day after such Interest Determination Date or, if such day is not a Business Day, the next succeeding Business Day, or (ii) the Business Day immediately preceding the relevant Interest Payment Date or the Maturity Date, as the case may be.

**Table of Contents**

Upon the request of the beneficial holder of any Floating Rate Note, the calculation agent will provide the interest rate then in effect and, if different, when available, the interest rate that will become effective on the next Interest Reset Date (as defined below) for the Floating Rate Note.

**Change of Interest Rate.** The interest rate on each Floating Rate Note may be reset daily, weekly, monthly, quarterly, semiannually, annually, or on some other specified basis. This period is an Interest Reset Period and the first day of each Interest Reset Period is an Interest Reset Date. Unless otherwise specified in a prospectus supplement or term sheet, the Interest Reset Date will be:

for Notes with interest that resets daily, each Business Day;

for Notes (other than Treasury Rate Notes) with interest that resets weekly, Wednesday of each week;

for Treasury Rate Notes with interest that resets weekly, Tuesday of each week;

for Notes with interest that resets monthly, the third Wednesday of each month;

for Notes with interest that resets quarterly, the third Wednesday of March, June, September and December of each year;

for Notes with interest that resets semiannually, the third Wednesday of each of the two months of each year indicated in the applicable prospectus supplement or term sheet; and

for Notes with interest that resets annually, the third Wednesday of the month of each year indicated in the applicable prospectus supplement or term sheet.

The related prospectus supplement or term sheet will describe the initial interest rate or interest rate formula on each Note. That rate will be effective until the following Interest Reset Date. Thereafter, the interest rate will be the rate determined on each Interest Determination Date. Each time a new interest rate is determined, it becomes effective on the following Interest Reset Date. If any Interest Reset Date is not a Business Day, then the Interest Reset Date is postponed to the next Business Day, except, in the case of LIBOR and EURIBOR Notes, if the next Business Day is in the next calendar month, the Interest Reset Date is the immediately preceding Business Day.

**Date Interest Rate Is Determined.** The Interest Determination Date for all CD and CMT Rate Notes is the second Business Day before the Interest Reset Date and for all LIBOR Notes will be the second London Business Day immediately preceding the applicable Interest Reset Date (unless the LIBOR Currency is Sterling, in which case the Interest Determination Date will be the Interest Reset Date).

The Interest Determination Date for EURIBOR Notes will be the second TARGET Business Day immediately preceding the applicable Interest Reset Date.



The Interest Determination Date for Treasury Rate Notes will be the day of the week in which the Interest Reset Date falls on which Treasury bills of the Index Maturity are normally auctioned. Treasury bills are usually sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on Tuesday. Sometimes, the auction is held on the preceding Friday. If an auction is held on the preceding Friday, that day will be the Interest Determination Date relating to the Interest Reset Date occurring in the next week.

The Interest Determination Date for all Commercial Paper Rate, Federal Funds Rate and Prime Rate Notes will be the first Business Day preceding the Interest Reset Date.

The Interest Determination Date for an Eleventh District Cost of Funds Rate Note is the last Business Day of the month immediately preceding the applicable Interest Reset Date in which the Federal Home Loan Bank of San Francisco published the applicable rate.

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**Table of Contents**

The Interest Determination Date relating to a Floating Rate Note with an interest rate that is determined by reference to two or more interest rate bases will be the most recent Business Day which is at least two Business Days before the applicable Interest Reset Date for each interest rate for the applicable Floating Rate Note on which each interest rate basis is determinable.

**Payment of Interest.** Unless otherwise specified in a prospectus supplement or term sheet, interest is paid as follows:

for Notes with interest that resets daily, weekly or monthly, on the third Wednesday of each month;

for Notes with interest payable quarterly, on the third Wednesday of March, June, September, and December of each year;

for Notes with interest payable semiannually, on the third Wednesday of each of the two months specified in the applicable prospectus supplement or term sheet;

for Notes with interest payable annually, on the third Wednesday of the month specified in the applicable prospectus supplement or term sheet (each of the above, with respect to Floating Rate Notes, an Interest Payment Date ); and

at maturity, redemption or repayment.

Interest on a Floating Rate Note will be payable beginning on the first Interest Payment Date after its issue date to holders of record as of the close of business on the Regular Record Date, which is the fifteenth day (whether or not a Business Day) next preceding the applicable Interest Payment Date, unless the issue date falls after a Regular Record Date and on or prior to the related Interest Payment Date, in which case payment will be made to holders of record at the close of business on the Regular Record Date next preceding the second Interest Payment Date following the issue date. If an Interest Payment Date (but not the Maturity Date) is not a Business Day then the Interest Payment Date will be postponed to the next Business Day. However, in the case of LIBOR and EURIBOR Notes, if the next Business Day is in the next calendar month, the Interest Payment Date will be the immediately preceding Business Day. If the Maturity Date of any Floating Rate Note is not a Business Day, principal of, premium, if any, and interest on that Note due on that date will be paid on the next Business Day, and no interest will accrue from and after the Maturity Date on the payment so deferred.

Accrued interest on a Floating Rate Note is calculated by multiplying the principal amount of a Note by an accrued interest factor. The accrued interest factor is the sum of the interest factors calculated for each day in the period for which accrued interest is being calculated. The interest factor for each day is computed by dividing the interest rate in effect on that day by (1) the actual number of days in the year, in the case of Treasury Rate Notes or CMT Rate Notes, or (2) 360, in the case of other Floating Rate Notes. The interest factor for Floating Rate Notes for which the interest rate is calculated with reference to two or more interest rate bases will be calculated in each period in the same manner as if only one of the applicable interest rate bases applied. All percentages resulting from any calculation are rounded to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upward. For example, 9.876545% (or .09876545) will be rounded to 9.87655% (or .0987655). Dollar amounts used in the calculation are rounded to the nearest cent (with one-half cent being rounded upward).

**CD Rate Notes.** The CD Rate for any Interest Determination Date is the rate on that date for negotiable U.S. dollar certificates of deposit having the Index Maturity described in the related prospectus supplement or term sheet, as published in H.15(519) prior to 3:00 p.m., New York City time, on the Calculation Date, for that Interest Determination Date under the heading CDs (secondary market). The Index Maturity is the period to maturity of the instrument or obligation with respect to which the related interest rate basis or formula will be calculated.

The following procedures will be followed if the CD Rate cannot be determined as described above:

If the above rate is not published in H.15(519) by 3:00 p.m., New York City time, on the Calculation Date, the CD Rate will be the rate on that Interest Determination Date for negotiable U.S. dollar certificates of deposit of the Index Maturity described in the prospectus supplement or term sheet as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption CDs (secondary market).

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**Table of Contents**

If that rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Calculation Date, then the calculation agent will determine the CD Rate to be the average of the secondary market offered rates as of 10:00 a.m., New York City time, on that Interest Determination Date, quoted by three leading nonbank dealers of negotiable U.S. dollar certificates of deposit in New York City (which may include an agent or underwriter or its affiliates) for negotiable U.S. dollar certificates of deposit of major United States money-center banks with a remaining maturity closest to the Index Maturity in an amount that is representative for a single transaction in the market at that time described in the prospectus supplement or term sheet. The issuer will select and identify the three dealers referred to above.

If fewer than three dealers are quoting as mentioned above, the CD Rate will remain the CD Rate then in effect on that Interest Determination Date, provided, that if the initial interest rate is in effect on such Interest Determination Date, it will remain in effect for the new Interest Reset Period.

H.15(519) means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the Federal Reserve System.

H.15 Daily Update means the daily update of H.15(519), available through the web site of the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/h15/update>, or any successor site or publication.

**Commercial Paper Rate Notes.** The Commercial Paper Rate for any Interest Determination Date is the Money Market Yield of the rate on that date for commercial paper having the Index Maturity described in the related prospectus supplement or term sheet, as published in H.15(519) prior to 3:00 p.m., New York City time, on the Calculation Date for that Interest Determination Date under the heading Commercial Paper Nonfinancial.

The following procedures will be followed if the Commercial Paper Rate cannot be determined as described above:

If the above rate is not published in H.15(519) by 3:00 p.m., New York City time, on the Calculation Date, the Commercial Paper Rate will be the Money Market Yield of the rate on that Interest Determination Date for commercial paper having the Index Maturity described in the prospectus supplement or term sheet, as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption Commercial Paper Nonfinancial.

If that rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Calculation Date, then the calculation agent will determine the Commercial Paper Rate to be the Money Market Yield of the average of the offered rates of three leading dealers of U.S. dollar commercial paper in New York City (which may include an agent or underwriter or its affiliates) as of 11:00 a.m., New York City time, on that Interest Determination Date for commercial paper having the Index Maturity described in the prospectus supplement or term sheet placed for an industrial issuer whose bond rating is Aa, or the equivalent, from a nationally recognized statistical rating organization. The issuer will select and identify the three dealers referred to above.

If fewer than three dealers selected by the calculation agent are quoting as mentioned above, the Commercial Paper Rate will remain the Commercial Paper Rate then in effect on that Interest Determination Date, provided, that if the initial interest rate is in effect on such Interest Determination Date, it will remain in effect for the new Interest Reset Period.

Money Market Yield means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 (D \times M)} \times 100$$

where  $D$  refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and  $M$  refers to the actual number of days in the reset period for which interest is being calculated.

**LIBOR Notes.** The LIBOR for any Interest Determination Date is the rate for deposits in the LIBOR Currency having the Index Maturity specified in such prospectus supplement or term sheet as such rate is displayed on Reuters (or any successor service

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**Table of Contents**

nominated by the ICE Benchmark Administration Limited or any successor thereto) on page LIBOR01 (or any other page as may replace such page on such service for the purpose of displaying the London interbank rates of major banks for the designated LIBOR Currency) ( Reuters Page LIBOR01 ) as of 11:00 a.m., London time, on such LIBOR Interest Determination Date.

The following procedure will be followed if LIBOR cannot be determined as described above:

The calculation agent shall request the principal London offices of each of four major reference banks (which may include an agent or underwriter or its affiliates) in the London interbank market, as selected and identified by the issuer to provide the calculation agent with its offered quotation for deposits in the designated LIBOR Currency for the period of the Index Maturity specified in the applicable prospectus supplement or term sheet, commencing on the related Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on such LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in the designated LIBOR Currency in such market at such time. If at least two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean calculated by the calculation agent of such quotations. If fewer than two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean calculated by the calculation agent of the rates quoted at approximately 11:00 a.m., in the applicable Principal Financial Center (as described above), on such LIBOR Interest Determination Date by three major banks (which may include an agent or underwriter or its affiliates) in such Principal Financial Center selected and identified by the issuer for loans in the designated LIBOR Currency to leading European banks, having the Index Maturity specified in the applicable prospectus supplement or term sheet and in a principal amount that is representative for a single transaction in the designated LIBOR Currency in such market at such time; *provided, however*, that if the banks so selected by the issuer are not quoting as mentioned in this sentence, LIBOR determined as of such LIBOR Interest Determination Date shall be LIBOR in effect on such LIBOR Interest Determination Date, provided, that if the initial interest rate is in effect on such LIBOR Interest Determination Date, it will remain in effect for the new Interest Reset Period.

LIBOR Currency means the currency specified in the applicable prospectus supplement or term sheet as to which LIBOR shall be calculated or, if no such currency is specified in the applicable prospectus supplement or term sheet, U.S. dollars.

**EURIBOR Notes.** The EURIBOR for any Interest Determination Date is the offered rate for deposits in euro having the Index Maturity specified in the applicable prospectus supplement or term sheet, beginning on the second TARGET Business Day after such EURIBOR Interest Determination Date, as that rate appears on Reuters Page EURIBOR01 as of 11:00 a.m., Brussels time, on such EURIBOR Interest Determination Date.

The following procedure will be followed if EURIBOR cannot be determined as described above:

EURIBOR will be determined on the basis of the rates, at approximately 11:00 a.m., Brussels time, on such EURIBOR Interest Determination Date, at which deposits of the following kind are offered to prime banks in the euro-zone interbank market by the principal euro-zone office of each of four major banks in that market (which may include an agent or underwriter or its affiliates) selected and

identified by the issuer: euro deposits having such EURIBOR Index Maturity, beginning on such EURIBOR Interest Reset Date, and in a representative amount. The calculation agent will request that the principal euro-zone office of each of these banks provide a quotation of its rate. If at least two quotations are provided, EURIBOR for such EURIBOR Interest Determination Date will be the arithmetic mean of the quotations.

If fewer than two quotations are provided as described above, EURIBOR for such EURIBOR Interest Determination Date will be the arithmetic mean of the rates for loans of the following kind to leading euro-zone banks quoted, at approximately 11:00 a.m., Brussels time on that Interest Determination Date, by three major banks in the euro-zone (which may include an agent or underwriter or its affiliates selected and identified by the issuer: loans of euro having such EURIBOR Index Maturity, beginning on such EURIBOR Interest Reset Date, and in an amount that is representative of a single transaction in euro in that market at the time.

If fewer than three banks selected by the issuer are quoting as described above, EURIBOR determined as of such EURIBOR Interest Determination Date will be EURIBOR in effect on such EURIBOR Interest Determination Date, provided that if the initial interest rate is in effect on such EURIBOR Interest Determination Date, it will remain in effect for the new Interest Reset Period.

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**Table of Contents**

**Federal Funds Rate Notes.** The Federal Funds Rate will be calculated by reference to either the Federal Funds (Effective) Rate, the Federal Funds Open Rate or the Federal Funds Target Rate, as specified in the applicable prospectus supplement or term sheet. The Federal Funds Rate is the rate determined by the calculation agent, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Federal Funds Rate (a Federal Funds Rate Interest Determination Date), in accordance with the following provisions:

If Federal Funds (Effective) Rate is the specified Federal Funds Rate in the applicable prospectus supplement or term sheet, the Federal Funds Rate as of the applicable Federal Funds Rate Interest Determination Date shall be the rate with respect to such date for U.S. dollar federal funds as published in H.15(519) opposite the caption Federal funds (effective), as such rate is displayed on Reuters on page FEDFUNDS1 (or any other page as may replace such page on such service) ( Reuters Page FEDFUNDS1 ) under the heading EFFECT, or, if such rate is not so published by 3:00 p.m., New York City time, on the calculation date, the rate with respect to such Federal Funds Rate Interest Determination Date for U.S. dollar federal funds as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption Federal funds (effective).

The following procedure will be followed if Federal Funds (Effective) Rate is the specified Federal Funds Rate in the applicable prospectus supplement or term sheet and such Federal Funds Rate cannot be determined as described above. The Federal Funds Rate with respect to such Federal Funds Rate Interest Determination Date shall be calculated by the calculation agent and will be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by three leading brokers of U.S. dollar federal funds transactions in New York City (which may include an agent or underwriter or its affiliates) selected and identified by the issuer prior to 9:00 a.m., New York City time, on the Business Day following such Federal Funds Rate Interest Determination Date; *provided, however*, that if the brokers so selected by the calculation agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date, provided, that if the initial interest rate is in effect on such Federal Funds Rate Interest Determination Date, it will remain in effect for the new Interest Reset Period.

If Federal Funds Open Rate is the specified Federal Funds Rate in the applicable prospectus supplement or term sheet, the Federal Funds Rate as of the applicable Federal Funds Rate Interest Determination Date shall be the rate on such date under the heading Federal Funds for the relevant Index Maturity and opposite the caption Open as such rate is displayed on Reuters on page 5 (or any other page as may replace such page on such service) ( Reuters Page 5 ), or, if such rate does not appear on Reuters Page 5 by 3:00 p.m., New York City time, on the calculation date, the Federal Funds Rate for the Federal Funds Rate Interest Determination Date will be the rate for that day displayed on FFPREBON Index page on Bloomberg L.P. ( Bloomberg ), which is the Federal Funds Opening Rate as reported by Prebon Yamane (or a successor) on Bloomberg.



The following procedure will be followed if Federal Funds Open Rate is the specified Federal Funds Rate in the applicable prospectus supplement or term sheet and such Federal Funds Rate cannot be determined as described above. The Federal Funds Rate on such Federal Funds Rate Interest Determination Date shall be calculated by the calculation agent and will be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by three leading brokers of U.S. dollar federal funds transactions in New York City (which may include an agent or underwriter or its affiliates) selected and identified by the issuer prior to 9:00 a.m., New York City time, on such Federal Funds Rate Interest Determination Date; *provided, however*, that if the brokers so selected by the calculation agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date, provided, that if the initial interest rate is in effect on such Federal Funds Rate Interest Determination Date, it will remain in effect for the new Interest Reset Period.

If Federal Funds Target Rate is the specified Federal Funds Rate in the applicable prospectus supplement or term sheet, the Federal Funds Rate as of the applicable Federal Funds Rate Interest Determination Date shall be the rate on such date as displayed on the FDTR Index page on Bloomberg. If such rate does not appear on the FDTR Index page on Bloomberg by 3:00 p.m., New York City time, on the calculation date, the Federal Funds Rate for such Federal Funds Rate Interest Determination Date will be the rate for that day appearing on Reuters Page USFFTARGET= (or any other page as may replace such page on such service) ( Reuters Page USFFTARGET= ).

**Table of Contents**

The following procedure will be followed if **Federal Funds Target Rate** is the specified Federal Funds Rate in the applicable prospectus supplement or term sheet and such Federal Funds Rate cannot be determined as described above. The Federal Funds Rate on such Federal Funds Rate Interest Determination Date shall be calculated by the calculation agent and will be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by three leading brokers of U.S. dollar federal funds transactions in New York City (which may include the agents, underwriters or their affiliates) selected and identified by the issuer prior to 9:00 a.m., New York City time, on such Federal Funds Rate Interest Determination Date; *provided, however*, that if the brokers so selected by the calculation agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date, provided, that if the initial interest rate is in effect on such Federal Funds Rate Interest Determination Date, it will remain in effect for the new Interest Reset Period.

**Prime Rate Notes.** The **Prime Rate** for any Interest Determination Date is the rate on that date, as published in H.15(519) by 3:00 p.m., New York City time, on the Calculation Date for that Interest Determination Date under the heading **Bank Prime Loan** or, if not published by 3:00 p.m., New York City time, on the related Calculation Date, the rate on such Interest Determination Date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption **Bank Prime Loan**.

The following procedures will be followed if the Prime Rate cannot be determined as described above:

If the rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Calculation Date, then the calculation agent will determine the Prime Rate to be the average of the rates of interest publicly announced by each bank that appears on the Reuters Screen designated as **USPRIME1 Page** as that bank's prime rate or base lending rate in effect as of 11:00 a.m., New York City time on that Interest Determination Date.

If fewer than four rates appear on the Reuters Page **USPRIME1** on the Interest Determination Date, then the Prime Rate will be the average of the prime rates or base lending rates quoted (on the basis of the actual number of days in the year divided by a 360-day year) as of the close of business on the Interest Determination Date by three major banks, which may include an agent, underwriter or its affiliates, in The City of New York selected and identified by the issuer.

If the banks selected by the calculation agent are not quoting as mentioned above, the Prime Rate will remain the Prime Rate then in effect on the Interest Determination Date, provided, that if the initial interest rate is in effect on such Interest Determination Date, it will remain in effect for the new Interest Reset Period.

**Reuters Page USPRIME1** means the display on Reuters (or any successor service) on the **USPRIME1 Page** (or such other page as may replace the **USPRIME1 Page** on such service) for the purpose of displaying prime rates or base lending rates of major U.S. banks.

**Treasury Rate Notes.** The **Treasury Rate** for any Interest Determination Date is the rate from the auction of direct obligations of the United States ( **Treasury bills** ) having the Index Maturity specified in such prospectus supplement or term sheet under the caption **INVEST RATE** on the display on Reuters page **USAUCTION10** (or any other page as

may replace such page on such service) or page USAUCTION11 (or any other page as may replace such page on such service) or, if not so published at 3:00 p.m., New York City time, on the related calculation date, the bond equivalent yield (as defined below) of the rate for such Treasury bills as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption U.S. Government Securities/Treasury Bills/Auction High. If such rate is not so published in the related H.15 Daily Update or another recognized source by 3:00 p.m., New York City time, on the related calculation date, the Treasury Rate on such Treasury Rate Interest Determination Date shall be the bond equivalent yield of the auction rate of such Treasury bills as announced by the United States Department of the Treasury. In the event that such auction rate is not so announced by the United States Department of the Treasury on such calculation date, or if no such auction is held, then the Treasury Rate on such Treasury Rate Interest Determination Date shall be the bond equivalent yield of the rate on such Treasury Rate Interest Determination Date of Treasury bills having the Index Maturity specified in the applicable prospectus supplement or term sheet as published in H.15(519) under the caption U.S. government securities/treasury bills/secondary market or, if not yet published by 3:00 p.m., New York City time, on the related calculation date, the rate on such Treasury Rate Interest Determination Date of such Treasury bills as

**Table of Contents**

published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption U.S. government securities/treasury bills (secondary market). If such rate is not yet published in the H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the related calculation date, then the Treasury Rate on such Treasury Rate Interest Determination Date shall be calculated by the calculation agent and shall be the bond equivalent yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m., New York City time, on such Treasury Rate Interest Determination Date, of the three leading primary United States government securities dealers (which may include an agent or underwriter or its affiliates) selected and identified by the issuer for the issue of Treasury bills with a remaining maturity closest to the Index Maturity specified in the applicable prospectus supplement or term sheet; *provided, however*, that if the dealers so selected by the calculation agent are not quoting as mentioned in this sentence, the Treasury Rate determined as of such Treasury Rate Interest Determination Date will be the Treasury Rate in effect on such Treasury Rate Interest Determination Date, , provided, that if the initial interest rate is in effect on such Treasury Rate Interest Determination Date, it will remain in effect for the new Interest Reset Period.

