

## SENSATA TECHNOLOGIES HOLDING N.V.

### **RELATED PARTY TRANSACTION POLICIES AND PROCEDURES**

#### **Policy**

It is the policy of the Board of Directors of Sensata Technologies Holding N.V. (the “Company”) that all Interested Transactions with Related Parties, as those terms are defined in this policy, shall be subject to approval or ratification in accordance with the procedures set forth below.

#### **Definitions**

An “Interested Transaction” is any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which:

- the aggregate amount involved will or may be expected to exceed \$120,000 in any calendar year,
- the Company is a participant, and
- any Related Party has or will have a direct or indirect interest (other than solely as a result of being a director or a less than ten percent (10%) beneficial owner of another entity).

A “Related Party” is any:

- person who is or was (since the beginning of the last fiscal year for which the Company has filed a Form 10-K, even if they do not presently serve in that role) an executive officer, director or nominee for election as a director,
- person or entity that was a beneficial owner of 5% or more of the Company’s ordinary shares at the time the transaction occurred or existed, or
- immediate family member of any of the foregoing.

“Immediate family member” includes a person’s spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and anyone residing in such person’s home (other than a tenant or employee).

#### **Procedures**

A Related Party must promptly disclose to the Company’s General Counsel any Interested Transaction and all material facts with respect thereto. The General Counsel will then promptly communicate that information to the Audit Committee of the Board of Directors. No Interested Party Transaction will be consummated or will continue without the approval or ratification of the Audit Committee. The Audit Committee shall review the material facts of all

Interested Transactions that require the Audit Committee's approval, and either approve or disapprove of the entry into the Interested Transaction, subject to the exceptions described below. If advance Audit Committee approval of an Interested Transaction is not feasible, then the Interested Transaction shall be considered and may be ratified, modified or terminated as the Audit Committee may determine at its next regularly scheduled meeting.

The Chair of the Audit Committee has the authority to approve or ratify (as applicable) any Interested Transaction with a Related Party in which the aggregate amount involved is expected to be less than \$200,000. In connection with each regularly scheduled meeting of the Audit Committee, a summary of each new Interested Transaction approved or ratified by the Chair in accordance with this paragraph shall be disclosed to the Audit Committee.

In determining whether to approve or ratify an Interested Transaction, the Audit Committee shall take into account, among other factors it deems appropriate, whether the Interested Transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Party's interest in the transaction.

The Audit Committee has reviewed the Interested Transactions described below in "Standing Pre-Approval for Certain Interested Transactions" and determined that each of the Interested Transactions described therein shall be deemed to be pre-approved or ratified (as applicable) by the Audit Committee under the terms of this policy.

No director will participate in any discussion, approval or ratification of an Interested Transaction for which he or she is a Related Party.

If an Interested Transaction will be ongoing, the Audit Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party.

## **Representation of the Company**

The Board of Directors of the Company (the "Board") shall represent the Company. The authority to represent the Company is also vested in the Chief Executive Officer and two other executive directors when acting jointly. The non-executive directors have no power to represent the Company. The Board may appoint officers with general or limited power to represent the Company. Each officer shall be competent to represent the Company, subject to the restrictions imposed on him or her. The Board shall determine each officer's title.

In the event of a conflict of interest between the Company and a member of Board, the principles as set out in the previous paragraph shall continue to apply unimpaired unless the general meeting of shareholders of the Company (the "General Meeting") has appointed one or more other persons to represent the Company in the case at hand or in general in the event of such a conflict.

A document which persons, solely or jointly empowered to represent the Company in pursuance of the preceding paragraphs hereof, have signed as a certified true copy of or extract from the minutes of (i) a General Meeting, (ii) a meeting of shareholders or (iii) a meeting of the

Board, shall, as between the Company and third parties, be proof of a valid resolution in accordance with the contents of such copy or extract.

### **Standing Pre-Approval for Certain Interested Transactions**

The Audit Committee has reviewed the types of Interested Transactions described below and determined that each of the following Interested Transactions shall be deemed to be pre-approved by the Committee, even if the aggregate amount involved will exceed \$120,000.

1. ***Employment of executive officers.*** Any employment by the Company of an executive officer of the Company if:
  - a. the related compensation is required to be reported in the Company's annual report on Form 10-K under Item 402 of the Securities and Exchange Commission's ("SEC's") compensation disclosure requirements (generally applicable to "named executive officers"); or
  - b. the executive officer is not an immediate family member of another executive officer or director of the Company, the Company's Compensation Committee approved (or recommended that the Board of Directors approve) the related compensation.
2. ***Director compensation.*** Any compensation paid to a director if the compensation is required to be reported in the Company's proxy statement under Item 402 of the SEC's compensation disclosure requirements.
3. ***Transactions where all shareholders receive proportional benefits.*** Any transaction where the Related Person's interest arises solely from the ownership of the Company's ordinary shares and all holders of the Company's ordinary shares received the same benefit on a pro rata basis (e.g. dividends).
4. ***Certain transactions with other companies.*** Any transaction with another company at which a Related Person's only relationship is as an employee (other than an executive officer), director or beneficial owner of less than 10% of that company's shares, if the aggregate amount involved does not exceed the lesser of \$200,000, or 2% of that company's total annual revenues.
5. ***Certain Company charitable contributions.*** Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university at which a Related Person's only relationship is as an employee (other than an executive officer) or a director, if the aggregate amount involved does not exceed the lesser of \$500,000, or 2% of the charitable organization's total annual receipts.

### ***Disclosure***

All Interested Transactions that are required to be disclosed in the Company's filings with the SEC, as required by the Securities Act of 1933, as amended, and the Securities

Exchange Act of 1934, as amended, and related rules and regulations, shall be so disclosed in accordance with such laws, rules and regulations.

The material features of this policy shall be disclosed in the Company's annual report on Form 10-K or in the Company's proxy statement, as required by applicable laws, rules and regulations.

*Adopted effective as of March 8, 2010*