

Management Regulations

1. Purpose

These Regulations governing the organization and management of Autoneum Holding Ltd. are issued by the Board of Directors in conformity with the Articles of Association and in compliance with legal requirements.

Autoneum Holding Ltd. is the ultimate holding company of the Autoneum Group. Autoneum Holding Ltd. performs the functions of management, organization and financing not only for itself but also directly and indirectly for all its subsidiaries.

These Regulations apply to all officers and employees, irrespective of whether they are employed by Autoneum Holding Ltd. or one of its direct or indirect subsidiaries.

2. Organization of the Group

The Autoneum Group consists of the Business Groups, the Corporate Center with its corporate service units and the service units directly reporting to the CEO. The management organization is independent of the existing legal structure of the Group and the individual Legal Units.

Responsibility for the financial stability and business performance of the Legal Units within the scope of the relevant regulations rests with the Business Groups, except for those companies reporting directly to the Corporate Center.

A Business Group is formed for specific market segments which are clearly defined and distinct from each other. Each Business Group manages its business independently within the scope of the Autoneum Management Regulations and is headed by its chief executive (Head Business Group), who reports to the CEO of the Autoneum Group. Business Groups are subdivided into Business Units according to the requirements of products, markets or stages in the value added chain.

The Corporate Center is headed by the CFO and supports the Board of Directors, the CEO and the Business Group Heads in their management and controlling functions. The Corporate Center ensures the financial stability, legal compliance and external communications of the Group. In the context of the further development of the Group as a whole, the Corporate Center, together with the service units directly reporting to the CEO, is responsible for elaborating group strategy, strategic planning as well as preparing and carrying out of acquisitions. The Corporate Center manages group liquidity and nonoperational fixed assets, thereby making a positive contribution to the optimization of net profit. All Corporate Service Units with service functions, except those reporting directly to the CEO, are assigned to the Corporate Center.

Legal Units are formed on the basis of legal, business, tax and financial considerations. For each Legal Unit the Business Group appoints one person (Head of Legal Unit) to be responsible for financial control, the balance sheet, working capital and cash planning, as well as for compliance with local laws and regulations. Local staff administration, pension and other

benefit plans, finance, tax planning, utilization of cash flow and borrowing must be coordinated with the Business Group and the Corporate Center.

Activities distinct from the Business Groups, such as finance companies, pension funds, or investment pension funds are managed by the Corporate Center.

Joint ventures and industrial investments are in principle managed as described above and in accordance with the individual joint venture agreements.

3. The Board of Directors

Articles 15 to 21 of the Articles of Association of Autoneum Holding Ltd. include regulations governing the composition, the general rights, duties and responsibilities, and the modus operandi of the Board of Directors. These regulations are complemented and defined in more detail below.

3.1 Duties and competencies

3.1.1 Main duties

The Board of Directors has the following main duties:

- The Board of Directors is the supreme executive body of the Group and of Autoneum Holding Ltd. It exercises ultimate supervisory authority over those individuals entrusted with the management of the business and issues the necessary directives for this purpose.
- The Board of Directors resolves upon all transactions assigned to it by law, the Articles of Association or the Management Regulations.
- The Board of Directors draws up the annual report, prepares shareholders' meetings and makes the necessary arrangements for implementing the resolutions adopted by shareholders' meetings.

3.1.2 Authority

The Board of Directors defines:

- the configuration of the business portfolio and the strategic focus of the Group
- the principal organization of the Group
- the principles regarding accounting, financial control and financial planning
- the principles of financial and investment policy, personnel and social policy, management and communication
- signatory rights and respective authority
- the principles of internal audit
- the authority and duties of the Chairman of the Board, the Board Committees, the CEO, the Business Group Heads, and the CFO.

3.1.3 Appointments

The Board of Directors appoints and dismisses:

- the Chairman and the Vice Chairman of the Board of Directors
- the members of the Committees formed by the Board
- the Group CEO
- the Members of the Group Executive Board (GEB)
- the Secretary to the Board
- the Head of Internal Audit.

