

TRAVELERS COMPANIES, INC.

Form 424B5

July 26, 2013

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Filed Pursuant to Rule 424(b)(5)  
Registration Statement No. 333-189434

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(1) \$68,200</b>
<b>Securities to be Registered</b> 4.60% Senior Notes due 2043	\$500,000,000	

(1) The filing fee of \$68,200 is calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended (the Securities Act ).

**Table of Contents****Prospectus Supplement**

(to Prospectus dated June 19, 2013)

**The Travelers Companies, Inc.****\$500,000,000 4.60% Senior Notes due 2043**

We are offering \$500,000,000 aggregate principal amount of 4.60% senior notes due 2043 (the "senior notes"). Interest on the senior notes is payable on February 1 and August 1 of each year, beginning on February 1, 2014. The senior notes will mature on August 1, 2043. We may redeem the senior notes in whole or in part at any time at the redemption prices described herein.

The senior notes will be unsecured senior obligations of our company and will rank equally with all of our other unsecured senior indebtedness. The senior notes will be issued only in registered form in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

**Investing in the senior notes involves risks. See "A Special Note Regarding Forward-Looking Statements" beginning on page S-3, "Risk Factors" contained in our Annual Report on Form 10-K for the year ended December 31, 2012 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of the factors you should carefully consider before deciding to purchase any senior notes.**

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

	Per Senior Note	Total
Public Offering Price(1)	99.742%	\$ 498,710,000
Underwriting Discounts	0.875%	\$ 4,375,000
Proceeds to The Travelers Companies, Inc. (before expenses)	98.867%	\$ 494,335,000

(1) Plus accrued interest, if any, from and including August 1, 2013, if settlement occurs after that date.

The underwriters expect to deliver the senior notes to investors on or about August 1, 2013, in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank N.V./S.A.

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**Morgan Stanley**

*Joint Lead Managers*

**Citigroup**

**US Bancorp**

*Senior Co-Manager*

**HSBC**

*Co-Managers*

**Barclays**

**Credit Suisse**

**J.P. Morgan**

**Wells Fargo Securities**

The date of this prospectus supplement is July 25, 2013.

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

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### **ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and other matters relating to us and our financial condition. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which may not apply to this offering.

If information varies between this prospectus supplement and the accompanying prospectus or the documents incorporated by reference, you should rely on the information in this prospectus supplement.

Unless we have indicated otherwise, or the context otherwise requires, the terms Travelers, the company, we, us and our mean The Travelers Companies, Inc. and its consolidated subsidiaries.

### **WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at the SEC's Public Reference Room at 100 F. Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our common stock is traded on the New York Stock Exchange under the symbol TRV. You may inspect the reports, proxy statements and other information concerning us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. You may find additional information about us at our web site at <http://www.travelers.com>, our Facebook page at <https://www.facebook.com/travelers> and our Twitter account (@TRV-Insurance) at [https://twitter.com/TRV\\_Insurance](https://twitter.com/TRV_Insurance). The information on our web site and our sites at social media outlets is not incorporated by reference into this prospectus supplement or the accompanying prospectus.

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 prior to the termination of the offering under this prospectus supplement:

Annual Report on Form 10-K for the year ended December 31, 2012, as amended by Annual Report on Form 10-K/A for the year ended December 31, 2012;

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013; and

Current Reports on Form 8-K filed on March 21, 2013, May 24, 2013, June 10, 2013 and June 12, 2013.  
You may request a copy of these filings at no cost, by writing or telephoning us at the following address:

The Travelers Companies, Inc.

Attn: Corporate Secretary

485 Lexington Avenue

New York, NY 10017

Telephone No.: (917) 778-6000

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights information contained elsewhere, or incorporated by reference, in this prospectus supplement and the accompanying prospectus. As a result, it does not contain all of the information that you should consider before investing in the senior notes. You should read this prospectus supplement, the accompanying prospectus, any related free writing prospectus issued by us and the documents incorporated by reference, which are described under *Where You Can Find More Information* on page ii of this prospectus supplement and page 4 of the accompanying prospectus. This prospectus supplement and the accompanying prospectus contain or incorporate by reference forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995). Forward-looking statements should be read with the cautionary statements and important factors included under *A Special Note Regarding Forward-Looking Statements* in this prospectus supplement.*

**The Travelers Companies, Inc.**

The Travelers Companies, Inc. is a holding company principally engaged, through its subsidiaries, in providing a wide range of commercial and personal property and casualty insurance products and services to businesses, government units, associations and individuals. The company is incorporated as a general business corporation under the laws of the state of Minnesota and is one of the oldest insurance organizations in the United States, dating back to 1853.

