

**INVITATION**

**TO THE** \_\_\_\_\_

**GENERAL**

**MEETING**

**14 05 19**

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**Sensing  
Anytime  
Anywhere**

Dear Shareholders,

We are delighted to invite you to the 20<sup>th</sup> Annual General Meeting  
of Sensirion Holding AG.

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**Tuesday, 14 May 2019**  
**5.00 p.m.**  
**(doors open at 4.00 p.m.)**

**in the STARLITE Eventhall**  
**St. Dionysstrasse 31**  
**8645 Rapperswil-Jona**

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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

# Agenda

## Proposals of the Board of Directors

### 1 Annual Report 2018

#### 1.1 Annual Management Report, Annual Financial Statements, and Consolidated Financial Statements 2018; Auditors' Reports

**Proposal:** The Board of Directors proposes that the annual management report, the annual financial statements and the consolidated financial statements 2018 be approved and that the Auditors' reports be acknowledged.

#### 1.2 Consultative Vote on the Compensation Report 2018

**Proposal:** The Board of Directors proposes that the compensation report 2018 be accepted in a non-binding consultative vote.

### 2 Appropriation of Balance Sheet Result 2018

**Proposal:** The Board of Directors proposes that the annual result 2018 of the Company in the amount of CHF (3,650 thousand) (net loss) be allocated as follows:

In thousands of CHF	2018
Retained earnings brought forward	21,410
Net profit (loss) for the year	(3,650)
<b>Available earnings</b>	<b>17,760</b>
Appropriation of available earnings proposed by the Board of Directors:	
Balance to be carried forward	<b>17,760</b>

### 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 2018.

## **4 Elections and Re-elections**

### **4.1 Re-election of the Co-Chairmen and the Members of the Board of Directors and Election of New Members of the Board of Directors**

Mr. Markus Glauser will not stand for re-election as member 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, Ms. Ricarda Demarmels and Mr. Heinrich Fischer, are also standing for re-election as members of the Board of Directors.

The Board of Directors further proposes to elect Mr. François Gabella and Mr. Franz Studer as new members of the Board of Directors.

The CVs of the current members of the Board of Directors are available in the Corporate Governance section of the Annual Report 2018. The CVs of Messrs. François Gabella and Franz Studer can be found below, before the organizational matters.

**Proposal:** The Board of Directors proposes to re-elect the following members of the Board of Directors, and to elect the following new candidates as 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 Election of François Gabella as Member of the Board of Directors**

#### **4.1.6 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, Messrs. Heinrich Fischer, Moritz Lechner and 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 2018 can be found in the compensation report 2018 on pages 52-63 of the Annual Report 2018.

#### **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.

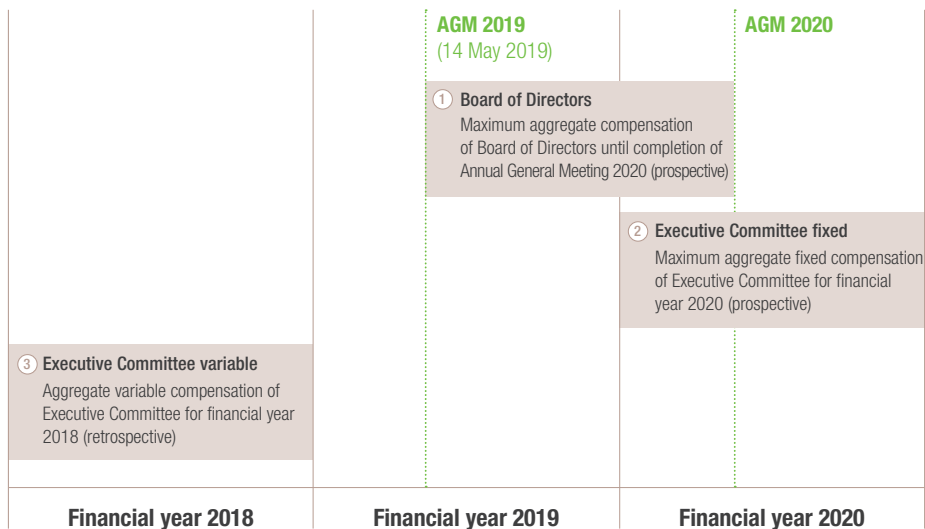
For the members of the Executive Committee, the aggregate amount of variable compensation of one year is submitted to the General Meeting of the following year for retrospective approval.

### 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 14 May 2019.



## 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 2019 to the Annual General Meeting 2020.

**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 55 of the Annual Report 2018).

## 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 2,300,000 for the financial year 2020.

**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 318,528 for the financial year 2018.

**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 pages 58-60 of the Annual Report 2018).

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 2018 before approval by the Annual General Meeting 2019.

In the financial year 2018, the Executive Committee consisted of six members. The bonuses awarded in 2018 resulted from (i) the extraordinary efforts by all members to execute a successful IPO of Sensirion while keeping the regular business running, (ii) the implementation of the Bonus and RSU Plan as a new equity incentive plan following the IPO, and (iii) by taking into account the comparison with peers prepared before the IPO. In 2018, the variable compensation in the form of the annual bonus, including RSUs, awarded to members of the Executive Committee represented about 20% of the base salary for the CEO and between 14% and 20% 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 2018, please refer to the compensation report 2018 (see pages 58-61 of the Annual Report 2018).

