

Organizational Regulations

of

**Sensirion Holding AG
(Sensirion Holding SA)
(Sensirion Holding Ltd.)**

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1. Basis

These Regulations are enacted by the board of directors of Sensirion Holding AG, Stäfa, Switzerland (the **Company**), pursuant to articles 716a and 716b of the Swiss Code of Obligations (the **CO**) as well as articles 14 et seq. and articles 20 et seq. of the Company's articles of incorporation (the **Articles of Incorporation**). They govern the powers and duties of the Company's executive bodies and the organization of the Company's management.

The Company controls and is the ultimate parent company of certain other entities (collectively the **Group Companies**), which together with the Company form the Sensirion group (the **Group**). In its capacity as the ultimate parent company of the Group, the Company performs tasks of management, organization and financing for the entire Group. The executive bodies of the Company may promulgate guidelines and directives for the entire Group and ensure that the Group Companies (i) adhere to them to the extent permitted by applicable law and (ii) do not enact own guidelines and directives which contradict the Company's guidelines and directives.

2. Executive Bodies of the Company

The Company has the following executive bodies:

- (a) the board of directors (the **Board**);
- (b) the co-chairmen of the Board (each a **Co-Chairman** and together the **Co-Chairmen**);
- (c) any vice-chairman of the Board (each a **Vice-Chairman**);
- (d) the audit committee (the **Audit Committee**);
- (e) the nomination and compensation committee (the **NCC**);
- (f) the independent directors' committee (the **IDC**, together with the Audit Committee, the NCC and any *ad hoc* committee established by the Board, the **Board Committees**);
- (g) the chief executive officer (the **CEO**); and
- (h) the executive committee (including the CEO, the **Executive Committee**).

In addition, these Regulations govern the appointment, powers and duties of the secretary of the Board (the **Secretary**).

3. The Board

3.1 Composition

- (a) The Board consists of at least 3 and not more than 7 members.

- (b) The general meeting of shareholders of the Company (the **Shareholders' Meeting**) elects each member of the Board and each Co-Chairman individually for a term of office of one year until the end of the following annual general meeting of shareholders (the **AGM**).
- (c) The Board shall not propose any candidate for election to the Board who will have passed his or her 70th birthday at the time of the respective Shareholders' Meeting. On an exceptional basis, the Board may decide to nominate a candidate up to his or her 75th birthday.
- (d) If the office of both Co-Chairmen is vacant, the Board shall appoint an interim Chairman from among its members for the period until the next AGM.
- (e) The Board may appoint one or several Vice-Chairmen from among its members.
- (f) The Board shall appoint a Secretary, who need not be a member of the Board.

3.2 Constitution

Each time after the Board's election by the Shareholders' Meeting, the Board shall take constituting resolutions, in which it shall, for the period until the following AGM:

- (a) decide which Co-Chairman shall chair the Board meetings and which Co-Chairman shall chair the Shareholders' Meeting; and
- (b) appoint the chair of the NCC and the chair and the other members of the other Board Committees.

3.3 Powers and Duties

The Board has the following powers and duties:

- (a) the ultimate direction of the Company and the Group's business and the issuance of the necessary guidelines, in accordance with the applicable Swiss laws and regulations, and in consideration of the prevailing local business customs and practices;
- (b) the determination of the Company's organization, including the enactment and amendment of these Regulations;
- (c) the determination of the Company's accounting principles, financial control, financial planning and internal control system;
- (d) the appointment and removal of the persons entrusted with the management and representation of the Company, the determination of their roles and duties, and the determination of their signatory power;

- (e) the ultimate supervision of the persons entrusted with the management of the Company, in particular with regard to their compliance with applicable law, the Articles of Incorporation, regulations and guidelines of the Company;
- (f) the preparation of the business report and the compensation report, and the preparation of the Shareholders' Meetings and the implementation of their resolutions;
- (g) the passing of resolutions regarding capital increases, to the extent that they are in the power of the Board, as well as the preparation of the capital increase report;
- (h) the notification of the court in the event that the company is over-indebted;
- (i) the powers and duties of the Board pursuant to the Merger Act, such as the approval of merger, demerger and transfer agreements, of demerger and transformation plans and of any required board reports in this connection;
- (j) the powers and duties of the Board pursuant to Swiss Takeover Regulation, in particular the preparation of a Board report in response to a public takeover offer;
- (k) maintaining the share register pursuant to separate regulations enacted by the Board and ensuring that such registers may be accessed in Switzerland at any time and that at least one person domiciled in Switzerland who is an authorized signatory of the Company has access to such registers;
- (l) the approval of the annual investment and operating budgets of the Company and the Group;
- (m) the approval of major transactions in accordance with the functions diagram established by the Board from time to time, including:
 - (i) any investments or divestitures outside of the annual investment budget;
 - (ii) the opening and closing of branch offices;
 - (iii) the purchase and sale of real estate;
 - (iv) the raising of financial indebtedness outside of the ordinary course of business;
 - (v) the approval of the granting of unsecured loans and guarantees exceeding CHF 2,000,000; and
 - (vi) any unbudgeted non-recurring investment exceeding CHF 2,000,000 and any recurring expenses exceeding CHF 500,000 per year.

