

Sensata Technologies Holding N.V.
Form DEF 14A
April 24, 2013
Table of Contents

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

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

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

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

SENSATA TECHNOLOGIES HOLDING N.V.

(Name of Registrant as Specified in its Charter)

Not Applicable

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

2) Aggregate number of securities to which transaction applies:

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

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Table of Contents

April 24, 2013

Dear Shareholders:

You are cordially invited to attend the 2013 Annual General Meeting of Shareholders of Sensata Technologies Holding N.V. (the "Company"), to be held on May 22, 2013, beginning at 3:00 p.m. at the Company's office located at Kolthofsingel 8, 7602 EM Almelo, The Netherlands.

Information about the meeting and the various matters on which the shareholders will vote is included in the Notice of Meeting and Proxy Statement which follow. Also included is a proxy card and postage-paid return envelope. Please sign, date and mail the enclosed proxy card in the return envelope provided, as promptly as possible, whether or not you plan to attend the meeting. A copy of the Company's 2012 Annual Report is also enclosed for your review.

Sincerely,

Thomas Wroe, Jr.
Chairman of the Board

Table of Contents

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

April 24, 2013

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

Notice is hereby given that the 2013 Annual General Meeting of Shareholders (the "General Meeting") of Sensata Technologies Holding N.V. (the "Company") will be held on May 22, 2013, beginning at 3:00 p.m., at the Company's office located at Kolthofsingel 8, 7602 EM Almelo, The Netherlands, for the following purposes:

Open.

1. To elect ten (10) directors to serve until the 2014 Annual General Meeting of Shareholders, or until their respective successors are elected and qualified or until his or her earlier death, resignation or removal;

2. To ratify the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2013;

3. To adopt our Dutch statutory annual accounts for the fiscal year ended December 31, 2012, to discuss the annual report of our management for fiscal year 2012, to authorize the preparation of our 2012 Dutch statutory annual accounts and the annual report of our management for fiscal year 2012 in the English language and to discuss our reservation and dividend policy;

4. To discharge members of our Board of Directors from certain liabilities for fiscal year 2012;

5. To approve an amendment to the remuneration policy of our Board of Directors;

6. To extend to our Board of Directors for a period of 18 months from the date of the General Meeting the authority to repurchase up to 10% of the outstanding shares, as determined on the record date, in the capital of the Company, on the open market, through privately negotiated transactions or in one or more self tender offers, at prices per share not less than the nominal value of a share and not higher than 110% of the market price at the time of the transaction;

7. To amend the Sensata Technologies Holding N.V. 2010 Equity Incentive Plan (the "2010 Equity Plan") to increase the number of ordinary shares authorized for issuance under the plan by 5,000,000 shares; and

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

Close.

The Company's Board of Directors recommends a FOR vote of each of the director nominees recommended by the Board of Directors with respect to proposal (1), and a FOR vote for each of proposals (2), (3), (4), (5), (6), and (7) above.

Important Notice Regarding the Availability of Proxy Materials for the General Meeting of Shareholders to be held on May 22, 2013: The 2013 Proxy Statement and the Company's 2012 Annual Report are available at www.sensata.com. Copies of the agenda for the General Meeting and related documents may be obtained free of charge at the Company's offices in Almelo, The Netherlands and Attleboro, Massachusetts by shareholders and other persons entitled to attend the General Meeting and their representatives as of the date hereof until the close of the General Meeting. Copies of these documents are also available on the Company's website (www.sensata.com) or by contacting the Company at Sensata Technologies Holding N.V., c/o Sensata Technologies, Inc., Attention: Investor Relations, 529 Pleasant Street, Attleboro, Massachusetts 02703, or investors@sensata.com.

The Board of Directors has determined that all holders of the ordinary shares of the Company as of the close of business on April 24, 2013 according to American Stock Transfer & Trust Company or the Company's shareholders' register in The Netherlands, or such shareholders' proxies, are entitled to notice of, and to attend and vote at, the General Meeting and any adjournments thereof.

Table of Contents

In accordance with our Articles of Association, if you wish to attend the General Meeting you must notify the Board of Directors of your intention no later than May 21, 2013, by submitting your name and number of shares beneficially owned to: Sensata Technologies Holding N.V., c/o Sensata Technologies, Inc., Attention: Investor Relations, 529 Pleasant Street, Attleboro, Massachusetts 02703, or to investors@sensata.com. If you own ordinary shares through a broker, the registered holder of those shares is the broker or its nominee. Such shares are often referred to as held in “street name,” and you, as the beneficial owner of those shares, do not appear in our share register. If you own your ordinary shares through a broker and you wish to attend the General Meeting, you must provide the Company with appropriate evidence of ownership of and authority to vote the shares no later than May 21, 2013. Access to the General Meeting is permitted only after verification of personal identification.

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

* * * *

By Order of the Board of Directors,

Thomas Wroe, Jr.
Chairman of the Board

Table of Contents

TABLE OF CONTENTS

	Page
PROXY STATEMENT FOR ANNUAL GENERAL MEETING OF SHAREHOLDERS	<u>1</u>
PROPOSAL 1—ELECTION OF DIRECTORS	<u>3</u>
PROPOSAL 2—RATIFICATION OF THE SELECTION OF INDEPENDENT AUDITOR	<u>6</u>
PROPOSAL 3—ADOPTION OF DUTCH STATUTORY ANNUAL ACCOUNTS FOR 2012	<u>7</u>
PROPOSAL 4—DISCHARGE OF MEMBERS OF OUR BOARD OF DIRECTORS FROM CERTAIN LIABILITIES FOR FISCAL YEAR 2012	<u>8</u>
PROPOSAL 5—AMENDMENT TO THE DIRECTOR REMUNERATION POLICY	<u>9</u>
PROPOSAL 6—EXTENSION TO OUR BOARD OF DIRECTORS THE AUTHORITY TO REPURCHASE UP TO 10% OF THE OUTSTANDING SHARES IN THE CAPITAL OF THE COMPANY FOR 18 MONTHS	<u>10</u>
PROPOSAL 7—AMENDMENT TO THE 2010 EQUITY PLAN	<u>11</u>
CORPORATE GOVERNANCE STANDARDS AND BOARD OF DIRECTORS	<u>14</u>
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	<u>19</u>
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	<u>23</u>
SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE	<u>25</u>
EXECUTIVE COMPENSATION	<u>26</u>
EXECUTIVE OFFICERS	<u>50</u>
PROPOSALS FOR THE 2014 ANNUAL GENERAL MEETING OF SHAREHOLDERS	<u>51</u>
SOLICITATION OF PROXIES	<u>52</u>
GENERAL	<u>52</u>
OTHER MATTERS	<u>52</u>
APPENDIX A - 2010 EQUITY INCENTIVE PLAN, AS PROPOSED TO BE AMENDED	<u>A-1</u>

Table of Contents

Sensata Technologies Holding N.V.
Kolthofsingel 8, 7602 EM Almelo
The Netherlands
31-546-879-555

PROXY STATEMENT
FOR
ANNUAL GENERAL MEETING OF SHAREHOLDERS
To Be Held On May 22, 2013

We are sending you our proxy materials in connection with the solicitation of the enclosed proxy by the Board of Directors of Sensata Technologies Holding N.V. (the "Company") for use at the 2013 Annual General Meeting of Shareholders (the "General Meeting"), and at any adjournments thereof.

Attending the General Meeting

The General Meeting will be held on May 22, 2013, at 3:00 p.m., at the Company's office located at Kolthofsingel 8, 7602 EM Almelo, The Netherlands, to consider the matters set forth in the Notice of Annual General Meeting of Shareholders. This Proxy Statement and the form of proxy enclosed are being mailed to shareholders with the Company's Annual Report to Shareholders commencing on or about April 24, 2013.

In accordance with our Articles of Association, shareholders must inform the Company in writing of their intention to attend the General Meeting. Such notice should be sent to: Sensata Technologies Holding N.V., c/o Sensata Technologies, Inc., Attention: Investor Relations, 529 Pleasant Street, Attleboro, Massachusetts 02703, or investors@sensata.com. If you own your ordinary shares through a broker, you must also provide the Company with appropriate evidence of ownership of and authority to vote the shares no later than May 21, 2013. Access to the General Meeting is permitted only after verification of personal identification.

Shareholders Entitled to Vote

Only shareholders of record of the ordinary shares, €0.01 nominal value per share, of the Company (the "ordinary shares") at the close of business on April 24, 2013 according to American Stock Transfer & Trust Company, LLC, our registrar and transfer agent, or the Company's shareholders' register in The Netherlands, or such shareholders' proxies, will be entitled to attend and vote at the General Meeting. Each ordinary share entitles the holder thereof to one vote on each matter that is voted on at the General Meeting. The number of outstanding ordinary shares entitled to vote on each proposal at the General Meeting is 174,895,878.

Street Name Holders and Record Holders

If you own ordinary shares through a broker, the registered holder of those shares is the broker or its nominee. Such shares are often referred to as held in "street name," and you, as the beneficial owner of those shares, do not appear in our share register. For street name shares, there is a two-step process for distributing our proxy materials and tabulating votes. Brokers inform us how many of their clients own ordinary shares in street name, and the broker forwards our proxy materials to those beneficial owners. If you receive our proxy materials, including a voting instruction card, from your broker, you should vote your shares by following the procedures specified on the voting instruction card. The shares represented by your properly signed proxy card will be voted in accordance with your directions. Shortly before the General Meeting, your broker will tabulate the votes it has received and submit a proxy card to us reflecting the aggregate votes of the street name holders. If you plan to attend the General Meeting and vote your street name shares in person, you should contact your broker to obtain a broker's proxy card and bring it to the General Meeting.

If you are the registered holder of ordinary shares, you are the record holder of those shares, and you should vote your shares as described below under "How Record Holders Vote."

How Record Holders Vote

You can vote at the General Meeting in person or by proxy. We recommend that you vote by proxy even if you plan to attend the General Meeting. You can always attend the General Meeting and revoke your proxy by voting in person.

Table of Contents

There are two ways to vote by proxy:

• By Internet—You can vote by Internet by going to the website www.voteproxy.com and following the instructions on our proxy card; or

• By mail—You can vote by mail by completing, signing, dating and mailing our enclosed proxy card.

By giving us your proxy, you are authorizing the individuals named on our proxy card, the proxies, to vote your shares in the manner you indicate. You may vote “FOR” or “AGAINST” or “ABSTAIN” from voting on each of the proposals to be voted on by our shareholders.

If you vote by proxy without indicating your instructions, your shares will be voted FOR:

• The election of our ten (10) director nominees per the recommendation of our Board of Directors;

• The ratification of the appointment of Ernst & Young LLP as the Company’s independent auditor for fiscal year 2013;

• The adoption of our Dutch statutory annual accounts for fiscal year 2012 and the authorization of the preparation of our Dutch statutory annual accounts and annual report for fiscal year 2012 (the “2012 Management Report”) in the English language;

• The discharge of the members of our Board of Directors from certain liability for fiscal year 2012;

• The amendment to the remuneration policy for directors;

• The extension to our Board of Directors for a period of 18 months from the date of the General Meeting the authority to repurchase up to 10% of the outstanding shares in the capital of the Company; and

• The amendment to the 2010 Equity Plan to increase the number of ordinary shares authorized for issuance under the plan by 5,000,000 shares.

Revocation of Proxies

A shareholder may revoke a proxy at any time prior to its exercise (i) by giving to the Company’s Vice President, Investor Relations a written notice of revocation of the proxy’s authority, (ii) by submitting a duly elected proxy bearing a later date or (iii) by attending the General Meeting and voting in person. Your attendance at the meeting alone will not revoke your proxy.

Quorum and Votes Necessary for Action to be Taken

Our directors are elected by the affirmative vote of a majority of votes cast in person or by proxy at the General Meeting and entitled to vote. Our shareholders may set aside these binding nominations for any of the candidates by a vote of at least two-thirds of the votes cast at a meeting representing more than one-half of the issued capital, in which case a new list of nominees will be prepared by the Board of Directors.

The affirmative vote of a majority of the votes cast in person or by proxy at the General Meeting and entitled to vote on the proposal is required to approve each of the other proposals set forth in this Proxy Statement.

Although there is no quorum requirement under our Articles of Association or Dutch law, ordinary shares abstaining from voting will count as shares present at the General Meeting but will not count for the purpose of determining the number of votes cast. Broker non-votes will not count as shares present at the General Meeting or for the purpose of determining the number of votes cast. “Broker non-votes” are shares that are held in “street name” by a bank or brokerage that indicates on its proxy that it does not have discretionary authority to vote on a particular matter.

Each ordinary share will be counted as one vote according to the instructions contained on a properly completed proxy or on a ballot voted in person at the General Meeting. Shares will not be voted in favor of a proposal if either (1) the shareholder abstains from voting on a particular matter or (2) the shares are broker non-votes.

Other Matters

As of the date of this Proxy Statement, our Board of Directors does not know of any business that will be presented for consideration at the General Meeting other than the matters described in this Proxy Statement. If any other matters are properly brought before the General Meeting, the persons named in the enclosed form of proxy will vote the proxies in accordance with their best judgment.

Table of Contents

PROPOSAL 1—ELECTION OF DIRECTORS

We maintain a single-tier Board of Directors comprised of both Executive Directors and Non-Executive Directors. Under Dutch law, the Board of Directors is responsible for the policy and day-to-day management of the Company. The Non-Executive Directors supervise and provide guidance to the Executive Directors.

The members of our Board of Directors ("the Board") will serve until the 2014 Annual General Meeting of Shareholders, and there is no limit to the number of terms a director may serve. Under Dutch law and our Articles of Association, our Board of Directors has the right to make binding nominations for open positions on the Board. The binding nature of our Board's nominations may be overridden by a vote of two-thirds of the votes cast at a meeting if such two-thirds vote constitutes more than one-half of the issued share capital of the Company. In that case, shareholders would be free to cast their votes for persons other than those nominated below.

In accordance with the recommendation of the Nominating and Governance Committee of the Board of Directors, our Board of Directors has adopted unanimous resolutions to make the following binding nominations:

1. For the first open position, the Board has nominated Thomas Wroe, Jr. to serve as a Non-Executive Director for a term of approximately one year ending on the date of our annual general meeting of shareholders in 2014.
2. For the second open position, the Board has nominated Martha Sullivan to serve as an Executive Director for a term of approximately one year ending on the date of our annual general meeting of shareholders in 2014.
3. For the third open position, the Board has nominated Lewis B. Campbell to serve as a Non-Executive Director for a term of approximately one year ending on the date of our annual general meeting of shareholders in 2014.
4. For the fourth open position, the Board has nominated Paul Edgerley to serve as a Non-Executive Director for a term of approximately one year ending on the date of our annual general meeting of shareholders in 2014.
5. For the fifth open position, the Board has nominated Michael J. Jacobson to serve as a Non-Executive Director for a term of approximately one year ending on the date of our annual general meeting of shareholders in 2014.
6. For the sixth open position, the Board has nominated John Lewis to serve as a Non-Executive Director for a term of approximately one year ending on the date of our annual general meeting of shareholders in 2014.
7. For the seventh open position, the Board has nominated Charles W. Peffer to serve as a Non-Executive Director for a term of approximately one year ending on the date of our annual general meeting of shareholders in 2014.
8. For the eighth open position, the Board has nominated Kirk P. Pond to serve as a Non-Executive Director for a term of approximately one year ending on the date of our annual general meeting of shareholders in 2014.
9. For the ninth open position, the Board has nominated Michael Ward to serve as a Non-Executive Director for a term of approximately one year ending on the date of our annual general meeting of shareholders in 2014.
10. For the tenth open position, the Board has nominated Stephen Zide to serve as a Non-Executive Director for a term of approximately one year ending on the date of our annual general meeting of shareholders in 2014.

The persons named as proxies in the enclosed form of proxy will vote the proxies received by them for the election of Mr. Wroe, Ms. Sullivan, Mr. Campbell, Mr. Edgerley, Mr. Jacobson, Mr. Lewis, Mr. Peffer, Mr. Pond, Mr. Ward and Mr. Zide, unless otherwise directed. In the event that any of the nominees become unavailable for election at the General Meeting, the persons named as proxies in the enclosed form of proxy may vote for a substitute nominee in their discretion as recommended by the Board of Directors. Each of the nominees is currently a member of our Board of Directors.

Information concerning the nominees to the Board of Directors is set forth below.