The principal executive offices of the company are located at 485 Lexington Avenue, New York, New York 10017, and its telephone number is (917) 778-6000. The company also maintains executive offices in Hartford, Connecticut, and St. Paul, Minnesota.

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**The Offering**

<b>Issuer</b>	The Travelers Companies, Inc., a Minnesota corporation.
<b>Securities Offered</b>	\$500,000,000 aggregate principal amount of 4.60% senior notes due 2043 (which we refer to as the senior notes ).
<b>Maturity</b>	The senior notes will mature on August 1, 2043.
<b>Interest</b>	The senior notes will bear interest at 4.60% per year. Interest on the senior notes will be payable semi-annually in arrears on February 1 and August 1 of each year, commencing February 1, 2014. Interest will accrue from and including August 1, 2013.
<b>Redemption</b>	We may redeem the senior notes at our option on not less than 30 days , but not more than 60 days , prior written notice, in whole or in part, at the redemption price set forth under the caption Description of the Senior Notes Optional Redemption in this prospectus supplement.
<b>Certain Covenants</b>	The indenture governing the senior notes contains certain covenants that, among other things, limit our ability to create, issue, assume, incur or guarantee any indebtedness for borrowed money that is secured by a mortgage, pledge, lien, security interest or other encumbrance on any voting stock, as defined in the indenture, of a designated subsidiary, as defined in the indenture. See Description of Debt Securities We May Offer Restrictive Covenants in the accompanying prospectus.
<b>Ranking</b>	The senior notes will be unsecured and rank equally with all our other unsecured senior debt. The indenture under which the senior notes will be issued does not limit our ability to issue or incur other additional senior indebtedness. See Description of Debt Securities We May Offer in the accompanying prospectus. The senior notes will be issued only in registered form in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.
<b>Use of Proceeds</b>	We estimate that we will receive net proceeds from the offering of approximately \$493 million, after deduction of underwriting discounts and estimated expenses payable by us. We intend to use the net proceeds of this offering for general corporate purposes and to fund a portion of the purchase price of our acquisition of The Dominion of Canada General Insurance Company (the Acquisition ). See Use of Proceeds in this prospectus supplement.
<b>Listing</b>	The senior notes will not be listed on any exchange.





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**A SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus, any free writing prospectus issued by us and the documents incorporated by reference herein contain, and management may make, certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. Words such as may, will, should, likely, anticipates, expects, intends, plans, projects, believes, estimates and similar expressions are forward-looking statements. Specifically, statements about our share repurchase plans, expected margin improvement, future pension plan contributions and the potential impact of investment markets and other economic conditions on our investment portfolio and underwriting results, among others, are forward looking, and we may also make forward-looking statements about, among other things:

our results of operations and financial condition (including, among other things, premium volume, premium rates, net and operating income, investment income and performance, loss costs, return on equity, and expected current returns and combined ratios);

the sufficiency of our asbestos and other reserves;

the impact of emerging claims issues as well as other insurance and non-insurance litigation;

the cost and availability of reinsurance coverage;

catastrophe losses;

the impact of investment, economic and underwriting market conditions;

strategic initiatives, including initiatives to improve profitability and competitiveness; and

the potential closing date and impact of our merger and acquisition transactions, including the Acquisition, and the financing plans related to such transactions.