- (n) the adoption of or amendments to the compensation and benefits strategy of the Company and the basic elements of the compensation system for the members of the Board and of the Executive Committee;
- (o) the adoption of or amendments to any participation or incentive plans for the members of the Board, the Executive Committee and/or other employees (any such plan a **Plan**) in accordance with applicable law and the Articles of Incorporation;
- (p) subject to the rights of the Shareholders' Meeting under applicable law, the approval of the compensation of each member of the Board;
- (q) establishing the Company's dividend policy and the approval of share buyback programs of the Company;
- (r) the exercise of shareholder rights in Group Companies as well as the supervision of their business operations; and
- (s) other powers and duties, which are reserved to the authority of the Board by law or by the Articles of Incorporation.

3.4 Delegation of Other Duties

- (a) Subject to the delegation to the Board Committees, the Board hereby delegates the preparation and implementation of its resolutions as well as the supervision of particular matters in the sense of article 716a(2) CO to the Co-Chairmen. The Board may delegate other matters that are not reserved to it by law to the Co-Chairmen.
- (b) Subject to the delegation to the Co-Chairmen, the Board hereby delegates the management of the Company in the sense of article 716b CO to the Executive Committee under direction of the CEO.

3.5 Meetings

- (a) The Board shall convene as often as necessary, at least four times a year.
- (b) The meetings shall be called by the Co-Chairman in charge thereof (the **Meeting Chair**) or, on his behalf, by the Secretary. Any member of the Board has the right to request in writing, indicating the agenda items and motions, that the Meeting Chair call a board meeting.

- (c) Notice of meetings shall be given at least ten days in advance in writing and shall set forth the agenda as well as any accompanying documents or reports. Each member of the Board may request that an item be placed on the agenda. Such request shall be submitted to the Meeting Chair in writing at least five days before the meeting. Matters that are brought up after circulation of the notice of the meeting may be discussed at the meeting. Resolutions on such matters, however, may only be passed if all Board members attending the meeting agree.
- (d) In urgent cases, the Meeting Chair may call a meeting at short notice in writing or by other convenient means of communication.
- (e) The Meeting Chair shall decide whether any other persons may attend a meeting, subject to confidentiality.
- (f) If required, Board meetings may be held by telephone or video conference or in another appropriate manner.

3.6 Casting of Resolutions

- (a) Unless these Regulations provide otherwise, the Board shall have a quorum when the majority of its members (including at least one Co-Chairman) is present physically or via telephone or video conference. Absent members may not be represented. If the meeting is not quorate, the Meeting Chair shall immediately convene a second meeting to take place within 10 days, for which the presence of at least one Co-Chairman shall not be required anymore.
- (b) No quorum is required if the Board is called to certify a capital increase and amend the Articles of Incorporation in relation thereto (*Feststellungs- und Änderungsbeschluss*), to establish a capital increase report, or to approve the execution of a merger agreement in case of a simplified merger pursuant to articles 23 et seq. of the Merger Act.
- (c) The Board may decide to waive the quorum for further Board meetings in relation to any matters on which it has taken a decision in principle.
- (d) Unless these Regulations provide otherwise, resolutions of the Board shall be adopted by a majority of the votes cast. In case of a tie, the Meeting Chair has the casting vote.
- (e) The following resolutions require the consent of all members of the Board:
 - (i) decisions regarding the registration or non-registration of acquirers of shares as shareholders with voting rights in deviation from the regulations governing such registrations; and
 - (ii) amendments to these Regulations other than amendments of a mere formal nature or amendments to conform to statutory requirements.

- (f) Resolutions regarding the appointment of the CEO require the consent of at least one Co-Chairman.
- (g) Resolutions may also be passed in writing or by email with the applicable majority set forth in these Regulations, unless a member requests oral deliberation upon notification of the proposal. To be valid, resolutions in writing or by email must have been communicated to all members of the Board.