Thomas Wroe, Jr., 62, was appointed as Chairman in January 2013. Previously, he served as Chief Executive Officer and Executive Director of the Company since its initial public offering in March 2010 until December 31, 2012, and as Chairman of the Board of Directors of the Company from March 2010 until July 2012. Prior to the initial public offering, Mr. Wroe was the Chief Executive Officer and a Director of our principal operating subsidiary, Sensata Technologies, Inc. ("STI"), since the completion of the 2006 Acquisition (as defined in "Certain Relationships and Related Transactions-2006 Acquisition") and Chairman of the Board of STI since June 2006. Mr. Wroe served as the President of the Sensors & Controls business of Texas Instruments since June 1995 and as a Senior Vice President of Texas Instruments since March 1998. Mr. Wroe was with Texas Instruments since 1972, and prior to becoming President of the Sensors & Controls business, Mr. Wroe worked in various engineering and business management positions.

Mr. Wroe is a member of the Executive Committee of the Massachusetts Business Roundtable, is a member of the Board of Trustees of the Massachusetts Taxpayers Foundation, is a Director of the Chase Corporation, and is a Director of GT Advanced Technologies. In addition, he is a member of the Board of Advisors to Boston College's Carroll School of Management, and he is the Chairman of the Board of Directors of Cape Cod Healthcare and past Chairman of the Board of the Associated Industries of Massachusetts.

3

Table of Contents

Mr. Wroe brings significant senior leadership, operational, industry and technical experience to the Board. He has extensive knowledge of the former Sensors & Controls business, including its historical development, and important relationships with our major customers. Mr. Wroe has been an important contributor to the expansion of our business through both organic growth and acquisitions, and as CEO Mr. Wroe had direct responsibility for our strategy and operations.

Martha Sullivan, 56, has served as Chief Executive Officer since January 1, 2013, as President since September 2010, and was also Chief Operating Officer of the Company from September 2010 until July 2012. Ms. Sullivan previously served as Executive Vice President and Chief Operating Officer since the Company's initial public offering.

Ms. Sullivan served in the same capacities with STI since January 2007 and as Chief Operating Officer of STI since the completion of the 2006 Acquisition. Ms. Sullivan served as Sensor Products Manager for the sensors and controls business of Texas Instruments since June 1997 and as a Vice President of Texas Instruments since 1998. Ms. Sullivan was with Texas Instruments since 1984 in various engineering and management positions, including Automotive Marketing Manager, North American Automotive General Manager and Automotive Sensors and Controls Global Business Unit Manager.

Ms. Sullivan is a Director of Avery Dennison Corporation. Past and present external positions also include the Key Executive Council at Rensselaer Polytechnic Institute, President's Alumni Council at Michigan Technological University, and Ford International Supplier Advisory Council. She was inducted into the Academy of Mechanical Engineering at Michigan Tech., and holds an Honorary Doctorate in Philosophy from that institution.

Ms. Sullivan brings significant senior leadership, operational, industry and technical experience to the Board. She has extensive knowledge of the former Sensors & Controls business, including its historical development, and important relationships with our major customers. Ms. Sullivan has been an important contributor to the expansion of our business through both organic growth and acquisitions, and as President and COO, she has guided the execution of our strategy and operations.

Lewis B. Campbell, 66, has served as a Director of the Company since 2012. He served as Chairman and Interim Chief Executive Officer of Navistar International Corporation from August 2012 until April 2013. Previously, Mr. Campbell was Chairman of the Board and Chief Executive Officer of Textron Inc. ("Textron") before retiring on December 1, 2009. Following his retirement from the company, he continued as non-executive Chairman until he retired from the board on August 31, 2010. During his tenure at Textron, Mr. Campbell played a key role in transforming Textron's strategic and operational focus, reshaping its portfolio of businesses, and leading the company to realize enterprise-wide synergies to achieve greater operating efficiencies. Mr. Campbell joined Textron in 1992, was named CEO in July 1998 and was appointed Chairman in February 1999. Previously, Mr. Campbell had a 24-year career at General Motors (GM) and held a number of key management positions in GM's Rochester Products Division; Chevrolet-Pontiac, GM Canada Group; and GM/UAW Quality Network. In 1988, he was named a Vice President of GM as the General Manager of the Flint Automotive Group. In 1991, he served as General Manager of GMC's Truck Division. Mr. Campbell is a Director of Bristol-Myers Squibb, a member of the Business Council, a member of the Business Roundtable, and a member of the Board of Trustees for Noblis; a nonprofit science, technology, and strategy organization.

Mr. Campbell has demonstrated exceptional operational and executive leadership ability as the former CEO of a successful global, multi-industry company. With his focus on operational efficiencies and his experience in a wide range of industries coupled with his firsthand knowledge of the many issues facing public company boards and their committees, he is well positioned to help guide the Company through its next phase of global growth.

Paul Edgerley, 57, has served as a Director of the Company since its initial public offering, and served as our Chairman from July 2012 until January 2013. Prior to the initial public offering, Mr. Edgerley served as a Director of STI since the completion of the 2006 Acquisition. Since 1990, Mr. Edgerley has been a Managing Director of Bain Capital, and prior to that was a Principal at Bain Capital since 1988. Prior to joining Bain Capital, Mr. Edgerley spent five years at Bain & Company where he worked as a consultant and a manager in the healthcare, information services, retail and automobile industries. Previously he was a Certified Public Accountant with Peat Marwick Mitchell & Company. Mr. Edgerley also serves on the Board of Directors of HD Supply Inc., MEI Conlux Holdings, Inc., The Boston Celtics, and Hero Moto Corporation.

Mr. Edgerley brings to the Board extensive experience in corporate strategy development. Mr. Edgerley has had significant involvement with the Company since the 2006 Acquisition, and has served as a director of numerous public and private companies during his career in private equity, consulting and accounting.

Michael J. Jacobson, 62, has served as a Director of the Company since its initial public offering. Mr. Jacobson is a Director and the President of PGE Management, Inc. ("PGE Management") and Jacobson Group, Inc., both of which are real estate investment and development companies, where he has worked since 1992 and 1994, respectively. Prior to founding PGE Management, Mr. Jacobson was the President and Chief Executive Officer of Vetco Gray, Inc. from 1988 until 1991. Previously, Mr. Jacobson was a Vice President at Bain & Company, where he worked in the health care, oil field services, steel and textile industries. From 2004 until 2007, Mr. Jacobson also served on the Springfield, Massachusetts Finance Control Board, a position to which he was appointed by former Governor Mitt Romney.

Table of Contents

Mr. Jacobson brings to the Board strong practical financial, consulting and executive experience.

John Lewis, 48, has served as a Director of the Company since its initial public offering. Prior to the initial public offering, Mr. Lewis served as a Director of STI since the completion of the 2006 Acquisition. John Lewis is a Partner and Chief Investment Officer of Unitas Capital, which he joined in 1999. Prior to that, Mr. Lewis was at Chase Capital Partners in Asia and New York. Mr. Lewis also serves on the Board of Directors of Edwards Group Ltd., AITS Cayman Limited, Exego Group Pty Ltd., and HYVA Group.

Through his extensive experience in investment banking and private equity, Mr. Lewis brings to the Board deep knowledge about Asia, a key growth market for the Company, a strong financial background and experience serving on the Boards of numerous companies.

Charles W. Peffer, 65, has served as a Director of the Company since its initial public offering. Mr. Peffer was a partner of KPMG LLP ("KPMG") and its predecessor firms from 1979 until his retirement in 2002. Mr. Peffer served in KPMG's Kansas City office as Partner in Charge of Audit from 1986 to 1993 and as Managing Partner from 1993 to 2000. Mr. Peffer is a Director of Garmin, Ltd., NPC International, and the Commerce Funds, a family of eight mutual funds.

Mr. Peffer brings to the Board extensive practical and management experience in public accounting and corporate finance, including significant experience with KPMG and its predecessor firms. Mr. Peffer also brings leadership expertise through his directorship roles in other public companies, including service on audit committees.

Kirk P. Pond, 68, has served as a Director of the Company since its 2011 Annual General Meeting of Shareholders. Mr. Pond was the President and Chief Executive Officer of Fairchild Semiconductor International, Inc. ("Fairchild") from June 1996 until May 2005. He also served as the Chairman of Fairchild's Board of Directors from 1997 until June 2006. Prior to his service with Fairchild and its predecessor, National Semiconductor, Mr. Pond served in executive positions with Timex Corporation and Texas Instruments. Mr. Pond served as a member of the Board of Directors of the Federal Reserve Bank of Boston from January 2004 until January 2007, and he currently serves on the Board of Directors of Wright Express Corporation and Brooks Automation, Inc. Mr. Pond has also served on the Advisory Board of the University of Arkansas Engineering School since 1987.

Mr. Pond brings to the Board significant executive leadership experience as the former Chief Executive Officer of a successful public company. In addition, his broad background in technology, manufacturing, global marketing and finance will give the Board and the Company's management additional insights and perspective on the Company's business and strategy.

Michael Ward, 49, has served as a Director of the Company since its initial public offering. Prior to the initial public offering, Mr. Ward served as Director of STI since the completion of the 2006 Acquisition. Mr. Ward is a Managing Director and the Chief Operating Officer and Chief Financial Officer of Bain Capital and joined the firm in 2003. Prior to joining Bain Capital, Mr. Ward was President and Chief Operating Officer of Digitas Inc. ("Digitas") from March 1998 to 2003 and previously was Vice President of Digitas from August 1997. Prior to Digitas, Mr. Ward spent four years with Bain & Company and nine years with PricewaterhouseCoopers LLP.

Through his experience in private equity and accounting and as a Senior Executive at Digitas, Mr. Ward brings to the Board senior leadership experience and significant expertise in the operations and finances of multinational companies. In addition, Mr. Ward has had significant involvement with the Company since the 2006 Acquisition, and has served as a director of numerous public and private companies during his career in private equity, industry and accounting.

Stephen Zide, 53, has served as a Director of the Company since its initial public offering. Prior to the initial public offering, Mr. Zide served as a director of STI since the completion of the 2006 Acquisition. Mr. Zide has been a Managing Director of Bain Capital since 2001 and joined the firm in 1997. From 1998 to 2000, Mr. Zide was a Managing Director of Pacific Equity Partners, a strategic partner of Bain Capital in Sydney, Australia. Prior to joining Bain Capital, Mr. Zide was a partner of the law firm Kirkland & Ellis LLP, where he was a founding member of the New York office and specialized in representing private equity and venture capital firms. Mr. Zide also serves on the Board of Directors of Innophos Holdings, Inc., HD Supply Inc., Consolidated Container Corporation, Apex Tool Group, and Trinseo LLC.

Mr. Zide brings to the Board extensive negotiating and financing expertise gained from his training and experience as a legal advisor and then a private equity professional and financial advisor. In addition, Mr. Zide has had significant involvement with the Company since the 2006 Acquisition, and has served as a director of numerous public and private companies during his career in private equity and law.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF WROE, SULLIVAN, CAMPBELL, EDGERLEY, JACOBSON, LEWIS, PEFFER, POND, WARD AND ZIDE.

Table of Contents**PROPOSAL 2—RATIFICATION OF THE SELECTION OF INDEPENDENT AUDITOR**

The Audit Committee of our Board of Directors has selected Ernst & Young LLP as independent auditor for the fiscal year ending December 31, 2013 and has further directed that management submit the selection of the independent auditor for ratification by the shareholders at the General Meeting. A proposal to ratify the appointment of Ernst & Young will be presented at the General Meeting. Ernst & Young was the Company's independent auditor during the fiscal year ended December 31, 2012.

Dutch law requires shareholder ratification of the selection of Ernst & Young as our independent auditor. If this proposal is not approved by our shareholders at the General Meeting, the Audit Committee will reconsider its selection of Ernst & Young.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the General Meeting will be required to ratify the selection of Ernst & Young.

Audit Fees

The aggregate fees billed for professional services rendered for the Company by Ernst & Young, the Company's independent auditor, for the years ended December 31, 2012 and 2011 were:

	2012	2011
	(in thousands)	
Audit Fees	\$2,949	\$3,417
Audit-Related Fees	4	107
Tax Fees	1,691	756
All Other Fees	3	3
Total Fees	\$4,647	\$4,283

“Audit Fees” include fees billed to the Company for professional services and expenses relating to the audit and review of the financial statements of the respective years. For the fiscal years ended December 31, 2012 and 2011, audit fees included fees for professional services and expenses relating to the reviews of our quarterly financial statements for the quarters ended March 31, 2011 through September 30, 2012 filed on Form 10-Q and the audit of our annual financial statements and our Annual Report on Form 10-K for each of the fiscal years 2012 and 2011. Audit Fees also include fees relating to the performance of statutory audits at certain of our non-U.S. subsidiaries and procedures relating to our Form S-1 and Form S-3 filings with the U.S. Securities and Exchange Commission.

“Audit-Related Fees” include fees billed to the Company in the respective fiscal year for professional services and expenses primarily related to the audit of the Company's employee benefit plans.

“Tax Fees” include fees billed to the Company for professional services and expenses principally related to tax planning, tax consulting and tax compliance. Fees associated with tax compliance services were approximately \$394 thousand and \$474 thousand for the years ended December 31, 2012 and 2011, respectively.

“All Other Fees” include fees billed to the Company for subscription to Ernst & Young's accounting research tool. No other professional services were rendered or fees were billed by Ernst & Young for the years ended December 31, 2012 and 2011.

Pre-Approval Policies and Procedures

The Audit Committee has adopted policies and procedures for the pre-approval of audit and non-audit services rendered by our independent auditor, Ernst & Young. The policy generally pre-approves specified services in the defined categories of audit services, audit-related services and tax services up to specified amounts. Pre-approval may also be given as part of our Audit Committee's approval of the scope of the engagement of the independent auditor or on an individual explicit case-by-case basis before the independent auditor is engaged to provide each service. The pre-approval of services may be delegated to one or more of our Audit Committee members, but the decision must be reported to the full Audit Committee at its next scheduled meeting. All audit-related and tax and other services for fiscal years 2012 and 2011 were pre-approved by the Audit Committee of the Company.

The Audit Committee has determined that the rendering of the services, other than the audit services, by Ernst & Young, is compatible with maintaining the principal accountant's independence.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT AUDITOR FOR FISCAL YEAR 2013.

Table of Contents

PROPOSAL 3—ADOPTION OF DUTCH STATUTORY ANNUAL ACCOUNTS FOR 2012

At the General Meeting, our shareholders will be asked to adopt our Dutch statutory annual accounts for the year ended December 31, 2012 (the “2012 Annual Accounts”) and to authorize the preparation of our 2012 Annual Accounts and annual report of our management (the “2012 Management Report”) in the English language, as required under Dutch law and our Articles of Association. We will also report on the business and the results of operations for the year ended December 31, 2012 based on the 2012 Annual Accounts.

Our 2012 Annual Accounts are audited and prepared in accordance with International Financial Reporting Standards. The 2012 Annual Accounts contain certain disclosures not required under generally accepted accounting principles in the United States (“US GAAP”). The 2012 Management Report required by Dutch law, which is similar to the Management’s Discussion and Analysis of Results of Operations and Financial Condition included in the 2012 Annual Report to Shareholders, also contains information included in our Annual Report on Form 10-K and other information required by Dutch law. A copy of the 2012 Annual Accounts can be accessed through our website, www.sensata.com, and may be obtained free of charge by request to Sensata Technologies Holding N.V., c/o Sensata Technologies, Inc., Attention: Investor Relations, 529 Pleasant Street, Attleboro, Massachusetts 02703, or investors@sensata.com. Approval of this proposal will constitute approval of the matters set forth in the 2012 Annual Accounts and the 2012 Management Report.

In addition, under Dutch law, we are required to provide shareholders with an opportunity at the General Meeting to discuss our dividend policy and any major changes in that policy. Shareholders will not be entitled to adopt a binding resolution determining our future dividend policy.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ADOPTION OF OUR 2012 ANNUAL ACCOUNTS AND THE AUTHORIZATION OF THE PREPARATION OF OUR 2012 ANNUAL ACCOUNTS AND 2012 MANAGEMENT REPORT IN THE ENGLISH LANGUAGE.

