

INVITATION TO THE _____ GENERAL MEETING

11 05 20

Sensirion Holding AG

Laubisrütistrasse 50, 8712 Stäfa

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Important Information

Dear Shareholders

Due to the spread of the coronavirus, the Federal Council classified the situation in Switzerland on 16 March 2020 as an “extraordinary situation” and further tightened the measures to protect the population. Events such as general meetings are currently prohibited. At this stage, we must assume that this situation will continue for some time. For this reason, and because your health and the protection of our employees is our highest priority, we will hold our General Meeting this year without your personal attendance.

In order to enable you to make full use of your voting rights, we kindly ask you to issue power of attorney and voting instructions to the independent proxy.

Please find all detailed information on how to proceed in the reply form.

We deeply regret that we are not able to welcome you personally this year and wish you good health and patience in these days.

Thank you for your understanding.

Yours sincerely,
Sensirion Holding AG



Dr. Moritz Lechner
Co-Chairman of the Board of Directors



Dr. Felix Mayer
Co-Chairman of the Board of Directors

EXPERTS FOR SMART SENSOR SOLUTIONS

Invitation to the 21st Annual General Meeting
of Sensirion Holding AG

Monday, 11 May 2020
5.00 p.m.

Sensirion Holding AG
Laubisrütistrasse 50
8712 Stäfa

Agenda

Proposals of the Board of Directors

1 Annual Report 2019

1.1 Annual Management Report, Annual Financial Statements, and Consolidated Financial Statements 2019; Auditors' Reports

Proposal: The Board of Directors proposes that the annual management report, the annual financial statements and the consolidated financial statements 2019 be approved and that the Auditors' reports be acknowledged.

1.2 Consultative Vote on the Compensation Report 2019

Proposal: The Board of Directors proposes that the compensation report 2019 be accepted in a non-binding consultative vote.

2 Appropriation of Balance Sheet Result 2019

Proposal: The Board of Directors proposes that the annual result 2019 of the Company in the amount of CHF 3,562 thousand (net profit) be allocated as follows:

In thousands of CHF	2019
Retained earnings brought forward	18'536
Net profit for the year	3'562
Available earnings	22'098
Appropriation of available earnings proposed by the Board of Directors:	
Balance to be carried forward	22'098

3 Discharge of the Members of the Board of Directors and the Executive Committee

Proposal: The Board of Directors proposes that the members of the Board of Directors and the Executive Committee be granted discharge for their activities in the financial year 2019.

4 Re-elections

4.1 Re-election of the Co-Chairmen and the Members of the Board of Directors

Mr. Moritz Lechner and Mr. Felix Mayer have declared acceptance of their re-election as Co-Chairmen of the Board of Directors. The other current members of the Board of Directors, Mrs. Ricarda Demarmels, Mr. Heinrich Fischer, Mr. François Gabella and Mr. Franz Studer are also standing for re-election as members of the Board of Directors.

The CVs of the members of the Board of Directors are available in the Corporate Governance section of the Annual Report 2019.

Proposal: The Board of Directors proposes to re-elect the following members of the Board of Directors, individually and for a term of office until the completion of the next Annual General Meeting.

4.1.1 Re-election of Moritz Lechner as Member and as Co-Chairman of the Board of Directors

4.1.2 Re-election of Felix Mayer as Member and as Co-Chairman of the Board of Directors

4.1.3 Re-election of Ricarda Demarmels as Member of the Board of Directors

4.1.4 Re-election of Heinrich Fischer as Member of the Board of Directors

4.1.5 Re-election of François Gabella as Member of the Board of Directors

4.1.6 Re-election of Franz Studer as Member of the Board of Directors

4.2 Re-election of the Members of the Nomination and Compensation Committee

The current members of the Nomination and Compensation Committee, Mr. Heinrich Fischer, Mr. Moritz Lechner and Mr. Felix Mayer, have declared acceptance of their re-election as members of the Nomination and Compensation Committee, subject to their re-election as Co-Chairman, or member of the Board of Directors, respectively.

The Board of Directors intends to appoint Mr. Felix Mayer (if he is re-elected) again as chairman of the Nomination and Compensation Committee.

Proposal: The Board of Directors proposes to re-elect the following members of the Nomination and Compensation Committee individually and for a term of office until the completion of the next Annual General Meeting.