The bond equivalent yield means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{bond equivalent yield} = \frac{D \times N}{360 (D \times M)} \times 100$$

where *D* refers to the applicable per annum rate for Treasury bills quoted on a bank discount basis and expressed as a decimal, *N* refers to 365 or 366, as the case may be, and *M* refers to the actual number of days in the applicable interest reset period.

**CMT Rate Notes.** The CMT Rate for any Interest Determination Date is as follows:

If Reuters Page FRBCMT is the specified CMT Reuters Page in the applicable prospectus supplement or term sheet, the CMT Rate on the CMT Rate Interest Determination Date shall be a percentage equal to the yield for United States Treasury securities at constant maturity having the Index Maturity specified in the applicable prospectus supplement or term sheet as set forth in H.15(519) under the caption Treasury constant maturities, as such yield is displayed on Reuters (or any successor service) on page FRBCMT (or any other page as may replace such page on such service) ( Reuters Page FRBCMT ) for such CMT Rate Interest Determination Date.

If such rate does not appear on Reuters Page FRBCMT, the CMT Rate on such CMT Rate Interest Determination Date shall be a percentage equal to the yield for United States Treasury securities at constant maturity having the Index Maturity specified in the applicable prospectus supplement or term sheet and for such CMT Rate Interest Determination Date as set forth in H.15(519) under the caption Treasury constant maturities.

If such rate does not appear in H.15(519), the CMT Rate on such CMT Rate Interest Determination Date shall be the rate for the period of the Index Maturity specified in the applicable prospectus supplement or term sheet as may then be published by either the Federal Reserve Board or the United

States Department of the Treasury that the calculation agent determines to be comparable to the rate that would otherwise have been published in H.15(519).

If the Federal Reserve Board or the United States Department of the Treasury does not publish a yield on United States Treasury securities at constant maturity having the Index Maturity specified in the applicable prospectus supplement or term sheet for such CMT Rate Interest Determination Date, the CMT Rate on such CMT Rate Interest Determination Date shall be calculated by the calculation agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 p.m., New York City time, on such CMT Rate Interest Determination Date of three leading primary United States government securities dealers in New York City (which may include the agents, underwriters or their affiliates) (each, a reference dealer ) selected and identified by the issuer from five such reference dealers selected and identified by the issuer and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest) for United States Treasury securities with an original maturity equal to the Index Maturity specified in the applicable prospectus supplement or term sheet, a remaining term to maturity no more than one year shorter than such Index Maturity and in a principal amount that is representative for a single transaction in such securities in such market at such time. If fewer than three prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination Date shall be calculated by the

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**Table of Contents**

calculation agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 p.m., New York City time, on such CMT Rate Interest Determination Date of three reference dealers selected and identified by the issuer from five such reference dealers selected and identified by the issuer and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest) for United States Treasury securities with an original maturity greater than the Index Maturity specified in the applicable prospectus supplement or term sheet, a remaining term to maturity closest to such Index Maturity and in a principal amount that is representative for a single transaction in such securities in such market at such time. If two such United States Treasury securities with an original maturity greater than the Index Maturity specified in the applicable prospectus supplement or term sheet have remaining terms to maturity equally close to such Index Maturity, the quotes for the Treasury security with the shorter original term to maturity will be used. If fewer than five but more than two such prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination Date shall be calculated by the calculation agent and shall be based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of such quotations shall be eliminated; *provided, however*, that if fewer than three such prices are provided as requested, the CMT Rate determined as of such CMT Rate Interest Determination Date shall be the CMT Rate in effect on such CMT Rate Interest Determination Date, provided, that if the initial interest rate is in effect on such CMT Rate Interest Determination Date, it will remain in effect for the new Interest Reset Period.

If Reuters Page FEDCMT is the specified CMT Reuters Page in the applicable prospectus supplement or term sheet, the CMT Rate on the CMT Rate Interest Determination Date shall be a percentage equal to the one-week or one-month, as specified in the applicable prospectus supplement or term sheet, average yield for United States Treasury securities at constant maturity having the Index Maturity specified in the applicable prospectus supplement or term sheet as set forth in H.15(519) opposite the caption Treasury Constant Maturities, as such yield is displayed on Reuters on page FEDCMT (or any other page as may replace such page on such service) ( Reuters Page FEDCMT ) for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which such CMT Rate Interest Determination Date falls.

If such rate does not appear on Reuters Page FEDCMT, the CMT Rate on such CMT Rate Interest Determination Date shall be a percentage equal to the one-week or one-month, as specified in the applicable prospectus supplement or term sheet, average yield for United States Treasury securities at constant maturity having the Index Maturity specified in the applicable prospectus supplement or term sheet for the week or month, as applicable, preceding such CMT Rate Interest Determination Date as set forth in H.15(519) opposite the caption Treasury Constant Maturities.

If such rate does not appear in H.15(519), the CMT Rate on such CMT Rate Interest Determination Date shall be the one-week or one-month, as specified in the applicable prospectus supplement or term sheet, average yield for United States Treasury securities at constant maturity having the Index Maturity specified in the applicable prospectus supplement or term sheet as otherwise announced by the Federal Reserve Bank of New York for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which such CMT Rate Interest Determination Date falls.

If the Federal Reserve Bank of New York does not publish a one-week or one-month, as specified in the applicable prospectus supplement or term sheet, average yield on United States Treasury securities at constant maturity having the Index Maturity specified in the applicable prospectus supplement or term sheet for the applicable week or month, the CMT Rate on such CMT Rate Interest Determination Date shall be calculated by the calculation agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 p.m., New York City time, on such CMT Rate Interest Determination Date of three reference dealers selected and identified by the issuer from five such reference dealers selected and identified by the issuer and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest) for United States Treasury securities with an original maturity equal to the Index Maturity specified in the applicable prospectus supplement or term sheet, a remaining term to maturity of no more than one year shorter than such Index Maturity and in a principal amount that is representative for a single transaction in such securities in such market at such time. If fewer than five but more than two such prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination Date shall be the rate on the CMT Rate Interest Determination Date calculated by the calculation agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of such quotation shall be eliminated. If fewer than three prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination

**Table of Contents**

Date shall be calculated by the calculation agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 p.m., New York City time, on such CMT Rate Interest Determination Date of three reference dealers selected and identified by the issuer from five such reference dealers selected and identified by the issuer and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest) for United States Treasury securities with an original maturity longer than the Index Maturity specified in the applicable prospectus supplement or term sheet, a remaining term to maturity closest to such Index Maturity and in a principal amount that is representative for a single transaction in such securities in such market at such time. If two United States Treasury securities with an original maturity greater than the Index Maturity specified in the applicable prospectus supplement or term sheet have remaining terms to maturity equally close to such Index Maturity, the quotes for the Treasury security with the shorter original term to maturity will be used. If fewer than five but more than two such prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination Date shall be the rate on the CMT Rate Interest Determination Date calculated by the calculation agent based on the arithmetic mean of the bid prices obtained and neither the highest nor lowest of such quotations shall be eliminated; *provided, however*, that if fewer than three such prices are provided as requested, the CMT Rate determined as of such CMT Rate Interest Determination Date shall be the CMT Rate in effect on such CMT Rate Interest Determination Date, provided, that if the initial interest rate is in effect on such CMT Rate Interest Determination Date, it will remain in effect for the new Interest Reset Period.

**Eleventh District Cost of Funds Rate Notes.** The Eleventh District Cost of Funds Rate for any Interest Determination Date is the rate equal to the monthly weighted average cost of funds for the calendar month preceding the Interest Determination Date as displayed on Reuters Page COFI/ARMS (or any other page as may replace that specified page on that service) as of 11:00 a.m., San Francisco time, on the Calculation Date for that Interest Determination Date under the caption 11th District.

The following procedures will be used if the Eleventh District Cost of Funds Rate cannot be determined as described above:

If the rate is not displayed on the relevant page as of 11:00 a.m., San Francisco time, on the Calculation Date, then the Eleventh District Cost of Funds Rate will be the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District, as announced by the Federal Home Loan Bank of San Francisco, as the cost of funds for the calendar month preceding the date of announcement.

If no announcement was made relating to the calendar month preceding the Interest Determination Date, the Eleventh District Cost of Funds Rate will remain the Eleventh District Cost of Funds Rate then in effect on the Interest Determination Date, provided, that if the initial interest rate is in effect on such Interest Determination Date, it will remain in effect for the new Interest Reset Period.

***Indexed Notes***

We or another issuer may issue debt securities for which the amount of interest or principal that you will receive will not be known on your date of purchase. Interest or principal payments for these types of debt securities, which are called Indexed Notes, are determined by reference to securities, financial or non-financial indices, currencies, commodities, interest rates, or a composite or baskets of any or all of the above. Examples of indexed items that may



be used include a published stock index, the common stock price of a publicly traded company, the value of the U.S. dollar versus the Japanese yen, or the price of a barrel of West Texas intermediate crude oil.

If you purchase an Indexed Note, you may receive a principal amount at maturity that is greater than or less than the Note's face amount, and an interest rate that is greater than or less than the interest rate that you would have earned if you had instead purchased a conventional debt security issued by the issuer or another issuer, as applicable at the same time with the same maturity. The amount of interest and principal that you will receive will depend on the structure of the Indexed Note and the level of the specified indexed item throughout the term of the Indexed Note and at maturity. Specific information pertaining to the method of determining the interest payments and the principal amount will be described in the prospectus supplement or term sheet, as well as additional risk factors unique to the Indexed Note, certain historical information for the specified indexed item and certain additional Irish tax and/or United States federal income tax considerations.

## **Table of Contents**

### ***Renewable Notes***

We or another issuer may issue debt securities, which are called **Renewable Notes**, that will automatically renew at their stated maturity date unless the holder of a Renewable Note elects to terminate the automatic extension feature by giving notice in the manner described in the related prospectus supplement or term sheet. In addition, the issuer may issue debt securities whose stated maturity date may be extended at the option of the holder for one or more periods, as more fully described in the prospectus supplement or term sheet relating to such securities.

The holder of a Renewable Note must give notice of termination at least 15 but not more than 30 days prior to a Renewal Date. The holder of a Renewable Note may terminate the automatic extension for less than all of its Renewable Notes only if the terms of the Renewable Note specifically permit partial termination. An election to terminate the automatic extension of any portion of the Renewable Note is not revocable and will be binding on the holder of the Renewable Note. If the holder elects to terminate the automatic extension of the maturity of the Note, the holder will become entitled to the principal and interest accrued up to the Renewal Date. The related prospectus supplement or term sheet will identify a stated maturity date beyond which the Maturity Date cannot be renewed.

If a Renewable Note is represented by a Global Security, DTC or its nominee will be the holder of the Note and therefore will be the only entity that can exercise a right to terminate the automatic extension of a Note. In order to ensure that DTC or its nominee will exercise a right to terminate the automatic extension provisions of a particular Renewable Note, the beneficial owner of the Note must instruct the broker or other DTC participant through which it holds an interest in the Note to notify DTC of its desire to terminate the automatic extension of the Note. Different firms have different cut-off times for accepting instructions from their customers and, accordingly, each beneficial owner should consult the broker or other participant through which it holds an interest in a Note to ascertain the cut-off time by which an instruction must be given for delivery of timely notice to DTC or its nominee. Specific information pertaining to Irish tax and/or United States federal income tax considerations for Renewable Notes will be described in an applicable prospectus supplement or term sheet.

### ***Extendible Notes***

We or another issuer may issue debt securities, which are called **Extendible Notes**, whose stated Maturity Date may be extended at the issuer's option for one or more whole-year periods (each, an **Extension Period**), up to but not beyond a stated maturity date described in the related prospectus supplement or term sheet.

The issuer may exercise its option to extend the Extendible Notes by notifying the applicable trustee (or any duly appointed paying agent) at least 45 but not more than 60 days prior to the then effective Maturity Date. If the issuers elect to extend the Extendible Notes, the trustee (or paying agent) will mail (at least 40 days prior to the Maturity Date) to the registered holder of the Extendible Notes a notice (an **Extension Notice**) informing the holders of the issuer's election, the new Maturity Date and any updated terms. Upon the mailing of the Extension Notice, the maturity of the Extendible Notes will be extended automatically as set forth in the Extension Notice.

However, the relevant issuer may, not later than 20 days prior to the Maturity Date of an Extendible Note (or, if that date is not a Business Day, prior to the next Business Day), at the issuer's option, establish a higher interest rate, in the case of a Fixed Rate Note, or a higher Spread and/or Spread Multiplier, in the case of a Floating Rate Note, for the Extension Period by mailing or causing the applicable trustee (or paying agent) to mail notice of such higher interest rate or higher Spread and/or Spread Multiplier to the holders of the Notes. The notice will be irrevocable.

If the issuers elect to extend the maturity of Extendible Notes, the holders of the Notes will have the option to instead elect repayment of the Notes by an issuer on the Maturity Date in effect prior to such extension, at a price equal to the

principal amount thereof, plus interest accrued to such date. In order for an Extendible Note to be so repaid on the Maturity Date, the relevant issuer must receive, at least 25 days but not more than 35 days prior to the Maturity Date:

(1) the Extendible Note with the form Option to Elect Repayment on the reverse of the Note duly completed; or

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**Table of Contents**

(2) a facsimile transmission, telex, or letter from a member of a national securities exchange or FINRA or a commercial bank or trust company in the United States setting forth the name of the holder of the Extendible Note, the principal amount of the Note, the principal amount of the Note to be repaid, the certificate number or a description of the tenor and terms of the Note, a statement that the option to elect repayment is being exercised thereby and a guarantee that the Note be repaid, together with the duly completed form entitled "Option to Elect Repayment" on the reverse of the Note, will be received by the applicable trustee (or paying agent) not later than the fifth Business Day after the date of the facsimile transmission, telex, or letter; *provided, however*, that the facsimile transmission, telex or letter will only be effective if the Note and form duly completed are received by the applicable trustee (or paying agent) by that fifth Business Day. The option may be exercised by the holder of an Extendible Note for less than the aggregate principal amount of the Note then outstanding if the principal amount of the Note remaining outstanding after repayment is an authorized denomination.

If an Extendible Note is represented by a Global Security, DTC or its nominee will be the holder of that Note and therefore will be the only entity that can exercise a right to repayment. To ensure that DTC or its nominee timely exercises a right to repayment with respect to a particular Extendible Note, the beneficial owner of that Note must instruct the broker or other participant through which it holds an interest in the Note to notify DTC of its desire to exercise a right of repayment. Different firms have different cut-off times for accepting instructions from their customers and, accordingly, each beneficial owner should consult the broker or other participant through which it holds an interest in an Extendible Note to determine the cut-off time by which an instruction must be given for timely notice to be delivered to DTC or its nominee. Specific information pertaining to Irish tax and/or United States federal income tax considerations for the Extendible Notes will be described in an applicable prospectus supplement or term sheet.

**Additional Mechanics**

*Form, Exchange and Transfer*

We and/or an issuer, as applicable, may issue debt securities as follows:

as Registered Securities;

as Bearer Securities (with interest coupons attached unless otherwise stated in the prospectus supplement or term sheet);

as both Registered Securities and Bearer Securities;

in denominations that are even multiples of \$2,000 and \$1,000 thereafter for Registered Securities and even multiples of \$5,000 for Bearer Securities; or

in global form. See "Global Securities."

You may have your Registered Securities separated into smaller denominations or combined into larger denominations, as long as the total principal amount is not changed. This is called an "exchange." If provided in the

prospectus supplement or term sheet, you may exchange your Bearer Securities with all unmatured coupons, except as provided below, and all matured coupons which are in default for Registered Securities of the same series as long as the total principal amount is not changed. Bearer Securities surrendered in exchange for Registered Securities between a Regular Record Date or a Special Record Date and the relevant interest payment dates will be surrendered without the coupon relating to such interest payment dates. Interest will not be payable in respect of the Registered Security issued in exchange for that Bearer Security, but will be payable only to the holder of such coupon when due in accordance with the terms of the Indenture. Unless we or another issuer specify otherwise in the prospectus supplement or term sheet, we or such issuer or issuers will not issue Bearer Securities in exchange for Registered Securities.

You may transfer Registered Securities of a series and you may exchange debt securities of a series at the office of the Trustee. The Trustee will act as an issuer's agent for registering Registered Securities in the names of holders and transferring debt securities. The issuer may designate someone else to perform this function. Whoever maintains the list of registered holders is called the Security Registrar. The Security Registrar also will perform transfers.

You will not be required to pay a service charge to transfer or exchange debt securities, but you may be required to pay for any tax or other governmental charge associated with the exchange or transfer. The transfer or exchange will be made only if the Security Registrar is satisfied with your proof of ownership.

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## **Table of Contents**

If the issuer designates additional transfer agents, the issuer will name them in the accompanying prospectus supplement or term sheet. The issuer may cancel the designation of any particular transfer agent. The issuer may also approve a change in the office through which any transfer agent acts.

If the issuer redeems less than all of the Securities of a redeemable series, the issuer may block the transfer or exchange of Securities during the period beginning 15 days before the day the issuer mails the notice of redemption or publish the notice (in the case of Bearer Securities) and ending on the day of that mailing or publication, as the case may be, in order to freeze the list of holders to prepare the mailing. The issuer may also decline to register transfers or exchanges of debt securities selected for redemption, except that the issuer will continue to permit transfers and exchanges of the unredeemed portion of any debt security being partially redeemed.

If the offered debt securities are redeemable, the issuer will describe the procedures for redemption in the accompanying prospectus supplement or term sheet.

**In this Additional Mechanics section of this prospectus, you means direct holders and not indirect holders of debt securities.**

### **Payment and Paying Agents**

The issuer will pay interest to you, if you are listed in the Trustee's records as the owner of your debt security at the close of business on a particular day in advance of each due date for interest on your debt security. Interest will be paid to you if you are listed as the owner even if you no longer own the debt security on the interest due date. That particular day is called the Regular Record Date and is defined in the prospectus supplement or term sheet. Persons who are listed in the Trustee's records as the owners of debt securities at the close of business on a particular day are referred to as holders. Holders buying and selling debt securities must work out between themselves the appropriate purchase price since the issuer will pay all the interest for an interest period to the holders on the Regular Record Date. The most common manner is to adjust the sales price of the debt securities to prorate interest fairly between buyer and seller based on their respective ownership periods within the particular interest period.

The issuer will deposit interest, principal, and any other money due on the debt securities with the Paying Agent that the issuer name in the prospectus supplement or term sheet.

**If you plan to have a bank or brokerage firm hold your securities, you should ask them for information on how you will receive payments.**

If the issuer issues Bearer Securities, unless the issuer provides otherwise in the prospectus supplement or term sheet, the issuer will maintain an office or agency outside the United States for the payment of all amounts due on the Bearer Securities. If the issuer lists the debt securities on any stock exchange located outside the United States, the issuer will maintain an office or agency for those debt securities in any city located outside the United States required by that stock exchange. The issuer will specify the initial locations of such offices and agencies in the prospectus supplement or term sheet. Unless otherwise provided in the prospectus supplement or term sheet, the issuer will make payment of interest on any Bearer Securities on or before Maturity only against surrender of coupons for such interest installments as they mature. Unless otherwise provided in the prospectus supplement or term sheet, the issuer will not make payment with respect to any Bearer Security at any of its offices or agencies in the United States or by check mailed to any address in the United States or by transfer to an account maintained with a bank located in the United States. Notwithstanding the foregoing, the issuer will make payments of principal of (and premium, if any) and interest on Bearer Securities payable in U.S. dollars at the office of its Paying Agent in The City of New York if (but only if) payment of the full amount in U.S. dollars at all offices or agencies outside the United States is illegal or effectively

precluded by exchange controls or other similar restrictions.

The issuer may from time to time designate additional offices or agencies, approve a change in the location of any office or agency and, except as provided above, rescind the designation of any office or agency.

### **Events of Default**

You will have special rights if an Event of Default occurs as to the debt securities of your series which is not cured, as described later in this subsection. Please refer to the prospectus supplement or term sheet for information about any changes to the Events of Default or our covenants that are described below, including any addition of a covenant or other provision providing event risk or similar protection.

**Table of Contents**

*What Is an Event of Default?* The term *Event of Default* as to the debt securities of your series means any of the following:

the issuer does not pay the principal of (or premium, if any) on a debt security of such series on its due date;

the issuer does not pay interest on a debt security of such series within 30 days of its due date;

the issuer does not make or satisfy any sinking fund payment in respect of debt securities of such series within 30 days of its due date;

we and/or an issuer remains in breach of a covenant in respect of debt securities of such series for 60 days after we or the relevant issuer receives a written notice of default stating we or such issuer is in breach. The notice must be sent by either the Trustee or holders of 25% of the principal amount of debt securities of such series;

the guarantees of the debt securities of any series by the Company, Eaton, or any Subsidiary that is a Significant Subsidiary (or group of Subsidiaries that together would constitute a Significant Subsidiary) ceases to be, or is asserted by us or any of the foregoing not to be, in full force and effect or enforceable in accordance with its terms, other than by reason of the termination of the Indenture or the release of any such guarantee in accordance with the Indenture;

we file for bankruptcy, or certain other events in bankruptcy, insolvency, or reorganization occur; or

there occurs any other Event of Default as to debt securities of the series described in the prospectus supplement or term sheet.