Table of Contents

PROPOSAL 4—DISCHARGE OF MEMBERS OF OUR BOARD OF DIRECTORS FROM CERTAIN LIABILITIES FOR FISCAL YEAR 2012

At the General Meeting, as permitted under Dutch law and customary for Dutch companies, we are asking our shareholders to discharge the members of our Board of Directors from liability with respect to the exercise of their management and supervisory duties during our fiscal year ended December 31, 2012. If our shareholders approve this discharge of liability, then our Board members will not be liable to the Company for actions that they took on behalf of the Company in the exercise of their duties during fiscal year 2012. However, the discharge does not apply to matters that are not disclosed to our shareholders, and it does not affect the liability, if any, of our Board of Directors to our shareholders. The discharge is also subject to the provisions of Dutch law relating to liability upon bankruptcy. **THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE DISCHARGE OF THE MEMBERS OF OUR BOARD OF DIRECTORS FROM CERTAIN LIABILITIES FOR FISCAL YEAR 2012.**

Table of Contents

PROPOSAL 5—AMENDMENT TO THE DIRECTOR REMUNERATION POLICY

At the General Meeting, our shareholders will be asked to approve a proposed amendment to the remuneration policy of our Board of Directors. Currently, the Chairman of the Board of Directors receives the same compensation as the other directors. Our Board of Directors has proposed to increase the fee for service as Chairman of the Board of Directors to \$120,000 and to increase the value of the stock options to \$150,000, in a manner that our Board believes is competitive with our peer companies as described in "Executive Compensation-Compensation Discussion and Analysis-Compensation Benchmarking and Survey Data." If the amendment to the compensation for the Chairman is approved by shareholders, the remuneration policy for the Chairman of our Board of Directors would consist of the following:

1. \$120,000 annually for service as Chairman of the Board of Directors (as compared to \$50,000 for the other Directors); and
2. Stock options to purchase ordinary shares with an aggregate value as of the grant date of \$150,000, which options shall be granted annually for service as Chairman of the Board of Directors (as compared to \$120,000 for the other Directors).

The remuneration policy for the other members of our Board of Directors would not change.

Additionally, all members of the Board of Directors are eligible to receive stock options and other equity-based awards, when and as determined by the Compensation Committee. The Company is authorized to reimburse each member of the Board of Directors for all reasonable out-of-pocket expenses incurred in connection with their service as a member of the Board of Directors.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE AMENDMENT TO THE REMUNERATION POLICY OF THE BOARD OF DIRECTORS.

Table of Contents

PROPOSAL 6—EXTENSION TO OUR BOARD OF DIRECTORS THE AUTHORITY TO REPURCHASE UP TO 10% OF THE OUTSTANDING SHARES IN THE CAPITAL OF THE COMPANY FOR 18 MONTHS

Under Dutch law and our Articles of Association, our Board of Directors may, subject to certain Dutch statutory provisions, be authorized to repurchase issued ordinary shares on our behalf in an amount, at prices and in the manner authorized by the general meeting of shareholders. Adoption of this proposal will allow us to have the flexibility to repurchase our ordinary shares without the expense of calling special shareholder meetings. Such authorization may not continue for more than 18 months, but may be given on a rolling basis. At our 2012 Annual General Meeting of Shareholders held on May 22, 2012, our shareholders authorized our Board of Directors for a period of 18 months to repurchase as many outstanding shares in the capital of the Company as is permitted by law and the Company's Articles of Association, on the open market, through privately negotiated repurchases or in self-tender offers, at prices per share not less than the nominal value of a share and not higher than 110% of the market price at the time of the transaction. In October 2012, our Board of Directors authorized a \$250 million share repurchase program under this authority. During the fiscal year ended December 31, 2012, we repurchased 510,590 ordinary shares under this repurchase program.

Our Board of Directors believes that we would benefit by extending the authority of the Board to repurchase our ordinary shares. For example, to the extent our Board of Directors believes that our ordinary shares may be undervalued at the market levels at which they are then trading, repurchases of our share capital may represent an attractive investment for us. Such ordinary shares could be used for any valid corporate purpose, including use under our compensation plans, sale in connection with the exercise of outstanding options, or for acquisitions, mergers or similar transactions. The reduction in our issued capital resulting from any such purchases will increase the proportionate interest of the remaining shareholders in our net worth and whatever future profits we may earn. However, the number of shares repurchased, if any, and the timing and manner of any repurchases would be determined by our Board of Directors in light of prevailing market conditions, our available resources and other factors that cannot now be predicted, but in no event shall any such repurchases exceed 10% of the outstanding shares, as determined on the record date, in the capital of the company.

In order to provide us with sufficient flexibility, our Board of Directors proposes that our shareholders grant authority for the repurchase of up to 10% of the outstanding shares, as determined on the record date, in the capital of the Company, on the open market, through privately negotiated repurchases or in self-tender offers, at prices per share not less than the nominal value of a share and not higher than 110% of the market price at the time of the transaction. Such authority would extend for 18 months from the date of the General Meeting.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE EXTENSION TO THE BOARD OF DIRECTORS THE AUTHORITY TO REPURCHASE UP TO 10% OF THE OUTSTANDING SHARES IN THE CAPITAL OF THE COMPANY FOR 18 MONTHS.

Table of Contents

PROPOSAL 7—AMENDMENT TO THE 2010 EQUITY PLAN

Our Board of Directors has adopted, and is seeking shareholder approval of, an amendment to our 2010 Equity Plan that would:

• increase the number of ordinary shares reserved and available for issuance under the 2010 Equity Plan by 5,000,000 shares to a total of 10,000,000 shares; and

• increase the number of ordinary shares with respect to which incentive stock options may be granted under the 2010 Equity Plan by 5,000,000 shares to a total of 10,000,000 shares.

Our Board is not seeking any other changes to the 2010 Equity Plan at this time.

Subject to adjustment for stock splits, stock dividends and similar events, the total number of ordinary shares that currently can be issued under the 2010 Equity Plan is 5,000,000 shares, of which there are approximately 1,722,764 shares available for future grants of awards as of April 9, 2013. If the above amendments are approved by shareholders, approximately 6,722,764 shares would be available for future grants of awards.

The number of ordinary shares currently remaining available for issuance under the 2010 Equity Plan is not expected to be sufficient for future granting needs and therefore our Board of Directors requests shareholder approval for this amendment to the 2010 Equity Plan. Increasing the number of ordinary shares reserved and available for issuance under the 2010 Equity Plan will (i) provide a competitive total compensation opportunity that will enable us to attract, retain and motivate highly qualified executives and key employees and (ii) align compensation opportunities with shareholder interests. Our Board of Directors believes that equity compensation is the most effective means of creating a long-term link between performance and the compensation provided to executives and key employees. Given the intense competition for talented individuals, our ability to offer competitive compensation packages, including those with equity-based incentives, is particularly important.

Summary of 2010 Equity Plan

The following summary of the 2010 Equity Plan is qualified in its entirety by the specific language of the 2010 Equity Plan as proposed to be amended, which is included in this Proxy Statement as Appendix A.

General. The 2010 Equity Plan was adopted in connection with our initial public offering in March 2010. The 2010 Equity Plan is administered by the Compensation Committee, provided that our Board of Directors may resolve that certain specified actions or determinations of the Compensation Committee shall require the approval of our Board. Under this plan, the Compensation Committee may grant stock options, stock appreciation rights, restricted securities, performance awards, other stock-based awards, other cash-based awards and any combination thereof. Individuals eligible to participate include our officers, directors, employees, consultants and advisors.

Ordinary Shares Available. Assuming shareholders approve this proposal, an aggregate of 10,000,000 ordinary shares will be authorized for grants of awards under the 2010 Equity Plan, subject to adjustment in certain cases. Each type of equity award that may be granted under the 2010 Equity Plan is discussed below.

Options. Options granted under the 2010 Equity Plan may include incentive stock options and non-qualified stock options. An incentive stock option may only be granted to an employee. The exercise price per share for each option will be determined by the Compensation Committee, except that the exercise price may not be less than 100% of the fair market value of an ordinary share on the grant date. In the case of the grant of any incentive stock option to an employee who, at the time of the grant, owns more than 10% of the total combined voting power of all of our classes of stock then outstanding, the exercise price may not be less than 110% of the fair market value of an ordinary share on the grant date. Each option will terminate not later than the expiration date specified in the award agreement pertaining to such option, provided that the expiration date shall not be later than the tenth anniversary of the grant date. The expiration date of an incentive stock option granted to an employee who, at the time of the grant, owns more than 10% of the total combined voting power of all of our classes of stock then outstanding shall not be later than the fifth anniversary of the grant date. The Compensation Committee determines the terms and conditions upon which each option becomes exercisable, which may include time vesting and/or performance vesting conditions.

Restricted Securities. A restricted security is a security that may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated prior to the end of a restricted period set by the Compensation Committee. The Compensation Committee shall determine the terms and conditions upon which each restricted security becomes vested, which may include time vesting and/or performance vesting, provided no restricted security granted to an

employee shall vest in fewer than three years (in the case of a time-vesting award) or one year (in the case of a performance vesting award). A participant granted a restricted security generally has all of the rights of a shareholder, unless the Compensation Committee determines otherwise. Unvested restricted securities are subject to restrictions on transferability and forfeiture in the event of termination of employment with us.

Stock Appreciation Rights. Stock appreciation rights, or SARs, entitle a participant to receive the amount by which the fair market value of an ordinary share on the date of exercise exceeds the base price of the SAR. The Compensation Committee determines the terms and conditions of SARs, provided that the base price of a SAR may not be less than 100% of fair market value of an ordinary share on the grant date. SARs may be subject to time vesting and/or performance vesting conditions.

Performance Awards. The Compensation Committee may grant performance awards under the 2010 Equity Plan upon the achievement of goals or objectives, including performance awards that are intended to qualify as “performance-based compensation”

Table of Contents

under Section 162(m) of the Internal Revenue Code of 1986, as amended, or the Code. If a participant ceases to be employed by the Company and its subsidiaries for any reason, any unvested performance award is forfeited. Other Stock-Based and Cash-Based Awards. The Compensation Committee has the right to grant to any participant other stock-based awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to ordinary shares of the Company, including ordinary shares awarded purely as a bonus and not subject to restrictions or conditions, stock equivalent units, and awards valued by reference to book value of ordinary shares of the Company. The Compensation Committee also has the right to grant to participants other cash-based awards in such amounts, on such terms and conditions and for such consideration, including no consideration, as it may determine in its sole discretion. The Compensation Committee determines the terms and conditions, including vesting terms, if any, of any other stock-based and cash-based awards in its sole discretion.

Transferability and Change of Control Transactions. Awards granted under the 2010 Equity Plan are generally not transferable by the recipient of the award. Unless otherwise specified in an award agreement, in the event of a “change in control” (as defined in the 2010 Equity Plan), if a participant is terminated without “cause” (as defined in the 2010 Equity Plan) within 24 months thereafter, all of such participant's option, restricted security and SAR awards under the 2010 Equity Plan will be considered 100% vested. Unless the Compensation Committee determines otherwise, if a participant ceases to be employed by the Company and its subsidiaries for any reason, then the portion of such participant's awards that have not fully vested as of the termination date expire at such time. The portion of a participant's awards that are not subject to vesting or that have fully vested as of the termination date expire (i) 60 days after the termination date if the participant ceases to be employed by the Company and its subsidiaries for any reason other than termination with “cause” or due to death or disability, (ii) on the termination date if the participant's employment is terminated with “cause,” and (iii) in the event the participant dies or suffers a disability, on the date that is six months after the date on which the participant's employment ceases due to the participant's death or disability

Plan Benefits

The amount and timing of awards granted under the 2010 Equity Plan are determined in the sole discretion of the administrator and therefore cannot be determined in advance. The future awards that would be received under the 2010 Equity Plan by executive officers and other employees are discretionary and are therefore not determinable at this time.

Certain Federal Income Tax Consequences

The following is a summary of the United States federal income tax consequences that generally will arise with respect to awards granted under the 2010 Equity Plan. This summary is based on the federal tax laws in effect as of the date of this Proxy Statement. In addition, this summary assumes that all awards are exempt from, or comply with, the rules under Section 409A of the Code regarding nonqualified deferred compensation. Changes to these laws could alter the tax consequences described below. The following is intended to be a general summary only of the United States federal income tax consequences with respect to such awards. The following discussion does not set forth any gift, estate, social security or state or local tax consequences that may be applicable and is limited to the United States federal income tax consequences to individuals who are citizens or residents of the United States, other than those individuals who are taxed on a residence basis in a foreign country. This summary is intended for the information of shareholders in connection with the proposal to approve the 2010 Equity Plan and not as tax advice to plan participants.

Incentive Stock Options

A participant will not have income upon the grant of an incentive stock option. Also, except as described below, a participant will not have income upon exercise of an incentive stock option if the participant has been employed by us or one of our subsidiaries at all times beginning with the option grant date and ending three months before the date the participant exercises the option. If the participant has not been so employed during that time, then the participant will be taxed as described below under “Nonqualified Stock Options.” The exercise of an incentive stock option may subject the participant to the alternative minimum tax.

A participant will have income upon the sale of the shares acquired under an incentive stock option at a profit (if sales proceeds exceed the exercise price). The type of income will depend on when the participant sells the shares. If a participant sells the shares more than two years after the option was granted and more than one year after the option

was exercised, then all of the profit will be long-term capital gain. If a participant sells the shares prior to satisfying these waiting periods, then the participant will have engaged in a “disqualifying disposition” and a portion of the profit will be ordinary income and a portion may be capital gain. The amount of ordinary income would be equal to the lesser of (i) the fair market value of such shares on the date of exercise over the exercise price, and (ii) the amount realized upon disposition over the exercise price. In such event, subject to the limitations under Sections 162(m) and 280G of the Internal Revenue Code (as described below), the Company generally will be entitled to an income tax deduction equal to the amount recognized as ordinary income. Any gain in excess of such amount realized by the recipient as ordinary income would be taxed at the rates applicable to short-term or long-term capital gains (depending on the holding period). This capital gain will be long-term if the participant has held the shares for more than one year and otherwise will be short-term. If a participant sells the shares at a loss (sales proceeds are less than the exercise price), then the loss will be a capital loss. This capital loss will be long-term if the participant held the shares for more than one year and otherwise will be short-term.

Table of Contents

Nonqualified Stock Options

A recipient will not realize any taxable income upon the grant of a nonqualified stock option and the Company will not receive a deduction at the time of such grant unless such option has a readily ascertainable fair market value (as determined under applicable tax law) at the time of grant. Upon exercise of a nonqualified stock option, the recipient generally will realize compensation income in an amount equal to the excess of the fair market value of the shares of common stock on the date of exercise over the exercise price. Upon a subsequent sale of such shares of common stock by the recipient, the recipient will recognize short-term or long-term capital gain or loss depending upon his or her holding period of such shares of common stock. Subject to the limitations under Sections 162(m) and 280G of the Code (as described below), the Company will generally be allowed a deduction equal to the amount recognized by the recipient as ordinary income.

Stock Appreciation Rights

A participant will not have income upon the grant of a stock appreciation right, or SAR. A participant generally will recognize compensation income upon the exercise of a SAR equal to the amount of the cash and the fair market value of any shares received. Upon the sale of the shares, the participant will have capital gain or loss equal to the difference between the sales proceeds and the value of the shares on the day the SAR was exercised. This capital gain or loss will be long-term if the participant held the shares for more than one year and otherwise will be short-term.

Restricted Securities

A participant will not have income upon the grant of restricted securities unless an election under Section 83(b) of the Code is made within 30 days of the date of grant. If a timely 83(b) election is made, then a participant will have compensation income equal to the value of the security as of the date of grant, less the purchase price paid, if any. When the security is sold, the participant will have short-term or long-term capital gain or loss equal to the difference between the sales proceeds and the value of the security on the date of grant. If the participant does not make an 83(b) election, then when the security vests the participant will have compensation income equal to the value of the security on the vesting date less the purchase price paid, if any. When the security is sold, the participant will have short-term or long-term capital gain or loss equal to the sales proceeds less the value of the security on the vesting date. Any capital gain or loss will be long-term if the participant held the security for more than one year and otherwise will be short-term.

Performance Awards

No income generally will be recognized upon the grant of a performance award. Upon payment in respect of a performance award, the recipient generally will be required to include as taxable ordinary income in the year of receipt an amount equal to the amount of cash received and the fair market value of any nonrestricted ordinary shares or other property received.

Other Stock-Based Awards

The tax consequences associated with any other stock-based award granted under the 2010 Equity Plan will vary depending on the specific terms of such award. Among the relevant factors are whether or not the award has a readily ascertainable fair market value, whether or not the award is subject to forfeiture provisions or restrictions on transfer, the nature of the property to be received by the participant under the award and the participant's holding period and tax basis for the award or underlying common stock.

Certain Other Tax Consequences

To the extent that a participant recognizes ordinary income in the circumstances described above, we or our subsidiary for which the participant performs services will be entitled to a corresponding deduction provided that, among other things, the income (i) meets the test of reasonableness, (ii) is an ordinary and necessary business expense, (iii) is not an "excess parachute payment" within the meaning of Section 280G of the Code, (iv) is properly reported to the Internal Revenue Service and (v) is not disallowed by the \$1 million limitation on certain executive compensation under Section 162(m) of the Code.