We caution investors that such statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

Some of the factors that cause actual results to differ include, but are not limited to, the following:

catastrophe losses could materially and adversely affect our results of operations, our financial position and/or liquidity, and could adversely impact our ratings, our ability to raise capital and the availability and cost of reinsurance;

during or following a period of financial market disruption or economic downturn, our business could be materially and adversely affected;

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if actual claims exceed our claims and claim adjustment expense reserves, or if changes in the estimated level of claims and claim adjustment expense reserves are necessary, our financial results could be materially and adversely affected;

our investment portfolio may suffer reduced returns or material realized or unrealized losses;

our business could be harmed because of our potential exposure to asbestos and environmental claims and related litigation;

we are exposed to, and may face adverse developments involving, mass tort claims such as those relating to exposure to potentially harmful products or substances;

the effects of emerging claim and coverage issues on our business are uncertain;

the intense competition that we face could harm our ability to maintain or increase our business volumes and our profitability;

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we may not be able to collect all amounts due to us from reinsurers and reinsurance coverage may not be available to us in the future at commercially reasonable rates or at all;

we are exposed to credit risk in certain of our business operations;

within the United States, our businesses are heavily regulated by the states in which we conduct business, including licensing and supervision, and changes in regulation may reduce our profitability and limit our growth;

changes in federal regulation could impose significant burdens on us and otherwise adversely impact our results;

a downgrade in our claims-paying and financial strength ratings could adversely impact our business volumes, adversely impact our ability to access the capital markets and increase our borrowing costs;

the inability of our insurance subsidiaries to pay dividends to our holding company in sufficient amounts would harm our ability to meet our obligations, pay future shareholder dividends or make future share repurchases;

disruptions to our relationships with our independent agents and brokers could adversely affect us;

our efforts to develop new products or expand in targeted markets may not be successful and may create enhanced risks;

changes in U.S. tax laws or in the tax laws of other jurisdictions in which we operate could adversely impact us;

we may be adversely affected if our pricing and capital models provide materially different indications than actual results;

our business success and profitability depend, in part, on effective information technology systems and on continuing to develop and implement improvements in technology;

if we experience difficulties with technology, data security and/or outsourcing relationships, our ability to conduct our business could be negatively impacted;

we are subject to a number of risks associated with our business outside the United States;

new regulations outside of the U.S., including in the European Union, could adversely impact our results of operations and limit our growth;

acquisitions and integration of acquired businesses, including the planned Acquisition, may result in operating difficulties and other unintended consequences;

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changes to existing accounting standards may adversely impact our reported results;

we could be adversely affected if our controls to ensure compliance with guidelines, policies and legal and regulatory standards are not effective;

our businesses may be adversely affected if we are unable to hire and retain qualified employees;

loss of or significant restriction on the use of credit scoring in the pricing and underwriting of Personal Insurance products could reduce our future profitability;

our repurchase plans depend on a variety of factors, including our financial position, earnings, share price, catastrophe losses, maintaining capital levels commensurate with our desired ratings from independent rating agencies, funding of our qualified pension plan, capital requirements of our operating subsidiaries, legal requirements, regulatory constraints, other investment opportunities (including mergers and related financings), market conditions and other factors;

we may not achieve the anticipated benefits of our transactions or our strategic initiatives, including in Personal Insurance, or complete a transaction that is subject to closing conditions; and

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conditions in the capital markets may not be suitable for us to incur additional indebtedness and/or to issue preferred stock to finance our merger and acquisition transactions, including the Acquisition.

Our forward-looking statements speak only as of the date of this prospectus supplement or as of the date they are made, and we undertake no obligation to update forward-looking statements. For a more detailed discussion of these factors, see the information under the caption "Risk Factors" in our most recent annual report on Form 10-K and our most recent quarterly report on Form 10-Q filed with the SEC and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent annual report on Form 10-K and our most recent quarterly report on Form 10-Q filed with the SEC.

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

We estimate that we will receive net proceeds from the offering of approximately \$493 million, after deduction of underwriting discounts and estimated expenses payable by us. We intend to use the net proceeds of this offering for general corporate purposes and to fund a portion of the purchase price of the Acquisition.

**CAPITALIZATION**

The following table sets forth our consolidated capitalization at June 30, 2013:

on an actual basis; and

as adjusted to give effect to our receipt of the net proceeds we expect to receive from the sale of the senior notes in this offering.

