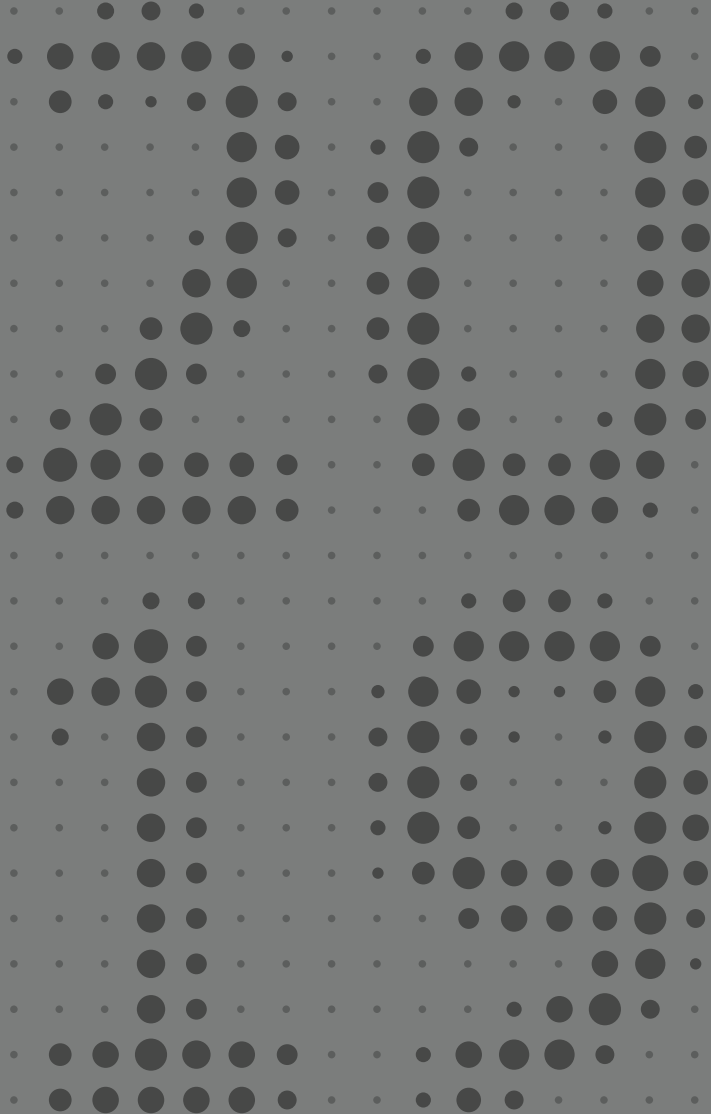


autoneum



Annual Report

Autoneum at a Glance

Autoneum is the global market and technology leader in acoustic and thermal management for vehicles and partner to automobile manufacturers around the world. The Company develops and produces multifunctional, lightweight components for optimum noise and heat protection. The innovations of Autoneum make vehicles quieter, lighter, safer and more fuel-efficient while enhancing driving comfort.

2 297.4

Revenue in CHF million

2.5

Organic growth in %

13 128

Number of employees

1.5*

EBIT margin in %

* Without one-time effects from impairment of fixed assets.

Financial highlights

CHF million	2019		2018		Change	Organic growth ¹
Autoneum Group						
Revenue	2 297.4	100.0%	2 281.5	100.0%	0.7%	2.5%
EBITDA	164.0	7.1%	197.2	8.6%	-16.8%	
EBITDA adjusted ²	126.0	5.5%	197.2	8.6%	-36.1%	
EBIT ³	-32.9	-1.4%	114.1	5.0%	-128.9%	
EBIT before one-time effects ^{3,4}	35.0	1.5%	114.1	5.0%	-69.3%	
Net result ³	-77.7	-3.4%	74.7	3.3%	-204.1%	
Return on net assets (RONA) ^{3,5}	-3.9%		7.8%			
Cash flows from operating activities	119.2		124.0			
Cash flows from operating activities adjusted ²	94.0		124.0			
Net debt at December 31	659.6		283.7			
Net debt at December 31 adjusted ²	355.2		283.7			
Number of employees at December 31 ⁶	13 128		12 946		1.4%	
BG Europe						
Revenue	900.9	100.0%	984.5	100.0%	-8.5%	-5.6%
EBIT ³	51.0	5.7%	82.0	8.3%		
BG North America						
Revenue	1 001.8	100.0%	921.8	100.0%	8.7%	7.2%
EBIT ³	-134.8	-13.5%	-8.2	-0.9%		
EBIT before one-time effects ^{3,4}	-72.8	-7.3%	-8.2	-0.9%		
BG Asia						
Revenue	275.7	100.0%	260.3	100.0%	5.9%	8.1%
EBIT ³	11.9	4.3%	18.9	7.3%		
EBIT before one-time effects ^{3,4}	17.9	6.5%	18.9	7.3%		
BG SAMEA⁷						
Revenue	125.8	100.0%	111.5	100.0%	12.8%	32.7%
EBIT ³	10.7	8.5%	10.8	9.7%		
Share AUTN						
Share price at December 31 in CHF	116.20		147.40		-21.2%	
Market capitalization at December 31	539.9		685.8		-21.3%	
Basic earnings per share in CHF	-20.82		11.83		-276.0%	
Dividend per share in CHF ⁸	-		3.60		-100.0%	

¹ Change in revenue in local currencies, adjusted for hyperinflation.

² Excluding IFRS 16 effects in 2019.

³ The figures for the 2019 financial year include IFRS 16 effects.

⁴ Without one-time effects from impairment of fixed assets.

⁵ Net result before interest expenses in relation to average shareholders' equity plus borrowings.

⁶ Full-time equivalents including temporary employees (excluding apprentices).

⁷ Including South America, Middle East and Africa.

⁸ As proposed by the Board of Directors and subject to the approval of the Annual General Meeting.

Group Report

Letter to Shareholders	03
2019 at a Glance	08
Corporate Responsibility	28
Corporate Governance	34

Financial Report

Consolidated Financial Statements	60
Financial Statements of Autoneum Holding Ltd	121
Remuneration Report	134
Review 2015 – 2019	139
Important Dates	144



Hans-Peter Schwald
Chairman of the Board

Matthias Holzammer
Chief Executive Officer

Net result impacted by operating losses and high impairments in North America

Dear shareholders

2019 was an extremely challenging year for the automobile industry. The continuing weakness of the global economy, ongoing trade disputes and the increasing regulation of mobility impacted vehicle demand negatively. But 2019 was also a year of change for Autoneum internally. An in-depth analysis carried out by the new Group Management in the fall showed a need to reevaluate the Group's performance over the short- to medium-term. In Business Group North America, the operational and commercial problems have proven more extensive than originally assumed. As a result, the turnaround program launched in spring 2019 was replaced at the beginning of 2020 with a dedicated and far more comprehensive program for the North American sites.

Revenue growth despite a shrinking global market

As a result of weak demand, the number of light vehicles produced worldwide fell again sharply in 2019 compared to the previous year; whereby the decline of almost –6% was much steeper than in 2018. Thanks to numerous production ramp-ups and a favorable model portfolio, Autoneum generated organic revenue growth¹ of 2.5%, despite the global market cooling. Revenue consolidated in Swiss francs rose by 0.7% from CHF 2 281.5 million to CHF 2 297.4 million.

Profitability² impacted by operational inefficiencies and impairments

Operational inefficiencies in North America and impairments on fixed assets in this region were the main reason for the – first-ever – negative net result in 2019. In addition, the sharp drop in automobile production in Europe and China as well as associated lower utilization of production capacities in the affected Business Groups also burdened the Group's profitability. EBITDA excluding IFRS 16 effects decreased to CHF 126.0 million (2018: CHF 197.2 million), which corresponds to an EBITDA margin of 5.5% (2018: 8.6%). One-time charges from impairments in the amount of CHF –68.0 million had a negative impact on EBIT, reducing it to CHF –32.9 million (2018: CHF 114.1 million). Without these one-time charges, EBIT amounted to CHF 35.0 million. The EBIT margin excluding impairments was at 1.5% in 2019, and taking those into account the margin decreased to –1.4% (2018: 5.0%).

¹ Change in revenue in local currencies, adjusted for hyperinflation.

² The figures for the 2019 financial year include IFRS 16 effects.

Lower equity ratio as a result of higher net debt

Continuing high operating losses throughout the year and impairments on fixed assets led to a net loss of CHF –77.7 million in 2019 (2018: net profit of CHF 74.7 million). The operating losses of Business Group North America and investments in fixed assets resulted in a negative free cash flow of CHF –9.9 million (2018: CHF –40.7 million). However, despite the lower result, free cash flow in 2019 was improved compared to the prior year. IFRS 16 also required a change to the recognition of leased property, plant and equipment and associated liabilities each in the amount of CHF 301.6 million. This reduced the equity ratio to 27.1% as of December 31, 2019. On a comparable basis, excluding IFRS 16 effects, the equity ratio was at 32.7%. Net debt excluding the IFRS 16 effects rose to CHF 355.2 million (December 31, 2018: CHF 283.7 million). With the two bonds issued in 2016 and 2017, the long-term credit agreement with a bank syndicate and two shareholder loans, Autoneum continues to be solidly financed.

Committed to the mobility of the future

In 2019, Autoneum again launched various innovative components that help automobile manufacturers to produce quieter, lighter and more environmentally friendly vehicles. The multifunctional, lightweight components are suitable for vehicles with all types of drives. This is a great advantage for car manufacturers in both pre-development as well as series production of models and makes Autoneum a sought-after supplier of acoustic and thermal management solutions. With battery undercovers made of Ultra-Silent, the Company has adapted this textile underbody technology for use in electric vehicles for the first time. These battery undercovers act as insulators helping to reduce sound that enters the passenger cabin, as well as pass-by noise. Noise-reducing components are also essential in electric models. External and internal noise sources such as electric drive elements, fans and pumps are more audible in this vehicle category due to the lack of engine noise and therefore impact driving comfort. Thanks to their light weight, battery undercovers made of Ultra-Silent also help to ensure a greater driving range. In view of increasing pass-by noise regulation around the world, Autoneum now offers customers the multifunctional Alpha-Liner wheelhouse outer liner, which is highly effective in reducing tire noise and allows noise absorption to be customized for the specific requirements of the vehicle model. Made primarily of recycled PET fibers and fully recyclable, Alpha-Liner wheelhouse outer liners are particularly environmentally friendly.

Leading the way in digitalizing acoustic management

Autoneum is setting standards for automobile noise and heat protection not only with its innovative components and technologies, but also digitally, as the first automotive supplier in the world with a configurator for the acoustic management of vehicles. The online portal “Acoustic Garage” (acoustics.autoneum.com) is based on Autoneum’s unique simulation

expertise and offers a comprehensive information and product experience on all aspects of noise protection in cars. Users – whether customers or end consumers – can configure a product package to their individual needs on the basis of selected criteria such as lightweight construction, sustainability and aesthetics. In this way, Autoneum helps vehicle manufacturers, ensuring optimal acoustics in future models.

