

Fuel Systems Solutions, Inc.
Corporate Governance Principles

Role and Composition of the Board of Directors

1. **General.** The Board of Directors, which is elected by the shareholders, is the ultimate decision-making body of the Company except with respect to those matters reserved to the shareholders. It selects the senior management team, which is charged with the conduct of the Company's business. Having selected the senior management team, the Board acts as an advisor and counselor to senior management and ultimately monitors its performance.
2. **Succession Planning.** The Board also plans for succession to the position of Chairman of the Board and Chief Executive Officer as well as certain other senior management positions. To assist the Board, the Chairman and CEO annually provides the Board with an assessment of senior managers and of their potential to succeed him or her. He or she also provides the Board with an assessment of persons considered potential successors to certain senior management positions.
3. **Chairman and CEO.** In the event there is a Chairman of the Board, it is the policy of the Company that the positions of Chairman of the Board and Chief Executive Officer be held by separate individuals, except in unusual circumstances.
4. **Principal Director.** If there is no Chairman of the Board, it is the policy of the Company that there be a Principal Director who meets or exceeds the independence requirements of NASDAQ Rule 4200(a)(15). The Principal Director shall work with senior management and the Board to prepare Board meeting agendas and schedules, shall coordinate with management to make certain that Board materials are distributed to Board members sufficiently in advance of each Board meeting, shall act as liaison to the independent directors, and shall preside at all meetings of the Board. In the event there is no Chairman of the Board, a majority of the independent directors shall determine annually the independent director who shall serve as the Principal Director.
5. **Director Independence.** It is the policy of the Company that the Board consist of a majority of independent Directors. The Corporate Governance Committee of the Board has established Director Qualification Standards to assist it in determining director independence, which either meet or exceed the independence requirements of NASDAQ Rule 4200(a)(15). The Board will consider all relevant facts and circumstances in making an independence determination, and not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation.

6. **Board Size.** It is the policy of the Company that the number of Directors not exceed a number that can function efficiently as a body. The Nominating and Corporate Governance Committee considers and makes recommendations to the Board concerning the appropriate size and needs of the Board. The Nominating and Corporate Governance Committee considers candidates to fill new positions created by expansion and vacancies that occur by resignation, by retirement or for any other reason.
7. **Selection Criteria.** Candidates are selected for, among other things, their integrity, independence, diversity of experience, leadership and their ability to exercise sound judgment. Final approval of a candidate is determined by the full Board.
8. **Director Service on Other Public Boards.** Ordinarily, Directors should not serve on more than three other boards of public companies in addition to the Company Board. Current positions in excess of these limits may be maintained unless the Board of Directors determines that doing so would impair the Director's service on the Company's Board.
9. **Change in Director Occupation.** If, during the tenure of a Director, (i) such Director's principal occupation or business association changes substantially, (ii) such Director has an occupation or business association with a company that competes with the Company or engages in a related business of the Company, or (ii) such Director begins service on the Board of a private or public company that competes with the Company or is in a related business of the Company, that Director shall promptly provide notice to the Nominating and Corporate Governance Committee of such event. The Corporate Governance Committee will recommend to the Board the action, if any, to be taken with respect to such event.
10. **Director Compensation.** The Compensation Committee annually reviews the compensation of Directors.
11. **Ownership Requirements.** While serving as a director of the Company, each non-employee director is required to hold at minimum dollar value of FUEL SYSTEMS SOLUTIONS, INC. stock as established by the Board upon recommendation of the Compensation Committee. New directors will have five years to attain this ownership threshold. Shares held by a Director under any deferral plan are included in calculating the value of ownership to determine whether this minimum ownership requirement has been met.
12. **Director Retirement.** Directors are required to retire from the Board when they reach the age of 72.
13. **Board and Committee Self Evaluation.** The Board, and each committee, are required to conduct a self-evaluation of their performance at least annually.
14. **Term Limits.** The Board does not endorse arbitrary term limits on directors' service, nor does it believe in automatic annual renomination until they reach the mandatory

retirement age. The Board self evaluation process is an important determinant for continuing service.