An Event of Default for a particular series of debt securities does not necessarily constitute an Event of Default for any other series of debt securities issued under the Indenture.

The Trustee may withhold notice to the holders of debt securities of a particular series of any default if it considers its withholding of notice to be in the interest of the holders of that series, except that the Trustee may not withhold notice if the default is in the payment of principal of (or premium, if any), or interest on, the debt securities.

*Remedies if an Event of Default Occurs.* If an Event of Default has occurred and we or an issuer has not cured it, the Trustee or the holders of 25% in principal amount of the debt securities of the affected series may declare the entire principal amount of all the debt securities of that series to be due and immediately payable by notifying the relevant issuer (or the Trustee, if the holders give notice) in writing. This is called a declaration of acceleration of maturity. A declaration of acceleration of maturity may be canceled by the holders of at least a majority in principal amount of the debt securities of the affected series by notifying the relevant issuer (or the Trustee, if the holders give notice) in writing.



Except in cases of default, where the Trustee has some special duties, the Trustee is not required to take any action under the Indenture at the request of any holders unless the holders offer the Trustee reasonable protection from expenses and liability (called an indemnity). If reasonable indemnity is provided, the holders of a majority in principal amount of the Outstanding debt securities of the relevant series may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the Trustee. The Trustee may refuse to follow those directions in certain circumstances. No delay or omission in exercising any right or remedy will be treated as a waiver of that right, remedy or Event of Default.

Before you are allowed to bypass the Trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interest relating to the debt securities, the following must occur:

you must give the Trustee written notice that an Event of Default has occurred and remains uncured;

the holders of 25% in principal amount of all of the debt securities of the relevant series must make a written request that the Trustee take action because of the default and must offer reasonable indemnity to the Trustee against the cost and other liabilities of taking that action;

the Trustee must not have instituted a proceeding for 60 days after receipt of the above notice and offer of indemnity; and

## **Table of Contents**

the holders of a majority in principal amount of the debt securities must not have given the Trustee a direction inconsistent with the above notice during such 60-day period.

However, you are entitled at any time to bring a lawsuit for the payment of money due on your debt securities on or after the due date.

Holders of a majority in principal amount of the debt securities of the affected series may waive any past defaults other than the following:

the payment of principal of, any premium, interest or Additional Amounts on any debt security or related coupon; or

in respect of a covenant that under Article Ten of the Indenture cannot be modified or amended without the consent of each holder.

**If your securities are held for you by a bank or brokerage firm, you should consult them for information on how to give notice or direction to the Trustee or make a request of the Trustee and how to make or cancel a declaration of acceleration.**

Each year, we will furnish the Trustee with a written statement of certain of our officers certifying that, to their knowledge, we are in compliance with the Indenture and the debt securities, or else specifying any default.

## **Modification or Waiver**

There are three types of changes that we can make to the Indenture and the debt securities.

*Changes Requiring Your Approval.* First, there are changes that cannot be made to your debt securities without your specific approval. Following is a list of those types of changes:

a change of the Stated Maturity of the principal of or interest on a debt security;

a reduction of any amounts due on a debt security;

a reduction of the amount of principal payable upon acceleration of the Maturity of a Security following a default;

an adverse effect on any right of repayment at your option;

a change of the place (except as otherwise described in this prospectus) or Currency of payment on a debt security;

impairment of your right to sue for payment;

a reduction of the percentage of holders of debt securities whose consent is needed to modify or amend the Indenture;

a reduction of the percentage of holders of debt securities whose consent is needed to waive compliance with certain provisions of the Indenture or to waive certain defaults;

a modification of any other aspect of the provisions of the Indenture dealing with modification and waiver of past defaults, the quorum or voting requirements of the debt securities or provisions relating to the waiver of certain covenants, except to increase any percentage of consents required to amend the Indenture or for any waiver or to add certain provisions that cannot be modified without the approval of each holder; or

a change of any of our obligations to pay Additional Amounts.

Changes Requiring a Majority Vote. The second type of change to the Indenture and the outstanding debt securities is the kind that requires a vote in favor by holders of a majority of the principal amount of Outstanding debt securities of the series affected. Most

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**Table of Contents**

changes fall into this category, except for clarifying changes and certain other changes that would not adversely affect holders of the Outstanding debt securities in any material respect. The same vote would be required for us to obtain a waiver of all or part of certain covenants in the Indenture or a waiver of a past default. However, we cannot obtain a waiver of a payment default or any other aspect of the Indenture or the Outstanding debt securities listed in the first category described above under **Changes Requiring Your Approval** unless we obtain your individual consent to the waiver.

*Changes Not Requiring Approval.* The third type of change does not require any vote by you as holders of Outstanding debt securities. This type is limited to clarifications and certain other changes that would not adversely affect holders of the Outstanding debt securities in any material respect.

*Further Details Concerning Voting.* When taking a vote, we will use the following rules to decide how much principal amount to attribute to a debt security:

for original issue discount securities, we will use the principal amount that would be due and payable on the voting date if the Maturity of the debt securities were accelerated to that date because of a default;

for debt securities whose principal amount is not known (for example, because it is based on an index), we will use a special rule for that debt security described in the prospectus supplement or term sheet; and

for debt securities denominated in one or more foreign Currencies or Currency units, we will use the U.S. dollar equivalent.

Debt securities will not be considered Outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust for you money for their payment or redemption. Debt securities will also not be eligible to vote if they have been fully defeased as described later under **Defeasance and Covenant Defeasance**.

The issuer will generally be entitled to set any day as a record date for the purpose of determining the holders of debt securities that are entitled to vote or take other action under the Indenture. If the issuer sets a record date for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are holders of debt securities of that series on the record date.

**If your securities are held by a bank or brokerage firm, you should consult them for information on how approval may be granted or denied if we seek to change the Indenture or the debt securities or request a waiver.**

The Indenture contains provisions for convening meetings of the holders of debt securities issued as Bearer Securities. A meeting may be called at any time by the Trustee, and also, upon request, by us or by the holders of at least 10% in principal amount of the Outstanding debt securities of that series, upon notice given as provided in the Indenture.

Except for any consent that must be given by the holder of each debt security affected thereby, as described above, the holders of a majority in principal amount of the Outstanding debt securities of a series may adopt any resolution presented at a meeting at which a quorum is present. However, any resolution with respect to any action which the

Indenture expressly provides may be taken by a specified percentage less than a majority in principal amount of the Outstanding debt securities of a series may be adopted at a meeting at which a quorum is present by vote of that specified percentage. Any resolution passed or decision taken at any meeting of holders of debt securities of a series in accordance with the Indenture will be binding on all holders of debt securities of that series and any related coupons. The quorum at any meeting called to adopt a resolution will be persons holding or representing a majority in principal amount of the Outstanding debt securities of a series, except that if any action is to be taken at such meeting which may be given by the holders of not less than a specified percentage in principal amount of the Outstanding debt securities of a series, the persons holding or representing such specified percentage in principal amount of the Outstanding debt securities of that series will constitute a quorum.

Notwithstanding the above, if any action is to be taken at a meeting of holders of debt securities of a series that the Indenture expressly provides may be taken by the holders of a specified percentage in principal amount of all Outstanding debt securities affected thereby or of the holders of such series and one or more additional series:

there will be no minimum quorum requirement for that meeting; and

the principal amount of the Outstanding debt securities of that series that vote in favor of such action will be taken into account in determining whether that action has been taken under the Indenture.

## **Table of Contents**

### **Global Securities**

*What Is a Global Security?* The issuer usually will issue debt securities as registered securities in book-entry form. A global security represents one or any other number of individual debt securities. Generally, all debt securities represented by the same global securities will have the same terms.

Each debt security issued in book-entry form will be represented by a global security that the issuer deposits with, or on behalf of, and registers in the name of a financial institution or its nominee that the issuer selects. The financial institution that we select for this purpose is called the depository. Unless the issuer specifies otherwise in the applicable prospectus supplement or term sheet, The Depository Trust Company, New York, New York, known as DTC, will be the depository for all debt securities issued in book-entry form.

A global security may not be transferred to or registered in the name of anyone other than the depository or its nominee, unless special termination situations arise. We describe those situations below under *Special Situations when a Global Security Will Be Terminated*. As a result of these arrangements, the depository, or its nominee, will be the sole registered owner and holder of all debt securities represented by a global security, and investors will be permitted to own only beneficial interests in a global security. Beneficial interests must be held by means of an account with a broker, bank or other financial institution that in turn has an account with the depository or with another institution that has an account with the depository. Thus, an investor whose security is represented by a global security will not be a holder of the debt security, but only an indirect owner of a beneficial interest in the global security.

*Special Considerations for Global Securities.* As an indirect holder, an investor's rights relating to a global security will be governed by the account rules of the investor's financial institution and of the depository, as well as general laws relating to securities transfers. The depository that holds the global security will be considered the holder of the debt securities represented by the global security.

If debt securities are issued only in the form of a global security, an investor should be aware of the following:

An investor cannot cause the debt securities to be registered in his or her name, and cannot obtain certificates for his or her interest in the debt securities, except in the special situations we describe below.

An investor will be an indirect holder and must look to his or her own bank or broker for payments on the debt securities and protection of his or her legal rights relating to the debt securities, as we describe under *Issuance of Securities in Registered Form* above.

An investor may not be able to sell interests in the debt securities to some insurance companies and other institutions that are required by law to own their securities in non-book-entry form.

An investor may not be able to pledge his or her interest in a global security in circumstances where certificates representing the debt securities must be delivered to the lender or other beneficiary of the pledge in order for the pledge to be effective.

The depositary's policies, which may change from time to time, will govern payments, transfers, exchanges and other matters relating to an investor's interest in a global security. We and the Trustee have no responsibility for any aspect of the depositary's actions or for its records of ownership interests in a global security. We and the Trustee also do not supervise the depositary in any way.

If the issuer redeems less than all the debt securities of a particular series being redeemed, DTC's practice is to determine by lot the amount to be redeemed from each of its participants holding that series.

An investor is required to give notice of exercise of any option to elect repayment of its debt securities, through its participant, to the trustee and to deliver the related debt securities by causing its participant to transfer its interest in those debt securities, on DTC's records, to the trustee.

DTC requires that those who purchase and sell interests in a global security deposited in its book-entry system use immediately available funds. Your broker or bank may also require you to use immediately available funds when purchasing or selling interests in a global security.

Financial institutions that participate in the depositary's book-entry system, and through which an investor holds its interest in a global security, may also have their own policies affecting payments, notices and other matters relating to the debt securities. There may be more than one financial intermediary in the chain of ownership for an investor. We do not monitor and are not responsible for the actions of any of those intermediaries.

## **Table of Contents**

*Special Situations When a Global Security Will Be Terminated.* In a few special situations described below, a global security will be terminated and interests in it will be exchanged for debt securities of the same series in non-book-entry form (certificated debt securities). After that exchange, the choice of whether to hold the certificated debt securities directly or in street name will be up to the investor. Investors must consult their own banks or brokers to find out how to have their interests in a global security transferred on termination to their own names, so that they will be holders.

The special situations for termination of a global security are as follows:

If the depositary notifies the issuer that it is unwilling, unable or no longer qualified to continue as depositary for that global security, and the issuer does not appoint another institution to act as depositary within 90 days,

if the issuer notifies the trustee that the issuer wishes to terminate that global security (subject to the depositary's procedures), or

if an event of default has occurred with regard to the debt securities represented by that global security and has not been cured or waived; we discuss defaults above under Events of Default.

The prospectus supplement or term sheet may list situations for terminating a global security that would apply only to the particular series of debt securities covered by the prospectus supplement or term sheet. If a global security is terminated, only the depositary, and not the issuer or the trustee, will be responsible for deciding the names of the institutions in whose names the debt securities represented by the global security will be registered and, therefore, who will be the holders of those debt securities.

## **Resignation of Trustee**

Each Trustee may resign or be removed with respect to one or more series of Indenture Securities, and a successor Trustee may be appointed to act with respect to such series. In the event that two or more persons are acting as Trustee with respect to different series of Indenture Securities under the Indenture, each such Trustee will be a Trustee of a trust separate and apart from the trust administered by any other such Trustee, and any action described herein to be taken by the Trustee may then be taken by each such Trustee with respect to, and only with respect to, the one or more series of Indenture Securities for which it is Trustee.

## **Material Covenants**

### **Merger, Consolidation, or Sale of Assets**

Under the terms of the Indenture, the Company and Eaton are generally permitted to consolidate or merge with another firm. The Company and Eaton are also permitted to sell or transfer our and their assets substantially as an entirety to another firm. However, the Company and Eaton may not take any of these actions unless all of the following conditions are met:



where the Company or Eaton merge or consolidate out of existence or the Company or Eaton sell or transfer their assets substantially as an entirety, the resulting firm must agree to be legally responsible for all obligations under the debt securities and the Indenture;

the merger, consolidation, or sale or transfer of assets substantially as an entirety must not cause a default under the debt securities. For purposes of this no-default test, a default would include an Event of Default that has occurred and not been cured, as described above under Events of Default

where Eaton merges or consolidates out of existence or sells or transfers its assets substantially as an entirety, the resulting firm (if a corporation) must be a corporation organized under the laws of the United States or any state thereof or the District of Columbia;

where the Company merges or consolidates out of existence or sells or transfers its assets substantially as an entirety, the resulting firm (if a corporation) must be a corporation organized under the laws of any member state of the European Union or the United States or any state thereof or the District of Columbia;

under the Indenture, neither the Company nor Eaton may merge, consolidate, or sell or transfer their assets substantially as an entirety if, as a result, any of their property or assets or any property or assets of a Restricted Subsidiary (as defined in the Indenture) would become subject to any mortgage, lien or other encumbrance unless either:

**Table of Contents**

the mortgage, lien, or other encumbrance could be created pursuant to the Indenture (see Limitation on Liens ) without equally and ratably securing the debt securities; or

the debt securities are secured equally and ratably with or prior to the debt secured by the mortgage, lien or other encumbrance; and

the Company, or Eaton, as applicable, must deliver certain certificates and documents to the Trustee.

**Limitation on Sale and Leaseback Transactions**

Under the terms of the Indenture, the Company will not, and will not permit any Restricted Subsidiary (as defined) to, sell or transfer any manufacturing plant owned by the Company or any Restricted Subsidiary with the intention of taking back a lease on such property unless:

the sale or transfer of property is made within 120 days after the later of the date of

the acquisition of such property,

the completion of construction of such property, or

the commencement of full operation thereof;

such lease has a term, including permitted extensions and renewals, of not more than three years, and it is intended that the use by the Company or the Restricted Subsidiary of the manufacturing plant covered by such lease will be discontinued on or before the expiration of such term;

the amount that the Company and its Restricted Subsidiaries realize from such sale or transfer, together with the value (as defined) of then outstanding Sale and Leaseback Transactions not otherwise permitted by the Indenture and the outstanding aggregate principal amount of mortgage, pledge or lien indebtedness not otherwise permitted by the Indenture, will not exceed 10% of our Consolidated Net Tangible Assets (as defined); or

the Company or its Restricted Subsidiaries causes an amount equal to the value (as defined) of the manufacturing plant to be sold or transferred and leased to be applied to the retirement (other than any mandatory retirement) within 120 days of the effective date of such Sale and Leaseback Transaction of either the debt securities or other funded indebtedness which is equal in rank to the debt securities, or both.

These provisions are intended to preserve the assets of the Company and to limit its ability to incur leases which effectively constitute indebtedness.

## Limitation on Liens

Under the terms of the Indenture, with certain exceptions, the Company will not, directly or indirectly, and the Company will not permit any Restricted Subsidiary to, create or assume any mortgage, pledge or other lien of or upon any of the Company's or any Restricted Subsidiary's assets unless all of the Outstanding debt securities of each series are secured by such mortgage, pledge or lien equally and ratably with any and all other obligations and indebtedness thereby secured for so long as any such other obligations and indebtedness will be so secured. Among the exceptions are:

the creation of any mortgage or other lien on any of the property of the Company or property of any Restricted Subsidiary to secure indebtedness incurred prior to, at the time of, or within 120 days after the later of, the acquisition, the completion of construction or the commencement of full operation of such property; and

mortgages or liens on any property that the Company or any Restricted Subsidiary acquires after the date of the Indenture existing at the time of such acquisition; provided that the Company incurs the secured indebtedness for the purpose of financing all or any part of the acquisition or construction of any such property.

In addition, the Company or any Restricted Subsidiary may create or assume any mortgage, pledge, or other lien not otherwise permitted by the Indenture for the purpose of securing indebtedness or other obligations so long as the aggregate of all such indebtedness and other obligations then outstanding, together with the value of all outstanding Sale and Leaseback Transactions not otherwise permitted, will not exceed 10% of Consolidated Net Tangible Assets.

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**Table of Contents**

**Definitions**

The term *CFC* has the meaning set forth in the definition of *Disregarded Entity* .

The Indenture defines the term *Consolidated Net Tangible Assets* as the total assets of the Company and those of its consolidated subsidiaries, including the investment in (at equity) and the net amount of advances to and accounts receivable from corporations which are not consolidated subsidiaries, less the following:

the current liabilities of the Company and those of its consolidated subsidiaries, including an amount equal to indebtedness required to be redeemed by reason of any sinking fund payment due in 12 months or less from the date as of which current liabilities are to be determined;

all of the other liabilities of the Company and those of its consolidated subsidiaries other than Funded Debt (as defined), deferred income taxes and liabilities for employee post-retirement health plans recognized in accordance with Statement of Financial Accounting Standards No. 106;

all of the Company's and its consolidated subsidiaries' depreciation and valuation reserves and all other reserves (except for reserves for contingencies which have not been allocated to any particular purpose);

the book amount of all the Company's and its consolidated subsidiaries' segregated intangible assets, including, but without limitation, such items as goodwill, trademarks, trade names, patents, and unamortized debt discount and expense, less unamortized debt premium; and

appropriate adjustments on account of minority interests of other persons holding stock in subsidiaries. Consolidated Net Tangible Assets is to be determined on a consolidated basis in accordance with generally accepted accounting principles and as provided in the Indenture.

The Indenture defines the term *Equity Interests* as shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person.

The Indenture defines the term *Disregarded Entity* as a Subsidiary that is a flow-through entity (i.e., a partnership or a disregarded entity) for United States federal income tax purposes and has no material assets other than Equity Interests of one or more Subsidiaries that are controlled foreign corporations within the meaning of Section 957(a) of the Internal Revenue Code (each such controlled foreign corporation, a *CFC* ).

The Indenture defines the term *Excluded Person* as (i) any Person that is not a direct or indirect wholly owned Subsidiary of the Company, (ii) any Person that is prohibited by any applicable law, rule or regulation binding on such Person or its properties or by any contractual obligation existing on the date such Person is formed, acquired, or (solely with respect to prohibitions under applicable law, rule or regulation) redomiciled, in each case from guaranteeing the obligations under the Indenture (and for so long as such prohibition is in effect), (iii) any *CFC*, any *Disregarded Entity* or any Subsidiary that is owned by a *CFC* and (iv) any Person to the extent that the guarantee by

such person of the obligations under the Indenture would result in material adverse tax consequences to the Company or any of its Subsidiaries as reasonably determined by the issuer.

The Indenture defines the term *Funded Debt* as indebtedness for borrowed money owed or guaranteed by the Company or any of its consolidated subsidiaries, and any other indebtedness which under generally accepted accounting principles would appear as debt on the balance sheet of such corporation, which matures by its terms more than twelve months from the date as of which Funded Debt is to be determined or is extendible or renewable at the option of the obligor to a date more than twelve months from the date as of which Funded Debt is to be determined.

The Indenture defines the term *Restricted Subsidiary* as each of the Guarantors and any other subsidiaries of the Company except:

any subsidiary substantially all the assets of which are located, or substantially all of the business of which is carried on, outside of the United States and Canada, or any subsidiary substantially all the assets of which consist of stock or other securities of such subsidiary;

## **Table of Contents**

any subsidiary principally engaged in the business of financing notes and accounts receivable and any subsidiary substantially all the assets of which consist of stock or other securities of such subsidiary; or

any subsidiary acquired or organized after the date of the Indenture, unless the Board of Directors of the Company has designated it as a Restricted Subsidiary and such designation will not result in the breach of any covenant or agreement in the Indenture.

The Indenture defines the term *Significant Subsidiary* to mean any Restricted Subsidiary that would be a significant subsidiary as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the date on which debt securities are initially issued.

The Indenture defines the term *Subsidiary* or *subsidiary* to mean any corporation or other entity of which securities or other ownership interest having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Company (or if such term is used with reference to any other Person, by such other Person), or in relation to a person incorporated (or established) under Dutch law, a *dochtermaatschappij* within the meaning of Section 2:24a of the Dutch Civil Code (regardless of whether the shares or voting rights on the shares in such company are held directly or indirectly through another *dochtermaatschappij* ).

For purposes of Limitation on Liens and Limitation on Sale and Leaseback Transactions, the Indenture defines the term *value* with respect to a manufacturing plant as the amount equal to the greater of:

the net proceeds of the sale or transfer of such manufacturing plant; or

the fair value of such manufacturing plant at the time of entering into such Sale and Leaseback Transaction, as determined by the Board of Directors of the Company.

This amount is divided first by the number of full years of the term of the lease and then multiplied by the number of full years of such term remaining at the time of determination, without regard to renewal or extension options contained in such lease.

## **The Trustee Under the Indenture**

The Bank of New York Mellon Trust Company, N.A. is the Trustee under the Indenture. The Bank of New York Mellon Trust Company, N.A. and/or its affiliates is among the banks with which we maintain ordinary banking relationships.