New Group Management with strong operational expertise

In October 2019, the Board of Directors appointed two new members to the Group Executive Board: Matthias Holzammer and Bernhard Wiehl. Matthias Holzammer has taken over as CEO from Martin Hirzel, under whose tenure Autoneum became the internationally recognized market and technology leader in thermal and acoustic management that it is today. Matthias Holzammer demonstrated his operational expertise in various positions, among others as the long-standing Head of Business Group Europe, which he successfully restructured from 2012 on, transforming it into a highly profitable Business Group until his departure at the beginning of 2019. Also contributing to its transformation was Bernhard Wiehl, who succeeded Dr Martin Zwysig as CFO of the Company at the end of October 2019. Bernhard Wiehl was responsible for Finance & Controlling at Business Group Europe from 2013 to 2019.

At the beginning of 2019, Dr Alexandra Bendler succeeded Matthias Holzammer as Head of Business Group Europe. Since joining the Company in 2008, she has held various management positions, including Head of Group Strategy & Marketing and Head of Sales & Program Management for Business Group Europe. In North America, Greg Sibley assumed responsibility for the corresponding Business Group after a transition period on July 1, 2019 from Fausto Bigi, who had served as the interim Head since the beginning of 2019. With his extensive expertise in the areas of production, development and sales at leading automotive suppliers, Greg Sibley is ideally suited to tackling the current challenges in North America.

Board of Directors proposes waiver of dividend payment

In view of the significant net loss, the Board of Directors will propose to the Annual General Meeting on March 25, 2020 no dividend to be distributed for the 2019 financial year.

Business Groups

The drop in automobile production compared to the previous year led to a revenue decline of –5.6% in local currencies at Business Group Europe in 2019. Revenue in Swiss francs decreased by –8.5% to CHF 900.9 million (2018: CHF 984.5 million). The earnings were impacted not only by the volume-related loss of profitability, but also by the continued challenging labor market situation and a shortage of skilled employees especially in Eastern Europe. Driven by a weaker capacity utilization and despite a cost-savings program to reduce fixed costs that was imple-

mented early on, EBIT in the reporting period dropped to CHF 51.0 million (2018: CHF 82.0 million), corresponding to an EBIT margin of 5.7% (2018: 8.3%).

In an equally declining market, Business Group North America increased its 2019 revenue by 7.2% on a currency-adjusted basis, mainly due to various production ramp-ups by German and Japanese vehicle manufacturers. In Swiss francs, revenue climbed to CHF 1 001.8 million (2018: CHF 921.8 million). In the 2019 financial year, Business Group North America recorded an EBIT of CHF –134.8 million (2018: CHF –8.2 million), which includes one-time charges from impairments of fixed assets of CHF –62.0 million. As the insufficient profitability in North America is not only limited to two loss-making US plants, a comprehensive turnaround program has been implemented at the North American sites at the beginning of 2020 that replaces the predecessor program that had been launched in spring 2019. It focuses on the solution of operational and commercial problems as well as the improvement of the cost structure.

In Asia, too, the corresponding Business Group succeeded in boosting revenue in a declining market. Driven by new and high-volume programs of European and Asian automobile manufacturers, Business Group Asia grew in local currencies by 8.1%. Revenue in Swiss francs rose to CHF 275.7 million (2018: CHF 260.3 million). Profitability has been significantly burdened by the expansion of capacity undertaken in recent years in line with the originally forecast growth of the Chinese market. This and the resulting one-time charges from impairments of fixed assets totaling CHF –6.0 million led to an EBIT of CHF 11.9 million (2018: CHF 18.9 million). Excluding impairments, the EBIT margin was at 6.5% (2018: 7.3%).

Business Group SAMEA (South America, Middle East and Africa) continued its growth path in the reporting year. Despite the market slump in this region, revenue in local currencies climbed by 32.7%, a result boosted by inflation. High-volume export programs in Turkey and South Africa as well as much higher production volumes compared to the previous year in the key SAMEA market of Brazil were key factors. Due to the strong depreciation of various relevant currencies, revenue consolidated in Swiss francs was up less remarkably by 12.8% to CHF 125.8 million (2018: CHF 111.5 million). Thanks to favorable capacity utilization, the Business Group generated an EBIT of CHF 10.7 million (2018: CHF 10.8 million). The EBIT margin was at 8.5% (2018: 9.7%).

Outlook

Autoneum expects revenue growth at market level in 2020. Based on the uncompromising focus on the turnaround and the implementation of corresponding measures in North America, the Company aims at significant increases in profitability and a slightly positive net result. Furthermore, a free cash flow in the mid double-digit million range is anticipated, which will have a positive effect on the net debt. Based on further operational and financial improvements in 2021 ("Year of Transition"), Autoneum expects a return to a sound profitability level in 2022.

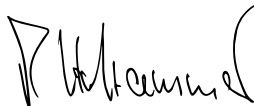
Acknowledgement

A special thank you goes to more than 13 000 Autoneum employees for whom the past year was not an easy one. Despite the associated challenges, our employees give their best every day to put the Company back on the path to success, together with the Board of Directors and the Group Executive Board. We would like to extend our gratitude to our customers, shareholders and all those who have accompanied Autoneum along the way for their loyalty and allegiance, especially in this phase of the Company's development.

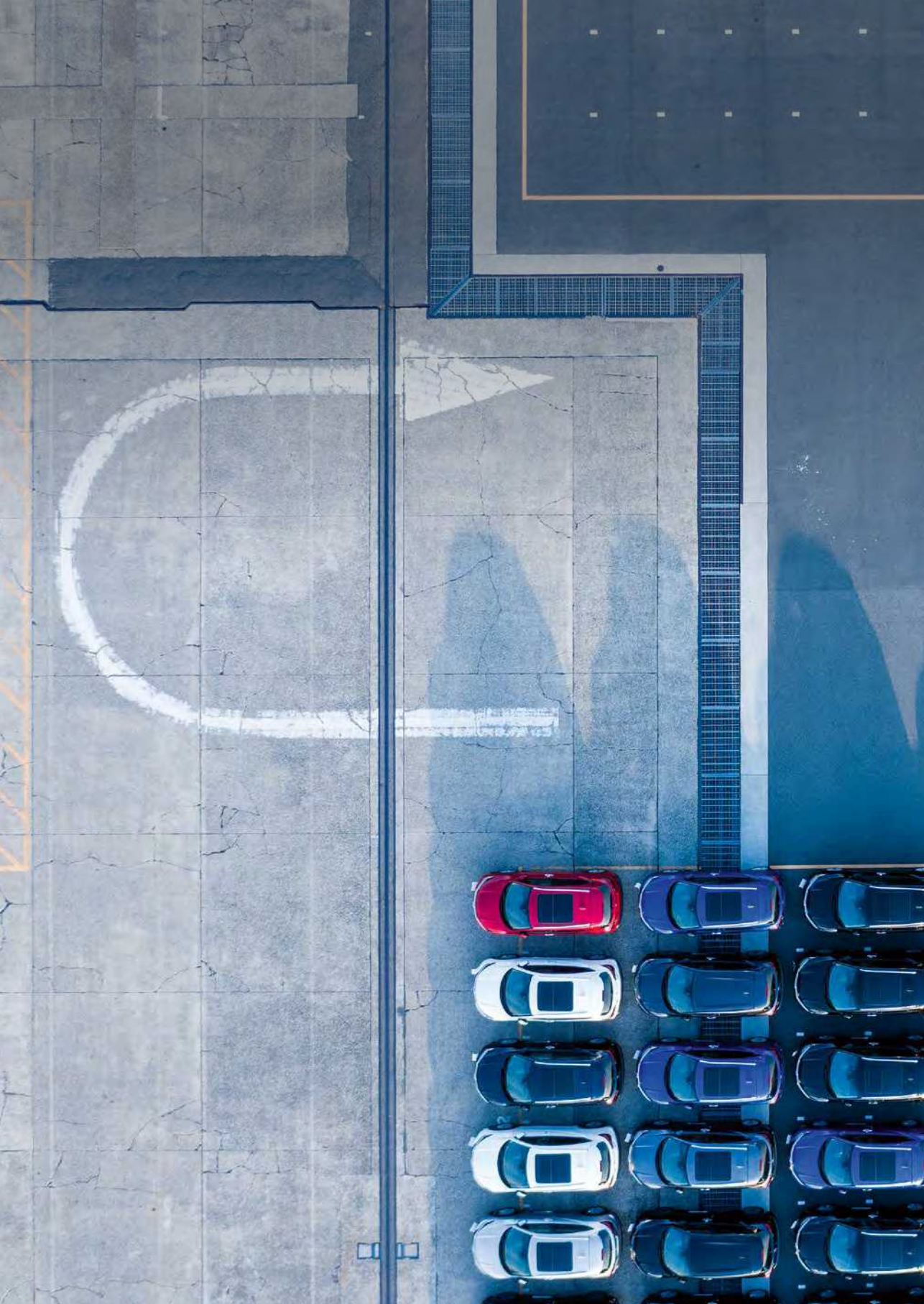
Winterthur, March 3, 2020



Hans-Peter Schwald
Chairman of the Board



Matthias Holzammer
Chief Executive Officer





2019 at a Glance

The past year was all about innovation leadership: Whether new components for acoustics and thermal management, the world's first online configurator for all aspects of noise protection in cars, the Automotive Acoustics Conference scientifically led by Autoneum or successful "Innovation Days" for customers – Autoneum is helping to shape the mobility of the future.

Optimal acoustics at the touch of a button

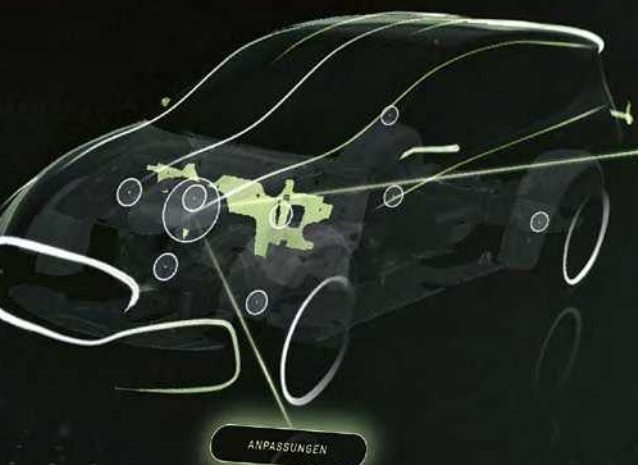
With “Acoustic Garage”, Autoneum launched in 2019 the very first online platform all around the acoustic management in vehicles. It offers users – whether customers, researchers or end consumers – a comprehensive information and product experience. With just a few mouse clicks, a customized noise protection package can be designed. Acoustic Garage is based on Autoneum’s unique simulation expertise: Software developed in-house calculates the acoustic performance of all selected component and vehicle configurations in real-time and thus secures optimum acoustic management.

acoustics.autoneum.com



STIRNWANDABSORBER

DIE IM MOTORRAUM BEFINDLICHEN STIRNWANDABSORBER ABSORBIEREN GERÄUSCHE DES ANTRIEBSSTRANGS DIREKT AN DER LÄRMQUELLE.