3.7 Minutes

- (a) All resolutions shall be properly recorded in minutes and the minutes shall reflect in a general manner the considerations which led to the resolutions, including, if requested, dissenting opinions of certain members of the Board. The minutes shall be submitted to the following board meeting for approval and shall thereafter be signed by the Meeting Chair and the Secretary or (if different) the minute keeper.
- (b) Written resolutions signed by all members of the Board shall be a substitute for minutes.

3.8 Information and Reporting

- (a) At the Board meetings, each member of the Board is entitled to request and receive information on all affairs of the Company from the other Board members, from the CEO and from the other members of the Executive Committee.
- (b) Outside of the Board meetings, each member of the Board may request information from the CEO and from the other members of the Executive Committee on the general course of business and, upon approval by a Co-Chairman, each member of the Board may obtain information on specific transactions and/or access to business documents. If the respective Co-Chairman refuses a request for information by a member of the Board, the final decision thereon shall be referred to the Board.

4. The Co-Chairmen

- (a) Each Co-Chairman may exercise all powers of a Chairman externally and may represent the Company like a Chairman using the title of Co-Chairman.
- (b) The Co-Chairmen have the following powers and duties:
 - (i) calling Shareholders' Meetings and Board meetings and preparation of the respective agendas in accordance with the allocation of tasks under Article 3.2(a);
 - (ii) chairing Shareholders' Meetings and Board meetings in accordance with the allocation of tasks under Article 3.2(a); and
 - (iii) any other tasks that were assigned or delegated to them based on Article 3.4(a).

- (c) Unless these Regulations provide otherwise, the Co-Chairmen shall come to a common understanding about the discharge of their duties.
- (d) Should a Co-Chairman be unable to exercise his functions, his functions shall be assumed by the other Co-Chairman, or, if the latter should also be unavailable, by another member of the Board appointed by the Board.

5. The Board Committees

5.1 General

- (a) The Company has the following standing Board Committees:
 - the Audit Committee;
 - the Nomination and Compensation Committee (NCC); and
 - The Independent Directors' Committee (IDC).
- (b) The Board may also establish *ad hoc* committees for dealing with specific matters.

5.2 Appointment and Eligibility

- (a) The members of the Compensation Committee (and, so long as the functions of a compensation and a nomination committee are combined, the NCC) are elected by the Shareholders' Meeting. The Board shall appoint the chair of the NCC and the chair and the other members of the Audit Committee.
- (b) All Board members who satisfy the following requirements shall collectively form the IDC:
 - (i) they are non-executive;
 - (ii) they have not been members of the Executive Committee for at least three years;
 - (iii) they have no or comparatively minor business relations with the Company; and
 - (iv) they are not the Founders or other representatives of the shareholder pool to which the Founders belong.
- (c) The chair of the IDC shall be appointed by the members of the IDC and shall also act as Lead Independent Director.
- (d) A majority of members of the Audit Committee and at least one member of the NCC shall be independent as this term is understood by the Swiss Code of Practice for Corporate Governance of 2014.

- (e) The majority of the members of the Audit Committee, including its chair, shall be experienced in financial and accounting matters.

5.3 Organization

- (a) To the extent that these Regulations (including the applicable Committee Charter) do not set out specific organizational requirements, the Board Committees shall determine their own organization.
- (b) The Board Committees shall convene as often as necessary, and each of the Audit Committee and the NCC shall convene at least two times a year.
- (c) Article 3.5(b), (c), (d), (e) and (f) of these Regulations shall apply *mutatis mutandis* to the Board Committees.
- (d) The Board Committees shall keep minutes of their meetings and report the same to the Board when required and shall observe such procedures as are prescribed by the Board.
- (e) The chair of a Board Committee shall report to the Board on such Board Committee's activities, decisions taken and considerations which led to such decisions.
- (f) Important findings from the Board Committee's activities that are urgent and should be known by the Co-Chairmen shall be reported to them immediately by the chair of the respective Board Committee.

5.4 Committee Charters

The responsibilities and powers of each standing Board Committee are set forth in the committee charters attached hereto as Annex 2 (Audit Committee Charter), Annex 3 (NCC Charter), and Annex 4 (IDC Charter), respectively (together the **Committee Charters**), which form an integral part of these Regulations.

6. The CEO

6.1 Appointment

The Board shall appoint the CEO, who shall not be a member of the Board.