3.1.4 Approvals

The Board of Directors receives the reports of the Board Committees and the CEO and approves the following matters:

- changes in the business portfolio
- entering new areas of activity and withdrawing from existing ones
- changes in holdings of material* subsidiaries and equity interests within the scope of these Regulations
- investments within the scope of these Regulations
- selecting new locations of fundamental significance and withdrawing from existing ones
- mid-term planning and budgeting
- conducting litigation in accordance with these Regulations
- all other business exceeding the authority of the Group Executive Board or the Board Committees in terms of these Regulations.

*A subsidiary is a material subsidiary if one of the following conditions is met:

- Annual turnover of more than CHF 10 mio.
- Assets of more than CHF 10 mio.
- Number of employees exceeding 30 FTEs in average in the last business year.

3.1.5 Reporting

Reporting to the Board of Directors comprises:

- the monthly reports, the semi-annual report and the annual report
- information on business activities of fundamental importance outside the scope of periodic reporting
- presentation and evaluation of the trend of business with respect to markets and products, and in comparison with competitors.

- number and composition of shareholders of Autoneum Holding Ltd.

3.1.6 Performance appraisal by the Board of Directors

The Board of Directors conducts an appraisal of its own performance at least once a year. This includes an assessment of the information status of the board members with respect to the Group and its business development.

3.1.7 Other duties

The following additional duties are also incumbent upon the Board of Directors:

- to determine the amount of share capital (Art. 651 para. 4 Swiss Code of Obligations) as well as adopting increases in capital and the relevant amendments to the Articles of Association;
- to decide upon dividend policy;
- to decide the remuneration of members of the Board of Directors and the Board Committees;
- to decide the remuneration and terms of employment of the CEO and the members of the Group Executive Board;
- to decide bonus, share purchase and option plans in accordance with these Regulations;
- to inform the court in the event of insolvency;
- drawing up directives governing share transfers;
- to decide on issues of bonds and the utilization of reserved or authorized share capital of Autoneum Holding Ltd.

3.1.8 Delegation

Unless provided otherwise by law or the Articles of Association, the Board of Directors delegates its authority, in particular the preparation and execution of its resolutions and the management of the Group within the meaning of Art. 716b Swiss Code of Obligations, to the CEO in accordance with the stipulations of these Regulations.

3.2 Organization of the Board of Directors

3.2.1 Composition

The Board of Directors consists of:

- the Chairman
- the Vice-chairman
- the other members.

It constitutes itself. The Board of Directors appoints a Secretary, who does not need to be a member of the Board of Directors.

3.2.2 Term of office

The members of the Board of Directors retire at the annual general meeting following their 70th birthday.

3.2.3 Vice-chairman

The Vice-chairman deputises for the Chairman in the latter's absence.

3.2.4 Meetings

The Board of Directors meets as often as required by the business on hand. Board meetings are called by the Chairman or, in his absence, by another member of the Board of Directors. Any member can submit to the Chairman a motivated written request to call a board meeting.

3.2.5 Invitations

Invitations are usually sent out to the Board of Directors, together with the agenda and the proposals, ten days before the meeting.

3.2.6 Agenda

The Chairman, or, in his absence, the Vice-chairman, draws up the agenda. The agenda is sent out to the directors together with the invitation. Any member of the Board of Directors can request the inclusion of items on the agenda. This request must be submitted in writing to the Chairman, or, in his absence, to the Vice-chairman, at least fourteen days before the meeting.

3.2.7 Quorum

The Board of Directors has a quorum when the majority of its members is present. A quorum is also present if the members can communicate with each other via telephone, videoconference, the Internet or other electronic media.

No quorum is necessary to record the completion of an increase in capital and approve the subsequent amendment to the Articles of Association.

3.2.8 Adopting resolutions

The Board of Directors adopts resolutions and conducts elections with an absolute majority of votes present. In the event of a tie the chairperson has the casting vote.

On the instructions of the Chairman, or, in his absence, of the Vice-chairman, resolutions can also be adopted by the Board of Directors in the form of a circular by letter or facsimile, unless a member of the Board of Directors requests discussion at a meeting within three days after receiving the relevant draft of resolution.