4.2.1 Re-election of Heinrich Fischer as Member of the Nomination and Compensation Committee**4.2.2 Re-election of Moritz Lechner as Member of the Nomination and Compensation Committee****4.2.3 Re-election of Felix Mayer as Member of the Nomination and Compensation Committee****4.3 Re-election of the Auditors**

Proposal: The Board of Directors proposes to re-elect KPMG AG, Zurich, as Auditor for a term of office until the completion of the next Annual General Meeting.

4.4 Re-election of the Independent Proxy

Proposal: The Board of Directors proposes to re-elect the Law Office Keller Partnership, Zurich, as Independent Proxy for a term of office until the completion of the next Annual General Meeting.

5 Approval of the Compensation of the Board of Directors and the Executive Committee

A detailed description of Sensirion's compensation system and the compensation awarded to members of the Board of Directors and the Executive Committee in 2019 can be found in the compensation report 2019 on pages 66 to 77 of the Annual Report 2019.

Basic Principles of Variable Compensation

Sensirion cultivates a distinctive corporate culture in which employees take on responsibility and support the group as a whole. At the end of every year, each employee discusses his or her annual performance objectives with his or her supervisor. However, we are firmly convinced that many important goals cannot really be measured objectively and fairly and that an overemphasis on quantitative, measurable goals may lead to wrong incentives. For this reason, for many years, Sensirion structured the bonus as follows:

- Variable compensation is not allocated according to a fixed mathematical formula, which reflects the degree to which quantitative targets are achieved. Instead, each employee's superior makes an overall assessment of the annual performance to determine the bonus.
- The majority of the total compensation is paid in the form of a fixed salary. Consequently, the variable component is kept relatively small and less important.

For the members of the Executive Committee, the aggregate amount of variable compensation of one year is submitted to the General Meeting of the following year for retrospective approval.

Shareholders' Approval of Compensation (Say on Pay)

According to the Articles of Association, the Annual General Meeting must approve the proposals by the Board of Directors regarding the aggregate amounts of:

1. the maximum compensation of the Board of Directors until completion of the next Annual General Meeting;
2. the maximum fixed compensation of the Executive Committee for the following financial year; and
3. the variable compensation of the Executive Committee for the preceding financial year.

The following chart shows the periods for which proposals on compensation will be submitted to the Annual General Meeting on 11 May 2020.

**5.1 Compensation of the Board of Directors**

Proposal: The Board of Directors proposes to approve a maximum aggregate amount of compensation for the members of the Board of Directors of CHF 930,000 for the period from the Annual General Meeting 2020 to the Annual General Meeting 2021.

Explanations: The compensation for the members of the Board of Directors consists exclusively of a fixed compensation in cash, and is subject to prospective approval of the maximum aggregate compensation by the Annual General Meeting.

The Co-Chairmen both act for Sensirion AG on a 50 % basis, and are responsible for sensor innovation and strategic tasks. They are not involved in the day-to-day management of Sensirion. For their work, each Co-Chairman receives an annual fixed compensation. The Co-Chairmen are neither entitled to a performance-related compensation nor to any additional compensation as Co-Chairmen and chairman or member of any committee. The compensation awarded to the other members of the Board of Directors consists of a fixed board membership fee and additional fixed fees as chairperson or member of a committee of the Board of Directors (see page 71 of the Annual Report 2019).

5.2 Fixed Compensation of the Executive Committee

Proposal: The Board of Directors proposes to approve a maximum aggregate amount of fixed compensation for the members of the Executive Committee of CHF 2,100,000 for the financial year 2021.

Explanations: Members of the Executive Committee receive an annual base salary as fixed compensation paid in cash. The base salary is reviewed and determined on an annual basis by the Nomination and Compensation Committee. The Board of Directors approves the individual fixed compensation of the members of the Executive Committee subject to prospective approval of the maximum aggregate amount of fixed compensation by the Annual General Meeting.

5.3 Variable Compensation of the Executive Committee

Proposal: The Board of Directors proposes to approve an aggregate amount of variable compensation for the members of the Executive Committee of CHF 139,527 for the financial year 2019.

Explanations: Members of the Executive Committee are awarded an annual bonus as variable compensation paid in restricted shares subject to a blocking period of three years and in restricted share units (RSUs) subject to a vesting period of three years (see Sensirion's Bonus and RSU Plan on page 77 of the Annual Report 2019).