LEICHTBEWICHT

TEPPICHSYSTEM

STIRNWANDISOLATION

STIRNWANDABSORBER

MOTORHAUBENABSORBER

MOTORKAPSELUNG

MOTORABDECKUNG

TUNNELISOLATION AUSSEN

UNTERBODENSCHILD

RADHAUSVERKLEIDUNG

ANPASSUNGEN





Córdoba: dedicated to customer satisfaction

High product quality and delivery excellence – both are hallmarks of the Autoneum plant in Córdoba, Argentina. For these achievements, our only production facility in the land of the tango received several customer awards in 2019: Congratulations on the “Quality Award” and the “Logistic Performance Award” from Toyota as well as the recognition of being one of the “Best Argentinian Suppliers” from Iveco (CNH Industrial Group).

Greater driving range with Ultra-Silent

Autoneum expanded its product portfolio for electric vehicles in 2019 with textile battery undercovers made of Ultra-Silent. Thanks to their low weight, they contribute to a higher driving range of electric models. They also reduce vehicle sounds that become more audible due to the lack of engine noise, thus improving driving comfort. Battery undercovers made of Ultra-Silent consist entirely of PET and act as thermal insulators. They accordingly protect the battery against cooling or heating – improved battery performance guaranteed. This product innovation will initially be used in the electric model of a German premium manufacturer.









Automotive Acoustics Conference 2019: industry leadership confirmed!

Last July, more than 220 experts discussed requirements for acoustic management associated with the mobility of the future at the Automotive Acoustics Conference in Zurich, Switzerland, which is scientifically led by Autoneum. Presentations and workshops focused on new findings related to noise protection in electric vehicles and the use of measurement systems in the pre-development of sound-reducing components.

Hybrid-Acoustics PET for sustainable noise protection

Lighter, quieter and more environmentally friendly vehicles – this is what Hybrid-Acoustics PET stands for. The newly launched technology for e-motor encapsulations particularly attenuates high-frequency sounds at the source, hence providing ideal noise protection and greater driving comfort. Components based on Hybrid-Acoustics PET are made entirely of PET that largely consists of recycled fibers and thereby meets the requirements for resource-efficient mobility solutions. Starting in spring 2020, Autoneum will be supplying numerous e-models with motor capsulations made of Hybrid-Acoustics PET.





Happy birthday Tillsonburg!

For 50 years, our plant in the Canadian city of Tillsonburg has been a byword for quiet cars. Working in a production space of more than 13 000 square meters, around 300 employees ensure that US-American vehicle models offer optimum acoustics thanks to wheelhouse inner liners, floor insulators and inner dashes from Autoneum.





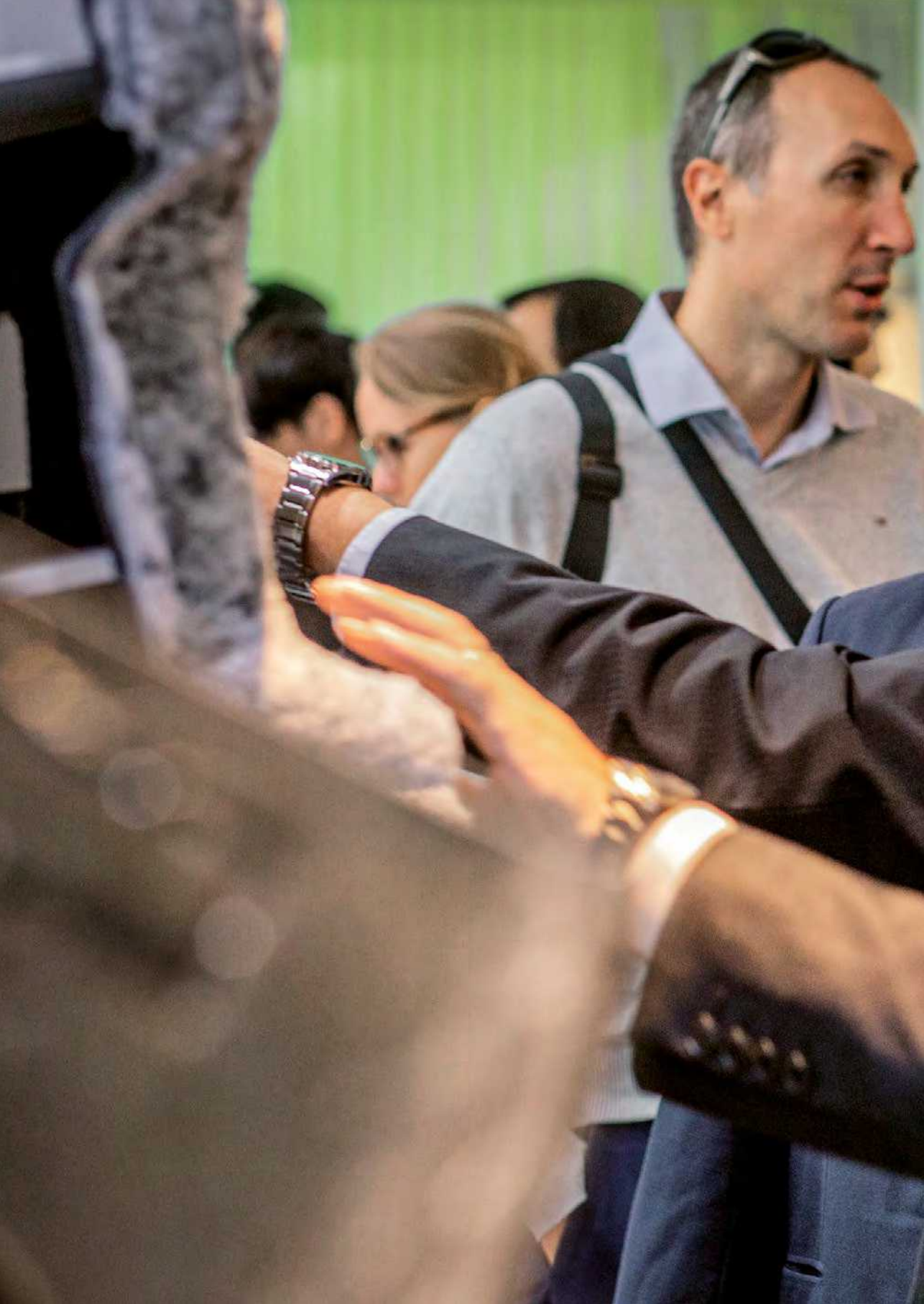
autoneum





Enjoy the silence with Alpha-Liner

Automobile manufacturers around the world must comply with increasingly restrictive noise regulations for new vehicle models. Every decibel less is key. To achieve a substantial reduction, Autoneum's multifunctional Alpha-Liner wheelhouse outer liner plays an important role. There, a thin plastic coating applied on the tire side maximizes sound absorption according to the vehicle requirements and thereby reduces tire noise. At the same time, the textile components convince with their low weight, which ensures a higher driving range. But that's not all: The components, which are made of 100% recycled PET fibers, can be completely reclaimed and are therefore particularly sustainable.





Successful “Innovation Days” in Japan

In order to show current and potential customers the extensive benefits of its product innovations, Autoneum conducts in-house exhibitions at automobile manufacturers around the world. In 2019, these “Innovation Days” took place at Toyota, Nissan and Honda in Japan, among others. Particularly sustainable innovations for use in electric vehicles were presented in the form of lightweight under-battery covers made of Ultra-Silent, along with Alpha-Liner wheelhouse outer liners.



To the top with Autoneum

Promoting innovation in the automobile industry is the basis of the long-term partnership with the leading industry accolade, the “World Car Awards”. Every year, a large number of the nominated models benefit from Autoneum’s technology leadership in acoustic and thermal management. The fully electric “I-PACE” SUV from Jaguar convinced in 2019 also due to its numerous Autoneum components and became the first model to win the “World Car of the Year”, “World Car Design of the Year” and “World Green Car” awards simultaneously.



In focus: people and the environment

Being a good corporate citizen, Autoneum wants to make a decisive contribution to a sustainable future. To this end, the Company undertook a range of projects and measures in 2019 as part of its Advance Sustainability Strategy 2025 in order to meet a comprehensive Group-wide set of environmental, social and ethical targets.

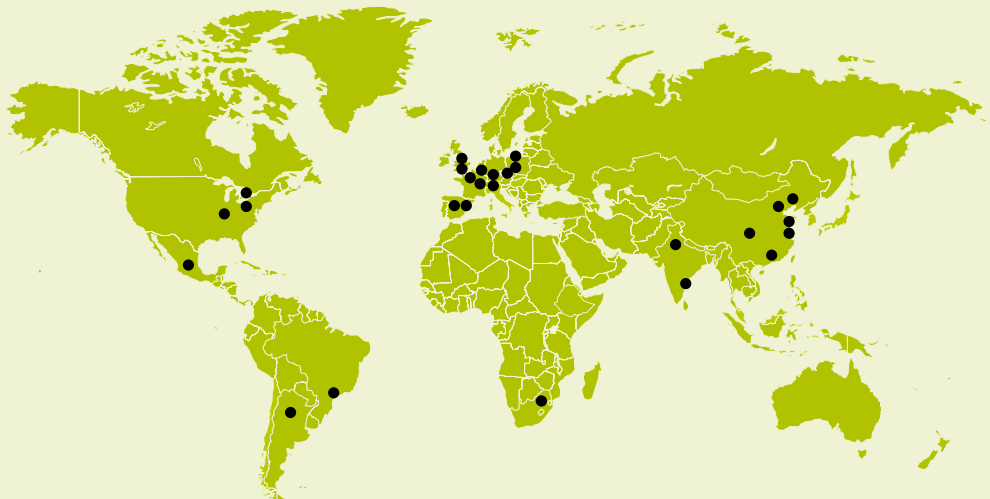




Eco-efficient production processes

Autoneum works continuously to improve its environmental footprint by reducing or recycling production waste and by lowering energy and water consumption.

Over 60 such environmental efficiency projects at 29 of the Company's sites have contributed to improving this record and thus ensuring environmentally friendly production in 2019. Besides energy efficiency measures such as the transition to LED lighting and energy-efficient motors in compressors and fans, Autoneum is endeavoring to create closed material loops by fully recycling raw and other materials used in the production process. Accordingly, the Company further expanded its recycling capacity in 2019 and new plants for recovering scrap from the production of the textile mono-material Ultra-Silent and the felt fiber technology IFP-R2 commenced operations in Asia. In Europe, the amount of production waste that was recycled rose significantly through the use of external recycling facilities.



More than 60 eco-efficiency projects worldwide



Occupational health and safety

All Autoneum sites are committed to providing and maintaining a safe and healthy work environment for employees, customers, suppliers and visitors. In this context, the Company continued with the Group-wide “Manufacturing Safety Program”, launched in 2018, during the reporting year. The core element of the program is an occupational safety culture that focuses on prevention and risk reduction. Last year, two-day workshops were held at 21 plants across all four Business Groups, at which management teams learned different methods to promptly detect and correct unsafe practices and conditions. The Company also further improved its ergonomic standards: A newly launched ergonomics handbook contains, among other things, specifications for the identification of accident risks, for the ergonomic layout of the workplace and for physical relief through workplace rotation. In addition, five Autoneum plants were certified according to the new international standard for occupational health and safety, ISO 45001, in 2019. This standard has a greater focus on accident prevention than its predecessor, OHSAS 18001, which was designed in a reactive manner. By 2025, all plants will be certified according to this new standard.