Officers and directors of the Company subject to Section 16(b) of the Securities Exchange Act of 1934, as amended, may be subject to special tax rules regarding the income tax consequences concerning their awards. The 2010 Equity

Plan is not, nor is it intended to be, qualified under Section 401(a) of the Internal Revenue Code, and is not subject to any of the requirements of the Employee Retirement Income Security Act of 1974, as amended

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE AMENDMENT TO INCREASE THE NUMBER OF ORDINARY SHARES AVAILABLE FOR ISSUANCE UNDER THE 2010 EQUITY PLAN BY 5,000,000 SHARES.

Table of Contents

CORPORATE GOVERNANCE STANDARDS AND BOARD OF DIRECTORS

Corporate Governance Guidelines

We have adopted Corporate Governance Guidelines that specify, among other things, the responsibilities, expectations and operations of our Board of Directors as well as general qualification criteria for directors. Our Corporate Governance Guidelines are available on our website at www.sensata.com. In addition, free copies of the guidelines may be obtained by shareholders upon request by contacting the Vice President, Investor Relations at (508) 236-1666. The Corporate Governance Guidelines are reviewed by our Nominating and Governance Committee, and changes are recommended to our Board for approval as appropriate.

Code of Business Conduct and Ethics; Code of Ethics for Senior Financial Employees

We have adopted a Code of Business Conduct and Ethics governing the conduct of our personnel, including our principal executive officer, principal financial officer, principal accounting officer and controller and persons performing similar functions. In addition, we have adopted a Code of Ethics for Senior Financial Employees. Copies of the current Code of Business Conduct and Ethics and Code of Ethics for Senior Financial Employees are available on our website at www.sensata.com. In addition, free copies of the codes may be obtained by shareholders upon request by contacting the Vice President, Investor Relations at (508) 236-1666.

In the event that any amendment is made to either code of ethics, and such amendment is applicable to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, we will disclose the nature of any such amendment on our website within four business days following the date of the amendment. In the event that we grant a waiver, including an implicit waiver, from a provision of either code of ethics, to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, we will disclose the nature of any such waiver, including the name of the person to whom the waiver is granted and the date of such waiver, on our website within four business days following the date of the waiver. Our website address is www.sensata.com.

Board Leadership Structure

Mr. Wroe served as Executive Chairman of the Board and Chief Executive Officer from our initial public offering in March 2010 until July 1, 2012. We believe that the combined Chairman/CEO role helped provide strong, unified leadership for our management team and Board of Directors, particularly during our transition from a private company to a public company. However, in anticipation of changes in Dutch law as of July 1, 2012, and other factors considered by our Board, Mr. Wroe resigned from his position as Chairman of the Board. Mr. Wroe continued as an Executive Director until he resigned as the Company's CEO on January 1, 2013. Mr. Wroe has served as a Non-Executive Director since his resignation as CEO.

Ms. Sullivan joined our Board of Directors as an Executive Director, effective January 1, 2013 at the same time she became the Company's CEO.

Mr. Edgerley was selected as the Non-Executive Chairman of the Board upon Mr. Wroe's resignation as Chairman and served in that capacity from the date of Mr. Wroe's resignation as Chairman until January 1, 2013, when Mr. Wroe was named Non-Executive Chairman by the Board of Directors.

Risk Oversight

Our Board is responsible for overseeing the Company's risk management process. The Board focuses on the Company's general risk management strategy, the most significant risks facing the Company and ensures that appropriate risk mitigation strategies are implemented by management. The Board is also apprised of particular risk management matters in connection with its general oversight and approval of corporate matters.

The Board has delegated to the Audit Committee oversight of the Company's risk management process. Among its duties, the Audit Committee (a) reviews with management Company policies with respect to risk assessment and management of risks that may be material to the Company, including the risk of fraud, (b) reviews the integrity of the Company's financial reporting processes, both internal and external, including reviewing management's report on its assessment of the effectiveness of internal control over financial reporting as of the end of each fiscal year, (c) reviews the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures and (d) reviews the Company's compliance with legal and regulatory requirements. The Audit Committee is also responsible for reviewing major legislative and regulatory developments that could materially impact the

Company's contingent liabilities and risks. Other Board committees also consider and address risk as they perform their respective committee responsibilities. All committees report to the full Board as appropriate, including when a matter rises to the level of a material or enterprise level risk.

The Company's management is responsible for day-to-day risk management. Our internal audit function (which is not a fixed department but a rotating system of internal finance personnel) serves as the primary monitoring and testing function for company-wide policies and procedures. Company management is responsible for managing the day-to-day oversight of the risk management

Table of Contents

strategy for the ongoing business of the Company. This oversight includes identifying, evaluating, and addressing potential risks that may exist at the enterprise, strategic, financial, operational, and compliance and reporting levels. We believe the division of risk management responsibilities described above is an effective approach for addressing the risks facing the Company and that our Board leadership structure supports this approach.

Director Independence

Certain rules of the New York Stock Exchange ("NYSE") require that a majority of the members of our Board of Directors be "independent directors," that the Audit Committee of our Board comprise only "independent directors" and that a majority of the members of each of the Compensation Committee and the Nominating and Governance Committee of our Board be "independent directors," in each case, as defined under the rules of the New York Stock Exchange.

The Company's Board is currently comprised of seven directors who qualify as "independent" as such term is defined by the rules adopted by the U.S. Securities and Exchange Commission ("SEC") and the NYSE listing requirements. To be considered independent, the Board must determine each year that a director does not have any direct or indirect material relationship with the Company. When assessing the "materiality" of any relationship a director has with the Company, the Board reviews all the relevant facts and circumstances of the relationship to assure itself that no commercial or other relationship of a director impairs such director's independence.

The Board has affirmatively determined that each of the following directors and nominees for director meet these standards for independence and qualify as independent: Lewis Campbell, Paul Edgerley, Michael Jacobson, Charles Peffer, Kirk Pond, Michael Ward, and Stephen Zide. Throughout this Proxy Statement, we refer to these directors as our "independent directors." In determining the independence of Messrs. Edgerley, Ward, and Zide, the Board considered their roles as managing partners at Bain Capital, in light of various relationships between us and Bain Capital, including those described below under "Certain Relationships and Related Transactions." Also in determining the independence of Mr. Campbell, the Board considered his role as CEO and Chairman of Navistar International Corporation, a customer of one of the Company's subsidiaries, from August 2012 until April 2013. The Board found that Thomas Wroe and Martha Sullivan are "not independent" because of their respective former or current employment relationships with the Company, and that John Lewis is "not independent" due to payments made by the Company to Unitas Capital in connection with the termination of the Advisory Agreement in 2010.

Executive Sessions

In accordance with our Corporate Governance Guidelines, our Non-Executive Directors meet in executive sessions on a periodic basis without management. The presiding director, for purposes of leading these meetings, is Mr. Edgerley, when these executive sessions take place in connection with Board meetings, and the Chairman of the standing committee, when these executive sessions take place in connection with standing committee meetings.

Shareholder Communications with the Board of Directors

Any shareholders or other interested parties who have concerns that they wish to make known to the Company's Non-Executive Directors should send any such communication to the Chairman of the Audit Committee in care of the offices of the Company's U.S. operating subsidiary, Sensata Technologies, Inc., at 529 Pleasant Street, Attleboro, Massachusetts 02703. All such communication will be reviewed by the Chairman of the Audit Committee and discussed with the committee, which will determine an appropriate response or course of action. Examples of inappropriate communication include business solicitations, advertising and communication that is frivolous in nature, relates to routine business matters (such as product inquiries, complaints or suggestions) or raises grievances that are personal to the person submitting the communication.

Table of Contents

Board Committees and Meetings

During fiscal year 2012, our Board of Directors held five (5) meetings. We have no policy regarding director attendance at our General Meeting.

Our Audit, Compensation and Nominating and Governance committees were formed by the Board in connection with our initial public offering in March 2010. The following table provides membership information for the Audit, Compensation and Nominating and Governance committees of our Board of Directors:

Name	Audit	Compensation	Nominating and Governance
Thomas Wroe, Jr.	—	—	—
Lewis Campbell	—	X	X*
Paul Edgerley	—	—	X
Michael J. Jacobson	X	—	—
John Lewis	—	—	—
Charles W. Peffer	X*	—	X
Kirk Pond	X	—	—
Martha Sullivan	—	—	—
Michael Ward	—	X*	—
Stephen Zide	—	X	—

*Committee Chairperson

Below is a description of the Audit, Compensation and Nominating and Governance committees of our Board of Directors and information regarding committee meetings held in fiscal year 2012. The charter for each of our committees is available on the investor relations page of our website at www.sensata.com. You may contact the Vice President, Investor Relations at (508) 236-1666 for a printed copy of these documents.

Audit Committee

Our Audit Committee is currently comprised of three directors: Messrs. Peffer (who serves as Chairman), Jacobson and Pond, each of whom is an independent director for audit committee purposes according to the rules and regulations of the SEC and the New York Stock Exchange. Each member of the Audit Committee has the ability to read and understand fundamental financial statements. Our Board has determined that Mr. Peffer is an “audit committee financial expert,” as such term is defined in Item 407(d) of Regulation S-K.

The primary function of the Audit Committee is to serve as an independent and objective party to oversee our accounting and financial reporting processes and internal control system; to pre-approve all auditing and non-auditing services to be provided by our independent auditor; to review and oversee the audit efforts of our independent auditor; and to provide an open avenue of communication among the independent auditor, financial and senior management and our Board. The Audit Committee is responsible for (1) recommending the appointment, retention, termination and compensation of our independent auditors to our shareholders, (2) approving the overall scope of the audit, (3) assisting the Board in monitoring the integrity of our financial statements, the independent auditors’ qualifications and independence, the performance of our independent auditors and our internal audit function and our compliance with legal and regulatory requirements, (4) annually reviewing our independent auditors’ report describing the auditing firms’ internal quality-control procedures and any material issues raised by the most recent internal quality-control review, or peer review, of our auditing firm, (5) discussing our annual audited financial and quarterly statements with management and our independent auditor, (6) discussing earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies from time to time, (7) discussing policies with respect to risk assessment and risk management, (8) meeting separately, periodically, with management, internal auditors and our independent auditor, (9) reviewing with our independent auditor any audit problems or difficulties and management’s response, (10) setting clear hiring policies for employees or former employees of our independent

auditors, (11) handling such other matters that are specifically delegated to the Audit Committee by the Board of Directors from time to time and (12) reporting regularly to the full Board of Directors. The Audit Committee met four (4) times during fiscal year 2012.

Table of Contents

Compensation Committee

The Compensation Committee has oversight responsibility relating to the compensation of our executive officers and directors and the administration of awards under our equity incentive plans. Until December 2012, the Company was a "controlled company" within the meaning of the rules of the New York Stock Exchange and was not required to have a Compensation Committee comprised solely of independent directors. We ceased to be a "controlled company" during December 2012, and we will comply with the rules of the New York Stock Exchange applicable to a company that ceases to qualify as a "controlled company."

The Compensation Committee is responsible for (1) reviewing compensation policies, plans and programs, (2) reviewing and approving the compensation of our executive officers, (3) reviewing and approving employment contracts and other similar arrangements between us and our executive officers, (4) reviewing and consulting with the chief executive officer on the selection of officers and evaluation of executive performance and other related matters, (5) administration of stock plans and other incentive compensation plans and (6) such other matters that are specifically delegated to the Compensation Committee by the Board of Directors from time to time. The Compensation Committee met five (5) times during fiscal year 2012.

The members of the Compensation Committee are Messrs. Ward (who serves as Chairman), Campbell and Zide. Messrs. Ward and Zide are Managing Directors of Bain Capital. The Company and Bain Capital or its affiliates have entered into certain transactions, as disclosed under "Certain Relationships and Related Transactions," "Investor Rights Agreement," "Securityholders Agreement" and "Administrative Services Agreement with Sensata Investment Co." Our Compensation Committee will be comprised of Messrs. Pond (who will serve as Chairman), Campbell and Ward, effective immediately upon completion of the General Meeting, if they are re-elected.

Nominating and Governance Committee

The Nominating and Governance Committee assists the Board by identifying individuals qualified to become members of the Board of Directors consistent with criteria set by the Board and to develop our corporate governance principles. This committee's responsibilities include: (1) evaluating the composition, size and governance of the Board and its committees and making recommendations regarding future planning and the appointment of directors to our committees, (2) establishing a policy for considering shareholder nominees for election to the Board, (3) evaluating and recommending candidates for election to the Board, (4) overseeing the performance and self-evaluation process of the Board and developing continuing education programs for our directors, (5) reviewing our corporate governance principles and providing recommendations to the Board regarding possible changes and (6) reviewing and monitoring compliance with our code of ethics and our insider trading policy. The Nominating and Governance Committee did not meet during fiscal year 2012.

Until December 2012, the Company was a "controlled company" within the meaning of the rules of the New York Stock Exchange and was not required to have a Nominating and Governance Committee comprised solely of independent directors. We ceased to be a "controlled company" during December 2012, and we will comply with the rules of the New York Stock Exchange applicable to a company that ceases to qualify as a "controlled company." As of March 2013, the members of our Nominating and Governance Committee are Messrs. Campbell (who serves as Chairman), Edgerley and Peffer.

One of the goals of the Nominating and Governance Committee is to assemble a Board of Directors that offers a variety of perspectives, backgrounds, knowledge and skills derived from high-quality business and professional experience. The Nominating and Governance Committee annually reviews the appropriate skills and characteristics required of directors in the context of the current composition of the Board, our operating requirements and the long-term interests of our shareholders.

The Nominating and Governance Committee generally will evaluate each candidate for election to our Board of Directors based on the extent to which the candidate contributes to the range of talent, skill, experience and expertise appropriate for the Board generally, as well as the candidate's integrity, business acumen, understanding of our industry and business, diversity, potential conflicts of interest, availability, independence of thought and overall ability to represent the interests of our shareholders. The Nominating and Governance Committee does not assign specific weights to particular criteria, and no particular criterion is necessarily applicable to all prospective nominees.

Although the Nominating and Governance Committee uses these and other criteria as appropriate to evaluate potential

nominees, it has no stated minimum criteria for nominees. The Nominating and Governance Committee may engage, for a fee, search firms to identify and assist the Committee with identifying, evaluating and screening candidates for our Board.

In evaluating candidates for election to our Board of Directors, the Nominating and Governance Committee and our Board seek the most qualified individuals based on the criteria and desired qualities described above and consider diversity in the following manner. We believe a diversity of professional backgrounds enhances our Board of Director's performance of its leadership and oversight functions in that directors with a variety of professional experience and expertise will be able to view all of the different elements and aspects of our business from different critical viewpoints and ask questions and make proposals and decisions from a broader range of professional views. Such diversity enables a broader critical review of more aspects of our business which we believe enhances, among other things, the Board's oversight of our risk management processes.

Table of Contents

The Nominating and Governance Committee will consider nominees for election or appointment to our Board that are recommended by shareholders, provided that a complete description of the nominees' qualifications, experience and background, together with a statement signed by each nominee in which he or she consents to act as such, accompanies the recommendations. Such recommendations should be submitted in writing to the attention of the Nominating and Governance Committee, Sensata Technologies Holding N.V., c/o Sensata Technologies, Inc., Attention: Investor Relations, 529 Pleasant Street, Attleboro, Massachusetts 02703 and should not include self-nominations.

Attendance at Board and Committee Meetings

Each of our directors attended 100% of the total number of meetings of the Board and meetings held by all committees of the Board on which such director served during fiscal year 2012.

Family Relationships

There are no family relationships between any of our executive officers or directors.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee is or has been an officer or employee of the Company, and none of our executive officers served as a member of the Board of Directors or compensation committee, or other committee serving an equivalent function, of any other third-party entity that has one or more of its executive officers serving as a member of our Board of Directors or Compensation Committee or any Board committee of any of our subsidiaries. There are, and during fiscal 2012 there were, no interlocking relationship between any of our executive officers and the Compensation Committee, on the one hand, and the executive officers and compensation committee of any other companies, on the other hand.