3.2.9 Minutes

Minutes must be taken of all board meetings and decisions; these must be signed by the chairperson and the Secretary. The minutes must be approved by the Board of Directors at its next meeting. The minutes should usually be available four weeks after the meeting.

3.2.10 Conflicts of interest

The members of the Board of Directors are obliged to abstain from participating in discussions of business which concerns their own personal interests or those of a company with which they are associated.

3.2.11 Attendance by third parties

The CEO and the CFO usually attend the meetings of the Board of Directors. The other members of the Group Executive Board attend the meetings to discuss matters in their scope. Other employees and third parties may be invited to the meetings.

3.2.12 Confidentiality

The members of the Board of Directors, the Secretary and all other persons attending meetings of the Board of Directors are obliged to treat as confidential all information obtained in the performance of their duties, unless such information is already in the public domain.

3.2.13 Files

Upon leaving the board, directors hand over their files to the Chairman or confirm that they have destroyed them.

3.2.14 Right to information

Each member of the Board of Directors has the right to information and inspection within the meaning of Art. 715a Swiss Code of Obligations.

3.3 The Chairman of the Board of Directors

3.3.1 Appointment

The Chairman is appointed by the Board of Directors.

3.3.2 Responsibilities

The Chairman of the Board presides over the meetings of the Board of Directors and prepares such meetings. He ensures close links between the Board of Directors, its Committees, the CEO, the CFO and the Business Group Heads.

The Chairman of the Board assumes the duties assigned to him by these Regulations. In particular, he is responsible for:

- safeguarding the interests of the major stakeholders;
- ensuring that all steps are taken to secure the interests of the Group;
- supervising the implementation of the decisions taken by the Board of Directors.

3.3.3 Urgent decisions

In matters of urgency the Chairman may — after consultation with the directors who can be reached — act alone on the authority of the Board of Directors of Autoneum Holding Ltd. All other directors must be informed immediately of these decisions, which must be ratified by the full Board of Directors at its next meeting.

3.3.4 Other authority

The following duties in particular are incumbent upon the Chairman of the Board:

- supervising share transfers in accordance with the directives issued by the Board of Directors
- he can represent the overall interests of the Group externally.

3.4 The Audit Committee

3.4.1 Duties/Principles

The Audit Committee (AC) elaborates the fundamental principles for external and internal auditing for submission to the Board of Directors and informs itself with regard to the implementation of these principles.

3.4.2 Supervision

The committee evaluates the work of the external and internal auditors and their cooperation.

3.4.3 External auditors

The committee evaluates the audit reports submitted by the statutory and group auditors, reports to the Board of Directors and supports the Board of Directors in nominating statutory and group auditors to the shareholders' meeting.

3.4.4 Internal auditors

The committee reviews the summary of the audit findings submitted by the internal auditors, approves the audit schedule for the following year and reports thereon to the Board of Directors. It nominates the Head of Internal Audit for appointment by the Board of Directors.

3.5 The Personnel, Compensation and Nominations Committee

3.5.1 Duties/Principles

The Personnel, Compensation and Nominations Committee (NCC) elaborates the objectives and fundamental principles of personnel policy for submission to the Board of Directors and obtains information on the implementation of these principles from the CEO. These also include concepts with regard to management and mutual cooperation, compensation (salary system, bonus, share purchase and option plans) and training.

3.5.2 Executive planning

The committee regularly obtains information on personnel succession planning (Group Executive Board, Business Groups, Corporate Service Units) and the associated development programs.

3.5.3 Compensation

The committee appraises the remuneration of the members of the Board of Directors and its Committees for submission to the Board of Directors and prepares proposals to the Board of Directors regarding the appointment, remuneration and terms of employment of the CEO and the members of the Group Executive Board.

3.5.4 Nomination of directors

The committee stipulates the principles governing the selection of candidates for election or re-election to the Board of Directors by the shareholders' meeting and prepares their selection according to these criteria.

3.6 Further Committees

Upon request of one of its members, the Board of Directors may establish further committees for specific tasks.