## CVs of the proposed new members of the Board of Directors

**François Gabella**, Swiss national, born in 1958

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### Professional Background

2010 - 2018	LEM Holding AG, Switzerland: CEO
2006 - 2010	Hexagon Metrology, Sweden: Member of the Metrology Executive Board, CEO of TESA AG, Switzerland
2002 - 2005	AREVA T&D, France: Senior Vice President, Power Transmission & Distribution Division
1999 - 2001	Texas Pacific Group, USA: Group CEO of a portfolio company
1993 - 1999	ABB Group, Germany and Switzerland: Various positions from General Manager to Senior Vice President

### Education

2006	MBA, IMD Lausanne
1982	MSc in Micro-Engineering, École Polytechnique Fédérale de Lausanne (EPFL)

### Other Functions

Since 2018	Fischer Connectors AG, Switzerland: Member of the Board of Directors
Since 2018	LEM Holding AG, Switzerland: Member of the Board of Directors
Since 2018	Sonceboz AG, Switzerland: Member of the Board of Directors
Since 2018	Winterthur Instruments AG, Switzerland: Chairman of the Board of Directors
Since 2018	Swissmem, Switzerland: Vice President
Since 2018	Switzerland Global Enterprise, Switzerland: Member of the Advisory Board
Since 2017	Optonet AG, Switzerland: Member of the Board of Directors

**Franz Studer**, Swiss national, born in 1965

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### **Professional Background**

2012 - today	EGS Beteiligungen AG, Switzerland: Investment Director, Member of the Executive Committee
2010 - 2011	aizo AG, aizo group AG, Switzerland: CEO/COO
2005 - 2009	Bühler AG, Schweiz: Commercial Director, Vice President, Engineered Products
1999 - 2005	Bühler AG, Switzerland: Various positions
1994 - 1999	Law firm Hardmeier & Keller, Zurich, Switzerland: Attorney

### **Education**

2007	Executive MBA, University of St. Gallen
1999	PhD, Faculty of Law, University of Zurich
1994	Bar admission, Canton of Zurich
1989	Master, Faculty of Law, University Zurich

### **Other Functions\***

Since 2013	FAES AG, Switzerland: Chairman of the Board of Directors
Since 2013	Espros AG, Switzerland: Member of the Board of Directors
Since 2015	Kantonsspital Winterthur: Chairman of the Board of Directors

\* As of 1 April 2019. The Board of Directors of HUBER+SUHNER AG proposes to the Annual General Meeting of 10 April 2019 to elect Mr. Franz Studer as a new member of the Board of Directors.

# Organizational Matters

## Annual Report

The Annual Report 2018 (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, 17 April 2019, and is also available on the Company's website under [www.sensirion.com/financial-reports](http://www.sensirion.com/financial-reports). The Annual Report 2018 will be mailed only on request.

## Right to Vote, Admission Cards and Registration

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, 17 April 2019 and Monday, 6 May 2019 will be sent an invitation to the Annual General Meeting after registration.

Shareholders registered in the share register with the right to vote on Monday, 6 May 2019 at 5.00 p.m. (CET) are entitled to participate and vote in the Annual General Meeting. The admission card is enclosed to the invitation letter mailed to each shareholder. Shareholders who will attend the Annual General Meeting in person are kindly requested to register by returning the enclosed reply form no later than Thursday, 9 May 2019.

## Representation/Proxy

If you cannot attend our Annual General Meeting in person, you may:

- a) arrange to be represented by another person; or
- b) authorize the Independent Proxy, the Law Office Keller Partnership, Zurich, to act as your proxy.

Further information on the written authorization of a proxy are included in the reply form enclosed to the invitation letter. The reply form for written authorization of the Independent Proxy must reach the share register of the Company no later than Thursday, 9 May 2019 (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, 12 May 2019.

### **Language**

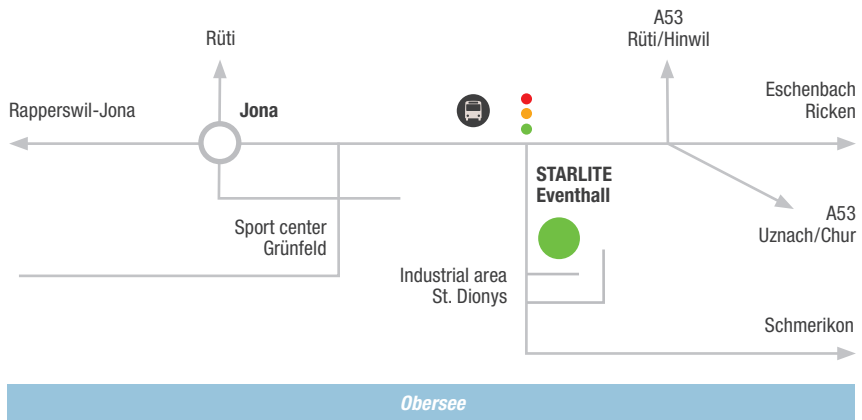
Please note that the Annual General Meeting will be held in German. Simultaneous translation into English will not be provided.

### **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](http://www.sensirion.com/annual-general-meeting).

## Transport

We kindly ask you to travel by public transport if possible. The parking space available at the STARLITE Eventhall is limited. From Rapperswil railway station (university side, HSR Hochschule für Technik Rapperswil), shuttle buses will be available from 3.50 p.m., departing every 10 minutes. They will also bring you back to the station after the event.



## Contact

### For further information please contact:

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Director of Investor Relations

Phone +41 44 927 11 40

[andrea.wueest@sensirion.com](mailto:andrea.wueest@sensirion.com)

The invitation to the Annual General Meeting on 14 May 2019 is also available in German.

The German version is the only binding version.

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Anytime  
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