Report of the Audit Committee of the Board of Directors

In executing its responsibilities, the Audit Committee has reviewed and discussed our audited financial statements with our management. The Audit Committee has also discussed with the Company's independent auditor the overall scope and plans for their audits of the Company. Furthermore, the Audit Committee has discussed with our independent auditor the matters required to be discussed by SAS 61, as amended. In addition, the Audit Committee has received written disclosures and a letter from our independent auditor delineating all relationships between them and us, consistent with the applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the Audit Committee concerning independence, and has discussed with them matters pertaining to their independence. The Audit Committee also considered whether the additional services unrelated to audit services performed by Ernst & Young during the fiscal year ended December 31, 2012 were compatible with maintaining their independence in performing their audit services. In addition, the Audit Committee met with the independent auditor, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting. Based upon the reviews and discussions referred to above, the Audit Committee recommended to our Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 for filing with the SEC. The Audit Committee and Board of Directors have also recommended the selection of Ernst & Young LLP as our independent auditor for the fiscal year ending December 31, 2013.

From the members of the Audit Committee of Sensata Technologies Holding N.V.:

Charles Peffer, Chairman

Michael J. Jacobson

Kirk Pond

Table of Contents

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Our Board of Directors has adopted a statement of policy regarding transactions with related persons, which we refer to as our “related person policy.” Our related person policy requires that a “related person” (as defined as in paragraph (a) of Item 404 of Regulation S-K) must promptly disclose to our general counsel any “related person transaction” (defined as any transaction that is reportable by us under Item 404(a) of Regulation S-K in which we were or are to be a participant and the amount involved exceeds \$120,000 and in which any related person had or will have a direct or indirect material interest) and all material facts with respect thereto. Our general counsel will then promptly communicate that information to our Audit Committee. No related person transaction will be consummated or will continue without the approval or ratification of our Audit Committee. If advance Audit Committee approval is not feasible, then the related person transaction shall be considered and may be ratified, modified or terminated as the Audit Committee may determine at its next regularly scheduled meeting. In determining whether to approve or ratify a related person transaction, our Audit Committee will take into account, among other factors it deems appropriate, whether the interested transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person’s interest in the transaction. It is our policy that directors interested in a related person transaction will recuse themselves from any vote of a related person transaction in which they have an interest.

2006 Acquisition

On April 27, 2006, our indirect, wholly-owned subsidiary, Sensata Technologies B.V., completed the acquisition of the sensors and controls business from Texas Instruments Incorporated (the “2006 Acquisition”). In connection with the 2006 Acquisition, we entered into a number of agreements with related persons, including our indirect majority shareholders and members of our senior management. Certain of these agreements were amended and restated in connection with our initial public offering in March 2010. Such agreements are described below.

Investor Rights Agreement

We are party to an Amended and Restated Investor Rights Agreement, dated as of March 8, 2010 (the “Investor Rights Agreement”), with Sensata Investment Company S.C.A. (“Sensata Investment Co.”), our principal shareholder, and Sensata Management Company S.A., the manager of Sensata Investment Co. The material terms of the Investor Rights Agreement are set forth below.

Demand and Piggyback Registration Rights. Bain Capital Partners, LLC and its affiliates (collectively, “Bain Capital”) may initiate an unlimited number of registrations of its securities subject to the agreement pursuant to long-form or, if available, short-form registration. We may not include in any demand registration any securities which are not subject to the agreement without the consent of the holders of a majority of the registrable securities subject to the agreement. Whenever we or Sensata Investment Co. proposes to register any of our or its securities under the Securities Act of 1933, as amended (the “Securities Act”) (other than in an initial public offering, pursuant to a registration of Sensata Investment Co. securities demanded by Bain Capital or in connection with a registration on Form S-4 or Form S-8) then we or Sensata Investment Co., as the case may be, are obligated to include in such registration all registrable securities with respect to which we or it has received written requests for inclusion therein. If the managing underwriter of a registration advises us that the number of securities being registered exceeds the number which can be sold without adversely affecting the marketability of the offering, then we may limit the number of securities that will be included in the registration, pro rata among the respective holders thereof.

Indemnification. We have agreed to indemnify each holder of the securities covered by the Investor Rights Agreement for violations of federal or state securities laws by us or Sensata Investment Co. in connection with any registration statement, prospectus or any preliminary prospectus.

Expenses. We are generally obligated to pay all expenses with respect to any demand or piggyback registration. We will pay the expenses (other than underwriting discounts and commissions) of any such offering pursuant to the terms of the Investor Rights Agreement.

Lock Up Agreement. We, Sensata Investment Co. and each holder of registrable securities, subject to the terms of the Investor Rights Agreement, have agreed under the terms of the Investor Rights Agreement not to effect any public sale or distribution (including sales pursuant to Rule 144) of our or Sensata Investment Co.’s equity securities, as the case may be, or any securities, options or rights convertible into or exchangeable or exercisable for such securities,

during (a) the seven days prior to and the 90-day period beginning on the effective date of any underwritten demand registration or any underwritten piggyback registration in which registrable securities are included, and (b) upon notice from us of the commencement of an underwritten distribution in connection with any shelf registration, the seven days prior to and the 90-day period beginning on the date of commencement of such distribution, in each case except as part of such underwritten registration, and in each case unless the underwriters managing the registered public offering otherwise agree.

Table of Contents

Securityholders Agreement

We are party to an Amended and Restated Securityholders Agreement, dated as of March 8, 2010 (the “Securityholders Agreement”), with Sensata Investment Co., Sensata Management Company S.A., investment funds associated with Bain Capital (the “Bain Capital Funds”) and investment funds managed by Unitas Capital Ltd. (the “Unitas Funds”). The material terms of the Securityholders Agreement are set forth below. The Bain Capital Funds and the Unitas Funds are collectively referred to as the “Sponsors.”

Tag Along Rights. If the Bain Capital Funds propose to transfer any of their securities, each of the Unitas Funds will have the right, but not the obligation, to participate in such transfer subject to the terms and conditions set forth in the Securityholders Agreement. Any Unitas Fund electing to participate in a transfer has the right to participate at the same price and on the same terms as the Bain Capital Fund proposing to transfer its securities. The Unitas Funds will be entitled to sell a number of each class of securities being transferred equal to such holder’s pro rata share of such class of securities.

Piggyback Registration Rights. Whenever Sensata Investment Co. proposes to register any of its securities held by the Bain Capital Funds under the Securities Act (or any similar listed offering outside the United States), each of the Unitas Funds has the right, but not the obligation, to participate in such registration. The Unitas Funds electing to participate in a registration will be entitled to include in such registration, at the same price and on equal terms as the Bain Capital Funds, a number of each class of securities being offered equal to such holder’s pro rata share of the securities of such class as are proposed to be included by the Bain Capital Funds in the registration. The number of securities that the Bain Capital Funds and the Unitas Funds may include in the registration may be restricted if the managing underwriter advises Sensata Investment Co. that, in its opinion, the number of securities being registered exceeds the number which can be sold without adversely affecting the marketability of the offering.

In addition, if at any time Sensata Investment Co. distributes our securities to the shareholders of Sensata Investment Co. (whether in liquidation, dividend or otherwise), and we propose to register any securities held by the Bain Capital Funds under the Securities Act (or any similar listed offering outside the United States), each of the Unitas Funds has the right, but not the obligation, to participate in such registration on terms similar to those described in the preceding paragraph.

Drag Along Rights. If the Bain Capital Funds request an “approved sale” (as defined in the Securityholders Agreement), each of the Unitas Funds is obligated to vote for and consent to such sale. If the approved sale is a merger or consolidation, each of the Unitas Funds will waive any dissenter’s rights, appraisal rights or similar rights. If the approved sale is a stock transfer, each of the Unitas Funds will agree to sell its pro rata shares of each class of securities to be sold in such transfer at the same price and on the same terms and conditions as the Bain Capital Funds. Upon the receipt by the Unitas Funds of their proportional share of the purchase price, the Unitas Funds’ voting rights, rights to distributions and all other rights granted as securityholders will terminate.

Transfer Restrictions. The Unitas Funds may not transfer any of their securities covered by the Securityholders Agreement other than in connection with their participation in a sale by the Bain Capital Funds, an approved sale, a public sale or an exempt transfer. In addition, the Unitas Funds have agreed under the terms of the Securityholders Agreement not to effect any transfer of any of their securities or any other of our equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during (i) the seven days prior to and the 180-day period beginning on the effective date of an initial public offering and (ii) the seven days prior to and the 90-day period beginning on the effective date of any other public offering, except as part of any such offering or unless the underwriters managing the registration of any such offering otherwise agree. This agreement, however, is conditioned on the Unitas Funds not being subject to a longer lock-up agreement than the Bain Capital Funds.

First Amended and Restated Management Securityholders Addendum for the Company Securities Plan

All of our ordinary shares granted to members of our management, including our executive officers, under our 2006 Securities Purchase Plan (the “2006 Purchase Plan”), are subject to the First Amended and Restated Management Securityholders Addendum—Dutchco Securities Plan (the “Company Securities Plan Addendum”).

Transfer Restrictions. Management securityholders may not transfer their securities except as follows:

- ☐ Transfers to certain permitted transferees, including family members;
- ☐ Transfers made in connection with drag along rights or tag along rights;

- Transfers made in connection with the termination of such holder's employment and the exercise of the Company's option under the 2006 Purchase Plan or any award agreement; and
- Transfers in any public offering in connection with such holder's registration rights or, after an initial public offering, a transfer pursuant to Rule 144 or a block sale to a financial institution in the ordinary course of its trading business.

The transfer restrictions terminate upon a change in control of our voting shares or a sale of all or substantially all of our assets.

Table of Contents

“Tag Along” Rights. If Sensata Investment Co. sells the ordinary shares it holds of the Company, except a sale in a public offering or certain sales with affiliates, the management securityholders have the right to participate in the sale on the same terms and conditions as Sensata Investment Co., subject to certain conditions. Each management securityholder participating in the sale will be entitled to receive the same consideration as Sensata Investment Co., except in limited circumstances where the consideration includes securities, in which case the management securityholders may be entitled to have us purchase his/her securities for cash. If the Sponsors sell more than 50% of the total voting power or economic interest of Sensata Investment Co., except a sale in a public offering or any sale between the Sponsors and their affiliates, the management securityholders have the right participate in the sale on substantially the same terms as they would if the sale instead involved the ordinary shares of the Company.

“Drag Along” Rights. If our Board of Directors approves a change in control or a sale of substantially all of our assets, the management securityholders agree, if and to the extent requested by the Board, to sell their securities on the terms and conditions of the sale. Each management securityholder must receive the same form and amount of consideration per share as received by the Bain Capital Funds and the Unitas Funds. However, in certain limited circumstances where the consideration includes securities, management securityholders may be entitled to have us, the Bain Capital Funds or the Unitas Funds, as the case may be, purchase their securities for cash. These drag along rights will terminate upon a change in control of the Company or a sale of all or substantially all of the Company’s assets. Each management securityholder participating in a tag along or drag along sale will bear its pro rata share of costs to the extent such costs are incurred for the benefit of all holders of securities and are not otherwise paid by us or the acquiring party. However, any costs incurred by a management securityholder solely for his/her own benefit will be borne by such management securityholder.

Registration Rights. If we propose to conduct an underwritten registration of any of our securities under the Securities Act (other than in an initial public offering or in connection with registration on Form S-4 or Form S-8) and we are including in such registration any of its securities held by Sensata Investment Co. or the Sponsors and the registration form to be used may be used for the registration of the management securities, we will include upon the request of the management securityholders any securities of such holders. In any underwritten registration, if the managing underwriter advises us that in its opinion, the number of securities being registered exceeds the number which can be sold in such offering without adversely affecting the marketability of the offering, then we may restrict the number of management securities that will be included in the registration.

We will pay all registration expenses, whether or not any registration becomes effective. Additionally, we will pay for one counsel for the management securityholders in connection with the registration rights whether or not any registration becomes effective.

First Amended and Restated Management Securityholders Addendum for the Company Option Plan

All of the options granted to members of our management, including our executive officers, under our 2006 Management Option Plan (the “2006 Option Plan”) are subject to the First Amended and Restated Management Securityholders Addendum—Dutchco Option Plan (the “Company Option Plan Addendum”). The terms and conditions of the Company Option Plan Addendum are substantially the same as those of the Company Securities Plan Addendum as described above. The exceptions are as follows:

• The management securityholders’ rights and obligations under the Company Option Plan Addendum become effective only to the extent such holder’s options are exercised; and

• In connection with any drag along sale, each management securityholder will have the opportunity to exercise vested options prior to or in connection with the sale.

First Amended and Restated Management Securityholders Addendum for the Sensata Investment Co. Securities Plan

All of the securities granted to members of our management, including our executive officers, under the Sensata Investment Company S.C.A. First Amended and Restated 2006 Management Securities Plan are subject to the First Amended and Restated Management Securityholders Addendum (the “Sensata Investment Co. Plan Addendum”). The terms and conditions of the Sensata Investment Co. Plan Addendum are substantially the same as those of the Company Securities Plan Addendum as described above. The exceptions are as follows:

• The management securityholders’ rights and obligations under the Sensata Investment Co. Plan Addendum are made with respect to the ordinary shares of Sensata Investment Co. and not the Company, and also include Sensata

Investment Co.'s preferred equity certificates and convertible preferred equity certificates; and
• The provisions found in the Company Securities Plan Addendum relating to the tag along rights granted in connection with a sale of Sensata Investment Co. do not apply to the Sensata Investment Co. Plan Addendum.

Table of Contents

Administrative Services Agreement with Sensata Investment Co.

In March 2009, we and our principal shareholder, Sensata Investment Co., entered into an Administrative Services Agreement for services relating to the review of our financial statements and other administrative matters. The Administrative Services Agreement was entered into with retroactive effectiveness from January 1, 2008. Under this agreement, we pay Sensata Investment Co. quarterly for its services, at rates equal to the actual cost incurred by Sensata Investment Co., with such rates reviewed from time to time by us and Sensata Investment Co. We paid approximately \$400,000 to Sensata Investment Co. under the Administrative Services Agreement during fiscal year 2012. The Administrative Services Agreement has an indefinite term but may be terminated by either party with 30 days prior written notice. Additionally, Sensata Investment Co. and we have the right to inspect each others' books and records. We must indemnify Sensata Investment Co. from and against any loss, cost, or expense, including reasonable attorneys' fees, related to any act or omission in connection with the performance or nonperformance of Sensata Investment Co.'s duties under the agreement.

Directors and Officers

Paul Edgerley, Michael Ward and Stephen Zide, each a Managing Director of Bain Capital, are members of our Board of Directors. For a description of Bain Capital's beneficial ownership of the ordinary shares held by Sensata Investment Co., see footnotes (1) and (2) to the table under the heading "Security Ownership of Certain Beneficial Owners and Management." John Lewis, a Partner of Unitas Capital Ltd., is also a member of our Board of Directors. For a description of Unitas Capital Ltd.'s beneficial ownership of the ordinary shares held by Sensata Investment Co., see footnote (3) to the table under the heading "Security Ownership of Certain Beneficial Owners and Management."

Other Related Person Transactions

One of our indirect, wholly-owned subsidiaries, Sensata Technologies, Inc., received payments from Navistar International Corporation ("Navistar") from January 1, 2012 through March 31, 2013 for the sale of products pursuant to purchase orders of \$10.8 million. From August 2012 until April 2013, Lewis Campbell, a Director of the Company since the 2012 Annual General Meeting of Shareholders served as Chairman and Chief Executive Officer of Navistar.

Table of Contents

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of April 2, 2013, certain information regarding the ownership of our ordinary shares by (1) each person known to us to beneficially own 5% or more of our ordinary shares; (2) each of our named executive officers and directors; and (3) all of our executive officers and directors as a group.

The percentage of shares beneficially owned is based upon 178,562,673 ordinary shares outstanding as of April 2, 2013, which includes 2,185,774 legally issued shares that have been repurchased by the Company but not legally retired, 119,950 legally issued shares that are subject to forfeiture until such shares have vested, and 7,740 legally issued shares that have been forfeited but not yet legally retired and in each case are not considered outstanding for accounting purposes.

Beneficial ownership is determined in accordance with the applicable rules and regulations of the SEC. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting thereof, or to dispute or direct the disposition thereof, or has the right to acquire such powers within 60 days. Ordinary shares subject to options that are currently exercisable or exercisable within 60 days are deemed to be outstanding and beneficially owned by the person holding the options for the purposes of computing the percentage ownership of that person and any group of which that person is a member. These shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Certain of our named executive officers own shares of our principal shareholder, Sensata Investment Co. We have not included in the following table the number of our ordinary shares that such named executive officers may be deemed to indirectly own as a result of owning such shares of Sensata Investment Co. because none of these named executive officers exercise voting or investment power with respect to these shares. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

The address for Sensata Investment Co. is Société en Commandite par Actions 9A Parc d' Activité, Syrdall, L-5365 Munsbach, Luxembourg. The address for Janus Capital Management LLC is 151 Detroit Street, Denver, CO 80206-4805. The address for Scout Capital Management LLC is 640 Fifth Avenue, 22nd Floor, New York, NY 10019.