Employee development

In 2019, all of Autoneum’s branches analyzed the respective results of the employee satisfaction survey conducted during the previous year and with the help of focus groups appropriate improvement measures have been implemented. These are intended to bring about continuous improvement, especially in process optimization and production savings. In addition, Autoneum offered its staff a broad range of opportunities for professional and personal development in 2019. For example, 65 alumni of the leadership development programs for managers – the International Leadership Program (ILP) and the High Performance Leadership Program (HPL) – participated in a virtual deep dive workshop in November. As part of this innovative event format, employees from 23 sites from all regions analyzed and defined the corporate value of “Accountability” and reflected on how they, as managers, could best live this value on a day-to-day basis.



Compliance

Autoneum not only acts in accordance with the law, but also strives to observe the highest ethical standards both within the Company as well as in all its business relations. The Code of Conduct, which is binding for all employees, forms the basis for all actions and, in terms of its control function, is supplemented by the guidelines, processes and objectives defined in the Compliance Management System (CMS). In 2019, the existing compliance policy framework was extended by the Human and Labor Rights Directive, representing an important measure strengthening adherence to ethical standards. The practice-oriented “Tone at the Top” program, implemented also in the reporting year, makes managers aware of their duty to serve as role models

and behave appropriately when interacting with employees. Irrespective of position, regular training courses on the Code of Conduct as well as on the topics of corruption, competition law and cyber crime aim to ensure that Autoneum employees do not put themselves or the Company at risk as a result of inappropriate conduct.



Social engagement

Autoneum operates 55 production facilities worldwide and as such has a material economic impact on the communities where it is active. To make the best possible use of this influence in addressing social and environmental challenges, the Company maintains close, long-term ties with local stakeholders. In Brazil, for instance, under the “Formare” program some 40 employees provided manufacturing and logistics training to young people from disadvantaged families. In August, the staff at the plant in Bloomsburg (Pennsylvania) in the USA staged the United Way charity golf tournament for the 25th time. Proceeds from this event supported a number of public libraries, youth clubs, charities and a holiday camp for children with special education needs. The Autoneum plant in the south-east Indian city of Chennai mobilized 75 employees to plant more than 500 trees near the site – a small but important contribution to improving air quality in the area and promoting biodiversity in the long term. Last year, 130 such initiatives worldwide helped to promote the social and economic development of Autoneum’s local communities.

130

In 2019, employees engaged in 130 community engagement projects worldwide.

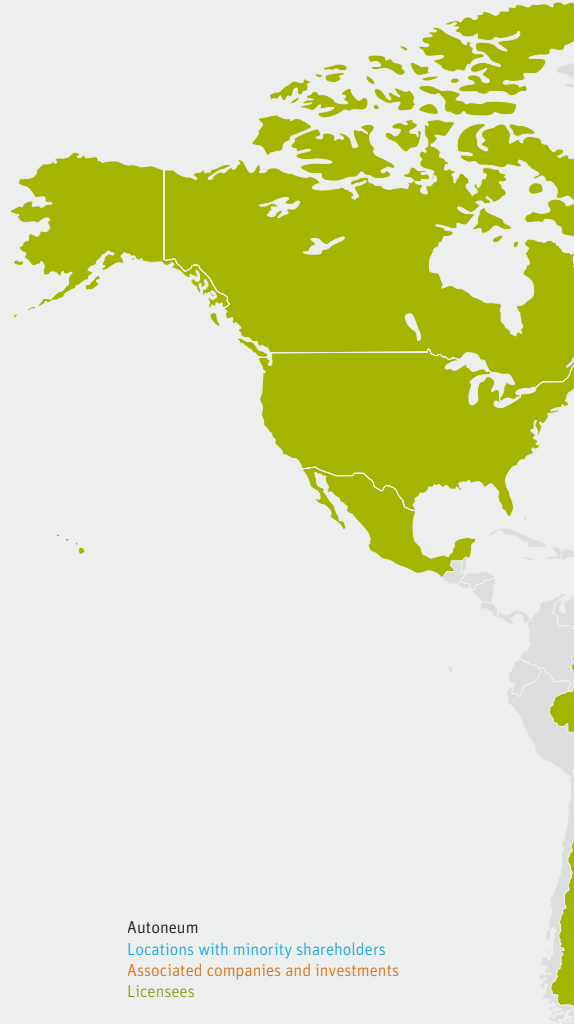
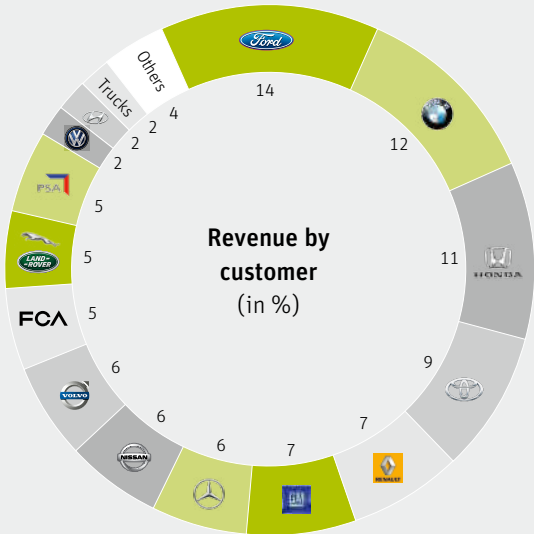
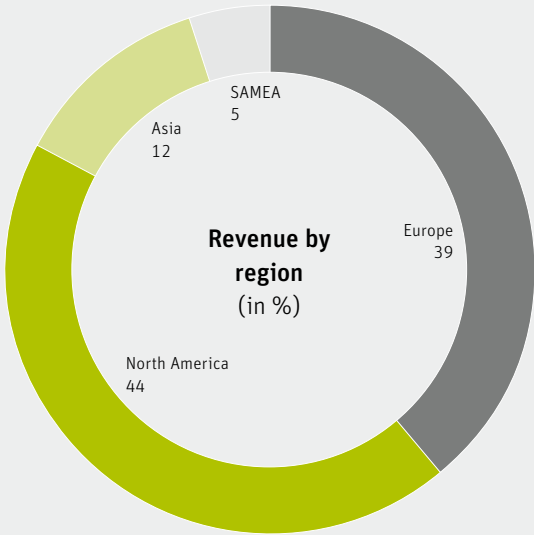
5

In 2019, five Autoneum plants were certified according to ISO 45001.

21

Employees from 21 sites around the globe have participated in the “Manufacturing Safety Program”.

Markets and Customers



Autoneum
 Locations with minority shareholders
 Associated companies and investments
 Licensees

North America

Canada

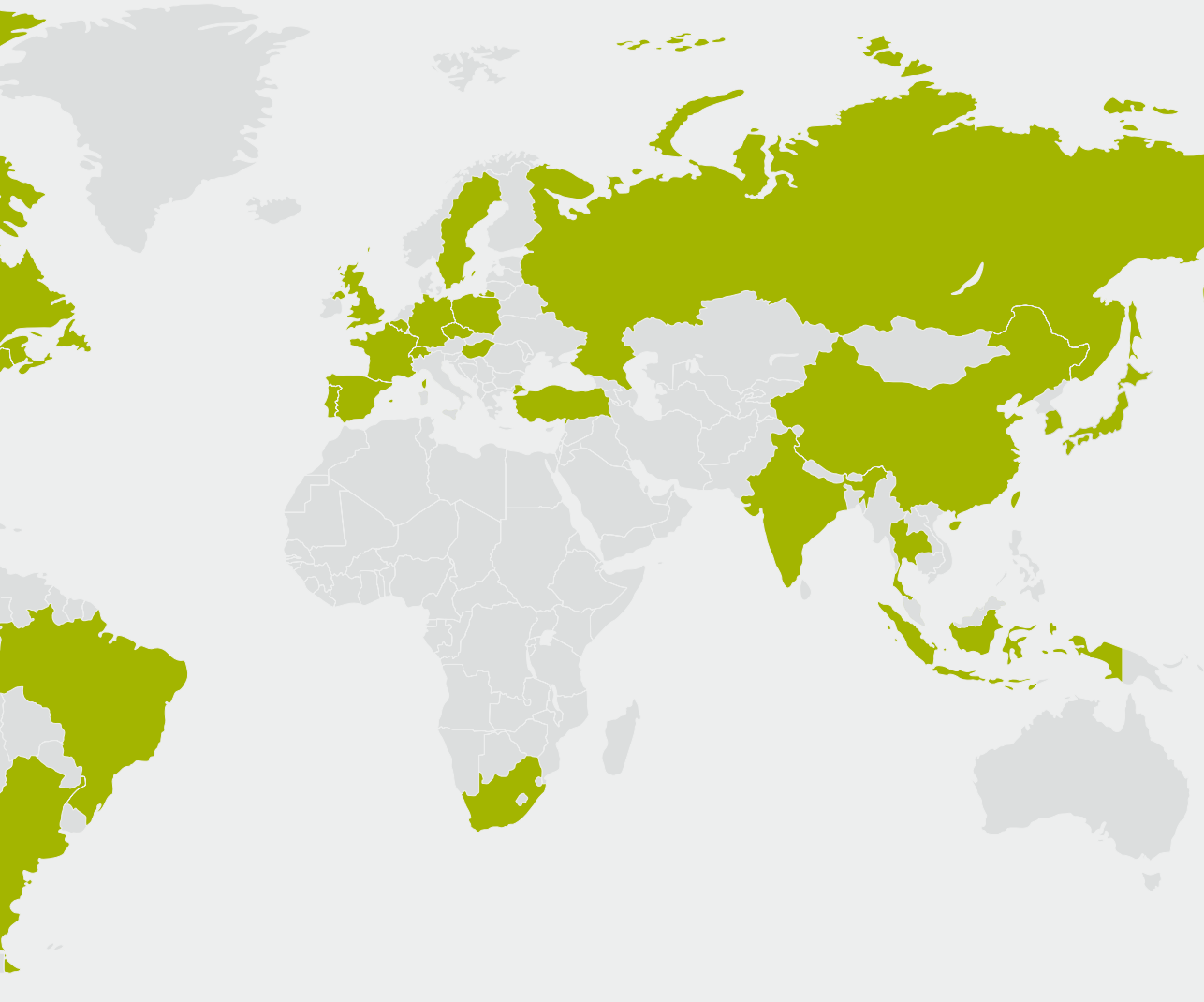
- London, Ontario
- Tillsonburg, Ontario

Mexico

- Hermosillo
- Mexico City
- San Luis Potosí
- Silao

USA

- Aiken, South Carolina
- Bloomsburg, Pennsylvania
- Jeffersonville, Indiana
- Novi, Michigan
- Oregon, Ohio
- Jackson, Tennessee
- Monroe, Ohio
- Somerset, Kentucky
- Tinley Park, Illinois
- Valparaiso, Indiana