The Nomination and Compensation Committee determines the annual bonus of each member of the Executive Committee and submits it to the Board of Directors for approval. The annual bonus is awarded to the members of the Executive Committee, subject to the approval by the Annual General Meeting in the following year. Therefore, the Company will not deliver to the members of the Executive Committee the restricted shares and the RSUs granted with the annual bonus in 2019 before approval by the Annual General Meeting 2020.

In the financial year 2019, the Executive Committee consisted of six members. As a consequence of not achieving financial targets for 2019 in terms of revenue growth and profitability, which also were affected by the difficult market circumstances, the Board of Directors, based on a suggestion of the Nomination and Compensation Committee, agreed to reduce the bonus for all employees, including the Executive Committee, by 50 % compared to 2018. In 2019, the variable compensation in the form of the annual bonus, including RSUs, awarded to members of the Executive Committee represented about 10 % of the base salary for the CEO and between 5 % and 10 % of the base salary for the other members of the Executive Committee. For further details on the variable compensation awarded to the members of the Executive Committee in 2019, please refer to the compensation report 2019 (see pages 72 to 77 of the Annual Report 2019).

6 Renewal of the Authorized Share Capital

Proposal: The Board of Directors proposes to renew the authorized share capital of Sensirion Holding AG in the amount of up to CHF 145,581.70, which authorizes the Board of Directors to issue up to 1,455,817 registered shares with a par value of CHF 0.10 each until 11 May 2022, and to amend article 3a of the articles of association of Sensirion Holding AG as follows (the proposed amendments are underlined):

Article 3a Authorized Share Capital

¹ The Board of Directors shall be authorized to increase the share capital at any time until 11 May 2022 by a maximum amount of CHF 145,581.70 by issuing a maximum of 1,455,817 fully paid in registered shares with a par value of CHF 0.10 each. Increases in partial amounts shall be permissible.

Article 3a para. 2 to 4 remain unchanged.

Explanations: In order to maintain the strategic and financial flexibility of Sensirion, the previous authorized share capital, which expired on 8 March 2020, shall be renewed for two years. The Board of Directors will be authorized to restrict or exclude the subscription rights of existing shareholders, inter alia, for the acquisition of companies or for investment projects.

Organizational Matters

Annual Report

The Annual Report 2019 (including the compensation report and the Auditors' reports) is available to shareholders for inspection at the Company's registered office at Laubisrütistrasse 50, 8712 Stäfa, as of Wednesday, 15 April 2020, and is also available on the Company's website under www.sensirion.com/financial-reports. The Annual Report 2019 will be mailed only on request.

Right to Vote

The invitation including the agenda and the proposals of the Board of Directors will be mailed to shareholders who are registered in the share register with the right to vote. Shareholders registered in the share register with the right to vote between Wednesday, 15 April 2020 and Thursday, 30 April 2020 at 5.00 p.m. (CET) will receive an invitation to the Annual General Meeting after registration.

Shareholders registered in the share register with the right to vote on Thursday, 30 April 2020 at 5.00 p.m. (CET) are entitled to vote in the Annual General Meeting.

Representation / Proxy

Personal attendance at our Annual General Meeting is not possible. You may authorize the Independent Proxy, the Law Office Keller Partnership, Zurich, to act as your proxy and submit voting instructions.

Further information on the written authorization of a proxy are included in the reply form enclosed with the invitation letter. The reply form for written authorization of the Independent Proxy must reach the share register of the Company no later than Friday, 8 May 2020 (by mail).

Electronic Authorization and Voting Instructions to the Independent Proxy (e-voting)

You may authorize the Independent Proxy and submit voting instructions on the e-voting platform *Shareholder Application* "ShApp" under <https://sensirion.shapp.ch/>. The requisite login data for the registration is included on the reply form enclosed with the invitation letter. Electronic authorization, or change of any electronic voting instructions, is possible by no later than 11.59 p.m. (CET) on Sunday, 10 May 2020.

Record of Resolutions

A record of the resolutions taken by the Annual General Meeting will be available for inspection shortly after the Annual General Meeting at the Company's registered office at Laubisrütistrasse 50, 8712 Stäfa, Switzerland, and will be published on the Company's website under www.sensirion.com/annual-general-meeting.

Contact

For further information please contact:

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