	<b>At June 30, 2013</b>	
	<b>Actual</b>	<b>As Adjusted</b>
	<b>(in millions)</b>	
Debt	\$ 5,852	\$ 6,345
Shareholders' equity:		
Common stock	21,367	21,367
Retained earnings	22,806	22,806
Accumulated other comprehensive income	720	720
Treasury stock, at cost	(20,003)	(20,003)
<b>Total shareholders' equity</b>	<b>24,890</b>	<b>24,890</b>
<b>Total capitalization</b>	<b>\$ 30,742</b>	<b>\$ 31,235</b>

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The following tables set forth selected consolidated financial information that is qualified in its entirety by and should be read in conjunction with our audited and unaudited consolidated financial statements and related Management's Discussion and Analysis of Financial Condition and Results of Operations sections in our reports filed with the SEC and incorporated by reference in this prospectus supplement. The statement of operations and other data presented below for the years ended December 31, 2012, 2011 and 2010 and the balance sheet data presented below at December 31, 2012 and 2011 are derived from our audited consolidated financial statements contained in reports incorporated by reference in this prospectus supplement. The statement of operations and other data presented below for the years ended December 31, 2009 and 2008 and the balance sheet data presented below at December 31, 2010, 2009 and 2008 are derived from our audited consolidated financial statements contained in reports not incorporated by reference in this prospectus supplement. The statement of operations and other data presented below for the six months ended June 30, 2013 and 2012 and the balance sheet data presented below at June 30, 2013 are derived from our unaudited consolidated financial statements contained in a report incorporated by reference in this prospectus supplement. The balance sheet data presented below at June 30, 2012 are derived from our unaudited consolidated financial statements contained in a report not incorporated by reference in this prospectus supplement. In the opinion of management, our unaudited consolidated financial statements at and for the six months ended June 30, 2013 and 2012 include all adjustments necessary for a fair presentation of results and financial condition at the dates and for the unaudited interim periods. Historical results are not necessarily indicative of results to be expected for any future period.

	<b>At and for the six months ended June 30,</b>		<b>At and for the year ended December 31,</b>				
	<b>2013</b>	<b>2012</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>(in millions, except per share amounts)</b>						
Total revenues	\$ 13,002	\$ 12,751	\$ 25,740	\$ 25,446	\$ 25,112	\$ 24,680	\$ 24,477
Net income	\$ 1,821	\$ 1,305	\$ 2,473	\$ 1,426	\$ 3,216	\$ 3,622	\$ 2,924
Total investments	\$ 71,267	\$ 72,944	\$ 73,838	\$ 72,701	\$ 72,722	\$ 74,965	\$ 70,738
Total assets	101,900	104,330	104,938	104,575	105,631	110,013	110,088
Claims and claim adjustment expense reserves	49,620	50,793	50,922	51,392	51,581	53,580	55,179
Total long-term debt	5,852	6,349	5,750	6,255	6,502	6,154	5,939
Total liabilities	77,010	79,281	79,533	80,098	80,156	82,598	84,769
Total shareholders equity	24,890	25,049	25,405	24,477	25,475	27,415	25,319
<b>Net income per share:(1)</b>							
Basic	\$ 4.80	\$ 30,100	218,600				

D.

Vanderhorst

CFO	2015	139,700	-	-	1,300	-	-	14,200	155,200
	2014	133,000	-	-	1,800	-	-	7,800	142,600

[1] A discussion of the methods used in calculation of these values may be found in Note 7 to our consolidated financial statements in our Annual Report on Form 10-K. Reflects the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year computed in accordance with ASC 718 "Stock Based Compensation".

[2] Reflects amounts primarily for unused vacation pay and auto allowance benefits.





OUTSTANDING EQUITY AWARDS TABLE AT FISCAL YEAR-END TABLE

The following table discloses information regarding outstanding options held by our named executive officers as of the end of our last completed fiscal year December 31, 2015.

Name	Option Awards [1]				Stock Awards				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Exercisable Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Market Value of Shares or Units (#)	Market Value of Shares or Units (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
S. Wang CEO	30,000	-	-	1.33	7/5/2016	-	-	-	-
	40,000	-	-	1.00	7/26/2017	-	-	-	-
	11,667	23,333	-	1.07	4/10/2019	-	-	-	-
	-	35,000	-	1.09	6/19/2020	-	-	-	-
D. Vanderhorst CFO	10,000	-	-	2.45	12/2/2016	-	-	-	-
	7,000	-	-	1.57	3/20/2018	-	-	-	-
	5,000	-	-	0.84	5/6/2019	-	-	-	-
	9,000	-	-	1.21	7/5/2021	-	-	-	-
	8,000	-	-	0.91	7/26/2022	-	-	-	-
	2,667	5,333	-	0.97	4/10/2024	-	-	-	-
	-	10,000	-	0.99	6/16/2025	-	-	-	-

[1] All options vest in three (3) equal annual installments beginning one (1) year from the date of grant and are subject to termination provisions as defined in the Plan.