Europe

Belgium

- Genk

Czech Republic

- Bor
- Choceň
- Hnátnice

France

- Aubergenville
- Blainville
- Lachapelle-aux-Pots
- Moissac
- Ons-en-Bray

Germany

- Munich
- Rossdorf-Gundernhausen
- Sindelfingen

Hungary

- Komárom

Italy

- Santhià

Poland

- Katowice
- Nowogard

Portugal

- Setúbal

Russia

- Ryazan

Spain

- A Rúa
- Valldoreix

Sweden

- Gothenburg

Switzerland

- Sevelen
- Winterthur (HQ)

United Kingdom

- Halesowen
- Heckmondwike
- Stoke-on-Trent

SAMEA

Argentina

- Córdoba

Brazil

- Gravataí
- São Paulo
- Taubaté

South Africa

- Rosslyn
- Durban

Turkey

- Bursa

Asia

China

- Changsha
- Chongqing
- Pinghu
- Shanghai
- Shenyang
- Taicang
- Yantai
- Guangzhou
- Tianjin
- Wuhan
- Fuzhou

India

- Behror
- Chennai

Indonesia

- Jakarta

Japan

- Oguchi
- Tokyo

Malaysia

- Shah Alam

South Korea

- Seoul

Thailand

- Laem Chabang
- Chonburi

Corporate Governance

The rules and regulations of Corporate Governance are laid out in numerous Autoneum documents, in particular the Articles of Association*, the Organizational Regulations* and the Board Committee Regulations. The content and structure of this report conform to the Directive Corporate Governance (DCG) and the related Guideline published by the SIX Swiss Exchange. Unless stated otherwise, the data pertains to December 31, 2019. Some information will be updated regularly on www.autoneum.com/investor-relations. For some information readers are referred to the financial section of this Annual Report. The Remuneration Report can be found from page 134 onwards.

1 Group structure and shareholders

Group structure

Autoneum Holding Ltd is a company incorporated under Swiss law, with its registered offices in Winterthur. Its shares are listed on the SIX Swiss Exchange (securities code 12748036, ISIN CH0127480363, symbol AUTN). Market capitalization as of December 31, 2019 was CHF 539.9 million.

Autoneum Group consists of the four Business Groups Europe, North America, Asia and SAMEA (South America, Middle East and Africa), the Group Finance department and those corporate functions that report directly to the CEO. It includes all companies controlled by Autoneum Holding Ltd. Within the framework of internal regulations, the Business Groups are responsible for the profitability of each individual company with the exception of those business activities and companies that report directly to the CEO. Each Business Group has been established for a clearly defined and demarcated specific market region. Each of these Business Groups conducts its business within the framework of the Organizational Regulations* and under the leadership of the Business Group Head, who reports directly to the CEO of the Autoneum Group. The segment reporting information can be found on pages 86–88.

The Group Finance department and those corporate functions that report directly to the CEO support the CEO, the Business Group Heads and the Board of Directors in their management and supervisory functions, and are responsible for the activities outside the Business Groups, such as management of holding companies and pension funds. Subsidiary companies are founded based on legal, business and financial considerations. One person (Head of Legal Unit) is appointed for each company and is responsible for local financial management as well as for compliance with national laws and regulations and internal guidelines.

*www.autoneum.com/investor-relations/corporate-governance

Companies with participation of further shareholders are principally managed as described above, however taking into consideration the respective agreements.

42 companies worldwide belonged to the Autoneum Group as of December 31, 2019. An overview on subsidiaries comprising the names, domiciles and share capital of the subsidiaries and the voting rights held by the Autoneum Group can be found on page 115. The management organization of the Autoneum Group is independent of the legal structure of the Group and the individual companies.

Significant shareholders

As of December 31, 2019 Autoneum was aware of the following shareholders with 3% or more of all voting rights in the Company:

- Artemis Beteiligungen I Ltd; Centinox Holding Ltd; Michael Pieper, Hergiswil, Switzerland; 21.1%
- PCS Holding Ltd, Frauenfeld; Peter Spuhler, Warth-Weiningen, Switzerland; 16.15%
- Martin and Rosmarie Ebner via BZ Bank Limited, Wilen, Switzerland; 3.1%
- Credit Suisse Funds AG, Zurich, Switzerland; 3.07%

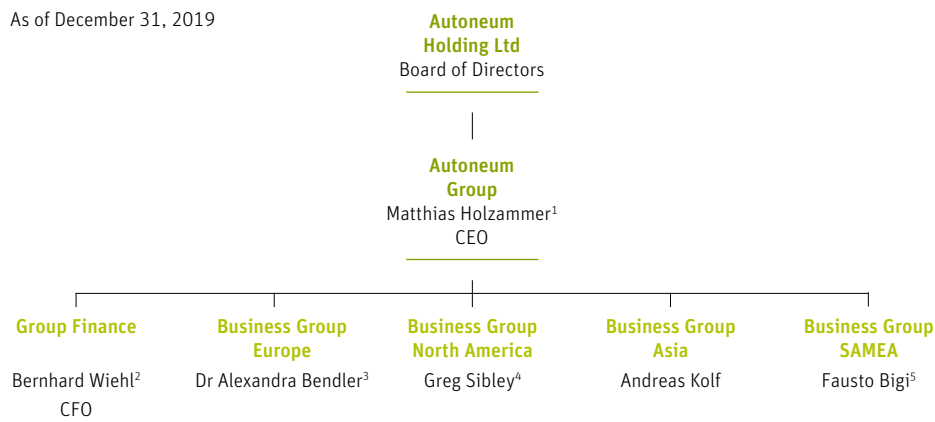
All notifications of shareholders with 3% or more of all voting rights in the Company have been reported to the Disclosure Office of the SIX Swiss Exchange in accordance with Art. 120 of the Financial Market Infrastructure Act (FMIA) and published via its electronic publication platform on www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html, where further details can also be found. As of December 31, 2019 Autoneum Holding Ltd held 0.55% of the share capital (25 783 shares).

Cross-holdings

The Company has no information about cross-holdings of capital or voting shares exceeding the limit of 5% on both sides.

Organization

As of December 31, 2019



¹ As of October 8, 2019; until October 7, 2019 Martin Hirzel (personal data: www.autoneum.com/CV_M.-Hirzel).

² As of October 28, 2019; until October 27, 2019 Dr Martin Zwysig (personal data: www.autoneum.com/CV_M.-Zwysig).

³ As of February 1, 2019; until January 31, 2019 Matthias Holzammer.

⁴ As of July 1, 2019; until January 7, 2019 John T. Lenga (personal data: www.autoneum.com/CV_J.-Lenga); from January 8, 2019 until June 30, 2019 Fausto Bigi a.i.

⁵ From January 8, 2019 until June 30, 2019 in addition Head Business Group North America a.i.

2 Capital structure

Share capital

On December 31, 2019 the share capital of Autoneum Holding Ltd totaled CHF 233 618.15. It was divided into 4 672 363 fully paid up registered shares with a par value of CHF 0.05 each. The shares are listed on the SIX Swiss Exchange (securities code 12748036, ISIN CH0127480363, symbol AUTN).

Authorized share capital

There is no authorized share capital available at Autoneum Holding Ltd.

Contingent capital for issuing convertible and/or warranty bonds or granting shareholder options

The share capital may be increased by up to 700 000 fully paid up registered shares with a nominal value of CHF 0.05 each in an amount not to exceed CHF 35 000 or 14.98% through the voluntary or mandatory exercise of conversion rights and/or warrants granted in connection with the issuance of bonds or similar financial instruments by the Company or one of its Group companies on national or international capital markets, and/or through the exercise of option rights granted to the shareholders. The preemptive rights of the shareholders on the issuance of bonds or other financial instruments with which conversion rights and/or warrants are connected shall be excluded. The then current owners of conversion rights and/or warrants shall be entitled to subscribe to the new shares. The conditions of the conversion rights and/or warrants shall be determined by the Board of Directors. The acquisition of shares through the voluntary or mandatory exercise of conversion rights and/or warrants as well as each subsequent transfer of shares are subject to the restrictions in §4 of the Articles of Association*.

In connection with the issuance of bonds or similar financial instruments with which conversion rights and/or warrants are connected, the Board of Directors is empowered to restrict or exclude the advance subscription rights of shareholders if (1) such instrument is issued for the financing or refinancing of the acquisition of corporations, parts thereof, equity holdings or investments or if (2) such instrument is issued (i) on national or international capital markets or (ii) to one or more financial investors. If the advance subscription rights are restricted or excluded by the Board of Directors, the following shall apply: The issuance of such instruments shall be made at prevailing market conditions, and the new shares shall be issued pursuant to the relevant conditions of that financial instrument. Conversion rights may be exercised during a maximum ten-year period, and warrants may be exercised during a maximum seven-year period, in each case from the date of the respective issuance. The issuance of the new shares upon voluntary or mandatory exercise of conversion rights and/or warrants shall be made at conditions taking into account the market price of the shares and/or comparable instruments with a market price at the time of issuance of the relevant financial instrument.

*www.autoneum.com/investor-relations/corporate-governance

Contingent capital for employee participation shares

The share capital may be increased by a maximum of CHF 12 500 or 5.35% through the issuance of up to 250 000 fully paid up registered shares with a par value of CHF 0.05 each to employees of the Company or its Group companies. The preemptive rights of the shareholders shall be excluded in connection with the issuance of convertible or warrant-bearing bonds or similar financial instruments. The issuance of these shares to employees will be in accordance with one or more regulations issued by the Board of Directors and will take appropriate account of employee performance, position and degree of responsibility and economic viability criteria subject to §24 of the Articles of Association*. Shares or options may be issued to employees at a price lower than that quoted on the stock exchange. The acquisition of shares within the framework of the employee participation plan, as well as every subsequent transfer of these shares, is subject to the limitations set forth in §4 of the Articles of Association*.

Changes in share capital

There have been no changes to the share capital of Autoneum Holding Ltd since the Company's founding on December 2, 2010. The General Meeting of March 22, 2011 adopted a contingent share capital of CHF 35 000 (see page 37) and a contingent share capital of CHF 12 500 (see above).

Participation and dividend-right certificates

Autoneum Holding Ltd has issued neither participation certificates nor dividend-right certificates.

Shares

Autoneum Holding Ltd has issued 4 672 363 fully paid up registered shares with a nominal value of CHF 0.05 each. Each registered share is entitled to dividends and entitles the holder to one vote at General Meetings of Autoneum Holding Ltd shareholders. The Board of Directors maintains a share register in which the owners and usufructuaries are registered with name/company name and address with the following conditions. Only those persons listed in the share register will be recognized as company shareholders or usufructuaries. Any changes of name or address must be communicated to the Company. Those who acquire registered shares must make written application for entry in the share register. The Company can refuse such entry to parties who do not expressly declare that they have acquired and will hold these registered shares in their own names and for their own account. If persons fail to expressly declare in their registration applications that they hold the shares for their own account ("nominees"), the Board of Directors shall enter such persons in the share register with the right to vote, provided that the nominee has entered into an agreement with the Company concerning his or her status, and

*www.autoneum.com/investor-relations/corporate-governance

further provided that the nominee is subject to a recognized bank or financial market supervision. After hearing the registered shareholder or nominee, the Board of Directors may cancel any registration in the share register made based on incorrect information with retroactive effect as of the date of registration. The relevant shareholder or nominee must be informed immediately of the cancellation. The Board of Directors regulates the details and issues the instructions necessary for compliance with the provisions set forth above. In special cases, the Board of Directors may grant exemptions from the rule concerning nominees and may delegate its duties.