The Trustee may resign or be removed with respect to one or more series of debt securities, and a successor Trustee may be appointed to act with respect to such series. In the event that two or more persons are acting as Trustee with respect to different series of debt securities under the Indenture, each such Trustee will be a Trustee of a trust separate and apart from the trust administered by any other such Trustee, and any action described herein to be taken by the Trustee may then be taken by each such Trustee with respect to, and only with respect to, the one or more series of debt securities for which it is Trustee.

## **Defeasance and Covenant Defeasance**

*Defeasance.* If there is a change in U.S. federal tax law, as described below, an issuer can legally release ourselves from all payment and other obligations on the debt securities (called *defeasance* ) if the issuer puts in place the following other arrangements for you to be repaid:

The issuer must deposit in trust for your benefit and the benefit of all other direct holders of the debt securities a combination of money and U.S. government or U.S. government agency obligations that will generate enough cash to make interest, principal and any other payments on such debt securities on their various due dates.

The issuer must deliver to the Trustee a legal opinion confirming that there has been a change in current U.S. federal tax law or an Internal Revenue Service (the *IRS* ) ruling that lets the issuer make the above deposit without causing you to be taxed on the debt securities any differently than if the issuer did not make the deposit and just repaid the debt securities itself. Under current U.S. federal tax law, the deposit and the issuer's legal release from the debt securities would be treated as though the issuer paid you your share of the cash and notes or bonds at the time the cash and notes or bonds are deposited in trust in exchange for your debt securities, and you would recognize gain or loss on the debt securities at the time of the deposit.

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## **Table of Contents**

If the issuer ever accomplishes defeasance, as described above, you would have to rely solely on the trust deposit for repayment of the debt securities. You could not look to the issuer for repayment in the event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of the issuer's lenders and other creditors if the issuer ever becomes bankrupt or insolvent. If an issuer accomplishes a defeasance, such issuer would retain only the obligations to register the transfer or exchange of the debt securities, to maintain an office or agency in respect of the debt securities, and to hold monies for payment in trust.

*Covenant Defeasance.* Under current U.S. federal tax law, an issuer can make the same type of deposit described above and be released from some of the restrictive covenants in the Indenture. These covenants relate to Limitation on Liens and Limitation on Sale and Leaseback Transactions summarized above. This is called covenant defeasance. In that event, you would lose the protection of those covenants but would gain the protection of having money and debt securities set aside in trust to repay the debt securities. In order to achieve covenant defeasance, an issuer must do the following:

deposit in trust for your benefit and the benefit of all other direct holders of the debt securities a combination of money and U.S. government or U.S. government agency obligations that will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates; and

deliver to the Trustee a legal opinion of its counsel confirming that, under current U.S. federal income tax law, an issuer may make the above deposit without causing you to be taxed on the debt securities any differently than if the issuer did not make the deposit and just repaid the debt securities itself.

If an issuer accomplishes covenant defeasance, you can still look to the issuer for repayment of the debt securities if there were a shortfall in the trust deposit or the Trustee were prevented from making payment. In fact, if one of the remaining Events of Default occurred, such as the issuer's bankruptcy, and the debt securities become immediately due and payable, there may be such a shortfall. Depending on the event causing the default, you may not be able to obtain payment of the shortfall.

## **Foreign Currency Risks Fluctuations and Controls**

Debt securities denominated or payable in foreign currencies may entail significant risks. For example, the value of the currencies, in comparison to U.S. dollars, may decline, or foreign governments may impose or modify controls regarding the payment of foreign currency obligations. These events may cause the value of debt securities denominated or payable in those foreign currencies to fall substantially. These risks will vary depending upon the foreign currency or currencies involved and will be more fully described in the applicable prospectus supplement or term sheet.

## **SPECIAL PROVISIONS RELATING TO FOREIGN CURRENCY NOTES**

### **General**

Unless otherwise indicated in the applicable prospectus supplement or term sheet, debt securities will be denominated in U.S. dollars, payments of principal of, premium, if any, and interest on debt securities will be made in U.S. dollars and payment of the purchase price of debt securities must be made in immediately available funds. If any debt securities ( Foreign Currency Notes ) are to be denominated or payable in a currency ( a specified currency ) other than U.S. dollars, the following provisions will apply in addition to, and to the extent inconsistent therewith will replace,



the description of general terms and provisions of debt securities set forth in this prospectus and elsewhere in the accompanying prospectus supplement or term sheet.

### **Currencies**

An issuer may offer Foreign Currency Notes denominated and/or payable in a specified currency or specified currencies. Unless otherwise indicated in the applicable prospectus supplement or term sheet, purchasers are required to pay for Foreign Currency Notes in the specified currency. At the present time, there are limited facilities in the United States for conversion of U.S. dollars into specified currencies and vice versa, and banks may elect not to offer non-U.S. dollar checking or savings account facilities in the United States. However, if requested on or prior to the fifth Business Day preceding the date of delivery of the Foreign Currency Notes, or by such other day as determined by the agent who presents such offer to purchase Foreign Currency Notes to us, such agent may be prepared to arrange for the conversion of U.S. dollars into the specified currency set forth in the applicable prospectus supplement or term sheet to enable the purchasers to pay for the Foreign Currency Notes. Each such conversion will be made by the agents on such terms and subject to such conditions, limitations, and charges as the agents may from time to time establish in accordance with their regular foreign exchange practices. All costs of exchange will be borne by the purchasers of the Foreign Currency Notes.

## **Table of Contents**

Information about the specified currency in which a particular Foreign Currency Note is denominated and/or payable, including historical exchange rates and a description of the currency and any exchange controls, will be set forth in the applicable prospectus supplement or term sheet. Any information concerning exchange rates is furnished as a matter of information only and should not be regarded as indicative of the range of or trends in fluctuations in currency exchange rates that may occur in the future.

### **Payment of Principal and Interest**

The principal of, premium, if any, and interest on Foreign Currency Notes is payable by an issuer in the specified currency. Currently, banks do not generally offer non-U.S. dollar-denominated account facilities in their offices in the United States, although they are permitted to do so. Accordingly, a holder of Foreign Currency Notes will be paid in U.S. dollars converted from the specified currency unless the holder is entitled to elect, and does elect, to be paid in the specified currency, or as otherwise specified in the applicable prospectus supplement or term sheet.

Any U.S. dollar amount to be received by a holder of a Foreign Currency Note will be based on the highest bid quotation in The City of New York received by an agent for an issuer specified in the applicable prospectus supplement or term sheet (the Exchange Rate Agent) at approximately 11:00 A.M., New York City time, on the second Business Day preceding the applicable payment date from three recognized foreign exchange dealers (one of whom may be the Exchange Rate Agent) selected by the Exchange Rate Agent and approved by the issuer for the purchase by the quoting dealer of the specified currency for U.S. dollars for settlement on the payment date in the aggregate amount of the specified currency payable to all holders of Foreign Currency Notes scheduled to receive U.S. dollar payments and at which the applicable dealer commits to execute a contract. If three bid quotations are not available, payments will be made in the specified currency. All currency exchange costs will be borne by the holder of the Foreign Currency Note by deductions from such payments.

Unless otherwise indicated in the applicable prospectus supplement or term sheet, a holder of Foreign Currency Notes may elect to receive payment of the principal of, and premium, if any, and interest on the Foreign Currency Notes in the specified currency by transmitting a written request for such payment to the corporate trust office of the Trustee in The City of New York on or prior to the regular record date or at least 15 calendar days prior to Maturity Date, as the case may be. This request may be in writing (mailed or hand delivered) or sent by cable, telex, or other form of facsimile transmission. A holder of a Foreign Currency Note may elect to receive payment in the specified currency for all principal, premium, if any, and interest payments and need not file a separate election for each payment. This election will remain in effect until revoked by written notice to the Trustee, but written notice of any revocation must be received by the Trustee on or prior to the regular record date or at least fifteen calendar days prior to the Maturity Date, as the case may be. Holders of Foreign Currency Notes whose Notes are to be held in the name of a broker or nominee should contact their brokers or nominees to determine whether and how an election to receive payments in the specified currency may be made.

Unless otherwise specified in the applicable prospectus supplement or term sheet, if the specified currency is other than U.S. dollars, a beneficial owner of the related global security who elects to receive payments of principal, premium, if any, and/or interest, if any, in the specified currency must notify its participant through which it owns its beneficial interest on or prior to the applicable record date or at least fifteen calendar days prior to the Maturity Date, as the case may be, of such beneficial owner's election. The participant must notify the depositary of such election on or prior to the third Business Day after such record date or at least 12 calendar days prior to the Maturity Date, as the case may be, and the depositary will notify the Trustee of such election on or prior to the fifth Business Day after such record date or at least ten calendar days prior to the Maturity Date, as the case may be. If complete instructions are received by the participant from the beneficial owner and forwarded by the participant to the depositary, and by the depositary to the Trustee, on or prior to such dates, then the beneficial owner will receive payments in the specified

currency.

Principal and interest on Foreign Currency Notes paid in U.S. dollars will be paid in the manner specified in this prospectus and the accompanying prospectus supplement or term sheet with respect to debt securities denominated in U.S. dollars. See Description of Debt Securities General . Interest on Foreign Currency Notes paid in the specified currency will be paid by check mailed on an Interest Payment Date other than a Maturity Date to the persons entitled thereto to the addresses of such holders as they appear in the security register or, at the issuer's option, by wire transfer to a bank account maintained by the holder in the country of the specified currency. The principal of, premium, if any, and interest on Foreign Currency Notes, together with interest accrued and unpaid thereon, due on the Maturity Date will be paid, in the specified currency in immediately available funds upon surrender of such Notes at the corporate trust office of the Trustee in The City of New York, or, at the issuer's option, by wire transfer to such bank account of immediately available funds to an account with a bank designated at least 15 calendar days prior to the Maturity Date by the applicable registered holder, *provided* the particular bank has appropriate facilities to make these payments and the particular Foreign Currency Note is presented and surrendered at the office or agency maintained by the issuer for this purpose in the Borough of Manhattan, The City of New York, in time for the Trustee to make these payments in accordance with its normal procedures.

**Table of Contents**

**Payment Currency**

If a specified currency is not available for the payment of principal, premium, if any, or interest with respect to a Foreign Currency Note due to the imposition of exchange controls or other circumstances beyond its control, an issuer will be entitled to satisfy our obligations to holders of Foreign Currency Notes by making such payment in U.S. dollars on the basis of the noon buying rate in The City of New York for cable transfers of the specified currency as certified for customs purposes (or, if not so certified, as otherwise determined) by the Federal Reserve Bank of New York (the Market Exchange Rate ) as computed by the Exchange Rate Agent on the second Business Day prior to such payment or, if not then available, on the basis of the most recently available Market Exchange Rate or as otherwise indicated in an applicable prospectus supplement or term sheet. Any payment made under these circumstances in U.S. dollars where the required payment is in a specified currency will not constitute a default under the indenture with respect to the debt securities.

All determinations referred to above made by the Exchange Rate Agent will be at its sole discretion and will, in the absence of manifest error, be conclusive for all purposes and binding on the holders of the Foreign Currency Notes.

**AS INDICATED ABOVE, AN INVESTMENT IN FOREIGN CURRENCY NOTES OR CURRENCY INDEXED NOTES INVOLVES SUBSTANTIAL RISKS, AND THE EXTENT AND NATURE OF SUCH RISKS CHANGE CONTINUOUSLY. AS WITH ANY INVESTMENT IN A SECURITY, PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN FINANCIAL AND LEGAL ADVISORS AS TO THE RISKS ENTAILED IN AN INVESTMENT IN FOREIGN CURRENCY NOTES OR CURRENCY INDEXED NOTES. SUCH NOTES ARE NOT AN APPROPRIATE INVESTMENT FOR PROSPECTIVE PURCHASERS WHO ARE UNSOPHISTICATED WITH RESPECT TO FOREIGN CURRENCY MATTERS.**

**Table of Contents**

**DESCRIPTION OF ORDINARY SHARES AND PREFERENCE SHARES**

The following description of the Company's share capital is a summary. This summary does not purport to be complete and is qualified in its entirety by reference to the Companies Acts and the complete text of the Company's memorandum and articles of association, which are filed with the SEC and incorporated by reference herein. You should read those laws and documents carefully.

The statements in this section are qualified in their entirety by reference to, and are subject to, the detailed provisions of the memorandum and articles of association of the Company, as may be amended from time to time. Our ordinary shares are listed on the NYSE.

**Capital Structure**

*Authorized Share Capital*

The authorized share capital of the Company is 40,000 and \$7,610,000, comprised of 40,000 euro deferred shares, par value 1.00 per share, 750,000,000 ordinary shares par value \$0.01 per share, 10,000 A preferred shares par value \$1.00 per share, and 10,000,000 serial preferred shares par value \$0.01 per share.

The Company may issue shares subject to the maximum authorized share capital contained in its memorandum and articles of association. The authorized share capital may be increased or reduced by a resolution approved by a simple majority of the votes of a company's shareholders cast at a general meeting (referred to under Irish law as an ordinary resolution). The shares comprising the authorized share capital of the Company may be divided into shares of such nominal value as the resolution shall prescribe. As a matter of Irish company law, the directors of a company may issue relevant securities without shareholder approval once authorized to do so by the articles of association or by an ordinary resolution adopted by the shareholders at a general meeting. The authorization may be granted for a maximum period of five years, at which point it must be renewed by the shareholders by an ordinary resolution. The articles of association of the Company authorize the board of directors of the Company to issue relevant securities without shareholder approval for a period of five years from the date of adoption of such articles of association.

The rights and restrictions to which the ordinary shares are subject are prescribed in the Company's articles of association. The Company's articles of association permit the board of directors, without shareholder approval, to determine certain terms of each series of the serial preferred shares issued by the Company, including the number of shares, designations, dividend rights, liquidation and other rights, and redemption, repurchase, or exchange rights. The holders of the serial preferred shares are entitled to a quarterly dividend at a rate to be determined by the board of directors. The holders of the serial preferred shares are entitled to any payments of dividends in preference to the dividend rights of any other class of shares in the Company. The holders of serial preferred shares are also entitled to one vote for each serial preferred share, and such holders vote together with the holders of ordinary shares as one class on all matters.

The holders of the A preferred shares are entitled in priority to any payments of dividends on any other class of shares in the Company to be paid a dividend in an amount per A preferred share equal to twice of the dividend to be paid per ordinary share and in addition on a return of assets, whether on liquidation or otherwise, the A preferred shares entitle the holders to repayment of the capital paid up on those shares (including any share premium) in priority to any repayment of capital to the holder(s) of any other shares. The holders of the A preferred shares are not entitled to any further participation in the assets or profits of the Company nor are the holders of the A preferred shares entitled to receive notice of, nor to attend, speak, or vote at any general meeting of the Company.

Irish law does not recognize fractional shares held of record. Accordingly, the Company's articles of association does not provide for the issuance of fractional shares of the Company, and the official Irish register of the Company does not reflect any fractional shares.

Whenever an alteration or reorganization of the share capital of the Company would result in any shareholder of the Company becoming entitled to fractions of a share, the Company board of directors may, on behalf of those shareholders that would become entitled to fractions of a share, arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion among the Shareholders who would have been entitled to the fractions. For the purpose of any such sale the Board may authorize some person to transfer the shares representing fractions to the purchaser, who shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

## **Table of Contents**

### *Issued Share Capital*

As of December 31, 2014 the Company had issued 467.9 million ordinary shares, 40,000 euro deferred shares, 10,000 A preferred shares, and no serial preferred shares issued.

### **Preemption Rights, Share Warrants and Share Options**

Under Irish law certain statutory preemption rights apply automatically in favor of shareholders where shares are to be issued for cash. However, the Company has opted out of these preemption rights in its articles of association as permitted under Irish company law. Because Irish law requires this opt-out to be renewed every five years by a resolution approved by not less than 75% of the votes of the shareholders of the Company cast at a general meeting (referred to under Irish law as a special resolution), the Company's articles of association provide that this opt-out must be so renewed. If the opt-out is not renewed, shares issued for cash must be offered to existing shareholders of the Company on a pro rata basis to their existing shareholding before the shares can be issued to any new shareholders. The statutory preemption rights do not apply where shares are issued for non-cash consideration (such as in a stock-for-stock acquisition) and do not apply to the issue of non-equity shares (that is, shares that have the right to participate only up to a specified amount in any income or capital distribution) or where shares are issued pursuant to an employee stock option or similar equity plan.

The memorandum and articles of association of the Company provide that, subject to any shareholder approval requirement under any laws, regulations, or the rules of any stock exchange to which the Company is subject, the board is authorized, from time to time, in its discretion, to grant such persons, for such periods and upon such terms as the board deems advisable, options to purchase such number of shares of any class or classes or of any series of any class as the board may deem advisable, and to cause warrants or other appropriate instruments evidencing such options to be issued. The Companies Acts provide that directors may issue share warrants or options without shareholder approval once authorized to do so by the articles of association or an ordinary resolution of shareholders. The Company is subject to the rules of the NYSE and the Code that require shareholder approval of certain equity plan and share issuances. The Company's board of directors may issue shares upon exercise of warrants or options without shareholder approval or authorization (up to the relevant authorized share capital limit).

### **Dividends**

Under Irish law, dividends and distributions may only be made from distributable reserves. Distributable reserves generally means accumulated realized profits less accumulated realized losses and includes reserves created by way of capital reduction. In addition, no distribution or dividend may be made unless the net assets of the Company are equal to, or in excess of, the aggregate of the Company's called up share capital plus undistributable reserves and the distribution does not reduce the Company's net assets below such aggregate. Undistributable reserves include the share premium account, the capital redemption reserve fund and the amount by which the Company's accumulated unrealized profits, so far as not previously utilized by any capitalization, exceed the Company's accumulated unrealized losses, so far as not previously written off in a reduction or reorganization of capital.

The determination as to whether or not the Company has sufficient distributable reserves to fund a dividend must be made by reference to relevant accounts of the Company. The relevant accounts will be either the last set of unconsolidated annual audited financial statements or other financial statements properly prepared in accordance with the Companies Acts, which give a true and fair view of the Company's unconsolidated financial position and accord with accepted accounting practice. The relevant accounts must be filed in the Companies Registration Office (the official public registry for companies in Ireland).

The Company's memorandum and articles of association authorize the directors to declare dividends to the extent they appear justified by profits without shareholder approval. The board of directors may also recommend a dividend to be approved and declared by the Company shareholders at a general meeting. The board of directors may direct that the payment be made by distribution of assets, shares or cash and no dividend issued may exceed the amount recommended by the directors. Dividends may be declared and paid in the form of cash or non-cash assets and may be paid in U.S. dollars or any other currency. All holders of ordinary shares of the Company participate equally in respect of any dividend which may be declared in respect of ordinary shares by the Company.

The directors of the Company may deduct from any dividend payable to any shareholder any amounts payable by such shareholder to the Company in relation to the shares of the Company.

The directors may also authorize the Company to issue shares with preferred rights to participate in dividends declared by the Company. The holders of preference shares may, depending on their terms, rank senior to the Company ordinary shares in terms of dividend rights and/or be entitled to claim arrears of a declared dividend out of subsequently declared dividends in priority to ordinary shareholders.



**Table of Contents**

The holders of the A preferred shares are entitled in priority to any payments of dividends on any other class of shares in the Company to be paid a dividend in an amount per A preferred share equal to twice the dividend to be paid per ordinary share. The holders of the serial preferred shares are entitled to any payments of dividends in preference to the dividend rights of any other class of shares in the Company.

**Share Repurchases, Redemptions and Conversions***Overview*

The Company's memorandum and articles of association provide that any ordinary share which the Company has acquired shall be deemed to be a redeemable share, unless the Board resolves otherwise. Accordingly, for Irish company law purposes, the repurchase of ordinary shares by the Company will technically be effected as a redemption of those shares as described below under *Description of Ordinary Shares and Preference Shares Share Repurchases, Redemptions and Conversions Repurchases and Redemptions by the Company*. If the articles of association of the Company did not contain such provision, all repurchases by the Company would be subject to many of the same rules that apply to purchases of the Company's ordinary shares by subsidiaries described below under *Description of Ordinary Shares and Preference Shares Share Repurchases, Redemptions and Conversions Purchases by Subsidiaries of the Company* including the shareholder approval requirements described below and the requirement that any on-market purchases be effected on a recognized stock exchange. Neither Irish law nor any constituent document of the Company places limitations on the right of nonresident or foreign owners to vote or hold ordinary shares. Except where otherwise noted, references elsewhere in this section to repurchasing or buying back ordinary shares of the Company refer to the redemption of ordinary shares by the Company or the purchase of ordinary shares of the Company by a subsidiary of the Company, in each case in accordance with the memorandum and articles of association and Irish company law as described below.

*Repurchases and Redemptions by the Company*

Under Irish law, a company may issue redeemable shares and redeem them out of distributable reserves or the proceeds of a new issue of shares for that purpose. The Company may only issue redeemable shares if the nominal value of the issued share capital that is not redeemable is not less than 10% of the nominal value of the total issued share capital of the Company. All redeemable shares must also be fully-paid and the terms of redemption of the shares must provide for payment on redemption. Redeemable shares may, upon redemption, be cancelled or held in treasury. Based on the provision of the Company's articles described above, shareholder approval will not be required to redeem the Company shares.

The Company may also be given an additional general authority by its shareholders to purchase its own shares on-market which would take effect on the same terms and be subject to the same conditions as applicable to purchases by the Company's subsidiaries as described below.