Name	Ordinary Shares Beneficially Owned	Percentage of Outstanding Shares	
Sensata Investment Company S.C.A. ⁽¹⁾⁽²⁾⁽³⁾	63,277,590	35	%
Janus Capital Management LLC ⁽⁴⁾	11,898,458	7	%
Scout Capital Management LLC ⁽⁴⁾	10,346,514	6	%
Directors and Named Executive Officers:			
Thomas Wroe ⁽⁵⁾	1,760,175	*	
Martha Sullivan ⁽⁷⁾	1,263,149	*	
Jeffrey Cote ⁽⁶⁾	672,116	*	
Robert Hureau ⁽⁹⁾	118,298	*	
Steve Major ⁽⁸⁾	21,800	*	
Martin Carter ⁽¹⁰⁾	136,251	*	
Lewis Campbell	12,900	*	
Paul Edgerley ⁽¹³⁾	63,315,190	35	%
John Lewis ⁽³⁾⁽¹¹⁾	37,600	*	
Michael Jacobson ⁽¹¹⁾	78,600	*	
Charles Pepper ⁽¹¹⁾	39,600	*	
Michael Ward ⁽¹³⁾	63,315,190	35	%
Stephen Zide ⁽¹³⁾	63,315,190	35	%
Kirk Pond ⁽¹²⁾	26,100	*	
All directors and executive officers as a group (16 persons)	67,982,965	37	%

*Less than 1%

Sensata Investment Company S.C.A., or “Sensata Investment Co.,” an entity organized in Luxembourg, is controlled by its manager, Sensata Management Company S.A. In such capacity, Sensata Management Company S.A., through its Board of Directors acting by a majority, exercises voting and dispositive power with respect to the (1) ordinary shares owned by Sensata Investment Co. The Board of Directors of Sensata Management Company S.A. is currently comprised of Ms. Ailbhe Jennings and Messrs. Walid Sarkis, Sean Doherty and Paul Edgerley. Messrs. Sarkis, Doherty and Edgerley are each a Managing Director of Bain Capital. All of the outstanding capital stock of Sensata Management Company S.A. is owned by Bain Capital Fund VIII,

23

Table of Contents

L.P. and Bain Capital Fund VIII-E, L.P. and, in that capacity, these funds have the power to appoint the directors of Sensata Management Company S.A. Because of the relationships described in (2) below, Bain Capital Investors, LLC (“BCI”) may be deemed to control these Bain Capital funds and thus may be deemed to share voting and dispositive power with respect to the shares held by Sensata Investment Co. BCI expressly disclaims beneficial ownership of such securities except to the extent of its pecuniary interest therein. BCI is controlled by an Investment Committee comprised of the following Managing Directors of Bain Capital: Andrew Balson, Steven Barnes, Joshua Bekenstein, John Connaughton, Todd Cook, Paul Edgerley, Christopher Gordon, Blair Hendrix, Jordan Hitch, John Kilgallon, Matthew Levin, Ian Loring, Philip Loughlin, Seth Meisel, Mark Nunnally, Stephen Pagliuca, Ian Reynolds, Mark Verdi and Stephen Zide.

Bain Capital Fund VIII, L.P. (“Fund VIII”), Bain Capital VIII Coinvestment Fund, L.P. (“Coinvestment VIII”), Bain Capital Fund VIII-E, L.P. (“Fund VIII-E”), Bain Capital Fund IX, L.P. (“Fund IX”), Bain Capital IX Coinvestment Fund, L.P. (“Coinvestment IX”), BCIP Associates III (“BCIP III”), BCIP Trust Associates III (“BCIP Trust III”), BCIP Associates III-B (“BCIP III-B”), BCIP Trust Associates III-B (“BCIP Trust III-B”) and BCIP Associates-G (“BCIP-G”) together hold approximately 80.6% of the equity interests of Sensata Investment Co. BCI is the Managing General Partner of BCIP III, BCIP Trust III, BCIP III-B, BCIP Trust III-B and BCIP-G. BCI is also the General Partner of Bain Capital Partners IX, L.P., which is the General Partner of Fund IX and Coinvestment IX, Bain Capital Partners VIII, L.P., which is the General Partner of Fund VIII and Coinvestment VIII, and Bain Capital Partners VIII-E, which is the General Partner of Fund VIII-E. As a result, the Investment Committee of BCI may be deemed to exercise voting and dispositive power with respect to the shares held by Sensata Investment Co.

Asia Opportunity Fund II, L.P. (“Asia Fund II”) and AOF II Employee Co-invest Fund, L.P. (“AOF II”) hold 10.0% and 0.1%, respectively, of the equity interests of Sensata Investment Co. and 1,674,896 and 17,026 ordinary shares (3) of the Company. Unitas Capital Equity Partners II, L.P. is the general partner of Asia Fund II and AOF II. Unitas Capital Ltd. is the fund manager to Asia Fund II and AOF II. Mr. Lewis is a Partner of Unitas Capital, and he disclaims the beneficial ownership of these shares, except to the extent of his pecuniary interest in such shares.

Beneficial ownership is based upon information derived from Securities and Exchange Commission filings made (4) by such person on Schedule 13G.

Includes 1,666,990 options exercisable for ordinary shares, of which 206,409 are held in a family trust established (5) for the benefit of Mr. Wroe’s children. Does not include 41,218 ordinary shares indirectly owned based on such trust’s direct ownership of 68,674 ordinary shares, or 0.07%, of Sensata Investment Co.

(6) Includes 613,270 options exercisable for ordinary shares.

(7) Includes 1,216,082 options exercisable for ordinary shares. Does not include 14,778 ordinary shares indirectly owned based on such person’s direct ownership of 24,621 ordinary shares, or 0.02%, of Sensata Investment Co.

(8) Includes 21,800 options exercisable for ordinary shares. Does not include 1,278 ordinary shares indirectly owned based on such person's direct ownership of 2,129 ordinary shares, or 0.002% of Sensata Investment Co.

(9) Includes 94,801 options exercisable for ordinary shares.

(10) Includes 136,251 options exercisable for ordinary shares.

(11) Includes 24,700 options exercisable for ordinary shares.

(12) Includes 11,200 options exercisable for ordinary shares.

Includes 24,700 options exercisable for ordinary shares. Messrs. Edgerley and Zide are each a Managing Director and member of the Investment Committee of BCI and therefore may be deemed to share voting and dispositive power with respect to all shares of the Company that may be deemed to be beneficially owned by the Bain Capital funds as described in Note 2 above. Each of these persons disclaims beneficial ownership of the shares that may be deemed to be owned by the Bain Capital Funds except to the extent of his pecuniary interest therein. Mr. Ward (13) is a Managing Director of BCI but is not a member of the Investment Committee. Mr. Ward may be deemed to share voting and dispositive power with respect to all shares of the Company that may be deemed to be beneficially owned by the Bain Capital funds as described in Note 2 above. Mr. Ward disclaims beneficial ownership of the shares that may be deemed to be owned by the Bain Capital Funds except to the extent of his pecuniary interest therein.

Table of Contents

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our ordinary shares and other of our equity securities. Specific due dates for these reports have been established, and we are required to disclose any failure to file by these dates during fiscal year 2012. Our officers, directors and greater than 10% shareholders are required by the SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and representations that no other reports were required, during the fiscal year ended December 31, 2012, all Section 16(a) filing requirements applicable to our officers, directors and greater than 10% beneficial owners were complied with.

Table of Contents

EXECUTIVE COMPENSATION

The following discussion and analysis of compensation arrangements should be read with the compensation tables and related disclosures that follow.

Compensation Discussion and Analysis

From the 2006 Acquisition until our initial public offering in March 2010, our business was managed under the direction of the Board of Directors and executive officers of our principal operating subsidiary, Sensata Technologies, Inc. ("STI"). The Company served as a holding company and did not engage in any meaningful activities other than in that capacity. In contemplation of the completion of our initial public offering, all of the executive officers of STI were appointed to serve in the same capacity with the Company.

In contemplation of our initial public offering, our Board of Directors formed a Compensation Committee and adopted a written charter for the Compensation Committee, which is available on our website (www.sensata.com). This section provides an overview of our executive compensation philosophy and how and why the Compensation Committee arrives at specific compensation decisions and policies. Our executive compensation policy is substantially similar to how the compensation committee of STI made such determinations prior to our initial public offering. This Compensation Discussion and Analysis section describes the material elements of our compensation programs for the executive officers listed in the Summary Compensation Table (collectively, the "Named Executive Officers"). Additionally, in 2011, we submitted our executive compensation program to an advisory vote of our shareholders and it received an overwhelming level of support at 99.8% of the total votes cast at our annual meeting. We pay careful attention to any feedback we receive from our shareholders about our executive compensation program, including the "say on pay" vote. Based on the high level of support obtained in 2011, the Compensation Committee did not deem it necessary to implement any changes to the program. Nonetheless, the Compensation Committee will continue to consider and monitor shareholder feedback in its subsequent executive compensation decision making. In addition, at our 2011 annual meeting, 82.8% of our shareholders supported a triennial vote on our executive compensation program and, in response, our Board of Directors has determined to hold a vote on "say on pay" every three years. The next "say on pay" vote will occur at our 2014 annual meeting.

Summary

Business Results

The core of the Company's executive compensation philosophy is pay for performance. Key accomplishments for 2012 include:

Growth

- Grew 2012 net revenue 5% to \$1.91 billion
- Continued our investment in Research, Development and Engineering to 5.7% of net revenue
- Closed on \$300 million of new business opportunities

Financial Outcomes

- Achieved earnings growth despite deteriorating end markets and significant Euro headwinds
- Generated Free Cash Flow of \$343 million
- Invested \$55 million in Capex, 2.9% of net revenue
- Ended the year with \$414 million in cash on hand

Capital Markets

- Increased liquidity in ST with a successful secondary offering
- Share price up over 80% from the IPO in March 2010
- Repriced our 7-year \$1.1 billion term loan down 25 basis points

Awards

- Globe 100 - Top Performing Company to Sensata by The Boston Globe
- Inclusive Employer to Sensata Mexico by the Federal Labor Office

2012 Best Technology Service Provider to Sensata China by Zhong Shan Broad-Ocean Motor Co., Ltd. (Dayang)
2012 Best Cooperative Supplier Award to Sensata China by Build Your Dreams (BYD)

26

Table of Contents

2012 Compensation Decisions

The Compensation Committee reviews the Company's executive compensation policies and procedures on an ongoing basis. In determining whether to make changes to these policies and procedures, the Compensation Committee considers competitive market trends, strategic goals and growth objectives and the views of shareholders. The following summarizes the Compensation Committee's compensation decisions in 2012 in light of these factors and the accomplishments highlighted above:

Base Salary. The Compensation Committee reviewed competitive market pay practices to determine whether base salary increases were advisable. After considering this information, along with the Company's pay for performance philosophy and the contributions and expected contributions of each Named Executive Officer, the Compensation Committee decided to increase the base salary for each Named Executive Officer. The resulting base salaries for the Named Executive Officers, on average, continued to be below the market median, which is in line with the Company's philosophy.

Short-Term Incentive Awards. The amount of the total pool of short-term incentive awards payable to each of our executive officers, including the Named Executive Officers, is determined based on the achievement of the adjusted EBITDA target and predetermined individual performance goals. For 2012, there was also the potential for an individual performance multiplier of up to 40%, subject to a cap of 240%. Based on the Company's performance against the adjusted EBITDA performance measure that the Compensation Committee established at the beginning of 2012 and other factors considered by the Compensation Committee, short-term incentive awards were not granted to our executive officers including the Named Executive Officers for fiscal year 2012.

Equity Compensation. In support of our pay for performance philosophy, we granted a mix of stock options and performance-contingent restricted securities in 2012 to certain executives, including certain Named Executive Officers. While we had historically granted time vesting restricted securities for retention purposes, during 2011 we introduced restricted securities that additionally vest based on the Company's achievement of adjusted net income targets. Because the Compensation Committee believes that equity compensation is a significant tool for the Company to retain its executive officers and other key employees, the Compensation Committee evaluates the amount of equity securities of the Company, including vested and unvested stock options and restricted securities, held by each of the Named Executive Officers. Additionally, during 2012, in connection with his retirement as CEO, we modified certain vesting rules concerning equity awards previously granted to Mr. Wroe. These modifications are described in greater detail below and form of such agreement was included as an exhibit with the Company's Current Report on Form 8-K filed with the SEC on December 10, 2012.

Other Compensation Highlights

Additional highlights of our executive compensation policies are as follows:

• Tax gross-ups are not provided to our executive officers, including the Named Executive Officers, for personal expenses or in the event of a change in control.

• The Compensation Committee has retained an independent compensation consultant. The consultant is not permitted to provide any other services to the Company unless pre-approved by the Compensation Committee.

• The Compensation Committee oversees and evaluates the design and implementation of the incentives and risks associated with our compensation policies and practices. This oversight and evaluation is completed with the assistance of human resources management.

• The Company offers limited perquisites to Named Executive Officers.

• The Company's equity award grant date guidelines require that equity awards be granted at pre-determined times in order to ensure that grants are not timed or coordinated with the release of material information about the Company. The Compensation Committee has adopted a policy that each Named Executive Officers hold stock options, restricted securities or other equity of the Company in an amount equal in value to at least a defined multiple of his or her base salary as follows: Mr. Wroe, 4x salary; each of Mr. Cote and Ms. Sullivan, 3x salary; and Messrs. Hureau, Major and Carter, 2x salary.

• For 2012, the short-term incentive opportunities for all of the Named Executive Officers were based on adjusted EBITDA performance for the year and long-term incentive awards were based on the performance of the Company's

ordinary shares and adjusted net income for performance equity.

27

Table of Contents

Compensation Philosophy and Objectives

Our philosophy in establishing compensation policies for the Named Executive Officers is to align compensation with our strategic goals and our growth objectives, while concurrently providing competitive compensation that enables us to attract and retain highly qualified executives.

The primary objectives of our compensation policies for the Named Executive Officers are to:

- attract and retain executive officers by offering total compensation that is competitive with that offered by similarly situated companies and by rewarding outstanding personal performance;
- promote and reward the achievement of our long-term value creation objectives;
- promote and reward the achievement of short-term objectives; and
- align the interests of the Named Executive Officers with those of the Company by making long-term incentive compensation dependent upon the Company's financial performance.

Executive compensation is based on our pay-for-performance philosophy, which emphasizes company and individual performance measures that correlate closely with the achievement of both short-and long-term performance objectives. To motivate the Named Executive Officers, we focus primarily on equity compensation that is tied directly to long-term value creation goals. Additionally, we provide competitive cash compensation rewards to the Named Executive Officers that focus on the achievement of short-term objectives.

By design, our base salaries are generally below market, offset by the longer term potential value of the equity compensation and the short-term opportunity for annual incentive bonuses.

For years in which we perform well, the Named Executive Officers can earn additional compensation under our performance-based annual bonus plan such that the officers' total annual cash compensation meets or exceeds the median annual cash compensation paid by comparable companies. See “-Components of Compensation-Cash Compensation” below for additional information. We believe putting a balanced portion of our executives' total cash compensation at risk encourages our executives to strive to meet the overall performance goals of the Company as well as their individual performance goals.

Role and Function of the Compensation Committee

The Compensation Committee is comprised of three members of our Board of Directors: Michael Ward, Stephen Zide, and Lewis Campbell. The Compensation Committee is responsible for reviewing and approving each element of the compensation for the Named Executive Officers. The Compensation Committee also reviews the Company's overall compensation philosophy and objectives on an annual basis. The Compensation Committee is also involved with risk review of the compensation programs, and has concluded that none of the programs incentivize executives or employees to take actions that would result in material adverse impact on the Company.

The Compensation Committee has the sole authority to retain and to terminate a compensation consultant and to approve the consultant's fees and all other terms of the engagement. The Compensation Committee has retained Pearl Meyer & Partners as its independent consultant (the “Consultant” or “Pearl Meyer”). The Consultant advises the Compensation Committee on all matters related to the compensation of the Named Executive Officers and assists the Compensation Committee in interpreting data provided by the Company, as well as additional data provided by the Consultant. During 2012, the Consultant prepared materials for all Compensation Committee meetings and participated in all of the meetings. The Compensation Committee holds an executive session with the Consultant during each meeting at which the Consultant is present. No members of management are present at the executive sessions.