The Company only recognizes one proxy per share. Voting rights and associated rights may only be exercised in relation to the Company by a shareholder, usufructuary or nominee entered in the share register as having the right to vote.

The registered shares of Autoneum Holding Ltd are issued in the form of securities and registered as book-entry securities (in the sense of the Book-Entry Securities Act) at SIX SIS Ltd. Book-entry securities with underlying shares of the Company may not be transferred by way of assignment. Security interests for these book-entry securities cannot be granted by means of assignment. The Company is entitled to convert at any time and without the approval of shareholders shares issued in the form of uncertificated securities into individual share certificates or global share certificates. Shareholders are not entitled to have shares issued in one particular form transformed into another form. Any shareholder is, however, entitled to request at any time that the Company issue a certificate stating the number of shares registered in his or her name.

Restrictions on share transfers and nominee registrations

Those persons entered in the shareholders' register are recognized as voting shareholders. Autoneum shares can be bought and sold without any restrictions. In accordance with §4 of the Articles of Association*, entry in the register of shareholders can be denied in the absence of an explicit declaration that the shares are held in the applicant's own name and for the applicant's own account. There are no other registration restrictions.

Shares held in a fiduciary capacity are not principally entered in the shareholders' register. However, as an exception to this rule, a nominee is entered in the register if the nominee in question has concluded a nominee agreement with Autoneum and is subject to a recognized bank or financial supervisory authority. The nominee exercises voting rights at the Annual General Meeting of shareholders. At the request of Autoneum Holding Ltd, the nominee is obliged to disclose the name of the person on whose behalf it holds shares.

A resolution of the General Meeting approved by the absolute majority of the voting shares represented is required in order to cancel the restrictions on share transfers.

Convertible bonds and options

Autoneum Holding Ltd has no convertible bonds or options outstanding.

Board of Directors proposes waiver of dividend payment

In view of the net loss, the Board of Directors will propose to the Annual General Meeting on March 25, 2020 no dividend to be distributed for the 2019 financial year.

*www.autoneum.com/investor-relations/corporate-governance

3 Board of Directors

The composition, general rights, duties and responsibilities of the Board of Directors of Autoneum Holding Ltd are pursuant to the Swiss Code of Obligations and the Autoneum Holding Ltd Articles of Association* and Organizational Regulations*.

Board membership

Pursuant to the Articles of Association*, the Board of Directors of Autoneum Holding Ltd consists of no fewer than three and no more than nine members. As of December 31, 2019 the Board of Directors comprised seven members, none of whom performed executive duties. The functions of Chairman of the Board and CEO are separated in order to ensure a good balance between the Company management and supervisory bodies.

Independence of non-executive members

The Board of Directors consists of non-executive members, and none of the members has exercised any operational activities for Autoneum in the three financial years preceding the reporting period. The members of the Board of Directors and the companies represented by them do not have any significant business relationships with companies of the Autoneum Group (but see page 113).

Permissible activities outside the Autoneum Group

According to §20 of the Articles of Association*, no member of the Board of Directors may assume more than 15 additional mandates and no more than five of these may be held with listed companies. This restriction does not apply to (a) mandates held with companies that control or are controlled by Autoneum Holding Ltd; (b) mandates assumed by a member of the Board of Directors by order of Autoneum Holding Ltd or companies under its control; (c) mandates held with companies that do not qualify as companies within the meaning of Art. 727, para. 1, clause 2 of the Swiss Code of Obligations; (d) mandates held with nonprofit organizations and foundations as well as pension funds. The number of mandates pursuant to (c) and (d) is limited to a total of 20.

Mandates held with various legal entities that are under joint control or controlled by the same beneficial owner count as one mandate. Mandates held with the supreme management or administrative body of a legal entity that is required to be registered in the commercial register or an equivalent register abroad count as mandates.

*www.autoneum.com/investor-relations/corporate-governance

Election and term of office and principles of the election procedure

The Chairman and the other members of the Board are elected individually by the General Meeting and for a one-year term of office, running from one Annual General Meeting to the next.

Board members can be reelected. They retire at the Annual General Meeting following their 70th birthday, unless the Board of Directors has lifted the age limit in individual cases. For Michael Pieper, the Board of Directors has made this limit void and proposed him to the shareholders for reelection in view of his outstanding personal commitment and significant shareholding in the Company, which is obviously supporting the further development of Autoneum.

Nominations for election to the Board of Directors are made with due regard for the balanced composition of this body, taking industrial and international management experience and specialist knowledge into account.

Internal organization

The Board of Directors is responsible for the business strategy and the overall management of the Autoneum Group and Group companies. It exercises a supervisory function over the persons who have been entrusted with the business management.

The Board of Directors is responsible for all transactions that are not explicitly reserved for the General Meeting or other bodies according to the law, the Articles of Association* and the Organizational Regulations*. It prepares the Annual General Meeting and makes the necessary arrangements for implementing resolutions adopted by the Annual General Meeting. The Board of Directors has the following decision-making authority:

- composition of the business portfolio and strategic direction of the Group;
- definition of the Group structure;
- appointment and dismissal of the members of the Group Executive Board;
- definition of the authority and duties of the Chairman and the committees of the Board of Directors as well as the CEO and CFO of the Autoneum Group and the Business Group Heads;
- organization of accounting, financial control and financial planning;
- approval of strategic and financial planning, the budget and the Annual Report with business review, financial statements, consolidated financial statements and Remuneration Report;
- principles of financial and investment policy, personnel and social policy, management and communications;

*www.autoneum.com/investor-relations/corporate-governance

- signature regulations and allocation of authority of Autoneum Holding Ltd;
- principles of internal audit;
- principles of compliance management system;
- decisions on investment projects involving expenditure in excess of CHF 10 million;
- issuance of bonds and other significant financial market transactions;
- incorporation, purchase, sale and liquidation of subsidiaries.

The Board of Directors comprises the Chairman, the Vice Chairman and the other members. The Chairman of the Board of Directors and the members of the Compensation Committee are elected for a one-year term of office by the Annual General Meeting. Apart from this, the Board of Directors is self-constituting. The Board of Directors appoints a secretary who does not need to be a member of the Board of Directors. The Vice Chairman deputizes for the Chairman in his absence. The Board of Directors has a quorum if the majority of members are present or if the Board members are able to communicate with each other by telephone, videoconference, internet or other electronic means. Motions of the Board of Directors are approved by a simple majority of the votes of the members present. In the case of a tie, the Chairman has the casting vote.

In 2019, the members of the Board of Directors met for seven regular meetings which lasted between three and six hours. One of these seven meetings was held abroad and included visits to two production sites. The attendance rate was 94.4%. In addition, six telephone conferences were held. The agendas for the Board meetings are drawn up by the Chairman. Any member of the Board can also propose items for inclusion on the agenda. Board meetings are generally also attended by the CEO and the CFO, while the other members of the Group Executive Board attend as necessary regarding business matters concerning them. They give an overview of the results, outlook and budget of their operating units, and present those projects requiring the approval of the Board of Directors. Over the course of 2019, no external consultants were present at meetings of the Board of Directors.

Board of Directors



From left to right: Norbert Indlekofer, Michael Pieper, Rainer Schmücke, Hans-Peter Schwald, This E. Schneider, Ferdinand Stutz, Peter Spuhler

Hans-Peter Schwald (1959)

Chairman
Swiss national

First elected to the Board Board member and Chairman since 2011 . **Educational and professional background** lic. iur. HSG, lawyer; until 2016 Chairman of the Board of Directors of the law firm Staiger, Schwald & Partner Ltd; since 2017 Senior Partner of BianchiSchwald LLC . **Other activities and vested interests** Vice Chairman of the Board of Directors, Stadler Rail Ltd; Board member, Rieter Holding Ltd; President of the Board of Directors of VAMED Management and Service Switzerland Ltd and VAMED Health Project Switzerland Ltd as well as President of Swiss VAMED rehab hospitals; Chairman, AVIA Association of Independent Importers of Petroleum Products; Board member of other Swiss joint stock companies **Committees** Chairman of the Strategy Committee; Member of the Audit, the Compensation and the Nomination Committee . **Non-executive**

Rainer Schmückle (1959)

Vice Chairman
German national

First elected to the Board Board member and Vice Chairman since 2011 . **Educational and professional background** Dipl. Wirtsch.-Ing. University of Karlsruhe; from 1984 to 1997 various positions at Daimler Group, including CFO and Senior Vice President IT at Freightliner LLC, Germany; from 1998 to 2000 first CFO and then CEO at Adtranz LLC; from 2001 to 2005 President and CEO at Freightliner LLC, Germany; from 2005 to 2010 COO at Mercedes Car Group; from 2010 to 2011 Operating Partner of Advent International, USA; from 2011 to 2014 Chief Operating Officer and President Seating Components, Johnson Controls Inc., USA; from 2014 to 2015 CEO of MAG Group, Germany . **Other activities and vested interests** Member of the Board of Directors of Dometic Group Ltd, Sweden; Member of the Board of Directors of MAN Trucks & Bus SE, Germany; Member and as of January 31, 2020 Chairman of the Board of Directors of STIGA (C), Luxembourg; Member of the Board of Directors STIGA SpA, Italy; Member of the Board of Directors of a privately held company . **Committees** Chairman of the Audit Committee; Member of the Strategy Committee . **Non-executive**

Norbert Indlekofer (1958)

Board member
German national

First elected to the Board Board member since 2017 . **Educational and professional background** Dipl. Ing. University of Stuttgart; from 2004 to 2006 Chairman of the Management Board, Transmission and Chassis Systems of INA-Schaeffler KG, Germany; from 2006 to 2009 Chairman of the Management Board, Transmission and Chassis Systems of INA-Schaeffler KG as well as Chairman of the Management Board of LuK Group, Germany; from 2011 to 2014 Member of the Executive Board Automotive responsible for the Transmission Systems Business Division and Chairman of Schaeffler Ltd, Germany; from 2014 to 2016 President and CEO Automotive Schaeffler Ltd, Germany . **Other activities and vested interests** Member of the Board of Directors of Feintool Ltd; Member of the Advisory Council of ATESTEO GmbH & Co. KG . **Committees** Member of the Strategy Committee . **Non-executive**

Michael Pieper (1946)

Board member
Swiss national

First elected to the Board Board member since 2011 . **Educational and professional background** lic. oec. HSG; owner and CEO of Artemis Holding Ltd . **Other activities and vested interests** Member of the Board of Directors of various Artemis and Franke subsidiaries worldwide; Board member Bergos Berenberg Ltd, Forbo Holding Ltd, Rieter Holding Ltd, Arbonia Ltd and Reppisch-Werke Ltd . **Non-executive**