Repurchased and redeemed shares may be cancelled or held as treasury shares. The nominal value of treasury shares held by the Company at any time must not exceed 10% of the nominal value of the issued share capital of the Company. The Company may not exercise any voting rights in respect of any shares held as treasury shares. Treasury shares may be cancelled by the Company or re-issued subject to certain conditions.

*Purchases by Subsidiaries of the Company*

Under Irish law, an Irish or non-Irish subsidiary may purchase shares of the Company either on-market or off-market. For a subsidiary of the Company to make on-market purchases of the Company ordinary shares, the shareholders of

the Company must provide general authorization for such purchase by way of ordinary resolution. However, as long as this general authority has been granted, no specific shareholder authority for a particular on-market purchase by a subsidiary of the Company's ordinary shares is required. For an off-market purchase by a subsidiary of the Company, the proposed purchase contract must be authorized by special resolution of the shareholders before the contract is entered into. The person whose shares are to be bought back cannot vote in favor of the special resolution and, for at least 21 days prior to the special resolution being passed, the purchase contract must be on display or must be available for inspection by shareholders at the registered office of the Company.

In order for a subsidiary of the Company to make an on-market purchase of the Company's shares, such shares must be purchased on a recognized stock exchange. The NYSE, on which the shares of the Company are listed, is specified as a recognized stock exchange for this purpose by Irish company law.

## **Table of Contents**

The number of shares held by the subsidiaries of the Company at any time will count as treasury shares and will be included in any calculation of the permitted treasury share threshold of 10% of the nominal value of the issued share capital of the Company. While a subsidiary holds shares of the Company, it cannot exercise any voting rights in respect of those shares. The acquisition of the shares of the Company by a subsidiary must be funded out of distributable reserves of the subsidiary.

## **Lien on Shares, Calls on Shares, and Forfeiture of Shares**

The Company's articles of association provide that the Company will have a first and paramount lien on every share for all moneys payable, whether presently due or not, payable in respect of such Company share. Subject to the terms of their allotment, directors may call for any unpaid amounts in respect of any shares to be paid, and if payment is not made, the shares may be forfeited. These provisions are standard inclusions in the articles of association of an Irish company limited by shares such as the Company and will only be applicable to shares of the Company that have not been fully paid up.

## **Consolidation and Division; Subdivision**

Under its articles of association, the Company may, by ordinary resolution, consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares or subdivide its shares into smaller amounts than is fixed by its memorandum of association.

## **Reduction of Share Capital**

The Company may, by ordinary resolution, reduce its authorized share capital in any way. The Company also may, by special resolution and subject to confirmation by the Irish High Court, reduce or cancel its issued share capital in any manner permitted by the Companies Acts.

## **Annual Meetings of Shareholders**

The Company is required to hold an annual general meeting at intervals of no more than 15 months, provided that an annual general meeting is held in each calendar year following the first annual general meeting and no more than nine months after the Company's fiscal year-end.

Notice of an annual general meeting must be given to all of the Company shareholders (except for euro deferred shareholders) and to the auditors of the Company. The articles of association of the Company provide for a minimum notice period of 21 days, which is the minimum permitted under Irish law.

The only matters which must, as a matter of Irish company law, be transacted at an annual general meeting are the presentation of the annual accounts, balance sheet and reports of the directors and auditors, the appointment of new auditors and the fixing of the auditor's remuneration (or delegation of same). If no resolution is made in respect of the reappointment of an existing auditor at an annual general meeting, the existing auditor will be deemed to have continued in office.

## **Extraordinary General Meetings of Shareholders**

Extraordinary general meetings of the Company may be convened by (i) the board of directors, (ii) on requisition of the shareholders holding not less than 10% of the paid up share capital of the Company carrying voting rights, or (iii) on requisition of the Company's auditors. Extraordinary general meetings are generally held for the purposes of

approving shareholder resolutions as may be required from time to time. At any extraordinary general meeting only such business shall be conducted as is set forth in the notice thereof.

Notice of an extraordinary general meeting must be given to all Company shareholders (except for euro deferred shareholders) and to the auditors of the Company. Under Irish law and the Company's articles of association, the minimum notice periods are 21 days' notice in writing for an extraordinary general meeting to approve a special resolution and 14 days' notice in writing for any other extraordinary general meeting.

In the case of an extraordinary general meeting convened by shareholders of the Company, the proposed purpose of the meeting must be set out in the requisition notice. Upon receipt of any such valid requisition notice, the Company board of directors has 21 days to convene a meeting of the Company shareholders to vote on the matters set out in the requisition notice. This meeting must be held within two months of the receipt of the requisition notice. If the board of directors does not convene the meeting within such 21-day period, the requisitioning shareholders, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, which meeting must be held within three months of the Company's receipt of the requisition notice.

## **Table of Contents**

If the board of directors becomes aware that the net assets of the Company are not greater than half of the amount of the Company's called-up share capital, the directors of the Company must convene an extraordinary general meeting of the Company shareholders not later than 28 days from the date that they learn of this fact to consider how to address the situation.

## **Quorum for General Meetings**

The articles of association of the Company provide that no business shall be transacted at any general meeting unless a quorum is present. Three shareholders present in person or by proxy at any meeting of shareholders shall constitute a quorum for such meeting but no action required by law or the articles of association of the Company to be authorized or taken by holders of a designated proportion of the shares of any particular class or of each class may be authorized or taken by a lesser proportion.

## **Voting**

The Company's articles of association provide that the board or the chairman may determine the manner in which the poll is to be taken and the manner in which the votes are to be counted.

Every shareholder is entitled to one vote for each ordinary share that he or she holds as of the record date for the meeting. Voting rights may be exercised by shareholders registered in the Company's share register as of the record date for the meeting or by a duly appointed proxy, which proxy need not be a shareholder. Where interests in shares are held by a nominee trust company, this company may exercise the rights of the beneficial holders on their behalf as their proxy. All proxies must be appointed in the manner prescribed by the Company's articles of association, which permit shareholders to notify the Company of their proxy appointments electronically, in writing or in such other manner as may be approved by the Company board.

In accordance with the articles of association of the Company, the directors of the Company may from time to time authorize the Company to issue serial preferred shares. These serial preferred shares have one vote for each such share and in certain circumstances provide the holders of such shares an entitlement to elect two members of the board. Treasury shares or shares of the Company that are held by subsidiaries of the Company are not entitled to be voted at general meetings of shareholders.

Irish company law requires special resolutions of the shareholders at a general meeting to approve certain matters. Examples of matters requiring special resolutions include:

- (a) amending the objects or memorandum of association of the Company;
- (b) amending the articles of association of the Company;
- (c) approving a change of name of the Company;
- (d) authorizing the entering into of a guarantee or provision of security in connection with a loan, quasi-loan, or credit transaction to a director or connected person;

- (e) opting out of preemption rights on the issuance of new shares;
- (f) re-registration of the Company from a public limited company to a private company;
- (g) variation of class rights attaching to classes of shares (where the articles of association do not provide otherwise);

## **Table of Contents**

- (h) purchase of own shares off-market;
- (i) reduction of issued share capital;
- (j) sanctioning a compromise/scheme of arrangement;
- (k) resolving that the Company be wound up by the Irish courts;
- (l) resolving in favor of a shareholders voluntary winding-up;
- (m) re-designation of shares into different share classes; and
- (n) setting the re-issue price of treasury shares.

## **Variation of Rights Attaching to a Class or Series of Shares**

Under the Company articles of association and the Companies Acts, any variation of class rights attaching to the issued shares of the Company must be approved by a special resolution of the shareholders of the affected class or with the consent in writing of the holders of two-thirds of all the votes of that class of shares.

The provisions of the articles of association of the Company relating to general meetings apply to general meetings of the holders of any class of shares except that the necessary quorum is determined in reference to the shares of the holders of the class. Accordingly, for general meetings of holders of a particular class of shares, a quorum consists of three shareholders present in person or by proxy or in the case of a class with three or fewer members, one person present in person or by proxy.

## **Inspection of Books and Records**

Under Irish law, shareholders have the right to: (i) receive a copy of the memorandum and articles of association of the Company and any act of the Irish Government which alters the memorandum of the Company; (ii) inspect and obtain copies of the minutes of general meetings and resolutions of the Company; (iii) inspect and receive a copy of the register of shareholders, register of directors and secretaries, register of directors' interests and other statutory registers maintained by the Company; (iv) receive copies of balance sheets and directors' and auditors' reports which have previously been sent to shareholders prior to an annual general meeting; and (v) receive balance sheets of any subsidiary of the Company which have previously been sent to shareholders prior to an annual general meeting for the preceding ten years. The auditors of the Company also have the right to inspect all books, records, and vouchers of the Company. The auditors' report must be circulated to the shareholders with the Company's financial statements prepared in accordance with Irish law not less than 21 days before the annual general meeting and must be read to the shareholders at the Company's annual general meeting.

## **Acquisitions**

An Irish public limited company may be acquired in a number of ways, including:

- (a) a court-approved scheme of arrangement under the Companies Acts. A scheme of arrangement with shareholders requires a court order from the Irish High Court and the approval of a majority in number representing 75% in value of the shareholders present and voting in person or by proxy at a meeting called to approve the scheme;
  
- (b) through a tender or takeover offer by a third party for all of the shares of the Company. Where the holders of 80% or more of the Company's shares have accepted an offer for their shares in the Company, the remaining shareholders may also be



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**Table of Contents**

statutorily required to transfer their shares. If the bidder does not exercise its squeeze out right, then the non-accepting shareholders also have a statutory right to require the bidder to acquire their shares on the same terms. If shares of the Company were to be listed on the Irish Stock Exchange or another regulated stock exchange in the European Union, this threshold would be increased to 90%; and

(c) it is also possible for the Company to be acquired by way of a transaction with an EU-incorporated company under the EU Cross-Border Mergers Directive 2005/56/EC. Such a transaction must be approved by a special resolution. If the Company is being merged with another EU company under the EU Cross-Border Mergers Directive 2005/56/EC and the consideration payable to the Company shareholders is not all in the form of cash, the Company shareholders may be entitled to require their shares to be acquired at fair value. The affirmative vote or written consent of the holders of shares entitling them to exercise two-thirds of the voting power of the Company, given in person or by proxy at a meeting called for the purpose, shall be necessary to approve:

- (a) the sale, exchange, lease, transfer, or other disposition by the Company of all, or substantially all, of its assets or business;
- (b) the consolidation of the Company, or its merger, into another company;
- (c) the merger into the Company of another company or companies if the merger involves the issuance or transfer by the Company to the shareholders of the other constituent company or companies of such number of shares of the Company as entitle the holders thereof to exercise at least one-sixth of the voting power of the Company in the election of directors immediately after the consummation of the merger;
- (d) a combination or majority share acquisition in which the Company is the acquiring company and its voting shares are issued or transferred to another company if the combination or majority share acquisition involves the issuance or transfer by the Company to the shareholders of the other company or companies of such number of shares of the Company as entitle the holders thereof to exercise at least one-sixth of the voting power of the Company in the election of directors immediately after the consummation of the combination or majority share acquisition; or
- (e) to approve any agreement, contract, or other arrangement providing for any of the transactions described in subparagraph (a) above.

**Disclosure of Interests in Shares**

Under the Companies Acts, the Company shareholders must notify the Company if, as a result of a transaction, the shareholder will become interested in 5% or more of the shares of the Company; or if as a result of a transaction a shareholder who was interested in more than 5% of the shares of the Company ceases to be so interested. Where a shareholder is interested in more than 5% of the shares of the Company, the shareholder must notify the Company of any alteration of his or her interest that brings his or her total holding through the nearest whole percentage number, whether an increase or a reduction. The relevant percentage figure is calculated by reference to the aggregate nominal value of the shares in which the shareholder is interested as a proportion of the entire nominal value of the issued

share capital of the Company (or any such class of share capital in issue). Where the percentage level of the shareholder's interest does not amount to a whole percentage this figure may be rounded down to the next whole number. The Company must be notified within five business days of the transaction or alteration of the shareholder's interests that gave rise to the notification requirement. If a shareholder fails to comply with these notification requirements, the shareholder's rights in respect of any of the Company shares it holds will not be enforceable, either directly or indirectly. However, such person may apply to the court to have the rights attaching to such shares reinstated.

## **Table of Contents**

In addition to these disclosure requirements, the Company, under the Companies Acts, may, by notice in writing, require a person whom the Company knows or has reasonable cause to believe to be, or at any time during the three years immediately preceding the date on which such notice is issued to have been, interested in shares comprised in the Company's relevant share capital to: (i) indicate whether or not it is the case and (ii) where such person holds or has during that time held an interest in the shares of the Company, to provide additional information, including the person's own past or present interests in shares of the Company. If the recipient of the notice fails to respond within the reasonable time period specified in the notice, the Company may apply to court for an order directing that the affected shares be subject to certain restrictions, as prescribed by the Companies Acts, as follows:

- (a) any transfer of those shares, or in the case of unissued shares any transfer of the right to be issued with shares and any issue of shares, shall be void;
- (b) no voting rights shall be exercisable in respect of those shares;
- (c) no further shares shall be issued in right of those shares or in pursuance of any offer made to the holder of those shares; and
- (d) no payment shall be made of any sums due from the Company on those shares, whether in respect of capital or otherwise.

The court may also order that shares subject to any of these restrictions be sold with the restrictions terminating upon the completion of the sale.

In the event the Company is in an offer period pursuant to the Irish Takeover Rules, accelerated disclosure provisions apply for persons holding an interest in the Company's securities of 1% or more.

## **Anti-Takeover Provisions**

### ***Irish Takeover Rules and Substantial Acquisition Rules***

A transaction in which a third party seeks to acquire 30% or more of the voting rights of the Company will be governed by the Irish Takeover Panel Act 1997 and the Irish Takeover Rules made thereunder and will be regulated by the Irish Takeover Panel. The General Principles of the Irish Takeover Rules and certain important aspects of the Irish Takeover Rules are described below.

### ***General Principles***

The Irish Takeover Rules are built on the following General Principles which will apply to any transaction regulated by the Irish Takeover Panel:

- (a) in the event of an offer, all holders of security of the target company should be afforded equivalent treatment and, if a person acquires control of a company, the other holders of securities must be protected;

- (b) the holders of the securities in the target company must have sufficient time and information to enable them to reach a properly informed decision on the offer; where it advises the holders of securities, the board of the target company must give its views on the effects of implementation of the offer on employment, conditions of employment and the locations of the target company's places of business;
- (c) the board of the target company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the offer;

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**Table of Contents**

- (d) false markets must not be created in the securities of the target company, the bidder or of any other company concerned by the offer in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted;
- (e) a bidder must announce an offer only after ensuring that he or she can fulfill in full, any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration;
- (f) a target company must not be hindered in the conduct of its affairs for longer than is reasonable by an offer for its securities; and
- (g) a substantial acquisition of securities (whether such acquisition is to be effected by one transaction or a series of transactions) shall take place only at an acceptable speed and shall be subject to adequate and timely disclosure.

***Mandatory Bid***

Under certain circumstances, a person who acquires shares or other voting rights in the Company may be required under the Irish Takeover Rules to make a mandatory cash offer for the remaining outstanding shares in the Company at a price not less than the highest price paid for the shares by the acquirer (or any parties acting in concert with the acquirer) during the previous 12 months. This mandatory bid requirement is triggered if an acquisition of shares would increase the aggregate holding of an acquirer (including the holdings of any parties acting in concert with the acquirer) to shares representing 30% or more of the voting rights in the Company, unless the Irish Takeover Panel otherwise consents. An acquisition of shares by a person holding (together with its concert parties) shares representing between 30% and 50% of the voting rights in the Company would also trigger the mandatory bid requirement if, after giving effect to the acquisition, the percentage of the voting rights held by that person (together with its concert parties) would increase by 0.05% within a 12-month period. Any person (excluding any parties acting in concert with the holder) holding shares representing more than 50% of the voting rights of a company is not subject to these mandatory offer requirements in purchasing additional securities.

***Voluntary Bid; Requirements to Make a Cash Offer and Minimum Price Requirements***

If a person makes a voluntary offer to acquire outstanding ordinary shares of the Company, the offer price must be no less than the highest price paid for the Company ordinary shares by the bidder or its concert parties during the three-month period prior to the commencement of the offer period. The Irish Takeover Panel has the power to extend the look back period to 12 months if the Irish Takeover Panel, taking into account the General Principles, believes it is appropriate to do so.

If the bidder or any of its concert parties has acquired ordinary shares of the Company (i) during the period of 12 months prior to the commencement of the offer period which represent more than 10% of the total ordinary shares of the Company or (ii) at any time after the commencement of the offer period, the offer must be in cash (or accompanied by a full cash alternative) and the price per the Company's ordinary share must not be less than the highest price paid by the bidder or its concert parties during, in the case of (i), the 12-month period prior to the commencement of the offer period and, in the case of (ii), the offer period. The Irish Takeover Panel may apply this rule to a bidder who, together with its concert parties, has acquired less than 10% of the total ordinary shares of the Company in the 12-month period prior to the commencement of the offer period if the Irish Takeover Panel, taking

into account the General Principles, considers it just and proper to do so.

An offer period will generally commence from the date of the first announcement of the offer or proposed offer.

***Substantial Acquisition Rules***

The Irish Takeover Rules also contain rules governing substantial acquisitions of shares which restrict the speed at which a person may increase his or her holding of shares and rights over shares to an aggregate of between 15% and 30% of the voting rights of the Company. Except in certain circumstances, an acquisition or series of acquisitions of shares or rights over shares representing 10% or more of the voting rights of the Company is prohibited, if such acquisition(s), when aggregated with shares or rights already

**Table of Contents**

held, would result in the acquirer holding 15% or more but less than 30% of the voting rights of the Company and such acquisitions are made within a period of seven days. These rules also require accelerated disclosure of acquisitions of shares or rights over shares relating to such holdings.

***Frustrating Action***

Under the Irish Takeover Rules, the Company board of directors is not permitted to take any action which might frustrate an offer for the shares of the Company once the board of directors has received an approach which may lead to an offer or has reason to believe an offer is imminent, subject to certain exceptions. Potentially frustrating actions such as (i) the issue of shares, options or convertible securities, (ii) material acquisitions or disposals, (iii) entering into contracts other than in the ordinary course of business, or (iv) any action, other than seeking alternative offers, which may result in frustration of an offer, are prohibited during the course of an offer or at any time during which the board has reason to believe an offer is imminent. Exceptions to this prohibition are available where:

- (a) the action is approved by the Company's shareholders at a general meeting; or
- (b) the Irish Takeover Panel has given its consent, where:
  - (i) it is satisfied the action would not constitute frustrating action;
  - (ii) the Company shareholders that hold 50% of the voting rights state in writing that they approve the proposed action and would vote in favor of it at a general meeting;
  - (iii) the action is taken in accordance with a contract entered into prior to the announcement of the offer; or
  - (iv) the decision to take such action was made before the announcement of the offer and either has been at least partially implemented or is in the ordinary course of business.

Certain other provisions of Irish law or the Company memorandum and articles of association may be considered to have anti-takeover effects, including those described under the following captions: *Description of Ordinary Shares and Preference Shares* *Capital Structure* *Authorized Share Capital* (regarding issuance of preference shares), *Description of Ordinary Shares and Preference Shares* *Preemption Rights, Share Warrants and Share Options*, *Description of Ordinary Shares and Preference Shares* *Disclosure of Interests in Shares*.

**Corporate Governance**

The articles of association of the Company allocate authority over the day-to-day management of the Company to the board of directors. The board of directors may then delegate any of its powers, authorities, and discretions (with power to sub-delegate) to any committee, consisting of such person or persons (whether directors or not) as it thinks fit, but regardless, the directors remain responsible, as a matter of Irish law, for the proper management of the affairs of the Company. Committees may meet and adjourn as they determine proper. Unless otherwise determined by the board of directors, the quorum necessary for the transaction of business at any committee meeting shall be a majority of the

members of such committee then in office.

### **Appointment of Directors**

The Companies Acts provide for a minimum of two directors. The Company's memorandum and articles of association provide that the number of directors is not less than 9 and not more than 18. Although Irish law does not recognize the concept of "board size" within the minimum and maximum number of directors, the fixed maximum and fixed minimum number of directors may be fixed or changed by resolution adopted by the vote of shareholders entitled to exercise two-thirds of the voting power of the shares represented at a meeting called to elect directors in person or by proxy at such meeting and entitled to vote at such election. No reduction in the



## **Table of Contents**

number of directors shall have the effect of removing any director prior to the expiration of his or her term of office. Directors of the Company are elected by way of an ordinary resolution at a general meeting. Irish law requires majority voting for the election of directors, which could result in the number of directors falling below the prescribed minimum number of directors due to the failure of nominees to be elected. If the number of the Directors is reduced below the fixed minimum number, the remaining Director or Directors shall appoint as soon as practicable, an additional Director or additional Directors to make up such minimum or shall convene a general meeting of the Company for the purpose of making such appointment. Each director of the Company must retire from office at each annual shareholder meeting and shall be re-eligible for re-election.

## **Removal of Directors**

Under the Companies Acts, the shareholders may, by an ordinary resolution, remove a director from office before the expiration of his or her term at a meeting held on no less than 28 days' notice and at which the director is entitled to be heard. The power of removal is without prejudice to any claim for damages for breach of contract (e.g., employment contract) that the director may have against the Company in respect of his removal.