The Compensation Committee considered the independence of Pearl Meyer & Partners in light of new SEC rules and proposed NYSE listing standards. Specifically, the Compensation Committee considered the following factors: (i) other services provided to the Company by Pearl Meyer; (ii) fees paid by the Company as a percentage of Pearl Meyer's total revenue; (iii) policies or procedures maintained by Pearl Meyer that are designed to prevent a conflict of interest; (iv) any business or personal relationships between the individual consultant(s) from Pearl Meyer involved in the engagement and a member of the Compensation Committee; (v) any Company stock owned by the individual consultant(s) of Pearl Meyer involved in the engagement; and (vi) any business or personal relationships between our executive officers and Pearl Meyer or the individual consultant(s) involved in the engagement. The Compensation Committee concluded that Pearl Meyer's work for the Compensation Committee is independent and does not raise a

conflict of interest.

The Compensation Committee makes an independent determination on all matters related to the compensation of the Named Executive Officers. In making its determinations, the Compensation Committee may seek the views of the Chief Executive Officer on whether the existing compensation policies and practices continue to support the Company's business objectives, appropriate performance goals, the Company's performance and the contributions of the other Named Executive Officers to that performance.

28

Table of Contents

The Compensation Committee may also consult with the Senior Vice President, Human Resources or other members of our Human Resources staff on matters related to the design, administration and operation of the Company's compensation programs. The Compensation Committee has delegated administrative responsibilities for implementing its decisions on compensation and benefits matters to the Senior Vice President, Human Resources, who reports directly to the Compensation Committee regarding the actions he or she has taken under this delegation. At present, the Vice President, Human Resources implements the Compensation Committee's decisions on compensation and benefits matters since the position of Senior Vice President, Human Resources is not currently filled, after the departure of Donna Kimmel in November 2012.

Role of Officers in Determining Compensation

The Chief Executive Officer, Senior Vice President, Human Resources, and Vice President, Total Rewards provide analysis and recommendations on compensation issues and attend meetings of the Compensation Committee, as requested by the Compensation Committee. The Compensation Committee also meets in executive session without any executive officers present. All decisions related to the compensation of the Named Executive Officers are ultimately made by the Compensation Committee.

Compensation Benchmarking and Survey Data

As part of establishing the total compensation packages for the Named Executive Officers for 2012, the Compensation Committee reviewed compensation packages for executive officers holding comparable positions, based on similarity of job content, at comparable companies. In September 2011, the Consultant recommended a list of comparable companies for compensation comparisons primarily based on the following pre-defined selection criteria:

• industry similarity;

- companies with revenues approximately one-half to two times our annual revenues (generally between \$750 million and \$3 billion); and
- companies with market capitalization approximately one-half to two times our market capitalization (generally between \$1.85 billion and \$7.40 billion).

For the analysis of the 2012 compensation packages for the Named Executive Officers, the peer group was approved by the Compensation Committee in September 2011 and consisted of the following companies:

AMETEK, Inc.	FLIR Systems, Inc.
Amphenol Corporation	KEMET Corp
Analog Devices	Molex, Inc.
AVX Corporation	Moog, Inc.
Amtel Corp	Regal-Beloit Corporation
Fairchild Semiconductor	Vishay Intertechnology
	Woodward Inc.

The Compensation Committee utilizes the peer group to provide context for its compensation decision making. The compensation paid by peer group companies to their respective executive officers does not factor into the Compensation Committee's determination of the peer group. After the peer group companies are selected, the Consultant prepares and presents a report to the Compensation Committee summarizing the competitive data and comparisons of the Named Executive Officers to the comparable company market data utilizing publicly available data from the peer group and broad survey data (reflecting companies of similar size in the high technology industry). The Compensation Committee uses the survey data in conjunction with peer group data in evaluating compensation practices. Each of the elements of compensation is reviewed as part of this analysis and evaluation.

The survey data includes the following sources:

- the Benchmark and Executive Surveys Overall Practices Report published by Radford, an AON Company, which reviews executive compensation of approximately 700 participating companies, primarily within the technology industry, covering base salary, incentives, stock and total cash/total direct compensation; and
- the Towers Perrin Compensation Data Bank (CDB) Executive Compensation Database, which reviews executive compensation of approximately 800 participating companies and focuses on total direct compensation comprised of

salary, bonus and long-term incentives.

29

Table of Contents

Components of Compensation

Compensation for the Named Executive Officers consists of cash compensation and equity compensation, each as discussed below.

Cash Compensation

The Named Executive Officers receive annual cash compensation in the form of base salary, annual incentive bonuses and discretionary bonuses, which collectively constitute the executive's total annual cash compensation. The levels of total annual cash compensation are established by the Compensation Committee annually under a program intended to maintain parity with the competitive market for executives in comparable positions while also reflecting individual executive performance, contributions, expertise and role criticality. Total annual cash compensation for each position is targeted at the "market value" for that position as measured by the annual benchmark review described above, but may vary based on individual executive performance, experience and contributions.

We strive to maintain base salaries, which are the fixed component of annual cash compensation, below market median value, thereby putting a larger portion of the executive's total annual cash compensation at risk. The annual incentive bonus is targeted at a level that, when combined with base salaries, yields total annual cash compensation that approximates market median value when the Company, operating units and individuals meet performance goals. Accordingly, when our financial performance exceeds our applicable annual targets and individual performance contributes to meeting our objectives, total annual cash compensation for a position generally will exceed the position's market median value. Conversely, when our financial performance does not meet targets and/or individual performance does not have a favorable impact on our objectives, total annual cash compensation generally will be below market levels. In addition, the Compensation Committee may grant a discretionary bonus to reward extraordinary individual or Company performance during the fiscal year.

Base Salary: Base salary for each Named Executive Officer is established based on that executive's scope of responsibilities, taking into account competitive market compensation paid by other companies to executives in similar positions. While we believe that executive base salaries should generally be targeted around 90% of the market median, in 2012 we established base salaries for two of our Named Executive Officers, Ms. Sullivan and Mr. Cote, above our targeted approach. We established those base salaries as part of our succession planning process and Ms. Sullivan's and Mr. Cote's anticipated promotions from their current positions in the Company. As such, we recommended 12% and 15% base salary increases during 2012 which resulted in base salary for Ms. Sullivan at about 109% of the market median for peer counterparts and, for Mr. Cote, at about 115% of the market for peer counterparts. The Compensation Committee felt this was appropriate given their increasing responsibilities related to their promotions. We expect their positioning relative to market median to fall back in line with our targeted approach as they will be benchmarked against their new, larger roles among their peer counterparts.

Name	Percentage of Market Median ⁽¹⁾	
Thomas Wroe, Jr.	97	%
Martha Sullivan	109	%
Jeffrey Cote	115	%
Robert Hureau	85	%
Martin Carter	90	%
Steve Major	92	%

(1) Based on each Named Executive Officer's 2012 base salary.

Base salaries are reviewed by the Compensation Committee annually. Annual adjustments to an executive's base salary take into account:

- individual performance (based on achievement of pre-determined goals and objectives);
- market position of the individual's current base salary versus 90% of the market median;

our historical pay practices with respect to that position or executive;
our ability to pay increases; and
internal equity.

30

Table of Contents

The table below sets forth the base salary increases given in 2012, expressed as a percentage compared to each executive's 2011 base salary.

Name	Base Salary Increase	
Thomas Wroe, Jr.	0	%
Martha Sullivan	15	%
Jeffrey Cote	12	%
Robert Hureau	15	%
Martin Carter	1	%
Steve Major	0	%

The 2012 base salary increases for Mr. Cote and Ms. Sullivan were based on individual contributions and achievements and an evaluation of their base salaries relative to market base salary compensation. Ms. Sullivan's base salary was brought over the 100th percentile of the market median due to her particular contributions and achievements, and as part of her planned succession and promotion to Chief Executive Officer. Mr. Cote's base salary was brought to the 115th percentile of the market median due to his particular contributions and achievements, and his promotion to Chief Operating Officer in 2012. The increases for Mr. Hureau are a result of his promotion to Chief Financial Officer and an 18 month process to move his base salary to the target base compensation equal to the 90th percentile of the market median.

Annual Incentive Bonus: Annual incentive bonuses are used to provide compensation to the Named Executive Officers that is tied directly to our annual adjusted EBITDA (earnings before interest, taxes, depreciation, amortization and certain other costs) growth goal. If we meet our adjusted EBITDA growth goal, then we pay out 100% of the pre-determined bonus pool. If we exceed our adjusted EBITDA growth goal, then we pay out more than 100% of the pre-determined bonus pool, and if we fall short of our adjusted EBITDA growth goal, we pay out less than 100% of the pre-determined bonus pool.

The payout percentages relative to our performance scale are determined by the Chief Executive Officer and reviewed and approved by the Compensation Committee at the beginning of each year. The performance target for the Chief Executive Officer is set by the Compensation Committee based on the previously described annual benchmarking study. The amount of the annual incentive bonus to be paid to the Chief Executive Officer is determined by the Compensation Committee based on achievement of our adjusted EBITDA growth goal.

For 2012, the Compensation Committee set the adjusted EBITDA target (excluding acquisitions and restructuring charges) at \$565 million, and the total executive bonus pool was \$5 million. The table below sets forth the percentage of the total bonus pool payable to our executive officers, including the Named Executive Officers, based upon the relative achievement of the adjusted EBITDA target.

Percentage of adjusted EBITDA Target Achieved	Percentage of Target Cash Bonus
<90%	—
90%	50%
95%	75%
100%	100%
105%	125%
110%	150%
115%	175%
120%	200%

As reflected in the table above, the actual cash bonus for our executive officers, including the Named Executive Officers, could have been less than or greater than their target cash bonuses, depending on our performance relative to the pre-determined adjusted EBITDA target of \$565 million. Each 1% increase or decrease in the actual adjusted EBITDA relative to the adjusted EBITDA target would result in a 5% increase or 5% decrease, as the case may be, in the incentive bonus paid to our executive officers. For 2012, based on the Company's achievement of an adjusted

EBITDA of \$486.3 million, the annual incentive bonus was not paid to our executive officers. For 2012, there was also the potential for an individual performance multiplier of up to 40%, subject to a cap of 240%. However, because annual incentive bonuses were not awarded, the performance multiplier was not factored into any compensation decisions.

Table of Contents

In addition, the Compensation Committee has discretion to increase or decrease the amount of the bonus pool based on our financial and stock price performance versus our competitors. For 2012, the Compensation Committee did not exercise this discretion.

Equity Compensation

Equity compensation is granted to our executive officers and other key employees as a long-term, non-cash incentive. Our equity compensation structure is intended to accomplish the following main objectives:

- balance and align the interest of participants and shareholders;
- reward participants for demonstrated leadership and performance in relation to the creation of shareholder value;
- increase equity holding levels of key employees;
- ensure competitive levels of compensation opportunity in line with our peer group; and
- assist in attracting, retaining and motivating key employees, including the Named Executive Officers.

We use stock options and restricted securities granted under the Sensata Technologies Holding N.V. 2010 Equity Incentive Plan (the “2010 Equity Plan”), which was adopted in connection with our initial public offering, as the principal method of providing long-term incentive compensation. Prior to our initial public offering, we granted stock options to our executive officers under the First Amended and Restated Sensata Technologies Holding B.V. 2006 Management Option Plan (the “2006 Option Plan”), and we granted restricted securities to our executive officers under the First Amended and Restated Sensata Technologies Holding B.V. 2006 Management Securities Purchase Plan (the “2006 Purchase Plan”). It is expected that no further grants will be made under the 2006 Option Plan or the 2006 Purchase Plan.

2006 Option Plan. All awards under the 2006 Option Plan are in the form of options exercisable for ordinary shares, and a fixed amount of ordinary shares have been reserved for issuance under this plan. All awards of options under the plan are subject to straight-line time vesting over a five-year period at 20% per year. Certain options are also subject to performance vesting upon the completion of a liquidity event, which is defined to be a sale or an initial public offering that results in specified returns of two times the Sponsor’s investment. All options subject to performance vesting expire upon consummation of a “change in control” or “initial public offering” (each as defined in the 2006 Option Plan) to the extent they do not otherwise performance vest in connection with the change in control or initial public offering, as applicable. We completed the initial public offering of our ordinary shares in March 2010.

Options granted under the 2006 Option Plan are generally not transferable by the holder thereof. Except as otherwise provided in specific option award agreements, options that are fully vested expire 60 days after termination of the holder’s employment for any reason other than termination for cause (in which case the options expire on the holder’s termination date) or due to death or disability (in which case the options expire on the date that is as much as six months after the holder’s termination date). Any holder who exercises an option awarded under the 2006 Option Plan automatically becomes subject to the Company Option Plan Addendum that provides additional terms and conditions applicable to the options. See “Certain Relationships and Related Transactions-First Amended and Restated Management Securityholders Addendum for the Company Option Plan.” The term of all options granted under the 2006 Option Plan may not exceed ten years.

We did not grant any awards under the 2006 Option Plan during fiscal year 2012.

2006 Purchase Plan. All awards of restricted securities under the 2006 Purchase Plan are in the form of ordinary shares. Restricted securities granted under this plan are generally not transferable by the recipient of the securities. Restricted securities that have not vested are subject to forfeiture upon termination of the recipient’s employment for any reason other than involuntary retirement, death or disability. Any recipient of restricted securities under the 2006 Purchase Plan, either by award or purchase, automatically becomes subject to the Company Securities Plan Addendum that provides additional terms and conditions upon which the recipient may hold the restricted securities. See “Certain Relationships and Related Transactions-First Amended and Restated Management Securityholders Addendum for the Company Securities Plan.”

We did not grant any awards under the 2006 Purchase Plan during fiscal year 2012.

2010 Equity Plan. The 2010 Equity Plan is administered by the Compensation Committee, provided that our Board of Directors may resolve that certain specified actions or determinations of the Compensation Committee shall require the approval of the Board. Under this plan, the Compensation Committee may grant stock options, stock appreciation

rights, restricted securities, performance awards, other stock-based awards, other cash-based awards and any combination thereof. Individuals eligible to participate include our officers, directors, employees, consultants and advisors. An aggregate of 5,000,000 ordinary shares have been authorized for grants of awards under the plan, subject to adjustment in certain cases. Each type of equity award that may be granted under the 2010 Equity Plan is discussed below.

Options. Options granted under the 2010 Equity Plan may include incentive stock options and non-qualified stock options. An incentive stock option may only be granted to an employee. The exercise price per share for each option will be determined by the

Table of Contents

Compensation Committee, except that the exercise price may not be less than 100% of the fair market value of an ordinary share on the grant date. In the case of the grant of any incentive stock option to an employee who, at the time of the grant, owns more than 10% of the total combined voting power of all of our classes of stock then outstanding, the exercise price may not be less than 110% of the fair market value of an ordinary share on the grant date. Each option will terminate not later than the expiration date specified in the award agreement pertaining to such option, provided that the expiration date shall not be later than the tenth anniversary of the grant date. The expiration date of an incentive stock option granted to an employee who, at the time of the grant, owns more than 10% of the total combined voting power of all of our classes of stock then outstanding shall not be later than the fifth anniversary of the grant date. The Compensation Committee determines the terms and conditions upon which each option becomes exercisable, which may include time vesting and/or performance vesting.

Restricted Securities. A restricted security is an ordinary share that may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated prior to the end of a restricted period set by the Compensation Committee. The Compensation Committee shall determine the terms and conditions upon which each restricted security becomes vested, which may include time vesting and/or performance vesting, provided no restricted security granted to an employee shall vest in fewer than three years (in the case of a time-vesting award) or one year (in the case of a performance vesting award). A participant granted restricted securities generally has all of the rights of a shareholder, unless the Compensation Committee determines otherwise. Unvested restricted securities are subject to restrictions on transferability and forfeiture in the event of termination of employment with us.

Stock Appreciation Rights. Stock appreciation rights, or SARs, entitle a participant to receive the amount by which the fair market value of an ordinary share on the date of exercise exceeds the base price of the SAR. The Compensation Committee determines the terms and conditions of SARs, provided that the base price of a SAR may not be less than 100% of fair market value of an ordinary share on the grant date. SARs may be subject to time vesting and/or performance vesting.

Performance Awards. The Compensation Committee may grant performance awards under the 2010 Equity Plan upon the achievement of goals or objectives, including performance awards that are intended to qualify as “performance-based compensation” under Section 162(m) of the Internal Revenue Code of 1986, as amended. If a participant ceases to be employed by the Company and its subsidiaries for any reason, any unvested performance award is forfeited.