This E. Schneider (1952)

Board member
Swiss national

First elected to the Board Board member since 2011 . **Educational and professional background** lic. oec. HSG; from 1991 to 1993 Chairman and CEO of listed company SAFAA, France; from 1994 to 1997 member of the Executive Board, Valora Group, as Managing Director of the Canteen and Catering Division; from 1997 to 2002 Executive Chairman and CEO of the Selecta Group; from 2004 until March 2014 Executive Chairman and CEO, Forbo Group; since April 2014 Executive Chairman of the Board of Directors of Forbo Group . **Other activities and vested interests** Board member Rieter Holding Ltd . **Committees** Chairman of the Compensation and the Nomination Committee . **Non-executive**

Peter Spuhler (1959)

Board member
Swiss national

First elected to the Board Board member since 2011 . **Educational and professional background** Chairman of the Board and until January 2018 CEO of Stadler Rail Ltd **Other activities and vested interests** Chairman of the Board of Directors of Stadler Rail Ltd as well as of several other companies of Stadler Rail Group, PCS Holding Ltd and of Aebi Schmidt Holding Ltd; Vice Chairman of ZSC Lions Eishockey AG, DSH Holding Ltd; Member of the Board Allreal Holding Ltd, Rieter Holding Ltd, European Loc Pool Ltd; Board member of Evonik Industries Ltd, Robert Bosch GmbH; Member of the Executive Committee at Swissmem; Member of the Executive Committee at LITRA; Member of the Foundation Board of Tele D; Member of the National Council of the Swiss Parliament from 1999 to 2012 . **Non-executive**

Ferdinand Stutz (1957)

Board member
Swiss national

First elected to the Board Board member since 2011 . **Educational and professional background** Dipl. Giesserei-Ing. University of Duisburg; from 1982 to 1989 Operations Manager and Deputy Manager Foundry for Rieter Ltd; from 1989 to 1995 Department Manager, Co-Partner and Executive Director of Schubert & Salzer, Germany; from 1995 to 1997 Executive Director of Georg Fischer Eisenguss GmbH, Germany; from 1998 to 2009 Member of the Management Board of Georg Fischer Ltd and CEO of GF Automotive; since 2009 owner and founder of Stutz Improvement Ltd . **Other activities and vested interests** Member of the Advisory Board of Halder Beteiligungsgesellschaft GmbH, Germany; Member of the Board of Directors or Advisory Board of other joint stock companies . **Committees** Member of the Audit, the Strategy, the Compensation and the Nomination Committee . **Non-executive**

Once a year, the Board of Directors reviews its performance, internal working methods and cooperation with the Group Executive Board. This takes the form of a self-assessment and includes an assessment of the state of information of Board members with regard to the Group and its business development.

Should there be a conflict of interest in the course of making decisions on business matters and items on the agenda, the respective Board member must stand aside prior to discussion of the matter in question and abstain from voting when passing a resolution.

Committees

Besides the Compensation Committee, the Board of Directors appoints an Audit, a Nomination and a Strategy Committee from among its members in order to assist it in its duties. The committees are fundamentally advisory and preparatory bodies and have no decision-making powers; resolutions are passed by the Board as a whole. Each committee has written terms of reference specifying its tasks and responsibilities. The members of the Compensation Committee are elected by the Annual General Meeting. The Chairmen and members of the other committees are elected by the Board of Directors. The committees meet regularly to develop recommendations for the Board of Directors and to prepare minutes of their meetings.

The **Audit Committee** currently consists of three members of the Board. Its Chairman is Rainer Schmückle; the other members are Hans-Peter Schwald and Ferdinand Stutz. In the 2019 financial year, none of the members of the Audit Committee performed executive duties. The Chairman is elected for one year. The Audit Committee meets at least twice each financial year. The meetings are usually also attended by the Head of Internal Audit, representatives of the statutory and Group auditors, the CEO and the CFO, and other members of the Group Executive Board and management as appropriate. The main duties of the Audit Committee are:

- elaborating principles for external and internal audits for submission to the Board of Directors, and providing information on their implementation;
- assessing the work of the external and internal auditors as well as their mutual cooperation and reporting to the Board of Directors;
- assessing the reports submitted by the statutory auditors as well as the invoiced costs;
- overall supervision of risk management and acceptance of the Group Executive Board's risk report addressed to the Board of Directors;
- assisting the Board of Directors in nominating the statutory auditors and the Group auditors for submission to the Annual General Meeting;
- examining the results of internal audits, approving the audit schedule for the following year and nominating the Head of Internal Audit.

The Audit Committee met for two regular meetings in 2019 and an additional meeting together with the Compensation Committee. The regular meetings lasted three to four hours. All committee members attended both meetings. All of them received the written reports from the internal auditors.

The **Compensation Committee** consists of three members. The Chairman of this committee is This E. Schneider. The other members are Hans-Peter Schwald and Ferdinand Stutz. The committee meets whenever the need arises, but at least twice a year. It draws up the principles for the remuneration of members of the Board of Directors, the Group Executive Board and senior management within the Autoneum Group, in particular bonus programs and share allocation plans (LTI), as well as the Remuneration Report and the proposals concerning the total maximum remuneration amount for the Board of Directors and Group Executive Board to be submitted annually by the Board of Directors for approval by the shareholders at the Annual General Meeting.

The **Nomination Committee** consists of three members. The Chairman is This E. Schneider; the other members are Hans-Peter Schwald and Ferdinand Stutz. The committee meets whenever necessary, but at least twice a year. This committee stipulates the profile of requirements and the principles for selecting members of the Board of Directors and prepares the election of new members of the Group Executive Board and their terms of employment. It is also briefed on succession plans for the Board of Directors, Group Executive Board and senior management and the relevant development plans.

The members of the Compensation and the Nomination Committee held three regular meetings and an additional meeting together with the Audit Committee in 2019. The regular meetings lasted three to five hours. All committee members attended all meetings. In addition, the Compensation Committee held two telephone conferences. In 2019, no external consultants were present at the committee meetings.

The Strategy Committee consists of four members: Hans-Peter Schwald is Chairman; Rainer Schmückle, Norbert Indlekofer and Ferdinand Stutz are the other members. The Strategy Committee usually meets at least twice a year. The meetings are also attended by the CEO and the CFO, and other members of the Group Executive Board and management as appropriate. The main duties of the Strategy Committee are:

- supporting and assisting the Board of Directors in strategic planning, especially in assessing market changes and developments affecting the Group;
- assessing Autoneum's short- and long-term strategic orientation, in particular with regard to markets, customers, competitors, products and technologies;
- support of strategically important projects.

The Strategy Committee met in 2019 for three regular meetings of three to four hours, of which one was held abroad. All committee members attended the meetings. In 2019, no external consultants were present at the committee meetings.

Allocation of authority

The Board of Directors delegates operational business management to the CEO. The members of the Group Executive Board report to the CEO. The allocation of authority between the Board of Directors and the CEO is stipulated in the Organizational Regulations*, while details of the tasks reserved for the Board of Directors can be found on pages 42–43 (“Internal Organization”). The cooperation between the Board of Directors, the CEO and the Business Groups is stipulated in the Group's Organizational Regulations*, which include the following: The CEO draws up the strategic and financial planning and the budget with the Group Executive Board and submits it to the Board of Directors for approval. He reports regularly on the course of business as well as on risks and changes in personnel at the management level. In addition to periodic reporting, he is obliged to inform the Board of Directors immediately about any business transactions of fundamental importance.

*www.autoneum.com/investor-relations/corporate-governance

Information and control instruments regarding the Group Executive Board

The Board of Directors receives a written monthly report on the key figures of the Group and the Business Groups from the Group Executive Board. This provides information on the balance sheet, cash flow and income statements as well as on capital expenditure. The figures are compared with the budget and with the previous year. The Board of Directors is also informed at each meeting about the course of business, important projects and risks, as well as ongoing earnings and liquidity development. Should the Board of Directors have to rule on major projects according to the Organizational Regulations*, a written request is submitted prior to the meeting.

The projects approved by the Board of Directors are monitored within the context of a special project controlling submitted to the Board of Directors every quarter. Once a year, the Board of Directors discusses and decides on the strategic plans drawn up by the Group Executive Board and the financial plan. Financial statements for publication are drawn up twice a year. Furthermore, the Chairman of the Board of Directors has a regular monthly meeting with the CEO and the CFO with respect to all major issues of corporate policy.

The Board of Directors has initiated and implemented a comprehensive internal control system for risk monitoring in connection with business activities, which covers risk identification, analysis and control as well as risk reporting. Refer to pages 80–85 for details on this risk management process and on financial risk management.

The members of the Audit Committee, the CEO, the CFO and appointed members of the management receive the internal audit reports. Internal audit conducted 11 regular audits in 2019. The results were discussed in detail with the Business Groups and the companies concerned, and appropriate measures have been initiated and monitored accordingly.

Compliance Program and Code of Conduct

The Compliance Program of Autoneum is aimed at steering compliance with laws and regulations in order to ensure proper management of the Group and initiate measures for avoidance and early detection of infringements. Further information on compliance and the Code of Conduct can be found at www.autoneum.com/company/compliance.

*www.autoneum.com/investor-relations/corporate-governance

4 Group Executive Board

The Group Executive Board had six members on December 31, 2019: the CEO, the CFO and the four Business Group Heads. For additional information about the Group Executive Board members please refer to page 53.

Permissible activities outside the Autoneum Group

According to §20 of the Articles of Association*, no member of the Group Executive Board may assume more than four additional mandates. No more than two of these may be held with listed companies; they have to be approved by the Board of Directors prior to acceptance. This restriction does not apply to (a) mandates held with companies that control or are controlled by Autoneum Holding Ltd; (b) mandates assumed by a member of the Group Executive Board by order of Autoneum Holding Ltd or companies under its control; (c) mandates held with companies that do not qualify as companies within the meaning of Art. 727, para. 1, clause 2 of the Swiss Code of Obligations; (d) mandates held with nonprofit organizations and foundations as well as pension funds. The number of mandates pursuant to (c) and (d) is limited to a total of 20. Mandates held with various legal entities that are under joint control or controlled by the same beneficial owner count as one mandate. Mandates held with the supreme management or administrative body of a legal entity that is required to be registered in the commercial register or an equivalent register abroad count as mandates.

Management contracts

There are no management contracts between Autoneum Holding Ltd and third parties.

*www.autoneum.com/investor-relations/corporate-governance

Group Executive Board



From left to right: Greg Sibley, Fausto Bigi, Bernhard Wiehl, Matthias Holzammer, Dr Alexandra Bendler, Andreas Kolf

Matthias Holzammer (1965)
Chief Executive Officer (CEO)*
German national

Member of the Group Executive Board since 2012 . Educational and professional background** Degree in business engineering; from 1993 to 2009 leading functions in operations, plant management and general management at Brose Fahrzeugteile GmbH & Co. KG, Germany, Faurecia Sitztechnik GmbH & Co. KG, Germany, and at Beru Ltd, Germany; from 2009 to 2011 Managing Director Production for Keiper GmbH & Co. KG (later Johnson Controls), Germany, last assignment as General Manager of the Product Business Unit "Metal Region Europe"; from 2012 to January 31, 2019 Head Business Group Europe, Autoneum, Switzerland; in the current function since October 8, 2019
Other activities and vested interests none

*As of October 8, 2019; until October 7 Martin Hirzel (personal data: www.autoneum.com/CV_M.-Hirzel).