The board of directors may fill any vacancy occurring on the board of directors. If the Company board of directors fills a vacancy, the director's term expires at the next annual general meeting. A vacancy on the board of directors created by the removal of a director may be filled by the Company board of directors.

## **Duration; Dissolution; Rights upon Liquidation**

The Company's duration is unlimited. The Company may be dissolved and wound up at any time by way of a shareholders' voluntary winding up or a creditors' winding up. In the case of a shareholders' voluntary winding-up, a special resolution of shareholders is required. The Company may also be dissolved by way of court order on the application of a creditor, or by the Companies Registration Office as an enforcement measure where the Company has failed to file certain returns.

The rights of the shareholders to a return of the Company's assets on dissolution or winding up, following the settlement of all claims of creditors, may be prescribed in the Company's articles of association or the terms of any preference shares issued by the directors of the Company from time to time. The holders of preferred shares in particular may have the right to priority in a dissolution or winding up of the Company. If the memorandum and articles of association contain no specific provisions in respect of a dissolution or winding up then, subject to the priorities of any creditors, the assets will be distributed to shareholders in proportion to the paid-up nominal value of the shares held. The Company's articles of association provide that the ordinary shareholders of the Company are entitled to participate pro rata in a winding up, but their right to do so is subject to the rights of any holders of the A preferred shares and serial preferred shares to participate under the terms of any series or class of such shares.

## **Uncertificated Shares**

Holders of ordinary shares of the Company have the right upon request to require the Company to issue certificates for their shares. Subject to any such requests, the Company only issues uncertificated ordinary shares.

## **No Sinking Fund**

The Company's ordinary shares have no sinking fund provisions.

## **Transfer and Registration of Shares**

The transfer agent for the Company maintains the share register, registration in which is determinative of membership in the Company. A shareholder of the Company who holds shares beneficially is not the holder of record of such shares. Instead, the depository or other nominee is the holder of record of those shares. Accordingly, a transfer of shares from a person who holds such shares beneficially to a person who also holds such shares beneficially through a depository or other nominee will not be registered in the Company's official share register, as the depository or other nominee will remain the record holder of any such shares.

A written instrument of transfer is required under Irish law in order to register on the Company's official share register any transfer of shares (i) from a person who holds such shares directly, to any other person, (ii) from a person who holds such shares beneficially to a person who holds such shares directly, or (iii) from a person who holds such shares beneficially to another person who holds such shares beneficially where the transfer involves a change in the depository or other nominee that is the record owner of the transferred shares. An instrument of transfer is also required for a shareholder who directly holds shares to transfer those shares into

**Table of Contents**

his or her own broker account (or vice versa). Such instruments of transfer may give rise to Irish stamp duty, which must be paid prior to registration of the transfer on the Company's official Irish share register. However, a shareholder who directly holds shares may transfer those shares into his or her own broker account (or vice versa) without giving rise to Irish stamp duty, provided there is no change in the ultimate beneficial ownership of the shares as a result of the transfer and the transfer is not made in contemplation of a sale of the shares.

Any transfer of the Company ordinary shares that is subject to Irish stamp duty will not be registered in the name of the buyer unless an instrument of transfer is duly stamped and provided to the transfer agent. The Company's articles of association allow the Company, in its absolute discretion, to create an instrument of transfer and pay (or procure the payment of) any stamp duty, which is the legal obligation of a buyer. In the event of any such payment, the Company is (on behalf of itself or its affiliates) entitled to (i) seek reimbursement from the buyer or seller (at its discretion), (ii) set-off the amount of the stamp duty against future dividends payable to the buyer or seller (at its discretion), and (iii) claim a lien against the Company ordinary shares on which it has paid stamp duty. Parties to a share transfer may assume that any stamp duty arising in respect of a transaction in the Company ordinary shares has been paid unless one or both of such parties is otherwise notified by the Company.

The Company's memorandum and articles of association delegate to the Company's secretary the authority to execute an instrument of transfer on behalf of a transferring party.

In order to help ensure that the official share register is regularly updated to reflect trading of the Company ordinary shares occurring through normal electronic systems, the Company regularly produces any required instruments of transfer in connection with any transactions for which it pays stamp duty (subject to the reimbursement and set-off rights described above). In the event that the Company notifies one or both of the parties to a share transfer that it believes stamp duty is required to be paid in connection with the transfer and that it will not pay the stamp duty, the parties may either themselves arrange for the execution of the required instrument of transfer (and may request a form of instrument of transfer from the Company for this purpose) or request that the Company execute an instrument of transfer on behalf of the transferring party in a form determined by the Company. In either event, if the parties to the share transfer have the instrument of transfer duly stamped (to the extent required) and then provide it to the Company's transfer agent, the buyer will be registered as the legal owner of the relevant shares on the Company's official Irish share register (subject to the matters described below).

The directors may suspend registration of transfers from time to time, not exceeding 30 days in aggregate each year.

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**Table of Contents**

**DESCRIPTION OF DEPOSITARY SHARES**

We may offer (either separately or together with other offered securities) depositary shares representing interests in shares of our preference shares of one or more series. The depositary shares will be issued under deposit agreements (each, a deposit agreement) to be entered into between us and a bank or trust company, as depositary (the preference shares depositary), identified in the prospectus supplement or term sheet.

Because this section is a summary, it does not describe every aspect of the depositary shares and deposit agreement. We urge you to read the deposit agreement because it, and not this description, defines your rights as a holder of depositary shares. See **Where You Can Find More Information** for information on how to obtain a copy of the deposit agreement. In this section, the terms **we**, **our**, **ourselves**, and **us** means Eaton Corporation plc only.

The specific terms of any depositary shares proposed to be sold under this prospectus will be described in the prospectus supplement or term sheet. If so indicated in the prospectus supplement or term sheet, the terms of the depositary shares may differ from the terms set forth below.

**General**

We may provide for the issuance by the preference shares depositary to the public of the depositary receipts evidencing the depositary shares, each of which will represent a fractional interest (to be specified in the prospectus supplement or term sheet) in one share of the related preference shares, as described below.

You should read the prospectus supplement or term sheet for the material terms of the depositary shares offered thereby, including the following:

the number of depositary shares and the fraction of one share of preference shares represented by one depositary share;

the terms of the series of preference shares deposited by us under the deposit agreement;

whether the depositary shares will be listed on any securities exchange;

whether the depositary shares will be sold with any other offered securities and, if so, the amount and terms of these other securities; and

any other terms of the depositary shares.

If applicable, the prospectus supplement or term sheet will also contain a discussion of the Ireland Tax and/or United States federal income tax considerations relevant to the offering.

Depositary receipts will be exchangeable for new depositary receipts of different denominations. We will not impose a service charge for any permitted transfer or exchange of depositary receipts, but we may require payment of any tax or other governmental charge payable in connection therewith. Subject to the terms of the deposit agreement, each owner

of a depositary share will be entitled, in proportion to the applicable fractional interest in a share of preference shares of the series represented by the depositary share, to all rights and preferences of the preference shares represented by the depositary share, including dividend, voting and liquidation rights, and any redemption, conversion, or exchange rights.

### **Dividends and Other Distributions**

The preference shares depositary will distribute all cash dividends and other cash distributions received in respect of the related series of preference shares to the record holders of the depositary shares in proportion to the number of the depositary shares owned by the holders on the relevant record date. The preference shares depositary will distribute only the amount, however, as can be distributed without attributing to any holder of depositary shares a fraction of one cent, and any balance not so distributed will be added to and treated as part of the next sum, if any, received by the preference shares depositary for distribution to record holders of depositary shares.

## **Table of Contents**

In the event of a distribution other than in cash, the preference shares depositary will distribute property received by it to the record holders of depositary shares entitled thereto, unless the preference shares depositary determines that it is not feasible to make the distribution, in which case the preference shares depositary may, with our approval, sell the property and distribute the net proceeds from the sale to the holders.

The deposit agreement will also contain provisions relating to the manner in which any subscription or similar rights offered by us to holders of the related series of preference shares will be made available to holders of depositary shares.

## **Withdrawal of Preference Shares**

Upon surrender of depositary receipts at the corporate trust office of the preference shares depositary (unless the related shares of preference shares have previously been called for redemption), the holder of the depositary shares evidenced thereby will be entitled to receive at that office, to or upon the holder's order, the number of whole shares of the related series of preference shares and any money or other property represented by the depositary shares. Shares of preference shares so withdrawn, however, may not be redeposited. If the holder requests withdrawal of less than all the shares of preference shares to which the holder is entitled, or if the holder would otherwise be entitled to a fractional share of preference shares, the preference shares depositary will deliver to the holder a new depositary receipt evidencing the balance or fractional share.

## **Redemption of Depositary Shares**

Whenever we redeem preference shares held by the preference shares depositary, the preference shares depositary will redeem as of the same redemption date the number of depositary shares representing the preference shares so redeemed; *provided* that we have paid in full to the preference shares depositary the redemption price of the preference shares plus an amount equal to any accrued and unpaid dividends thereon to the date fixed for redemption. The redemption price per depositary share will be equal to the applicable fraction of the redemption price per share and accrued and unpaid dividends payable with respect to the preference shares. If less than all the depositary shares are to be redeemed, the depositary shares to be redeemed will be selected by lot or pro rata or by another equitable method, in each case as may be determined by us.

After the date fixed for redemption, the depositary shares so called for redemption will no longer be deemed to be outstanding and all rights of the holders of the depositary shares will cease, except the right to receive the moneys payable upon the redemption and any money or other property to which the holders of the depositary shares were entitled upon the redemption and surrender to the preference shares depositary of the depositary receipts evidencing the depositary shares.

## **Conversion and Exchange**

Depositary shares are not convertible into or exchangeable for other shares of our stock or other securities. Nevertheless, if the preference shares represented by depositary shares is convertible into or exchangeable for other shares of our stock or other securities, the depositary receipts evidencing the depositary shares may be surrendered by the holder thereof to the preference shares depositary with written instructions to convert or exchange the preference shares into whole shares of our other stock or other securities, as specified in the related prospectus supplement or term sheet. Upon receipt of these instructions and any amounts payable in respect thereof, we will cause the conversion or exchange thereof and will deliver to the holder whole shares of our other stock or the whole number of other securities (and cash in lieu of any fractional share or security). In the case of a partial conversion or exchange, the holder will receive a new depositary receipt evidencing the unconverted or unexchanged balance.

### **Voting the Preference Shares**

Upon receipt of notice of any meeting at which holders of one or more series of preference shares are entitled to vote, the preference shares depository will mail the information contained in the notice of meeting to the holders of the depository shares relating to the preference shares. Each record holder of the depository shares on the record date for the meeting will be entitled to instruct the preference shares depository as to the manner in which to vote the number of shares of preference shares represented by the depository shares. We will agree to take all reasonable action that may be deemed necessary by the preference shares depository in order to enable the preference shares depository to vote in accordance with each holder's instructions. The preference shares depository will abstain from voting preference shares to the extent it does not receive instructions from the holders of depository shares representing the preference shares.

## **Table of Contents**

### **Amendment and Termination of the Deposit Agreement**

The form of depositary receipt evidencing the depositary shares and any provision of the deposit agreement may at any time be amended by agreement between the preference shares depositary and us. However, any amendment that materially and adversely alters the rights of the holders of depositary shares will not be effective unless the amendment has been approved by the holders of at least a majority of the depositary shares then outstanding (or any greater amount as may be required by the rules of any exchange on which the depositary shares are listed); provided that any amendment that prejudices any substantial right of the holders of depositary shares will not become effective until the expiration of 90 days after notice of the amendment has been given to the holders. A holder that continues to hold one or more depositary receipts at the expiration of the 90-day period will be deemed to consent to, and will be bound by, the amendment. No amendment may impair the right of any holder to surrender the holder's depositary receipt and receive the related preference shares, as discussed above under [Withdrawal of Preference Shares](#).

We may terminate the deposit agreement at any time upon not less than 60 days' prior written notice to the preference shares depositary. In that case, the preference shares depositary will deliver to each holder of depositary shares, upon surrender of the related depositary receipts, the number of whole shares of the related series of preference shares to which the holder is entitled, together with cash in lieu of any fractional share.

The deposit agreement will terminate automatically after all the related preference shares has been redeemed, withdrawn, converted or exchanged or there has been a final distribution in respect of the preference shares represented by the depositary shares in connection with our liquidation, dissolution or winding up.

### **Charges of Preference Shares Depositary**

Except as provided in the prospectus supplement or term sheet, we will pay the fees and expenses of the preference shares depositary, and the holders of depositary receipts will be required to pay any tax or other governmental charge that may be imposed in connection with the transfer, exercise, surrender, or split-up of depositary receipts.

### **Miscellaneous**

The preference shares depositary will forward to the holders of depositary shares all reports and communications from us that are delivered to the preference shares depositary and that we are required to furnish to the holders of the preference shares. Neither the preference shares depositary nor we will be liable if prevented or delayed by law or any circumstance beyond the preference shares depositary's or our control in performing the preference shares depositary's or our respective obligations under the deposit agreement. The obligations of the preference shares depositary and us under the deposit agreement will be limited to performance in good faith and without gross negligence of the preference shares depositary's or our respective duties thereunder, and neither the preference shares depositary nor we will be obligated to prosecute or defend any legal proceeding in respect of any depositary shares or related shares of preference shares unless satisfactory indemnity is furnished.

### **Resignation and Removal of Preference Shares Depositary**

The preference shares depositary may resign at any time by delivering to us notice of its election to do so, and we may at any time remove the preference shares depositary, the resignation or removal to take effect upon the appointment of a successor preference shares depositary. The successor preference shares depositary must be appointed within 60 days after delivery of a notice of resignation or removal and must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000.





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**Table of Contents**

**DESCRIPTION OF WARRANTS**

The following is a general description of the terms of the warrants we may issue from time to time. This description is subject to the detailed provisions of a warrant agreement to be entered into between us and a warrant agent we select at the time of issue and the description in the prospectus supplement relating to the applicable series of warrants.

We may issue (either separately or together with other offered securities) warrants to purchase underlying debt securities, preference shares, ordinary shares, or any combination thereof issued by us ( offered warrants ). Such warrants may be issued independently or together with any such securities and may be attached or separate from the securities. We may issue the warrants under separate warrant agreements (each a warrant agreement ) to be entered into between us and a bank or trust company, as warrant agent (the warrant agent ), identified in the prospectus supplement. The warrant agent will act solely as our agent and will not assume any obligation or relationship of agency for or with holders or beneficial owners of warrants. In addition, any issuer may issue warrants to purchase underlying debt securities from time to time.

Because this section is a summary, it does not describe every aspect of the warrants and any of the warrant agreements. We urge you to read any applicable warrant agreement because it, and not this description, defines your rights as a holder of our warrants. We will file any executed warrant agreement with the SEC. See [Where You Can Find More Information](#) for information on how to obtain a copy of a warrant agreement.

**General**

You should read the prospectus supplement for the material terms of the offered warrants, including, if applicable, the following:

the title and aggregate number of the warrants;

the title, rank, aggregate principal amount and terms of the underlying debt securities, preference shares or ordinary shares purchasable upon exercise of the warrants;

the principal amount of underlying debt securities, preference shares or ordinary shares that may be purchased upon exercise of each warrant, and the price or the manner of determining the price at which this principal amount may be purchased upon exercise;

the currency or currencies, including composite currencies, in which the price of such warrants may be payable;

the price at which and the currencies, including composite currencies, in which the securities purchasable upon exercise of such warrants shall commence and the date on which such right will expire;

if applicable, the minimum or maximum amount of such warrants which may be exercised at any one time;

if applicable, the title, rank, aggregate principal amount and terms of the securities with which such warrants are issued and the number of such warrants issued with each such security;

if applicable, the date on and after which such warrants and related securities will be separately transferable;

any optional redemption terms;

whether certificates evidencing the warrants will be issued in registered or bearer form and, if registered, where they may be transferred and exchanged; and

any other material terms of the warrants.

The prospectus supplement will also contain a discussion of the Irish tax and/or United States federal income tax considerations relevant to the offering.

## **Table of Contents**

Warrant certificates will be exchangeable for new warrant certificates of different denominations. No service charge will be imposed for any permitted transfer or exchange of warrant certificates, but we may require payment of any tax or other governmental charge payable in connection therewith. Warrants may be exercised and exchanged and warrants in registered form may be presented for registration of transfer at the corporate trust office of the warrant agent or any other office indicated in the prospectus supplement or term sheet.

## **Exercise of Warrants**

Each offered warrant will entitle the holder thereof to purchase the amount of underlying debt securities, preference shares, ordinary shares, or any combination thereof at the exercise price set forth in, or calculable from, the prospectus supplement relating to the offered warrants. After the close of business on the expiration date, unexercised warrants will be void.

Warrants may be exercised by payment to the warrant agent of the applicable exercise price and by delivery to the warrant agent of the related warrant certificate, properly completed. Warrants will be deemed to have been exercised upon receipt of the exercise price and the warrant certificate or certificates. Upon receipt of this payment and the properly completed warrant certificates, we will, as soon as practicable, deliver the amount of underlying debt securities, preference shares, ordinary shares, or any combination thereof purchased upon exercise.

If fewer than all of the warrants represented by any warrant certificate are exercised, a new warrant certificate will be issued for the unexercised warrants. The holder of a warrant will be required to pay any tax or other governmental charge that may be imposed in connection with any transfer involved in the issuance of underlying debt securities preference shares, ordinary shares, or other combination thereof purchased upon exercise.

## **Amendments and Supplements to Warrant Agreement**

We and the warrant agent may amend or supplement the warrant agreement for a series of warrants without the consent of the holders of the warrants issued thereunder to effect changes that are not inconsistent with the provisions of the warrants and that do not materially and adversely affect the interests of the holders of the warrants.

## **No Rights as Holders of Underlying Debt Securities, Preference Shares or Ordinary Shares**

Before the warrants are exercised, holders of the warrants are not entitled to payments of principal of, premium, if any, or interest on the related underlying debt securities and dividends on the preference shares, ordinary shares or any combination thereof, as applicable, or to exercise any rights whatsoever as holders of the underlying debt securities, preference shares, or ordinary shares.

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**Table of Contents**

**CERTAIN TAX CONSIDERATIONS**

**In view of the number of different jurisdictions where tax laws may apply to a holder of debt securities or equity securities issued by the Company, Eaton, or a Subsidiary Guarantor, as applicable, this prospectus does not discuss the potential tax consequences for such holders under the laws of every such jurisdiction arising from the investment in one or more of the securities described in this prospectus.**

**In particular, the summary set forth below is limited only to the U.S. federal income tax issues addressed therein. Additional issues may exist that are not addressed in this prospectus. Specific information pertaining to Irish tax and/or U.S. federal income tax consequences (other than those discussed in the summary below) of purchasing, holding, or disposing of the debt and equity securities will be described in the applicable prospectus supplement or term sheet.**

**Prospective investors are urged to consult their own professional advisors regarding the possible tax consequences under the laws of the jurisdictions that apply to them and their investment in the debt and equity securities described in this prospectus.**

**UNITED STATES FEDERAL INCOME TAXATION**

The following summary describes, subject to the limitations set forth below, the material U.S. federal income tax considerations relevant to the purchase, ownership, and disposition of debt securities and equity securities described in this prospectus. Except where noted, this discussion addresses only debt securities and equity securities purchased by investors at original issue for their issue price and held as capital assets and does not address certain types of securities described in this prospectus as further explained below. The applicable prospectus supplement or term sheet will contain a discussion of any special U.S. federal income tax considerations in respect of those types of securities.

This discussion is based on the Internal Revenue Code of 1986, as amended (the Code), Treasury Regulations (including proposed Regulations and temporary Regulations) promulgated thereunder, the IRS rulings, official pronouncements, and judicial decisions, all as of the date of this prospectus and all of which are subject to change, possibly with retroactive effect, or to different interpretations. The discussion below does not address all of the U.S. federal income tax consequences that may be applicable to a holder of a security nor does this discussion describe certain tax consequences that may be relevant to certain types of U.S. holders subject to special treatment under U.S. federal income tax law, such as individual retirement and other tax-deferred accounts, dealers in securities or currencies, financial institutions, partnerships, life insurance companies, tax-exempt organizations, persons holding a security as a hedge or hedged against currency risk, as a position in a straddle for U.S. tax purposes, as part of a synthetic security or other integrated investment comprised of a debt security or equity security and one or more other investments, United States persons (as defined below) whose functional currency is other than the U.S. dollar, or to certain U.S. expatriates. This discussion applies only to debt securities issued in registered form, and except where noted, this discussion does not describe tax consequences to subsequent purchases (*i.e.* after initial issuance) of debt securities or equity securities. This discussion only applies to debt securities that are due to mature 30 years or less from the date on which they are issued.

The U.S. federal income tax consequences of purchasing, holding, or disposing of a particular security will depend, in part, on the particular terms of such security as set forth in the applicable prospectus supplement or term sheet. The U.S. federal income tax consequences of purchasing, holding or disposing of certain Floating Rate Notes, Foreign Currency Notes (other than Single Foreign Currency Notes, as defined below), Amortizing Notes, Bearer Securities, Floating Rate/Fixed Rate Notes, Indexed Notes, Renewable Notes, Extendible Notes, debt securities paired with warrants, debt securities issued by the Company or a Subsidiary Guarantor, preference shares, depository shares,

warrants, units, and convertible securities referred to in this prospectus will be set out in the applicable prospectus supplement or term sheet. Persons considering the purchase of one or more securities should consult their independent tax advisors concerning the application of U.S. federal income tax law to their particular situations, as well as any tax consequences arising under the law of any state, local, or foreign tax jurisdiction, and about any potential tax law changes and the effects applicable to them.