REPORT OF THE AUDIT COMMITTEE

Since 1995, the Company has had an Audit Committee composed entirely of independent directors. The members of the Audit Committee meet the independence and experience requirements of NASDAQ listing standards. The Audit Committee has adopted, and the Board of Directors approved, a charter outlining the practices it follows.

During the fiscal year 2015, the Audit Committee held one (1) formal meeting with the senior members of the Company's financial management team. During that meeting, management reviewed the audited financial statements

in the Annual Report with the Audit Committee, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. Additionally, the Audit Committee discussed written disclosures from the independent auditors' discussing matters required by PCAOB Auditing Standard No. 16, "Communications with Audit Committees" and confirmed the auditors' independence with respect to the Company in accordance with Public Company Accounting Oversight Board Rule 3526, "Communication with Audit Committees Concerning Independence". The Audit Committee also has considered whether the independent auditors' provision of non-audit services to the Company is compatible with the auditors' independence. The Audit Committee has concluded that the independent auditors are independent from the Company and its management. The Audit Committee discussed with the Company's independent auditors the overall scope and plans for their respective audit. In addition, Mr. Miller discussed the results of the annual audit with the independent registered public accounting firm prior to the filing of our financial statements for related periods.

In performing all of these functions, the Audit Committee acts only in an oversight capacity. The Audit Committee does not complete its reviews prior to the Company's public announcements of financial results and, necessarily, in its oversight role, the Audit Committee relies on the work and assurances of the Company's management, which has the primary responsibility for financial statements and reports, and of the independent auditors, who, in their report, express an opinion on the conformity of the Company's annual financial statements to generally accepted accounting principles in the United States of America.

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In reliance on these reviews and discussions, and the report of the independent auditors, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, for filing with the SEC.

**AUDIT COMMITTEE**

Richard Chiang  
 Felix Sung  
 Craig Miller, Chairman

The information in this Audit Committee Report shall not be deemed to be "soliciting material," or to be "filed" with the SEC or to be subject to Regulation 14A or 14C as promulgated by the SEC, or to the liabilities of Section 18 of the Exchange Act, and shall not be deemed to be incorporated by reference in future filings with the SEC except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934.

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee and Board of Directors has appointed the firm of Anton & Chia LLP as its independent registered public accounting firm for 2016.

Fees Paid to Independent Registered Public Accounting Firms. The following table presents the aggregate fees billed for the indicated services performed for the last two (2) fiscal years ended December 31:

	2015	2014
Audit Fees	\$58,000	\$55,000
Audit-Related Fees		
Tax Fees	-	-
All Other Fees	-	-
Total	\$58,000	\$55,000

**Audit Fees.** Fees for audit services, as approved by the Audit Committee and provided by our principal accountants, including fees associated with the annual audit and quarterly interim reviews.

**Audit-Related Fees.** Fees for audit-related services reasonably related to the performance of the audit or review of our financial statements, were not provided by our principal accountant for 2015 or 2014. The Company paid fees totaling approximately \$3,000 in both 2015 and 2014 years to Rob Thomas, an independent professional tax accountant, for services related to the preparation of our tax provision.

**Tax Fees.** Fees for tax services were not provided by our principal accountant for 2015 or 2014. The Company paid fees totaling approximately \$4,000 in both 2015 and 2014 years to Rob Thomas, an independent professional tax accountant, for the preparation of our federal and multi-state tax returns.

**Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services.** Consistent with policies of the Securities and Exchange Commission regarding auditor independence, the Audit Committee has responsibility for appointing, setting compensation and overseeing the work of the independent auditors. In recognition of this responsibility, the Audit Committee has established a policy to pre-approve all audit and permissible non-audit services provided by the independent auditors. Our Audit Committee will consider whether the provision of non-audit services is compatible with maintaining the independent auditor's independence, and will approve such services, should such a situation arise.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the year ended December 31, 2015, the Company purchased electronic component products of approximately \$71,000 from Princeton Technology Corporation (“PTC”), a company controlled by Mr. Chiang, a director of the Company. All of these purchases were for products carried by the Company in inventory and the Company considers these purchases to be in the normal course of business and negotiated on an arm’s length basis. The Company has entered into a distributor agreement with PTC, and accordingly, the Company expects to continue purchasing from PTC in the future.

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During the year ended December 31, 2015, the Company made payments to K.S. Best International Co. Ltd., a company controlled by the brother of the Company's Chief Executive Officer. These payments were \$24,000 for professional fees related to the operational management of the Company's Taiwan office and \$53,000 for interest expenses incurred on our outstanding line of credit facility. The Company considers these payments to be in the normal course of business and negotiated on an arm's length basis.

#### REVIEW, APPROVAL OR RATIFICATION OF TRANSACTIONS WITH RELATED PERSONS

The Company's Board of Directors has adopted a related person transactions policy. The Audit Committee reviews transactions that may be "related-person transactions," which are transactions between the Company and related persons in which the aggregate amount involved exceeds or may be expected to exceed \$120,000 and in which a related person has or will have a direct or indirect material interest. For purposes of the policy, a related person is a director, executive officer, nominee for director, or a greater than 5% beneficial owner of the Company's common stock, in each case, since the beginning of the last fiscal year, and their immediate family members. The Audit Committee reviews the material facts of all related-person transactions and either approves, ratifies, rescinds, or takes other appropriate action (in its discretion) with respect to the transaction.

#### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of March 31, 2016 certain information regarding the ownership of the Company's Common Stock by (i) each person (including any group) known by the Company to be the beneficial owner of more than 5% of the outstanding shares of Common Stock, (ii) each of the Company's directors and director nominees, (iii) the Named Executive Officer, and (iv) all of the Company's Named Executive Officer and directors as a group. As of March 31, 2016, the Company had issued and outstanding 4,768,235 shares of Class A Common Stock and 762,612 shares of Class B Common Stock. Unless otherwise indicated, the address of each of the executive officers and directors named below is c/o Taitron Components Incorporated, 28040 West Harrison Parkway, Valencia, California 91355.

Name and Address of Beneficial Owner	Class A Common Stock (1)		Options Exercisable in 60 days	Class B Common Stock (1)		Voting Percent All classes of Common Stock (1)
	Number of Shares	Percent of Class		Number of Shares	Percent of Class	
<b><u>Executive Officers and Directors:</u></b>						
Stewart Wang	1,253,438 (2)	26.3 %	105,000	762,612	100 %	61.5 % (4)
Tzu Sheng (Johnson) Ku	1,154,391 (3)	24.2 %	30,000			9.6 %
Richard Chiang	24,694	*	45,000			*
Felix Sung	26,727	*	45,000			*
Craig Miller	-	*	45,000			*
David Vanderhorst	31,872	*	47,667			*
All directors and executive officers as a group (6 persons)						
	2,491,122	52.2 %		762,612	100 %	78.0 %
<b><u>5% Shareholders:</u></b>						
None						

\* = less than 1%

Beneficial ownership is determined in accordance with rules of the Securities and Exchange Commission that deem shares to be beneficially owned by any person who has or shares voting or investment power with respect to (1) the shares. Unless otherwise indicated, the persons named in this table have sole voting and sole investment power with respect to all shares shown as beneficially owned, subject to community property laws where applicable.

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- (2) Includes 762,612 shares of Class A Common Stock issuable upon conversion of the 762,612 shares of Class B Common Stock owned by Mr. Wang, and 446,887 shares owned by 401(k) trust.
- (3) Includes 81,962 shares owned by Mr. Ku's wife, and 419,164 shares owned by 401(k) trust. Excludes 762,612 shares of Class A Common Stock issuable upon conversion of the 762,612 shares of Class B Common Stock owned by Mr. Wang. The percentage of all classes owned represents the combined voting power of the Class A and Class B shares held by Mr. Wang. Mr. Wang is entitled to cast 10 votes for each share of Class B Common stock held.
- (4)

#### SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's officers and directors, and persons who own more than 10% of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors and greater than 10% shareholders are required to furnish the Company with copies of all Section 16(a) forms they file. Based solely on its review of the copies of the forms received by it, or written representations from certain reporting persons that Section 16(a) forms were required and filed by those persons, the Company believes that, during the year ended December 31, 2015, all of these reports were timely filed.