**Excluding period from Februar 1 to October 7, 2019.

Bernhard Wiehl (1967)
Chief Financial Officer (CFO)*
German national

Member of the Group Executive Board since 2019 . Education and professional background Degree in mechanical engineering, University of Applied Sciences, Esslingen, Germany; degree in Industrial Engineering (FH), University of Applied Sciences, Esslingen, Germany; from 1994 to 2000 various functions at TRW Automotive, Germany; from 2000 to 2004 Head of Finance & Controlling, Hella Lighting Systems, Germany; from 2004 to 2006 Director Program Management and from 2006 to 2007 Vice President Program Management and Controlling Europe, at Hydraulik-Ring, Germany; from 2007 to 2011 Head Finance & Controlling and Member of Executive Board, Electronics Division and from 2011 to 2013 Head Finance & Controlling and Member of Executive Board, Lighting Division, Hella, Germany; from 2013 to October 2019 Head Finance & Controlling Business Group Europe, Autoneum, Switzerland; in the current function since October 28, 2019
Other activities and vested interests none

*As of October 28, 2019; until October 27 Dr Martin Zwysig (personal data: www.autoneum.com/CV_M.-Zwysig).

Fausto Bigi (1959)
Head Business Group SAMEA*
Brazilian national

Member of the Group Executive Board since 2016 . Educational and professional background Masters in Business Administration, INSEAD, France and Graduation in Mechanical Engineering, Brazil; from 1986 to 1993 Senior Manager at Itautec Informatica, Brazil; from 1993 to 2006 various management functions at Valeo Automotive Systems, last assignment as Branch Marketing Director Lighting Division, France; from 2006 to 2008 Purchasing Director South America, Faurecia, Brazil; from 2008 to 2011 Head South America, Rieter, Brazil; from 2011 to 2012 Deputy Head Business Group SAMEA, Autoneum, Brazil; from 2012 to 2016 CEO Correias Mercúrio S.A., Brazil; in the current function since 2016 . **Other activities and vested interests** none

*From January 8, 2019 until June 30, 2019 in addition Head Business Group North America a.i.

Dr Alexandra Bendler (1973)
Head Business Group Europe*
German national

Member of the Group Executive Board since 2019 . Education and professional background PhD in Engineering, Technical University of Darmstadt, Germany; from 1998 to 2002 Research Assistant and Team Leader "Corporate Strategy" in cooperation projects with McKinsey & Company, Technical University of Darmstadt, Germany; from 2002 to 2004 Consultant, Droege & Comp., Germany; from 2004 to 2008 Senior Consultant and Project Leader, Technology Management Group (TMG), Germany; from 2008 to 2010 Head Global Cost Reduction Program, Rieter, Switzerland; from 2010 to 2014 Head Strategy & Marketing, Rieter/Autoneum, Switzerland; from 2014 to 2019 Head Sales & Program Management Business Group Europe, Autoneum, Switzerland; in the current function since February 1, 2019 . **Other activities and vested interests** none

*As of February 1, 2019; until January 31 Matthias Holzammer.

Andreas Kolf (1962)
Head Business Group Asia
German national

Member of the Group Executive Board since 2016 . Educational and professional background Lawyer; from 1995 to 2001 various management functions at Tiger Wheels Holding, South Africa; from 2002 to 2004 CEO Federal-Mogul Gorzyce S.A., Poland; from 2004 to 2005 Managing Director, Borbet Thüringen GmbH, Germany; from 2005 to 2006 Global Sales Director, Federal-Mogul GmbH, Germany; from 2006 to 2011 Executive Director Operations, Federal-Mogul India; from 2011 to 2013 Director Operations Federal-Mogul Asia Pacific, China; from 2013 to 2016 Vice President and Managing Director Federal-Mogul India; in the current function since 2016 . **Other activities and vested interests** none

Greg Sibley (1964)
Head Business Group North America*
US national

Member of the Group Executive Board since 2019 . Education and professional background Bachelor of Science in Mechanical Engineering, Northwestern University, Chicago (IL), USA; Masters in Business Administration in Operations Management and Finance, University of Michigan, Ann Arbor (MI), USA; from 1986 to 1997 various management functions with US automotive companies; from 1997 to 2004 various management functions at Emission Control Division with Tenneco, USA; from 2004 to 2007 Vice President Product Development and Strategic Sourcing with Trico Products, USA; from 2008 to 2010 Executive Director Engineering, from 2011 to 2013 Vice President Engineering and Manufacturing, 2014 Vice President Operations Europe and 2015 Vice President and General Manager North America, Clean Air Division at Tenneco, USA; from 2016 to 2018 President Business Unit Americas at Eberspaecher, USA; in the current function since July 1, 2019 . **Other activities and vested interests** none

*As of July 1, 2019; until January 7, 2019 John T. Lenga (personal data: www.autoneum.com/CV_J.-Lenga); from January 8 until June 30, 2019 Fausto Bigi a.i.

5 Remuneration, shareholdings and loans

The content and process for determining remuneration and equity participation programs as well as information on the remuneration, shareholdings and loans of the Board of Directors and the Group Executive Board can be found in the Remuneration Report from page 134 onwards.

6 Shareholders' participatory rights

Voting restrictions

Autoneum Holding Ltd imposes no voting restrictions.

Statutory quorum

General Meetings of shareholders adopt resolutions with the absolute majority of represented voting shares unless the law or Articles of Association* stipulate otherwise. Remuneration is approved with the majority of votes cast regardless of potential abstentions.

Convocation of General Meeting, agenda publication, voting proxies

General Meetings of shareholders are called through publication in the Swiss Commercial Gazette by the Board of Directors at least 20 days prior to the event, with details of the agenda, pursuant to §8 of the Articles of Association*. Pursuant to §9 of the Articles of Association*, shareholders representing shares with a par value of at least CHF 20 000 can request the inclusion on the agenda of an item for discussion, with details of the relevant motions, by a closing date published by the Company. Shareholders who do not attend General Meetings personally can arrange to be represented by another shareholder by written power of attorney or by the independent voting proxy by issuing written power of attorney and instructions pursuant to the signed registration form or electronically via the platform at <https://autoneum.shapp.ch>. The independent voting proxy is elected annually by the Annual General Meeting. Lic. iur. Ulrich B. Mayer, Attorney-at-Law, shall hold office as independent voting proxy until the closure of the 2020 Annual General Meeting.

Entries in the shareholders' register

In order to ensure an orderly procedure, the Board of Directors fixes the reference date shortly before the shareholders' meeting, by which time shareholders need to be entered in the share register in order to exercise their participation rights at the meeting. This reference date is published in the Swiss Commercial Gazette together with the invitation to the General Meeting.

*www.autoneum.com/investor-relations/corporate-governance

7 Change-of-control and defensive measures

Change-of-control clauses

There are no change-of-control clauses in Autoneum contracts of employment and office. In the event of a change of control, all shares blocked within the framework of the Executive Bonus Plan are vested.

Obligation to submit an offer

The legal provisions according to Art. 135 of the Financial Market Infrastructure Act (FMIA) are applicable. This states that a shareholder or a group of shareholders acting in concert who hold more than 33% of all shares must submit a takeover offer to the other shareholders.

8 Statutory auditors

Duration of mandate and term of office of the lead auditor

KPMG AG, Zurich, has been the statutory and Group auditor of Autoneum Holding Ltd and the Autoneum Group since the financial year 2011. Reto Benz, licensed audit expert, has been lead auditor for the Autoneum mandate at KPMG since the financial year 2018. The term of office of the lead auditor is limited to seven years.

Audit fees and additional fees

KPMG charged Autoneum approximately CHF 1.3 million for the 2019 financial year for services in connection with auditing the annual financial statements of Group companies, the consolidated Autoneum Group accounts and the Remuneration Report. KPMG also charged Autoneum approximately CHF 0.1 million for additional services, mainly for tax advisory services. Additional auditors received from Autoneum approximately CHF 0.3 million for the 2019 financial year for services in connection with auditing the annual financial statements of Group companies. They also received approximately CHF 0.3 million for additional services, mainly for tax advisory services.

Information instruments of the external auditors

The external auditor informs the Audit Committee in writing and verbally at every meeting about relevant auditing activities and other important facts and figures related to the Company. Representatives of the external and internal auditors attend Audit Committee meetings to explain their activities and answer questions. Please also refer to the section on the Audit Committee on page 47. The statutory auditors have access to the minutes of the meetings of the Board of Directors.

The Audit Committee of the Board of Directors makes an annual assessment of the performance, fees and independence of the statutory and Group auditors. It submits a proposal to the Board of Directors regarding who should be proposed for election as statutory auditors at the General Meeting. In addition, the Audit Committee reviews the scope of external auditing, the auditing plans and relevant procedures annually, and discusses auditing results with the external auditors in each case.

9 Information policy

Autoneum maintains regular, open communication with all stakeholders and relevant parties, in particular with investors, financial analysts and representatives of banks and the media. Communication takes place through the Annual Report and Semi-Annual Report, the Annual General Meeting and one media conference each year.

Shareholders and the capital market are informed by media releases of significant changes and developments in the Company. Share-price-relevant events are published in accordance with the ad hoc publicity requirements of SIX Swiss Exchange. In addition, Autoneum maintains communication with investors, financial analysts and representatives of the media at corresponding events. Should shareholders and other interested parties wish to automatically receive the media releases, they may register at www.autoneum.com/media/subscription-media.

Reporting on the 2019 financial year includes the Annual Report, a media release and a presentation. A hardcopy of the Annual Report can be ordered by shareholders using the form enclosed with the invitation to the Annual General Meeting. It is also available for perusal at the Company's headquarters no later than 20 days prior to the Annual General Meeting. At the Annual General Meeting, the Board of Directors and the Group Executive Board provide information on the annual accounts and the course of business and answer shareholders' questions.

Sources of information

Autoneum provides extensive information to all interested parties. This is available online via the following links:

- Articles of Association Autoneum Holding Ltd:
www.autoneum.com/investor-relations/corporate-governance
- Organizational Regulations:
www.autoneum.com/investor-relations/corporate-governance
- Download of Annual Reports incl. Financial Reports:
www.autoneum.com/investor-relations/financial-reports
- Order of hardcopy of Annual Reports incl. Financial Reports:
www.autoneum.com/order-publication
- Corporate Governance:
www.autoneum.com/investor-relations/corporate-governance
- Corporate Responsibility:
www.autoneum.com/corporate-responsibility
- Share price:
www.autoneum.com/investor-relations/share
- Presentations:
www.autoneum.com/investor-relations/financial-reports/#presentation
- Media releases:
www.autoneum.com/media/media-releases
- Subscription to media releases:
www.autoneum.com/media/subscription-media
- Contact:
www.autoneum.com/contact