15. **Committees.** It is the general policy of the Company that all major decisions be considered by the Board as a whole. As a consequence, the committee structure of the Board is limited to those committees considered to be basic to, or required for, the operation of a publicly owned company. Currently these committees are the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee. The Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee are made up of only independent Directors. The members and chairs of these committees are recommended to the Board by the Nominating and Corporate Governance Committee. The membership of these committees is rotated from time to time. In addition to the requirement that a majority of the Board satisfy the independence standards noted above in Paragraph 4, Director Independence, members of the Audit Committee also must satisfy an additional NASDAQ independence standard. Specifically, they may not accept directly or indirectly any consulting, advisory or other compensatory fee from FUEL SYSTEMS SOLUTIONS, INC. or any of its subsidiaries other than their director compensation. As a matter of policy, the Board also will apply a separate and heightened independence standard to members of the Compensation Committee. No member of the Compensation Committee may be a partner, member or principal of a law firm, accounting firm or investment banking firm that accepts consulting or advisory fees from FUEL SYSTEMS SOLUTIONS, INC. or any of its subsidiaries.
16. **CEO Performance Goals and Annual Evaluation.** The Compensation Committee is responsible for setting annual and long-term performance goals for the CEO and for evaluating his or her performance against such goals. The Committee meets annually with the CEO to receive his or her recommendations concerning such goals. Both the goals and the evaluation are then submitted for consideration by the outside Directors of the Board at a meeting or executive session of that group. The Committee then meets with the CEO to evaluate his or her performance against such goals.
17. **Senior Management Performance Goals.** The Compensation Committee also is responsible for setting annual and long-term performance goals and compensation for the direct reports to the CEO. The Committee meets annually with the CEO to receive his or her recommendations concerning annual and long-term performance goals and compensation for the direct reports to the CEO. These decisions are approved or ratified by action of the outside Directors of the Board at a meeting or executive session of that group.
18. **Communication with Stakeholders.** The CEO is responsible for establishing effective communications with the Company's stakeholder groups, i.e., shareholders, customers, company associates, communities, suppliers, creditors, governments and corporate partners. It is the policy of the Company that management speaks for the Company. This policy does not preclude outside Directors from meeting with shareholders, but it is suggested that in the majority of circumstances any such meetings be held with

management present.

19. **Annual Meeting Attendance.** All Board members are expected to attend our Annual Meeting of Shareholders unless an emergency prevents them from doing so.

Board Function

20. **Agenda.** The Chairman of the Board sets the agenda for Board meetings with the understanding that the Board and the CEO are responsible for providing suggestions for agenda items that are aligned with the advisory and monitoring functions of the Board. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chair of that committee. Any member of the Board may request that an item be included on the agenda.
21. **Board Materials.** Board materials related to agenda items are provided to Board members sufficiently in advance of Board meetings to allow the Directors to prepare for discussion of the items at the meeting.
22. **Board Meetings.** At the invitation of the Board, members of senior management recommended by the CEO attend Board meetings or portions thereof for the purpose of participating in discussions. Generally, presentations of matters to be considered by the Board are made by the manager responsible for that area of the Company's operations.
23. **Director Access to Corporate and Independent Advisors.** In addition, Board members have free access to all other members of management and employees of the Company and, as necessary and appropriate, Board members may consult with independent legal, financial and accounting advisors to assist in their duties to the Company and its shareholders.
24. **Executive Sessions.** Executive sessions or meetings of outside Directors without management present are held regularly (at least four times a year) to review the report of the independent auditor, the criteria upon which the performance of the CEO and other senior managers is based, the performance of the CEO against such criteria, the compensation of the CEO and other senior managers, and any other relevant matter. Meetings are held from time to time with the CEO for a general discussion of relevant subjects.
25. **Annual Board Self-Evaluation.** The Board, under the direction of the Corporate Governance Committee, will prepare an annual performance self-evaluation.

Committee Function

26. **Independence.** The Audit, Compensation and Nominating and Corporate Governance Committees consist only of independent Directors.
27. **Meeting Conduct.** The frequency, length and agenda of meetings of each of the

committees are determined by the chair of the committee. Sufficient time to consider the agenda items is provided. Materials related to agenda items are provided to the committee members sufficiently in advance of the meeting where necessary to allow the members to prepare for discussion of the items at the meeting.

28. **Scope of Responsibilities.** The responsibilities of each of the committees are determined by the Board from time to time. Each Committee will have a charter, approved by the board of directors, reflecting these responsibilities. Charters shall be reviewed annually by each committee.
29. **Annual Committee Self-Evaluation.** Each committee is responsible for preparing an annual performance self-evaluation.

Periodic Review of Corporate Governance Principles

30. **Annual Review.** These principles are reviewed by the Board at least annually.