6.2 Powers and Duties

- (a) The CEO has all powers and duties that are not reserved to the Board or the Co-Chairmen by virtue of law, the Articles of Incorporation or these Regulations.
- (b) In particular, the CEO has the following powers and duties:

- (i) preparation and implementation of the Board resolutions;
- (ii) organization, management and supervision of the day-to-day business of the Company;
- (iii) proposals to the NCC for the recommendation and to the Board for the appointment of other members of the Executive Committee and to the Board for the approval of transactions as per Article 3.3(m);
- (iv) organization of the Executive Committee as well as the preparation, calling and chairing of Executive Committee meetings; and
- (v) ensuring a timely and organized flow of information between the Executive Committee and the Board.

6.3 Reporting

- (a) The CEO shall inform the Board at its meetings on the current course of business and all major business matters of the Company or the Group Companies.
- (b) On a quarterly basis, the CEO shall inform the Board on quarterly results (with a comparison to the budget and the result of the previous quarter and the same quarter of the previous year), the Company's financial situation as well as any developments that might have a significant impact on the course or conduct of business.
- (c) The CEO shall report extraordinary matters (such as litigation and proceedings) to the members of the Board by circulation letter or other appropriate means of communication without delay.

7. The Executive Committee

7.1 Appointment and Removal

- (a) The members of the Executive Committee (other than the CEO) are appointed and removed by the Board upon motion of the CEO.
- (b) The CEO shall chair the Executive Committee.

7.2 Powers and Duties

- (a) The Executive Committee shall support the CEO in the discharge of his duties and shall consider and decide on all matters and decisions material to the Group that are within its purview.

- (b) The Executive Committee shall manage the business of the Company under the supervision of the CEO. The CEO shall propose, and the Board shall determine the roles as well as the powers and duties of each member of the Executive Committee in the functions diagram established by the Board from time to time.

7.3 Reporting

The Executive Committee shall meet on a regular basis in accordance with the guidelines and instructions established from time to time by the CEO. Extraordinary events shall immediately be reported to the CEO.

8. Conflicts of Interest

- (a) Each member of a body of the Company is required to inform the respective body of actual or potential conflicting interests.
- (b) In case of a direct conflict of interests, i.e., a situation where a member's vote would operate to the detriment of the Company to the extent it would advantage his or her own interests or any interest otherwise represented by him or her or a party related to him or her, such member shall, of his or her own initiative, abstain from the discussions regarding such matter and from voting thereon.
- (c) Each Founder shall abstain from voting on any matter in which the other Founder has a direct conflict of interests.
- (d) If there is a reason for abstention, the respective body of the Company may decide to waive the abstention of the member affected, provided that the member shall give preference to the interests of the Company.
- (e) If a conflicted member does not abstain out of his or her own initiative, the chairperson of the respective body of the Company shall expel such member from deliberation and decision on such matter if the non-conflicted members of such body have so decided.

9. General Provisions

9.1 Signatory Powers

The members of the Board and any other individuals empowered with the representation of the Company shall have joint signatory power by two.

9.2 Confidentiality

- (a) The members of the Board and of the Executive Committee shall keep confidential all information and documents obtained or viewed in connection with the exercise of their function for the Company.

- (b) Upon termination of their function, the members of the Board and of the Executive Committee shall return all documents in their possession that are related to the Company.

10. Final Provisions

These Regulations shall become effective as per the start of trading of the Company's shares on the SIX Swiss Exchange. They replace the organizational regulations dated June 26, 2016.

Zurich, March 9, 2018

Moritz Lechner
Co-Chairman of the Board

Felix Mayer
Co-Chairman of the Board

Annex 2: Charter of the Audit Committee

1. Responsibilities

The Audit Committee has the following responsibilities:

- (a) to assess the quality and effectiveness of the external audit;
- (b) to assess the quality of the internal control system, including risk management, and the efficiency and state of compliance and monitoring with applicable norms within the Company and the Group. The Audit Committee shall ensure that an effective system of internal controls is in place that is reasonably designed to (i) safeguard the financial position and results of operations of the Company and the Group, (ii) assure the integrity of Company's and the Group's financial statements and (iii) maintain compliance with the Company's ethical standards, policies, plans and procedures and applicable laws and regulations;
- (c) to critically review the stand-alone and consolidated financial statements as well as the management letter prepared by the external auditors. The results of its review should be discussed with the chief financial officer of the Company (the **CFO**) and, separately, with the head of the external audit;
- (d) to decide whether the year-end stand-alone and consolidated financial statements should be recommended to the Board for submission to the Shareholders' Meeting;
- (e) to assess the performance and the fees charged by the external auditors and ascertain their independence and to examine compatibility of the auditing responsibilities with any consultancy mandates;
- (f) to review the scope of the prospective external audit, the estimated fees therefor and any other matters pertaining to such audit as the Audit Committee may deem appropriate;
- (g) to ensure appropriate reporting by the external auditors to the Audit Committee and to take note of all comments from the external auditors on accounting procedures and systems of control. The external auditors shall provide timely reports to the Audit Committee on critical accounting policies and practices used, on alternative treatments of financial information discussed with the Executive Committee and on other material written communication between external auditors the Executive Committee;
- (h) to review with the external auditors and the CFO any questions, comments or suggestions they may have regarding the internal control, risk management, accounting practices and procedures of the Company and the Group Companies;
- (i) to support the Board in preparing the proposal to the Shareholders' Meeting to elect or remove the external auditors;