#### PROPOSALS OF SHAREHOLDERS

Any shareholder who intends to present a proposal at the 2016 Annual Meeting of Shareholders for inclusion in the Company's Proxy Statement and proxy form relating to the 2017 Annual Meeting must submit the proposal to the Company at its principal executive offices by December 31, 2016. In addition, in the event a shareholder proposal is not received by the Company by December 31, 2016, the proxy to be solicited by the Board of Directors for the 2017 Annual Meeting will confer discretionary authority on the holders of the proxy to vote the shares if the proposal ultimately is presented at the 2017 Annual Meeting without any discussion of the proposal in the Proxy Statement for that meeting.

The rules and regulations of the Securities and Exchange Commission provide that if the date of the Company's 2017 Annual Meeting is advanced or delayed more than 30 days from the date of the 2016 Annual Meeting, shareholder proposals intended to be included in the proxy materials for the 2017 Annual Meeting must be received by the Company within a reasonable time before the Company begins to print and mail the proxy materials for the 2017 Annual Meeting. Upon determination by the Company that the date of the 2017 Annual Meeting will be advanced or delayed by more than 30 days from the date of the 2016 Annual Meeting, the Company will disclose that change in the earliest possible Quarterly Report on Form 10-Q.

#### DELIVERY OF DOCUMENTS TO SECURITY HOLDERS SHARING AN ADDRESS

The Company is delivering this Proxy Statement to all stockholders of record as of the Record Date. Stockholders residing in the same household who hold their shares in the name of a bank, broker or other holder of record may receive only one (1) Annual Report and Proxy Statement if previously notified by their bank, broker or other holder. This process by which only proxy statement, as the case may be, is delivered to multiple security holders sharing an address, unless contrary instructions are received from one (1) or more of the security holders, is called "householding." Householding may provide convenience for stockholders and cost savings for companies. Once begun, householding may continue unless instructions to the contrary are received from one (1) or more of the stockholders within the household.

Street name stockholders in a single household who received only one (1) copy of the Annual Report and Proxy Statement may request to receive separate copies in the future by following the instructions provided on the voting instruction form sent to them by their bank, broker or other holder of record. Similarly, street name stockholders who

are receiving multiple copies may request that only a single set of materials be sent to them in the future by checking the appropriate box on the voting instruction form. Alternatively, street name stockholders whose holders of record utilize the services of Broadridge (as indicated on the voting instruction form sent to them) may send written instructions to Householding Department, 51 Mercedes Way, Edgewood, New York 11717 or call (631) 254-7067. The instructions must include the stockholder's name and account number and the name of the bank, broker or other holder of record. Otherwise, street name stockholders should contact their bank, broker or other holder.

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Copies of this Proxy Statement and the 2015 Annual Report on Form 10-K is available promptly by calling (661) 257-6060, or by writing to Attention: Investor Relations, Taitron Components Incorporated, 28040 West Harrison Parkway, Valencia, California 91355. If you are receiving multiple copies of this Proxy Statement and the Annual Report, you also may request orally or in writing to receive a single copy of this Proxy Statement and the Annual Report by calling (661) 257-6060, or writing to Attention: Investor Relations, Taitron Components Incorporated, 28040 West Harrison Parkway, Valencia, California 91355.

#### OTHER MATTERS

The Board of Directors is not aware of any matter to be acted upon at the Annual Meeting other than described in this Proxy Statement. Unless otherwise directed, all shares represented by the persons named in the accompanying proxy will be voted in favor of the proposals described in this Proxy Statement. If any other matter properly comes before the meeting, however, the proxy holders will vote thereon in accordance with their best judgment.

