

Regulations of the Nomination and Compensation Committee (NCC) of HUBER+SUHNER AG

1. Organization and assignment

The Committee consists of at least two non-executive members of the Board of Directors elected by the Shareholders Meeting. The Committee constitutes itself and appoints from its ranks a chairman of the Committee.

The Committee prepares all relevant decisions in the areas of nomination and compensation with regard to the members of the Board of Directors and Executive Group Management and in connection with the compensation policy of the Group. The Committee supports the Board of Directors in its supervisory and controlling duties and supervises the implementation of resolutions passed by the Board of Directors in this area.

The Committee may gather information necessary for its work at all times directly from the persons responsible.

2. Duties

The Committee has the following tasks:

- a) to manage the selection process and to put forward proposals concerning new Board members and the CEO
- b) to examine the selection process of the other members of the Executive Group Management as well as to examine the main conditions of their employment contracts
- c) to prepare the compensation report
- d) to prepare the proposals for the compensation voting to the Shareholders Meeting according to Art. 23 of the Articles of Association for the attention of the Board of Directors
- e) to examine and propose the individual compensations of the CEO and of the other members of the Executive Group Management in the frame of the maximum aggregate compensations approved by the Shareholders Meeting
- f) to approve the annual salary adjustment within the Group proposed by the CEO
- g) to inform the Board of Directors regarding all NCC-relevant events which are not directly within the responsibility of the Board of Directors
- h) to perform further tasks assigned to the Committee by the Board of Directors.

3. Mode of operation

The Committee meets as business dictates, but not less than twice a year.

As a rule, the CEO attends the meetings, except when his performance is being assessed or his remuneration is being determined, and, if required, the Director of Human Resources. Other members of the Board of Directors, individual members of the Executive Group Management or other specialists may be asked to join the meetings.

The Committee discusses in due time with the CEO all planned important personnel changes within the organization and determines with him the appropriate level selection procedure and the essential parameters of the remuneration.

The Committee discusses once a year the organizational chart, the deputy arrangements and the succession planning with the CEO.

The chairman presides the meetings and is responsible in particular for the work organization, the convening of meetings and the reporting to the Board of Directors. Minutes are taken of each meeting and are distributed to all members of the Board of Directors.

4. Validity

The present regulations have been approved by the Board of Directors on April 9, 2014 and have entered immediately in force.

This is a translation of the German original and the German version is binding.