- (j) to discuss with the Executive Committee any legal or risk matters (including the status of pending or threatened litigation) that may have a material impact on the Company's financial statements and any material reports or inquiries from regulatory or governmental agencies which could materially impact the Company's or the Group's contingent liabilities and risks;
- (k) to support the Board with regard to the financial planning and the principles of accounting and financial control;
- (l) to review the appropriateness of the Audit Committee's powers and responsibilities at least annually and to propose any amendments to the Board; and
- (m) any other tasks delegated to it by the Board.

2. Powers

- (a) The Audit Committee shall have the power to procure any information and assistance from within the Company and the Group that is needed to perform the specific tasks and duties imposed upon it by this Charter or by the Board.
- (b) The Audit Committee is authorized to obtain subject-specific professional consultancy services from third parties at the expense of the Company.

Annex 3: Charter of the NCC

1. Responsibilities

As per Article 23 of the Articles of Incorporation, the NCC shall support the Board in establishing and reviewing the compensation strategy and guidelines as well as in preparing the proposals to the Shareholders' Meeting regarding the compensation of the members of the Board and of the Executive Committee. In particular, the NCC has the following responsibilities:

- (a) to review and submit proposals to the Board regarding the Company's compensation and benefits strategy and the basic elements of the compensation system for the members of the Board and of the Executive Committee;
- (b) to develop the compensation system for the members of the Board and of the Executive Committee and ensure its implementation;
- (c) to review and submit proposals to the Board regarding any Plans, including regarding their adoption, amendment and termination, in accordance with applicable law and the Articles of Incorporation;
- (d) to make any grants (including of rights to acquire shares) under any Plans to members of the Executive Committee, and to delegate authority to make such grants under any Plans to beneficiaries other than members of the Executive Committee;
- (e) to review and submit proposals to the Board regarding the compensation of each member of the Board;
- (f) to resolve on the performance metrics and target values of the compensation of the CEO and the other members of the Executive Committee;
- (g) to resolve on the fixed and variable compensation of the CEO and, upon recommendation of the CEO, of the other members of the Executive Committee;
- (h) to submit proposals to the Board with respect to any other compensation-related issues;
- (i) to determine selection criteria for the succession of the members of the Board and the Board Committees, the CEO and the other members of the Executive Committee (upon motion of the CEO) and to establish the succession planning for these roles by making recommendations to the Board (in case of the other members of the Executive Committee upon motion of the CEO);
- (j) to assess the performance of the members of the Board and of the Board Committees as well as of the CEO and the other members of the Executive Committee on an annual basis;

- (k) to monitor and assess developments and trends in corporate governance, unless these pertain to the activities of another Board Committee;
- (l) to review proposals to be made to the Board for the amendment of the Articles of Incorporation, the Organizational Regulations or any other rules or regulations;
- (m) to review the appropriateness of the NCC's powers and responsibilities at least annually and to propose any amendments to the Board; and
- (n) any other tasks delegated to it by the Board.

2. Powers

- (a) The NCC shall have the power to procure any information and assistance from within the Company and the Group that is needed to perform the specific tasks and duties imposed upon it by this Charter or by the Board.
- (b) The NCC is authorized to obtain subject-specific professional consultancy services from third parties at the expense of the Company.

Annex 4: Charter of the Independent Directors' Committee (IDC)

1. Responsibilities

The IDC has the following responsibilities:

- (a) to approve any transactions between anchor shareholders (or their representatives on the Board) and the Group;
- (b) to resolve on any matters in which an anchor shareholder (or its representative on the Board) has a conflicting interest;
- (c) to review the appropriateness of the IDC's powers and responsibilities at least annually and to propose any amendments to the Board;
- (d) to resolve on any changes to its powers; and
- (e) any other tasks delegated to it by the Board.

2. Powers

- (a) The IDC shall have the power to procure any information and assistance from within the Company and the Group that is needed to perform the specific tasks and duties imposed upon it by this Charter or by the Board.
- (b) The IDC is authorized to obtain subject-specific professional consultancy services from third parties at the expense of the Company.