#### EXPENSES

The entire cost of soliciting proxies will be borne by the Company. Solicitation may be made by mail. The Company will request brokerage houses, nominees, custodians, fiduciaries and other like parties to forward soliciting material to the beneficial owners of the Common Stock held of record by them and will reimburse those persons for their reasonable charges and expenses in connection therewith.

#### ANNUAL REPORT TO SHAREHOLDERS

The Company's Annual Report on Form 10-K for the year ended December 31, 2015 is available online by accessing our website at [www.taitroncomponents.com](http://www.taitroncomponents.com) under "Investors", but does not constitute part of this Proxy Statement.

#### REPORT ON FORM 10-K

THE COMPANY UNDERTAKES, UPON WRITTEN REQUEST, TO PROVIDE, WITHOUT CHARGE, EACH PERSON FROM WHOM THE ACCOMPANYING PROXY IS SOLICITED WITH A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2015, AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, INCLUDING THE FINANCIAL STATEMENTS AND SCHEDULES THERETO, BUT EXCLUDING EXHIBITS THERETO. REQUESTS SHOULD BE ADDRESSED TO TAITRON COMPONENTS INCORPORATED, ATTENTION: INVESTOR RELATIONS, 28040 WEST HARRISON PARKWAY, VALENCIA, CALIFORNIA 91355.

ANNUAL MEETING OF SHAREHOLDERS OF

TAITRON COMPONENTS INCORPORATED

May 26, 2016

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:

The Notice of Meeting, proxy statement and proxy card is available at [http://www.taitroncomponents.com/pages/corporate/investor\\_relations/index.htm](http://www.taitroncomponents.com/pages/corporate/investor_relations/index.htm)

Please date, sign and mail your proxy card in the envelope provided as soon as possible.

â Please detach along perforated line and mail in the envelope provided. â

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” PROPOSAL 1 - THE ELECTION OF DIRECTORS;

“FOR” PROPOSAL 2 - ADVISORY SAY-ON-PAY

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK AS SHOWN HERE

1. ELECTION OF DIRECTORS, as provided in the Company’s Proxy Statement:

<p>c FOR ALL NOMINEES c WITHHOLD AUTHORITY FOR ALL NOMINEES c FOR ALL EXCEPT (See instructions below)</p>	<p>i Tzu Sheng (Johnson) Ku i Stewart Wang i Richard Chiang i Felix Sung i Craig Miller</p>	<p>NOMINEES AND ADVISORY VOTE ON EXECUTIVE COMPENSATION (“SAY-ON-PAY”) To approve the Company’s executive compensation: FOR AGAINST ABSTAIN c c c</p>
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INSTRUCTION: To withhold authority to vote for any individual nominee(s), mark “FOR ALL EXCEPT” and fill in the circle next to each nominee you wish to withhold, as shown here: 1

THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS OF TAITRON COMPONENTS INCORPORATED

The undersigned revokes any other proxy to vote at such Meeting and hereby ratifies and confirms all that said attorneys and proxies, and each of them, may lawfully do by virtue hereof. With respect to matters not known at the time of the solicitation hereof, said proxies are authorized to vote in accordance with their best judgment.

This Proxy will be voted in accordance with the instructions set forth above. Where a vote is not specified, the proxies will vote the shares represented by the proxy “FOR”

Proposal 1 and as said proxy shall deem advisable on such other business as may come before the Meeting, unless otherwise directed.

The undersigned acknowledges receipt of a copy of the Notice of Annual Meeting of Shareholders and accompanying Proxy Statement dated April 29, 2016 relating to the Meeting.

c

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

Please check here if you plan to attend the meeting. c

Signature of Shareholder    Date:    Signature of Shareholder    Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

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TAITRON COMPONENTS INCORPORATED

Proxy for Annual Meeting of Shareholders

The undersigned, a shareholder of TAITRON COMPONENTS INCORPORATED, a California corporation (the “Company”), hereby appoints STEWART WANG and DAVID VANDERHORST, or either of them, the proxies of the undersigned, each with full power of substitution, to attend, vote and act for the undersigned at the Annual Meeting of Shareholders of the Company, to be held on May 26, 2016 and any postponements or adjournments thereof, and in connection herewith to vote and represent all of the shares of the Company which the undersigned would be entitled to vote as follows:

(Continued and to be signed on the reverse side)