3.7 The Group CEO

3.7.1 Appointment

The Group CEO is appointed by the Board of Directors.

3.7.2 Responsibilities

He is responsible within the scope of these Regulations for elaborating group strategy for submission to the Board of Directors, for implementing the strategic directions specified by the Board of Directors, for the operational management of the Group, its overall financial results and for taking other action decided by the Board of Directors. He ensures regular reporting to the Board of Directors on the course of business, the financial situation and specific business activities. In addition, he assumes responsibility for the management of the service units directly reporting to him.

3.7.3 Representation

The CEO represents the overall interests of the Group vis-à-vis public authorities, business associations and other external groups.

3.8 The Group Executive Board

3.8.1 Composition

The Group Executive Board (GEB) consists of:

- the CEO, who presides
- the Business Group Heads
- the CFO.

The Board of Directors may appoint further members of the Group Executive Board. The Group Executive Board is a coordinating body without any decision-making authority.

3.8.2 Individual responsibility

Each Business Group Head assumes responsibility for the management of the respective Business Group. The members of the Group Executive Board support the Group CEO in safeguarding the Group's interests and optimizing overall financial performance.

3.8.3 Cooperation

The members of the Group Executive Board are committed to cooperating closely. They shall mutually inform each other in a timely manner about any material matters in their scope.

3.8.4 Special provisions

The CEO leads the coordinating meetings of the Group Executive Board.

3.9 The Business Group Heads

3.9.1 Appointment

The Business Group Heads (BG Heads) are proposed by the CEO for appointment by the Board of Directors. They report to the CEO.

3.9.2 Responsibilities

The Business Group Heads are responsible for:

- elaborating and implementing the strategy of the Business Group in the context of Group strategy;
- enforce the principles of corporate policy in the Business Group;
- operational management of the Business Groups to optimize the overall results worldwide, bearing Group interests in mind;
- close cooperation with the Corporate Center and the Corporate Service Units, especially on issues of organization, financing, controlling and personnel.

3.10 Corporate Center/CFO

3.10.1 Appointment

The CFO is proposed by the CEO for appointment by the Board of Directors. He reports to the CEO.

3.10.2 Responsibilities

The CFO is responsible in particular for:

- managing the Corporate Center;
- managing the Corporate Service Units at Corporate Center;
- managing the management and finance companies allocated to the Corporate Center in order to optimize net profit;
- representing the interests of the Group in foundations, pension funds, etc.;
- managing liquidity and non-operational fixed assets in order to optimize net profit;
- tax optimization of investment structures and financing;
- efficient provision of group services, e.g. in the fields of legal services, risk management, compliance, controlling, treasury and financial accounting.

3.11 Internal Audit

Internal Audit provides independent audit services within the Group for the Board of Directors.

Internal Audit reports to the Board of Directors. It reports on the results of its work to the Audit Committee. For administrative and other purposes in the context of day-to-day business, the Head of Internal Audit reports to the CFO.

4. The modus operandi and coordination of the executive bodies at Group level

4.1 Direct management discussion

The main element of the management process within the group management framework is direct management discussion. All management personnel are committed to seek and encourage direct discussion whenever the situation requires this. Wherever possible, decisions should be reached through discussion.

4.2 Cooperation between the CEO, the Business Groups and the Corporate Center

The CEO can issue additional instructions for the further regulation of cooperation between the CEO, the Business Group Heads and the CFO.

5. General personnel regulations

5.1 Grandfather principle

All decisions by the incumbent regarding appointments, dismissals and changes in terms of employment must be approved by his superior (grandfather principle). The Group Executive Board member in charge (CEO or CFO) must be consulted as far as appointments, dismissals and terms of employment of senior personnel in the Business Groups with responsibilities in the fields of Finance, Controlling, Legal Services, Communications and Human Resources are concerned.

5.2 Signatory authority

All legally binding documents must be signed by two signatories, even if single signature is permissible under local law. Each operational or legal unit issues guidelines regarding the signatory authority of its personnel.

These regulations have been issued in English and German. The German version prevails.

Approved at the meeting of the Board of Directors held on July 15, 2011