For purposes of the following discussion, **United States person** means an individual who is a citizen or resident of the United States, an estate subject to U.S. federal income taxation without regard to the source of its income, a corporation or other business

**Table of Contents**

entity treated as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, any state thereof or the District of Columbia, or a trust if a valid election to be treated as a United States person, as defined in the Code, is in effect with respect to such trust or both:

a court within the United States is able to exercise primary supervision over the administration of the trust, and

one or more United States persons have the authority to control all substantial decisions of the trust. If a partnership (including for this purpose any entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the security, the treatment of a partner in the partnership will generally depend upon the status of the partner and upon the activities of the partnership. A holder of security that is a partnership and partners in such partnership should consult their independent tax advisors.

**United States Holders**

The following discussion pertains only to a U.S. holder that is a beneficial owner of a debt security of Eaton (a Note) or the ordinary shares of the Company described in this prospectus and that is a United States person (a U.S. holder).

***Payments of Interest on Notes***

Except as discussed below under **OID Notes** and **Short-Term Notes**, payment of interest on a Note will be taxable to a U.S. holder as ordinary interest income at the time it is accrued or received in accordance with such holder's method of tax accounting. Special rules relating to **OID Notes**, Notes with floating interest rates, Notes denominated in a foreign currency or containing certain other provisions are described below.

***OID Notes***

The following summary is a general description of U.S. federal income tax consequences to U.S. holders of Notes issued with original issue discount (**OID Notes**) and is based on the provisions of the Code and on certain Treasury Regulations promulgated thereunder relating to original issue discount (the **OID Regulations**).

For U.S. federal income tax purposes, **original issue discount** is the excess of the stated redemption price at maturity of an **OID Note** over its issue price, if such excess is greater than or equal to a *de minimis* amount (generally  $\frac{1}{4}$  of 1% of the **OID Note**'s stated redemption price at maturity multiplied by the number of complete years to maturity from its issue date). The issue price of **OID Notes** that are issued for cash will be equal to the first price at which a substantial amount of such Notes is sold for money. For this purpose, sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers are ignored. The stated redemption price at maturity of an **OID Note** is the sum of all payments provided by the **OID Note**, other than payments of qualified stated interest. Under the **OID Regulations**, **qualified stated interest** includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods) or certain variable rates as described below. Interest is payable at a single fixed rate only if the rate appropriately takes into account the length of the interval between payments. Except as described below with respect to **Short-Term Notes**, a U.S. holder of an **OID Note** will be required to include original issue discount in ordinary income as it accrues before the receipt of any cash attributable to such income, regardless of such U.S. holder's regular method of accounting for U.S. federal

income tax purposes. Special rules for certain floating rate Notes are described below under Variable Rate Notes. A U.S. holder of an OID Note with *de minimis* original issue discount will include any *de minimis* original issue discount in income, as capital gain, on a pro rata basis as principal payments are made on such Note.

The amount of original issue discount includible in income by a U.S. holder of an OID Note is the sum of the daily portions of original issue discount with respect to such Note for each day during the taxable year on which such U.S. holder held such Note ( accrued original issue discount ). Generally, the daily portion of the original issue discount is determined by allocating to each day in any accrual period a ratable portion of the original issue discount allocable to such accrual period. Under the OID Regulations, the accrual periods for an OID Note may be selected by each U.S. holder, may be of any length, and may vary in length over the term of an OID Note, *provided* that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first day or final day of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the excess, if any, of:

the product of an OID Note's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and adjusted for the length of such accrual period) over



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**Table of Contents**

the amount of qualified stated interest, if any, payable on such OID Note and allocable to such accrual period.

The adjusted issue price of an OID Note at the beginning of any accrual period generally is the sum of the issue price (including accrued interest, if any) of an OID Note plus the accrued original issue discount allocable to all prior accrual periods, reduced by any prior payment on the OID Note other than a payment of qualified stated interest. As a result of this constant yield method of including original issue discount income, a U.S. holder of an OID Note generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

If a U.S. holder's tax basis in an OID Note immediately after purchase exceeds the adjusted issue price of the OID Note (the amount of such excess is considered acquisition premium) but is not greater than the stated redemption price at maturity of such OID Note, the amount includible in income in each taxable year as original issue discount is reduced (but not below zero) by that portion of the acquisition premium properly allocable to such year.

If a U.S. holder purchases an OID Note for an amount in excess of the stated redemption price at maturity, such holder does not include any original issue discount in income and generally may be subject to the bond premium rules discussed below. See

Amortizable Bond Premium. If a U.S. holder has a tax basis in an OID Note that is less than the adjusted issue price of such Note, the difference may be subject to the market discount provisions discussed below. See Market Discount.

***Variable Rate Notes***

In general, under Treasury Regulations, stated interest on certain floating rate Notes that qualify as Variable Rate Notes will be taxable to a U.S. holder when accrued or received in accordance with the U.S. holder's method of tax accounting. For this purpose, a Variable Rate Note is a Note that

(1) has an issue price that does not exceed the total noncontingent principal payments by more than the lesser of:

(a) the product of:

the total noncontingent principal payments;

the number of complete years to maturity from the issue date; and

0.015; or

(b) 15 percent of the total noncontingent principal payments; and

(2) only provides for stated interest compounded or paid at least annually at:

- (a) one or more qualified floating rates ;
  
- (b) a single fixed rate and one or more qualified floating rates;

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**Table of Contents**

(c) a single objective rate ; or

(d) a single fixed rate and a single objective rate that is a qualified inverse floating rate.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a current value of that rate. A current value of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

A variable rate is a qualified floating rate if

(1) variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Note is denominated; or

(2) it is equal to the product of such a rate and either:

(a) a fixed multiple that is greater than 0.65 but not more than 1.35; or

(b) a fixed multiple greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate.

If a Note provides for two or more qualified floating rates that:

have values within 0.25 percentage points of each other on the issue date; or

can reasonably be expected to have approximately the same values throughout the term of the Note, the qualified floating rates together constitute a single qualified floating rate. A rate is not a qualified floating rate, however, if the rate is subject to certain restrictions (including caps, floors, governors, or other similar restrictions) unless such restrictions are fixed throughout the term of the Note or are not reasonably expected as of the issue date of the Note to significantly affect the yield on such Note.

An objective rate is a rate, other than a qualified floating rate, that is determined using a single, fixed formula and that is based on objective financial or economic information. A rate will not qualify as an objective rate if it is based on information that is within the control of the issuer (or a related party) or that is unique to the circumstances of the issuer (or a related party), such as dividends, profits, or the value of the issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the issuer). A variable rate is not an objective rate if it is reasonably expected that the average value of the rate during the first half of the Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Note's term. An objective rate is a qualified inverse floating rate if:

the rate is equal to a fixed rate minus a qualified floating rate; and

the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate.

If interest on a Note is stated at a fixed rate for an initial period of one year or less followed by either a qualified floating rate or an objective rate for a subsequent period, and:

the fixed rate and the qualified floating rate or objective rate have values on the issue date of the Note that do not differ by more than 0.25 percentage points; or

the value of the qualified floating rate or objective rate on the issue date is intended to approximate the fixed rate

then the fixed rate and the qualified floating rate or the objective rate constitute a single qualified floating rate or objective rate.

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**Table of Contents**

Under these rules relating to variable rate debt instruments, CD Rate Notes, Commercial Paper Rate Notes, LIBOR Notes, EURIBOR Notes, Federal Funds Rate Notes, Prime Rate Notes, Treasury Rate Notes, CMT Rate Notes, and Eleventh District Cost of Funds Rate Notes generally will be treated as Variable Rate Notes.

In general, if a Variable Rate Note provides for stated interest at a single qualified floating rate or objective rate and the interest is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually, all stated interest on the Variable Rate Note is qualified stated interest. The amount of qualified stated interest and original issue discount, if any, is determined by using, in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date of the qualified floating rate or qualified inverse floating rate, or, in the case of any other objective rate, a fixed rate that reflects the yield reasonably expected for the Variable Rate Note. The qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid during an accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period, as described in the previous sentence.

If a Variable Rate Note does not provide for stated interest at a single qualified floating rate or a single objective rate, or at a single fixed rate (other than at a single fixed rate for an initial period), the amount of qualified stated interest and original issue discount accruals on the Variable Rate Note are generally determined by:

determining a fixed rate substitute for each variable rate provided under the Variable Rate Note (generally the value of each variable rate as of the issue date or, in the case of an objective rate that is not a qualified inverse floating rate, a rate that reflects the reasonably expected yield on the Variable Rate Note);

constructing the equivalent fixed rate debt instrument (using the fixed rate substitute described above);

determining the amount of qualified stated interest and original issue discount with respect to the equivalent fixed rate debt instrument; and

making the appropriate adjustments for actual variable rates during the applicable accrual period.

If a Variable Rate Note provides for stated interest, either at one or more qualified floating rates or at a qualified inverse floating rate, and in addition provides for stated interest at a single fixed rate (other than at a single fixed rate for an initial period), the amount of interest and original issue discount accruals are determined as in the immediately preceding paragraph with the modification that the Variable Rate Note is treated, for purposes of the first three steps of the determination, as if it provided for a qualified floating rate (or a qualified inverse floating rate, as the case may be) rather than the fixed rate. The qualified floating rate (or qualified inverse floating rate) replacing the fixed rate must be such that the fair market value of the Variable Rate Note, as of the issue date, would be approximately the same as the fair market value of an otherwise identical debt instrument that provides for the qualified floating rate (or qualified inverse floating rate) rather than the fixed rate.

***Single Foreign Currency Notes***

The following summary relates to Notes on which all payments that a U.S. holder is entitled to receive are denominated in or determined by reference to the value of a single Foreign Currency ( Single Foreign Currency Notes ). Foreign Currency means a currency or currency unit, other than a hyperinflationary currency as defined in the

Code, or the U.S. dollar.

The amount required to be included in income by a cash basis U.S. holder upon receipt of an interest payment (representing a payment of qualified stated interest) denominated in or determined with reference to a single Foreign Currency, will be the U.S. dollar value of the amount paid (determined on the basis of the spot rate on the date such payment is received), regardless of whether the payment is in fact converted into U.S. dollars. No exchange gain or loss will be recognized with respect to the receipt of such payment.

Except in the case of a Spot Rate Convention Election (as defined below), a U.S. holder of a Single Foreign Currency Note who uses the accrual method of accounting or is otherwise required to accrue interest income prior to receipt will be required to include in income for each taxable year the U.S. dollar value of the interest that has accrued during such year, determined by translating such interest at the average rate of exchange for the period or periods during which such interest has accrued. The average rate of exchange

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**Table of Contents**

for an interest accrual period (or partial period) is the simple average of the spot exchange rates for each business day of such period (or such other average exchange rate that is reasonably derived and consistently applied by the U.S. holder). Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or exchange of a Single Foreign Currency Note), such U.S. holder will recognize ordinary gain or loss in an amount equal to the difference between the U.S. dollar value of the Foreign Currency received (determined on the basis of the spot rate on the date such payment is received) or, in the case of interest received in U.S. dollars rather than in Foreign Currency, the amount so received and the U.S. dollar value of the interest income that such U.S. holder has previously included in income with respect to such payment. Any such gain or loss generally will not be treated as interest income or expense, except to the extent provided by administrative pronouncements of the IRS.

A U.S. holder that has accrued interest may elect (a Spot Rate Convention Election ) to translate accrued interest into U.S. dollars at the spot rate on the last day of an accrual period for the interest, or, in the case of an accrual period that spans two taxable years, in the case of the first partial period, at the spot rate on the last day of the taxable year. Additionally, if a payment of interest is received within five business days of the last day of the accrual period, an electing U.S. holder may instead translate such accrued interest into U.S. dollars at the spot rate on the day of receipt. Any such election will apply to all debt instruments held by the United States person at the beginning of the first taxable year to which the election applies or thereafter acquired by the United States person and cannot be revoked without the consent of the IRS.

For purposes of this discussion, the spot rate generally means a rate that reflects a fair market rate of exchange available to the public for currency under a spot contract in a free market and involving representative amounts. A spot contract is a contract to buy or sell a currency on the nearest conventional settlement date, generally two business days following the date of the execution of the contract. If such a spot rate cannot be demonstrated, the IRS has the authority to determine the spot rate.

Original issue discount on a Single Foreign Currency Note that is also an OID Note will be determined for any accrual period in the applicable Foreign Currency and then translated into U.S. dollars in the same manner as interest income accrued by a U.S. holder on the accrual basis, including the application of a Spot Rate Convention Election. Likewise, upon receipt of payment attributable to original issue discount (whether in connection with a payment of interest or the sale, exchange or retirement of an OID Note), a U.S. holder will recognize exchange gain or loss to the extent of the difference between such U.S. holder's basis in the accrued original issue discount (determined in the same manner as for accrued interest) and the U.S. dollar value of such payment (determined by translating any Foreign Currency received at the spot rate on the date of payment). Generally, any such exchange gain or loss will be ordinary income or loss and will not be treated as interest income or expense, except to the extent provided in administrative pronouncements of the IRS. For this purpose, all payments on a Note will be viewed first as the payment of qualified stated interest (determined under the original issue discount rules), second as the payment of previously accrued original issue discount (to the extent thereof), with payments considered made for the earliest accrual periods first, and thereafter as the payment of principal.

***Short-Term Notes***

In general, an individual or other cash method U.S. holder of a Note that matures one year or less from the date of its original issuance (a Short-Term Note ) is not required to accrue original issue discount on such Note unless it has elected to do so. For purposes of determining whether a Note is a Short-Term Note, the Note matures on the last possible date it could be outstanding under its terms. U.S. holders who report income for U.S. federal income tax purposes under the accrual method, however, and certain other U.S. holders, including banks, dealers in securities and electing U.S. holders, are required to accrue original issue discount (unless the U.S. holder elects to accrue acquisition discount in lieu of original issue discount) and stated interest (if any) on such Note. Acquisition discount is the excess

of the remaining stated redemption price at maturity of the Short-Term Note over the U.S. holder's tax basis in the Short-Term Note at the time of the acquisition. In the case of a U.S. holder who is not required, and does not elect, to accrue original issue discount or acquisition discount on a Short-Term Note, any gain realized on the sale, exchange or retirement of such Short-Term Note will be ordinary income to the extent of the original issue discount accrued through the date of such sale, exchange or retirement. Such a U.S. holder will be required to defer, until such Short-Term Note is sold or otherwise disposed of, the deduction of a portion of the interest expense on any indebtedness incurred or continued to purchase or carry such Short-Term Note. Original issue discount or acquisition discount on a Short-Term Note accrues on a straight-line basis unless an election is made to use the constant yield method (based on daily compounding).

In the case of a Short-Term Note that is also a Single Foreign Currency Note, the amount of original issue discount or acquisition discount subject to current accrual and the amount of any exchange gain or loss on a sale, exchange or retirement are determined under the same rules that apply to accrued interest on a Single Foreign Currency Note held by a U.S. holder on the accrual basis. A U.S. holder which is not required to, and which does not elect to, accrue original issue discount, or acquisition discount, will determine exchange gain or loss with respect to accrued original issue (or acquisition) discount on a sale, exchange, retirement or on maturity of a Short-Term Note in the same manner that a cash basis U.S. holder would account for interest income on a Single Foreign Currency Note.



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**Table of Contents*****Market Discount***

If a U.S. holder purchases a Note (other than an OID Note or a Short-Term Note) for an amount that is less than its stated redemption price at maturity, or purchases an OID Note for less than its revised issue price (as defined under the Code) as of the purchase date, the amount of the difference will be treated as market discount unless such difference is less than a specified *de minimis* amount. Under the market discount rules of the Code, a U.S. holder will be required to treat any partial principal payment on (or, in the case of an OID Note, any payment that does not constitute qualified stated interest), or any gain realized on the sale, exchange or retirement of, a Note as ordinary interest income to the extent of the market discount which has not previously been included in income and is treated as having accrued on such Note at the time of such payment or disposition. Further, a disposition of a Note by gift (and in certain other circumstances) could result in the recognition of market discount income, computed as if such Note had been sold at its then fair market value. In addition, a U.S. holder who purchases a Note with market discount may be required to defer the deduction of all, or a portion, of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry such Note until the maturity of the Note, or its earlier disposition in a taxable transaction.

Market discount is considered to accrue ratably during the period from the date of acquisition to the stated maturity date of a Note, unless the U.S. holder elects to accrue market discount under the rules applicable to original issue discount. A U.S. holder may elect to include market discount in income (generally as ordinary income) currently as it accrues, in which case the rules described above regarding the deferral of interest deductions and ordinary income treatment upon disposition or partial principal payment will not apply. Such election will apply to all debt instruments acquired by the U.S. holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

With respect to a Single Foreign Currency Note, market discount is determined in the applicable Foreign Currency. In the case of a U.S. holder who does not elect current inclusion, accrued market discount is translated into U.S. dollars at the spot rate on the date of disposition. No part of such accrued market discount is treated as exchange gain or loss. In the case of a U.S. holder who elects current inclusion, the amount currently includible in income for a taxable year is the U.S. dollar value of the market discount that has accrued during such year, determined by translating such market discount at the average rate of exchange for the period or periods during which it accrued. Such an electing U.S. holder will recognize exchange gain or loss with respect to accrued market discount under the same rules that apply to accrued interest on a Single Foreign Currency Note received by a U.S. holder on the accrual basis.

***Amortizable Bond Premium***

Generally, if a U.S. holder's tax basis in a Note held as a capital asset exceeds the stated redemption price at maturity of such Note, such excess may constitute amortizable bond premium that the U.S. holder may elect to amortize as an offset to interest income on the Note under the constant interest rate method over the period from the U.S. holder's acquisition date to the Note's stated maturity date. Any such election will apply to all debt instruments held by and acquired by the U.S. holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS. Under certain circumstances, amortizable bond premium may be determined by reference to an early call date. If a U.S. holder elects to amortize the premium, the U.S. holder will be required to reduce such U.S. holder's tax basis in the Note by the amount of the premium amortized during the holding period. If a U.S. holder does not elect to amortize premium, the amount of premium will be included in such U.S. holder's tax basis in the Note. Therefore, if a U.S. holder does not elect to amortize premium and holds the Note to maturity, such U.S. holder generally will be required to treat the premium as capital loss when the Note matures. Special rules apply with respect to amortizable bond premium on Single Foreign Currency Notes.

***Constant Yield Election***

Under the OID Regulations, a U.S. holder of a Note may elect to include in income all interest that accrues on such Note using the constant yield method (a constant yield election ). For this purpose, interest includes stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium. Special rules apply to constant yield elections made with respect to Notes issued with amortizable bond premium or market discount, including that a U.S. holder would be deemed, by virtue of making such constant yield election, to have made an election to amortize bond premium or accrue market discount, as separately described above. Once made with respect to a Note, the constant yield election cannot be revoked without the consent of the IRS. U.S. holders considering a constant yield election should consult their independent tax advisors.

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**Table of Contents**

***Purchase, Sale, Exchange or Retirement of Notes***

A U.S. holder's tax basis in a Note generally will be the U.S. dollar cost of the Note to such U.S. holder (which, in the case of a Note purchased with Foreign Currency, will be determined by translating the purchase price at the spot rate on the date of purchase or, in the case of a Note that is traded on an established securities market as defined in applicable Treasury Regulations, on the settlement date if the U.S. holder is a cash basis taxpayer or an accrual basis taxpayer that so elects), increased by any original issue discount, market discount or acquisition discount previously included in the U.S. holder's gross income (as described below), and reduced by any amortized bond premium, taken into account by the U.S. holder and any principal payments and payments of stated interest that are not payments of qualified stated interest received by the U.S. holder.

Upon the sale, exchange or retirement of a Note, a U.S. holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange, or retirement (or the U.S. dollar value of the amount realized in a Foreign Currency at the spot rate on the date of the sale, exchange or retirement or, in the case of a Note that is traded on an established securities market as defined in applicable Treasury Regulations, on the settlement date if the U.S. holder is a cash basis taxpayer or an accrual basis taxpayer that so elects), except to the extent such amount is attributable to accrued but unpaid interest, and the U.S. holder's tax basis in the Note. Except with respect to:

gains or losses attributable to changes in exchange rates (as described in the next paragraph);

gains attributable to market discount; and

gains on the disposition of a Short-Term Note;

gain or loss so recognized will be capital gain or loss and will be long-term capital gain or loss, if, at the time of the sale, exchange or retirement, the Note was held for more than one year. Under current law, long-term capital gains of individuals are, under certain circumstances, taxed at lower rates than items of ordinary income. The deductibility of capital losses is subject to limitations.

Gain or loss recognized by a U.S. holder on the sale, exchange, or retirement of a Single Foreign Currency Note that is attributable to changes in exchange rates will be treated as ordinary income or loss and generally will not be treated as interest income or expense except to the extent provided by administrative pronouncements of the IRS. Gain or loss attributable to changes in exchange rates is recognized on the sale, exchange, or retirement of a Single Foreign Currency Note only to the extent of the total gain or loss recognized on such sale, exchange, or retirement.

***Subsequent Interest Periods and Extension of Maturity***

If so specified in the prospectus supplement or term sheet relating to a Note, the Issuer may have the option:

to reset the interest rate, in the case of a Fixed Rate Note, or to reset the spread, the spread multiplier or other formulas by which the interest rate basis is adjusted, in the case of a Floating Rate Note; and/or

to extend the maturity of such Note.