Other Stock-Based and Cash-Based Awards. The Compensation Committee has the right to grant to any participant other stock-based awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to ordinary shares of the Company, including ordinary shares awarded purely as a bonus and not subject to restrictions or conditions, stock equivalent units, and awards valued by reference to book value of ordinary shares of the Company. The Compensation Committee also has the right to grant to participants other cash-based awards in such amounts, on such terms and conditions and for such consideration, including no consideration, as it may determine in its sole discretion. The Compensation Committee determines the terms and conditions, including vesting terms, if any, of any other stock-based and cash-based awards in its sole discretion.

Awards granted under the 2010 Equity Plan are generally not transferable by the recipient of the award. Unless otherwise specified in an award agreement, in the event of a “change in control” (as defined in the 2010 Equity Plan), if a participant is terminated without “cause” (as defined in the 2010 Equity Plan) within 24 months thereafter, all of such participant’s option, restricted security and SAR awards under the 2010 Equity Plan will be considered 100% vested. Unless the Compensation Committee determines otherwise, if a participant ceases to be employed by the Company and its subsidiaries for any reason, then the portion of such participant’s awards that have not fully vested as of the termination date expire at such time. The portion of a participant’s awards that are not subject to vesting or that have fully vested as of the termination date expire (A) 60 days after the termination date if the participant ceases to be employed by the Company and its subsidiaries for any reason other than termination with “cause” or due to death or disability, (B) on the termination date if the participant’s employment is terminated with “cause,” and (C) in the event the participant dies or suffers a disability, on the date that is six months after the date on which the participant’s employment ceases due to the participant’s death or disability.

During 2012, the Company modified vesting terms of certain awards under the 2006 Option Plan and the 2010 Equity Plan as follows: (1) for each of the options granted on April 1, 2011 and April 1, 2012 to Mr. Wroe, vesting was accelerated and were fully vested on December 17, 2012; (2) each of Mr. Wroe's options granted on June 2, 2006, September 4, 2009, April 1, 2011, and April 1, 2012 were amended to provide that any vested options outstanding at the termination of his employment will continue to be outstanding for the full ten-year term of the option grant; (3) for the restricted securities awarded to Mr. Wroe on December 9, 2009, vesting was accelerated and were fully vested on December 17, 2012; (4) restricted securities awarded to Mr. Wroe's on April 1, 2011 and April 1, 2012 were amended to remove the requirement that he remain employed with the Company until April 1, 2014, and April 1, 2015, respectively. Any restricted securities that vest upon satisfaction of the vesting conditions shall be delivered (if not previously delivered) no later than March 15, 2014 and March 15, 2015 respectively.

Table of Contents

On April 1, 2012, the Compensation Committee granted stock options and restricted securities as set forth in the “Grant of Plan Based Awards Table” below. The options were granted with an exercise price equal to \$33.48 per share, the fair market value of our ordinary shares as of the date of grant, and are subject to straight-line vesting, with 25% vesting each year over a four-year period. The restricted securities vest on April 1, 2015 based upon the relative achievement of the adjusted net income target for the fiscal year ending December 31, 2014, as reflected in the table below. We define adjusted net income (“ANI”) as net income before costs associated with debt refinancing and other financing activities, unrealized loss/(gain) on other hedges and loss on currency translation on debt, amortization of inventory step-up to fair value, amortization and depreciation expense related to the step-up in fair value of fixed and intangible assets, deferred income tax and other tax expense, amortization of deferred financing costs, restructuring and special charges, and other costs.

Cumulative Percentage of Restricted Securities Vested	Percentage of ANI Target Achieved
0%	Less than 90%
50%	90%
75%	95%
100%	100%
125%	105%
150%	110% or greater

The number of stock options granted and restricted securities awarded were intended to serve as compensation for each executive’s performance during 2012, an incentive for each executive to sustain his or her level of performance in the future and as a retention mechanism. The Compensation Committee determined the amount of stock options to be granted and units of restricted stock to be awarded based upon each executive’s market data, retention levels, performance, expertise and role criticality.

Retirement and Other Benefits

The Named Executive Officers are eligible to participate in the retirement and benefit programs as described below. The Compensation Committee reviews the overall cost to the Company of the various programs generally when changes are proposed. The Compensation Committee believes the benefits provided by these programs are important factors in attracting and retaining executive officers, including the Named Executive Officers.

All retirement plans provided for employees duplicate benefits provided previously to participants under plans sponsored by Texas Instruments and recognize prior service with Texas Instruments.

Pension Plan. As part of their post-employment compensation, Ms. Sullivan and Mr. Major participate in the Sensata Technologies Employees Pension Plan. The benefits under this qualified benefit pension plan are determined using a formula based upon years of service and the highest five consecutive years of compensation. Texas Instruments closed the pension plan to participants hired after November 1997. Effective January 31, 2012, this plan was frozen, and as a result, future benefit accruals after this date will be eliminated. See “Pension Benefits” below for more information on the benefits and terms and conditions of our pension plan.

Supplemental Benefit Pension Plan. The Sensata Technologies Supplemental Benefit Pension Plan is a nonqualified benefit payable to participants that represents the difference between the vested benefit actually payable under the Sensata Technologies Employees Pension Plan at the time the participant’s benefit payment(s) commences under this supplemental pension plan and the vested benefit that would be payable under the Sensata Technologies Employees Pension Plan had there been no qualified compensation limit. Effective January 31, 2012, this plan was frozen, and as a result, future benefit accruals after this date have been eliminated.

401(k) Savings Plans. The Named Executive Officers are eligible to participate in our 401(k) savings plans on the same basis as all other eligible employees. During fiscal 2012, we merged Plan B into Plan A creating one plan. The combined plan provides for an employer-matching contribution up to 4% of the employee’s annual eligible earnings. Prior to 2012, the type of plan in which a person participated depended on his or her previous employment with Texas Instruments and whether the individual participated in the Texas Instruments Pension Plan and now participates in the Sensata Technologies Employees Pension Plan. Since 2009, the matching of employees’ contributions under both

401(k) savings plans were discretionary and based on the financial performance of the Company.

34

Table of Contents

Plan A: Dollar for Dollar Matching:

- For new employees, we match dollar for dollar up to 4% of the employee's annual eligible earnings. Messrs. Wroe, Cote, Hureau, and Carter are participants in this plan.

For employees who chose in 1998 to stop participation in the Texas Instruments Pension Plan, we match dollar for dollar up to 4% of the employee's annual eligible earnings. For these employees, in addition to matching the employee's contributions up to 4%, we also contributed 2% of the employee's eligible earnings to the plan, regardless of participation in the plan. Effective January 1, 2012, the additional 2% employer contribution was eliminated.

Plan B: Fifty Cents per Dollar Matching:

For employees who transferred to the Sensata Technologies Employees Pension Plan from the Texas Instruments Pension Plan (but did not retire under), we matched \$0.50 per \$1.00 contributed by the employee, up to 4% of the employee's annual eligible earnings. Ms. Sullivan and Mr. Major are participants in this plan. Effective January 1, 2012, the employer-matching contribution was increased to match dollar for dollar up to 4% of the employee's annual eligible earnings.

In 2012, based on the judgment of our Chief Executive Officer, the Board of Directors and the Compensation Committee with respect to our financial performance, we matched the contributions by employees on a dollar-for-dollar basis to our U.S. 401(k) Savings Plans as described above. The decision to match was based on stronger financial performance in 2012 compared to 2011.

Health and Welfare Plans. We provide medical, dental, vision, life insurance and disability benefits to all eligible non-contractual employees. The Named Executive Officers are eligible to participate in these benefits on the same basis as all other employees.

Post-Employment Medical Plan. In general, employees, including the Named Executive Officers, with 20 or more years of service, including time worked at Texas Instruments, are eligible for Retiree Health & Dental benefits from us. Individuals hired on or after January 1, 2007 and individuals who retired from Texas Instruments, including Messrs. Wroe, Cote, Hureau, and Carter, are not eligible for Retiree Health & Dental benefits from us. Ms. Sullivan and Mr. Major are eligible for this plan.

Perquisites. In addition to the components of compensation discussed above, we offer perquisites to the Named Executive Officers, in the form of financial counseling, and to the Chief Executive Officer, in the form of a housing allowance. See "Summary Compensation Table" below for a summary of the reportable perquisites for the Named Executive Officers.

Employment Agreements, Change-In-Control Provisions and One-Time Payments

We have employment agreements in place with all of the Named Executive Officers. Because each of the Named Executive Officers is a U.S. resident, the employment agreements are with our primary operating subsidiary in the U.S., STI. The agreements are for a one-year term, automatically renewing for successive additional one-year terms. Each Named Executive Officer is entitled to an annual base salary and is eligible to earn an annual incentive bonus in an amount equal to a certain percentage of his or her annual base salary, as previously described. If any Named Executive Officer, other than Mr. Wroe, is terminated without "cause" or if the Named Executive Officer terminates his or her employment for "good reason" during the employment term, then the Named Executive Officer will be entitled to a severance payment equal to one year of his or her annual base salary rate plus an amount equal to the average of the Named Executive Officer's annual bonus for the two years preceding his or her termination. Under Mr. Wroe's employment agreement prior to his retirement, if he was terminated without "cause" or he terminated his employment for "good reason" during his employment term, Mr. Wroe would have been entitled to a severance payment equal to two years of his annual base salary rate plus an amount equal to the annual bonus payments Mr. Wroe received for the two years preceding his termination. As described below, we entered into a Separation Agreement with Mr. Wroe in connection with his retirement.

Ms. Sullivan entered into an amended and restated employment agreement as of January 1, 2013 that includes severance provisions substantially similar to those under Mr. Wroe's former employment agreement.

Table of Contents

Under the employment agreements, “cause” means one or more of the following: (i) the indictment for a felony or other crime involving moral turpitude or the commission of any other act or any omission to act involving fraud with respect to the Company or any of its subsidiaries or any of their customers or suppliers; (ii) any act or any omission to act involving dishonesty or disloyalty which causes, or in the good faith judgment of STI’s Board of Directors would be reasonably likely to cause, material harm (including reputational harm) to the Company or any of its subsidiaries or any of their customers or suppliers; (iii) any (A) repeated abuse of alcohol or (B) abuse of controlled substances, in either case, that adversely affects the Named Executive Officer’s work performance (and, in the case of clause (A), continues to occur at any time more than 30 days after the Named Executive Officer has been given written notice thereof) or brings the Company or its subsidiaries into public disgrace or disrepute; (iv) the failure by the Named Executive Officer to substantially perform duties as reasonably directed by STI’s Board of Directors or the Named Executive Officer’s supervisor(s), which non-performance remains uncured for 10 days after written notice thereof is given to the Named Executive Officer; (v) willful misconduct with respect to the Company or any of its subsidiaries, which misconducts causes, or in the good faith judgment of STI’s Board of Directors would be reasonably likely to cause, material harm (including reputational harm) to the Company or any of its subsidiaries; or (vi) any breach by the Named Executive Officer of certain provisions of the employment agreements or any other material breach of the employment agreements, the 2006 Purchase Plan or 2006 Option Plan.

Under the employment agreements, “good reason” means the Named Executive Officer resigns from employment with STI and its subsidiaries prior to the end of the term of his or her employment agreement as a result of one or more of the following reasons: (i) any reduction in base salary or bonus opportunity, without prior consent, in either case other than any reduction which (A) is generally applicable to senior leadership team executives of STI and (B) does not exceed 15% of the Named Executive Officer’s base salary and bonus opportunity in the aggregate; (ii) any material breach by the Company or any of its subsidiaries of any agreement with the Named Executive Officer; (iii) a change in principal office without prior consent to a location that is more than 50 miles from the Named Executive Officer’s principal office on the date hereof; (iv) delivery by STI of a notice of non-renewal of the term of the employment agreement; or (v) in the case of Mr. Wroe’s and Ms. Sullivan’s agreements, a material diminution in job responsibilities without prior consent; provided that any such reason was not cured by STI within 30 days after delivery of written notice thereof to STI; and further provided that, in each case, written notice of a Named Executive Officer’s resignation with good reason must be delivered to STI within 30 days after the Named Executive Officer has actual knowledge of the occurrence of any such event in order for the Named Executive Officer’s resignation with good reason to be effective there under.

Pursuant to the Separation Agreement that STI and Mr. Wroe entered into in connection with his retirement, Mr. Wroe is entitled to receive: (i) his annual bonus for fiscal year 2012, if any, as determined by the Compensation Committee; (ii) all amounts and benefits to which he is entitled under any welfare plan or arrangement of the Company through December 31, 2012; (iii) any unpaid salary, accrued but unused vacation and personal time and expense reimbursements in accordance with his employment agreement through December 31, 2012; (iv) a payment of \$1,351,965 payable on December 31, 2012; and (v) severance compensation in accordance with his employment agreement in the aggregate amount of \$3,511,120, payable in periodic installments until December 2014.

We believe that these agreements serve to maintain the focus of our Named Executive Officers and ensure that their attention, efforts and commitment are aligned with maximizing our success. These agreements avoid distractions involving executive management that arise when our Board of Directors is considering possible strategic transactions involving a change in control and assure continuity of executive management and objective input to the Board when it is considering any strategic transaction.

For more information regarding change-in-control arrangements, please see “Potential Payments upon Termination or a Change in Control” below.

Risk Management and Assessment

In setting the Company’s compensation policies and practices, including the compensation of the Named Executive Officers, the Compensation Committee considers the risks to the Company’s shareholders and the achievement of the Company’s goals that may be inherent in such policies and practices. Although a significant portion of our executives’ compensation is performance-based and “at-risk,” the Compensation Committee believes the compensation policies and

practices that the Company has adopted are appropriately structured and are not reasonably likely to materially adversely affect the Company. In particular:

The Company believes that incentive programs tied to the achievement of the Company's strategic objectives, financial performance goals and specific individual goals appropriately focus executives, including the Named Executive Officers, and other employees on shareholder value.

A significant portion of variable compensation is delivered in equity (stock options and restricted securities) with multi-year vesting. The Company believes that equity compensation helps reduce compensation risk by balancing financial and strategic goals against other factors management may consider to ensure long-term shareholder value is being sought.

The Company believes that stock ownership guidelines and vesting restrictions on equity awards serve as effective retention mechanisms and align the interests of employees, including the Named Executive Officers, with long-term shareholder value.

Table of Contents

Report of the Compensation Committee of the Board of Directors

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis provided above. Based on its review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

From the members of the Compensation Committee of Sensata Technologies Holding N.V.:

Michael Ward, Chairman

Lewis Campbell

Stephen Zide

37

Table of Contents

Summary Compensation Table

The following table sets forth information required under applicable SEC rules about the compensation for the fiscal years ended December 31, 2012, 2011, and 2010 of (i) our Chief Executive Officer, (ii) our Chief Financial Officer, and (iii) our four most highly compensated other executive officers who were serving as officers on December 31, 2012 (collectively, the “Named Executive Officers”).

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽³⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁹⁾	Total (\$)
Thomas Wroe, Jr. ⁽⁵⁾ Chief Executive Officer	2012	800,040	—	1,272,135	2,648,388	—	4,996,407	9,716,970
	2011	785,040	560,000	990,783	2,090,322	—	97,574	4,523,719
	2010	726,290	2,115,000	—	120,400	—	120,471	3,082,161
Martha Sullivan President	2012	580,830	—	595,944	1,154,538	636,443	26,942	2,994,697
	2011	506,240	370,000	577,665	1,172,640	557,562	21,133	3,205,240
	2010	452,083	1,215,000	—	—	358,467	20,350	2,045,900
Jeffrey Cote ⁽⁶⁾ Chief Operating Officer	2012	469,730	—	3,510,176	989,604	—	27,985	4,997,495
	2011	436,060	315,000	493,641	1,004,418	—	12,404	2,261,523
	2010	397,667	1,140,000	—	—	—	15,490	1,553,157
Robert Hureau ⁽⁷⁾ Chief Financial Officer	2012	350,100	—	137,268	264,110	—	11,951	763,429
	2011	261,770	120,000	232,416	465,142	—	10,438	1,089,766
Steven Major ⁽⁸⁾ Senior Vice President, Sensors	2012	374,040	—	271,188	528,220	393,914	26,566	1,593,928
	2011	367,030	200,000	262,575	535,362	336,037	17,055	1,718,059
	2010	340,207	500,000	169,920	329,966	214,412	20,157	1,574,662
Martin Carter Senior Vice President, Controls	2012	354,015	—	271,188	528,220	—	10,726	1,164,149
	2011							