See Description of Debt Securities Interest and Interest Rates and Description of Debt Securities Extendible Notes. The treatment of a U.S. holder of Notes with respect to which such an option has been exercised who does not elect to have Eaton repay such Notes will depend on the terms established for such Notes by Eaton pursuant to the exercise of such option (the revised terms ). Depending on the particular circumstances, such U.S. holder may be treated as having surrendered such Notes for new Notes with the revised terms in either a taxable exchange or a recapitalization qualifying for nonrecognition of gain or loss.

***Notes Subject to Contingencies Including Optional Redemption***

In general, the following rules apply if a Note provides for an alternative payment schedule applicable upon the occurrence of a contingency or contingencies and the timing and amounts of the payments that comprise each payment schedule are known as of the issue date, and one of such payment schedules is more likely than not to occur or the Note provides Eaton or the U.S. holder with an unconditional option or options exercisable on one or more dates during the term of the Note. If based on all the facts and circumstances as of the issue date a single payment schedule for a debt instrument, including the stated payment schedule, is significantly more likely than not to occur, then, in general, the yield and maturity of the Note are computed based on this payment schedule.

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**Table of Contents**

Notwithstanding the general rules for determining yield and maturity in the case of Notes subject to contingencies, if Eaton or the U.S. holder has an unconditional option or options that, if exercised, would require payments to be made on the Notes under an alternative payment schedule or schedules, then (i) in the case of an option or options exercisable by Eaton, it will be deemed to exercise or not exercise an option or combination of options in the manner that minimizes the yield on the Note and (ii) in the case of an option or options of the U.S. holder, the U.S. holder will be deemed to exercise or not exercise an option or combination of options in the manner that maximizes the yield on the Note. For purposes of those calculations, the yield on the Note is determined by using any date on which the Note may be redeemed or repurchased as the stated maturity date and the amount payable on such date in accordance with the terms of the Note as the principal amount at maturity.

If a contingency (including the exercise of an option) actually occurs or does not occur contrary to an assumption made according to the above rules (a change in circumstances ) then, except to the extent that a portion of the Note is repaid as a result of a change in circumstances and solely for purposes of the accrual of original issue discount, the Note is treated as retired and then reissued on the date of the change in circumstances for an amount equal to the Note's adjusted issue price on that date.

In addition, the OID Regulations contain other rules for projecting payments and determining the timing, character, and amount of income, gain and loss to U.S. holders of debt instruments not described above that provide for contingent payments, including certain Notes (other than Variable Rate Notes) that provide for floating or contingent interest. Potential investors in Notes with contingent payment features should review the applicable prospectus supplement or term sheet for a discussion of their U.S. federal income tax treatment.

***Ordinary Shares***

In general, if distributions are made on the Company's ordinary shares to a U.S. holder, these distributions will be included in income of that U.S. holder as dividends to the extent of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of the Company's current and accumulated earnings and profits will be treated as a nontaxable return of capital that reduce a U.S. holder's adjusted tax basis in the ordinary shares and thereafter as capital gain. Subject to certain limitations and requirements, there may be reduced rate provisions in effect for dividends received by non-corporate U.S. holders, such as individuals.

Dividends paid in Foreign Currency will be includable in income in the U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are actually or constructively received by the U.S. holder, regardless of whether the Foreign Currencies are converted. A U.S. holder will have a basis in the Foreign Currency received equal to the U.S. dollar value on the date of receipt. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend is includable in the income of the U.S. holder to the date such payment is converted into U.S. dollars (or the U.S. holder otherwise disposes of the Foreign Currency) will be foreign currency exchange gain or loss and will be treated as U.S.-source ordinary income or loss for foreign tax credit limitation purposes. If dividends received in Foreign Currency are converted into U.S. dollars on the day the dividends are received, the U.S. holder generally will not be required to recognize foreign currency exchange gain or loss in respect of the dividend income.

A U.S. holder will recognize gain or loss upon the sale, exchange, or other taxable disposition of the Company's ordinary shares in an amount equal to the difference between (1) the amount of cash and the fair market value of any other property received in exchange for such ordinary shares and (2) the U.S. holder's tax basis in the ordinary shares. Generally, any such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if, at the time of such disposition, the U.S. holder has held the ordinary shares for more than one year. Long-term capital gain

recognized by a non-corporate U.S. holder generally is subject to U.S. federal income tax at a reduced rate. The deductibility of capital losses is subject to limitations. Any gain or loss generally will be U.S.-source gain or loss for foreign tax credit purposes.

The U.S. federal income tax consequences of the purchase, ownership, or disposition of the Company's equity securities (other than ordinary shares) will depend on various factors, including their terms, conversion, or exchange features, issue price, and redemption provisions. U.S. holders should review the applicable prospectus supplement or term sheet for a discussion of the U.S. federal income tax treatment to U.S. holders of any such equity securities.

**Table of Contents*****Exchange of Foreign Currency***

A U.S. holder may receive Foreign Currency in payment for (i) interest or principal on a Note or (ii) dividends on the Company's ordinary shares. The tax basis of any Foreign Currency received by a U.S. holder generally will equal the U.S. dollar equivalent of such Foreign Currency at the spot rate at the time such Foreign Currency is received. Upon a subsequent exchange of Foreign Currency for U.S. dollars, a U.S. holder generally will recognize exchange gain or loss equal to the difference between the amount of U.S. dollars received and the U.S. holder's tax basis in the Foreign Currency. Upon any subsequent exchange of Foreign Currency for property, a U.S. holder generally will recognize exchange gain or loss equal to the difference between the U.S. dollar value of the Foreign Currency exchanged for such property based on the U.S. dollar spot rate of such Foreign Currency on the date of the exchange and the U.S. holder's tax basis in the Foreign Currency so exchanged. Any such exchange gain or loss generally will be treated as U.S.-source ordinary income or loss.

***Reportable Transactions***

Treasury Regulations issued under the Code meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the Treasury Regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, a sale, exchange, retirement, or other taxable disposition of a foreign currency debt security or equity security to the extent that such sale, exchange, retirement, or other taxable disposition results in a tax loss in excess of a threshold amount. If you are considering the purchase of a foreign currency debt security or equity security, you should consult with your independent tax advisors to determine the tax return and disclosure obligations, if any, with respect to an investment in the debt securities or equity securities, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

***3.8% Medicare Tax On Net Investment Income***

Certain U.S. holders, including individuals, estates and trusts, will be subject to an additional 3.8% Medicare tax on unearned income. For individual U.S. holders, the additional Medicare tax applies to the lesser of (i) net investment income or (ii) the excess of modified adjusted gross income over certain specified amounts. Net investment income generally equals the taxpayer's gross investment income reduced by the deductions that are allocable to such income. Investment income generally includes passive income such as interest, dividends, annuities, royalties, rents and capital gains. U.S. holders are urged to consult their own tax advisors regarding the implications of the additional Medicare tax resulting from an investment in Notes or ordinary shares.

***Non-United States Holders***

The following discussion applies only to a holder that is a beneficial owner of a Note or the Company's ordinary shares described in this prospectus and that is not a United States person (a non-U.S. holder). Special U.S. federal income tax rules may apply to certain non-U.S. holders, such as controlled foreign corporations, passive foreign investment companies, certain U.S. expatriates, and foreign persons eligible for benefits under an income tax treaty with the United States.

***Interest and OID on Notes***

Subject to the discussions below of backup withholding and FATCA (as defined below), payments of principal and interest (including original issue discount) by Eaton or its agent (in its capacity as such) to any non-U.S. holder not engaged in a trade or business in the United States will generally not be subject to U.S. federal withholding tax under

the portfolio interest exception, *provided* that, in the case of interest (including original issue discount):

- (1) such holder does not actually or constructively own 10% or more of the total combined voting power of all classes of Eaton's stock entitled to vote;



**Table of Contents**

- (2) such holder is not a controlled foreign corporation for United States tax purposes that is related to Eaton through stock ownership;
- (3) such holder is not a bank receiving interest described in Code Section 881(c)(3)(A); and
- (4) neither Eaton nor its agent has actual knowledge or reason to know that such holder is a United States person, and either:
  - (a) the beneficial owner of the Note certifies to Eaton or its agent, under penalties of perjury, that such owner is not a United States person and provides its name and address (which certification can be made on IRS Form W-8BEN, IRS Form W-8BEN-E or a suitable substitute); or
  - (b) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a financial institution) certifies to the Company or its agent, under penalties of perjury (which certification can be made on IRS Form W-8IMY or a suitable substitute), that it is a qualified intermediary and that the certification described in clause (4)(a) above has been received from the beneficial owner by it or by another financial institution acting for the beneficial owner.

In the case of Notes held by a foreign partnership or foreign trust:

the certification described in clause (4)(a) above must be provided by the partners or beneficiaries rather than by the foreign partnership or foreign trust; and

the partnership or trust must provide certain information, including a United States taxpayer identification number (which certification can be made on IRS Form W-8IMY or a suitable substitute) and such other information as may be required if such foreign partnership (or foreign trust) is a withholding foreign partnership (or withholding foreign trust) that has entered into a qualified intermediary or similar agreement with the IRS.

A look-through rule would apply in the case of tiered partnerships.

If a non-U.S. holder of a Note fails to satisfy the requirements of the portfolio interest exception described above, payments of interest (including original issue discount) made to such holder generally will be subject to a 30% withholding tax (or such lower rate as may be provided by an applicable income tax treaty between the United States and a foreign country) unless another exemption applies and such holder complies with IRS certification requirements. In general, the exemption or reduced rate pursuant to an income tax treaty applies only if the non-U.S. holder provides a properly completed IRS Form W-8BEN, IRS Form W-8BEN-E or other documentation as may be prescribed by the IRS claiming benefits under an applicable income tax treaty. Moreover, if a change in circumstances makes information set forth on IRS Form W-8 incorrect, then the non-U.S. holder must provide new documentation generally within thirty days. Any prospective investor who cannot satisfy the portfolio interest requirements described above should consult its independent tax advisor prior to making an investment in the Notes. In addition, an exemption from U.S. withholding tax is available for interest on a Note held by a non-U.S. holder not engaged in a trade or business in the United States if the Note matures not later than 183 days after the date of its original issue.

If a non-U.S. holder of a Note is engaged in a trade or business in the United States and interest (including original issue discount) on the Note is effectively connected with the conduct of such trade or business, such U.S. holder, although exempt from U.S. federal withholding tax (by reason of the delivery of a properly completed IRS Form W-8ECI or a suitable substitute), will be subject to U.S. federal income tax on such interest (including original issue discount) in the same manner as if the non-U.S. holder were a United States person. In addition, if such U.S. holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% of its effectively connected earnings and profits, as defined in the Code, for the taxable year, subject to adjustments, unless reduced under an applicable income tax treaty.

### *Dividends*

Subject to the discussions below of backup withholding and FATCA (as defined below), a non-U.S. holder generally should not be subject to U.S. federal income or withholding tax on any distributions made on the Company's ordinary shares unless such distribution is effectively connected with a United States trade or business of the non-U.S. holder. If a non-U.S. holder of the Company's ordinary shares is engaged in a trade or business in the United States and a distribution on the Company's ordinary

## **Table of Contents**

shares is effectively connected with the conduct of such trade or business, such holder, although exempt from U.S. federal withholding tax (by reason of the delivery of a properly completed IRS Form W-8ECI or a suitable substitute), will be subject to U.S. federal income tax on such distribution in the same manner as if the non-U.S. holder were a United States person. In addition, if such holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% of its effectively connected earnings and profits, as defined in the Code, for the taxable year, subject to adjustments, unless reduced under an applicable income tax treaty.

### ***Sale or Exchange***

Subject to the discussions of backup withholding and FATCA (as defined below), any capital gain realized upon the sale, exchange or retirement of a Note or ordinary shares by a non-U.S. holder will not be subject to U.S. federal income or withholding taxes unless:

such gain is effectively connected with a United States trade or business of the holder; or

in the case of an individual, such holder is present in the United States for 183 days or more in the taxable year of the retirement or disposition and certain other conditions are met.

### ***Federal Estate Tax***

Notes held by a non-U.S. holder who is an individual, who at the time of death is neither a citizen nor a resident of the United States for U.S. federal estate tax purposes, will not be subject to U.S. federal estate tax, *provided* that the income from the Notes was not or would not have been effectively connected with a U.S. trade or business of such individual and that such individual qualified for the exemption from U.S. federal withholding tax (without regard to the certification requirements) that is described above. Ordinary shares of the Company so held, however, generally will not be included in the gross estate of such non-U.S. holder for U.S. Federal estate tax purposes. Non-U.S. holders should consult their own tax advisors regarding any U.S. federal estate tax consequences arising from the investment in the Company's ordinary shares.

### ***Foreign Account Tax Compliance Act***

The Foreign Account Tax Compliance Act provisions of the Hiring Incentives to Restore Employment Act and Treasury regulations thereunder, commonly referred to as FATCA, when applicable, will impose a U.S. federal withholding tax of 30% on payments of interest on the Notes and gross proceeds from the disposition of Notes (if such disposition occurs after December 31, 2016) if paid to a foreign financial institution or a non-financial foreign entity (each as defined in the Code) (including, in some cases, when such foreign financial institution or non-financial foreign entity is acting as an intermediary), unless:

- (i) in the case of a foreign financial institution, such institution enters into an agreement with the U.S. government to withhold on certain payments, and to collect and provide to the U.S. tax authorities information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners);

- (ii) the non-financial foreign entity either certifies it does not have any substantial U.S. owners (as defined in the Code) or furnishes identifying information regarding each substantial U.S. owner (generally by providing an IRS Form W-8BEN-E); or
  
- (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules and provides appropriate documentation (such as an IRS Form W-8BEN-E).

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## **Table of Contents**

The withholding obligations described above generally will apply to (i) payments of interest on the Notes regardless of when made, and (ii) to payments of gross proceeds from a sale or other disposition of Notes only on or after January 1, 2017.

In addition, the FATCA withholding regime will apply to foreign passthru payments no earlier than January 1, 2017. Under current guidance, the term foreign passthru payments is not defined, and it is not yet clear whether or to what extent payments on the Company's ordinary shares may be subject to this withholding tax.

Investors are urged to consult their own tax advisors regarding FATCA and the application of these requirements to their investment in the Notes and the Company's ordinary shares.

## **Backup Withholding and Information Reporting**

In general, information reporting to U.S. tax authorities generally will apply to payments of principal and interest and dividends, and the proceeds of a sale of securities to a U.S. holder unless such U.S. holder is an exempt recipient (such as a corporation). Backup withholding tax will apply to such payments if such U.S. holder fails to provide its taxpayer identification number or certification of exempt status or fails to report in full dividend and interest income. A non-U.S. holder in general will not be subject to backup withholding and information reporting with respect to interest or dividend payments *provided* that the payor does not have actual knowledge or reason to know that such non-U.S. holder is a U.S. person and such non-U.S. holder has provided the IRS certification statement (on IRS Form W-8BEN, IRS Form W-8BEN-E, or other applicable form) described above under Non-United States Holders. In addition, a non-U.S. holder will not be subject to backup withholding or information reporting with respect to the proceeds of a sale of securities within the United States or conducted through certain U.S.-related financial intermediaries, if the payor receives the IRS certification statement described above and does not have actual knowledge or reason to know that such non-U.S. holder is a U.S. person, as defined under the Code, or otherwise establishes an exemption. However, the payor may be required to report annually to U.S. tax authorities and to non-U.S. holders the amount of, and the tax withheld, if any, with respect to, any interest or dividends paid, regardless of whether any tax was actually withheld. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability provided any required information is furnished timely to the IRS.

**THE PRECEDING IS A DISCUSSION OF THE MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SECURITIES BUT MAY NOT BE APPLICABLE DEPENDING UPON YOUR PARTICULAR TAX SITUATION. YOU ARE URGED TO CONSULT YOUR INDEPENDENT TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES TO YOU OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SECURITIES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.**

Table of Contents

**PLAN OF DISTRIBUTION**

We may sell the offered securities as follows:

through agents;

to or through underwriters; or

directly to other purchasers.

We will identify any underwriters or agents and describe their compensation in a prospectus supplement.

We, directly or through agents, may sell, and the underwriters may resell, the offered securities in one or more transactions, including negotiated transactions. These transactions may be:

at a fixed public offering price or prices, which may be changed;

at market prices prevailing at the time of sale;

at prices related to such prevailing market prices; or

at negotiated prices.

In connection with the sale of offered securities, the underwriters or agents may receive compensation from us or from purchasers of the offered securities for whom they may act as agents. The underwriters may sell offered securities to or through dealers, who may also receive compensation from purchasers of the offered securities for whom they may act as agents. Compensation may be in the form of discounts, concessions, or commissions. Underwriters, dealers, and agents that participate in the distribution of the offered securities may be underwriters as defined in the Securities Act of 1933, and any discounts or commissions received by them from us and any profit on the resale of the offered securities by them may be treated as underwriting discounts and commissions under the Securities Act of 1933.

In order to facilitate the offering of the debt securities, the underwriters or agents may engage in transactions that stabilize, maintain, or otherwise affect the price of the debt securities and our ordinary shares. These transactions may include short sales, stabilizing transactions, and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters or agents of a greater number of debt securities than they are required to purchase in the offering. Covered short sales are sales made in an amount not greater than the underwriters' or agents' option to purchase additional debt securities from us in the offering. The underwriters or agents may close out any covered short position by either exercising the option to purchase additional debt securities or purchasing debt securities in the open market. In determining the source of debt securities to close out the covered short position, the underwriters or agents will consider, among other things, the price of debt securities available for purchase in the open market as compared to the price at which they may purchase debt securities through the option. Naked short sales are sales in excess of the

option. The underwriters or agents must close out any naked short position by purchasing debt securities in open market. A naked short position is more likely to be created if the underwriters or agents are concerned that there may be a downward pressure on the price of the debt securities in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of certain bids for or purchases of the debt securities made by the underwriters or agents in the open market prior to the completion of the offering. Any of these activities may stabilize or maintain the market price of the debt securities above independent market levels. The underwriters or agents are not required to engage in these activities, and may end any of these activities at any time.

In connection with the sale of offered securities, the underwriters or agents may receive compensation from us or from purchasers of the offered securities for whom they may act as agents. The underwriters may sell offered securities to or through

**Table of Contents**

dealers, who may also receive compensation from purchasers of the offered securities for whom they may act as agents. Compensation may be in the form of discounts, concessions, or commissions. Underwriters, dealers, and agents that participate in the distribution of the offered securities may be underwriters as defined in the Securities Act of 1933 (the Act), and any discounts or commissions received by them from us and any profit on the resale of the offered securities by them may be treated as underwriting discounts and commissions under the Act.

We will indemnify the underwriters and agents against certain civil liabilities, including liabilities under the Securities Act of 1933.

Underwriters, dealers, and agents may engage in transactions with, or perform services for, us or our affiliates in the ordinary course of their business.

If we indicate in the prospectus supplement or term sheet relating to a particular series or issue of offered securities, we will authorize underwriters, dealers, or agents to solicit offers by certain institutions to purchase such offered securities from us pursuant to delayed delivery contracts providing for payment and delivery at a future date. Such contracts will be subject only to those conditions that we specify in the prospectus supplement or term sheet, and we will specify in the prospectus supplement or term sheet the commission payable for solicitation of such contracts.

**LEGAL OPINIONS**

The validity and enforceability of the offered securities will be passed upon for us by Lizbeth L. Wright, Eaton's Counsel and Assistant Secretary and Nigel Crawford, our Senior Attorney in Ireland, and for any underwriters, dealers, or agents by Shearman & Sterling LLP, 599 Lexington Avenue, New York, New York 10022. Loyens & Loeff N.V., Amsterdam, the Netherlands and Linklaters LLP, Luxembourg, addressed certain matters relating to Dutch law and Luxembourg law, respectively.



**Table of Contents**

**EXPERTS**

The consolidated financial statements of Eaton Corporation plc appearing in Eaton Corporation plc's Annual Report on Form 10-K for the year ended December 31, 2014 filed with the Securities and Exchange Commission, and the effectiveness of Eaton Corporation plc's internal control over financial reporting as of December 31, 2014, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

**Table of Contents**

**\$1,000,000,000**

**EATON CORPORATION**

**\$700,000,000 3.103% Notes due 2027**

**\$300,000,000 3.915% Notes due 2047**

**Eaton Corporation plc, Cooper B-Line, Inc., Cooper Bussmann, LLC, Cooper Crouse-Hinds, LLC, Cooper Industries Unlimited Company, Cooper Lighting, LLC, Cooper Offshore Holdings S.à r.l., Cooper Power Systems, LLC, Cooper Wiring Devices, Inc., Eaton Aeroquip LLC, Eaton Aerospace LLC, Eaton Capital Unlimited Company, Eaton Controls (Luxembourg) S.à r.l., Eaton Electric Holdings LLC, Eaton Hydraulics LLC, Eaton Leasing Corporation, Eaton Technologies (Luxembourg) S.à r.l., Eaton US Holdings, Inc., Turlock B.V., Wright Line Holding, Inc. and Wright Line LLC**

**PROSPECTUS SUPPLEMENT**

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**Citigroup**

**Goldman Sachs & Co. LLC**

**J.P. Morgan**

*Co-Managers*

**Deutsche Bank Securities**

**Morgan Stanley**

**Barclays BNP PARIBAS Credit Suisse  
BNY Mellon Capital Markets, LLC**

**HSBC KeyBanc Capital Markets  
PNC Capital Markets LLC**

**Wells Fargo Securities  
Loop Capital Markets**

**September 6, 2017**