

Corporate Governance Report 2017



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Corporate Governance Report

Purpose of this Report

Landis+Gyr considers good corporate governance as an essential element of our corporate vision and values. We are committed to building trust with our customers and other stakeholders. For example, in the interest of checks and balances, our Board of Directors contains no members of current management and includes a Lead Independent Director. Further, the Chairman does not serve on any Board committee. These practices contribute to the Board's independence and enhance the Board's ability to supervise Group Executive Management, including on matters of strategy, risk, compensation and compliance. We also follow the best practice of having a distinct compliance function in addition to an independent internal audit function.

We shape our corporate governance efforts by reference to leading international standards. In addition, we follow the recommendations of the Swiss Code of Best Practice for Corporate Governance¹ and comply with applicable requirements of the SIX Swiss Exchange Directive on Information relating to Corporate Governance (DCG). This report follows generally the structure recommended by the DCG.

Group Structure and Shareholders

1.1 Group Structure²

1.1.1 Our Group's operational structure

To be close to our markets and efficiently provide our products, services and solutions in more than 70 countries around the world, the Landis+Gyr Group is organized in three regional reportable segments: the Americas, EMEA, and Asia Pacific. The Executive Vice-President heading each region is a member of the Group Executive Management.

Americas

Our operations in the Americas are headquartered in Alpharetta, Georgia, USA and serve customers in North America, South America, Japan and certain other countries which have adopted the United States' ANSI metering standard. Our Americas segment predominantly focuses on smart metering communications networks and solutions, connected intelligent devices, software and services.

EMEA

Headquartered in Zug, Switzerland, the EMEA segment comprises our operations in Europe, the Middle East and Africa. In this region, the product offerings predominantly focus on connected intelligent as well as standalone metering devices, software and services.

Asia Pacific

Our operations in the Asia Pacific region are headquartered in Sydney, Australia and serve customers in Australia, New Zealand, China, India, Southeast Asia and elsewhere in Asia (but excluding Japan and certain other countries which have adopted the United States' ANSI metering standard). This segment predominantly focuses on connected intelligent as well as standalone metering devices, software and services.

1.1.2 Listing and Capitalization

The Landis+Gyr Group AG³ shares are listed on SIX Swiss Exchange (ISIN: CH0371153492, ticker symbol: LAND, valor number: 37'115'349). On March 31, 2018, the market capitalization was CHF 2'182'264'500. There are no other listed companies belonging to the Group.

1.1.3 Non-listed companies belonging to Landis+Gyr Group AG

Landis+Gyr Group AG is the ultimate parent company of the Group. Its sole shareholding is in Landis+Gyr AG, which directly or indirectly owns the other companies in the Group. The table below sets forth, as of March 31, 2018, the name, place of incorporation, ownership interest and share capital of the significant direct and indirect subsidiaries of Landis+Gyr Group AG.

1 As in force on March 31, 2018.

2 As used in this report references to the "Company" or to "L+G" are to Landis+Gyr Group AG c/o Landis+Gyr AG, Theilerstrasse 1, 6302 Zug, Switzerland and references to "we", "us", "our" or the "Group" are to Landis+Gyr Group AG, c/o Landis+Gyr AG, Theilerstrasse 1, 6302 Zug, Switzerland, and its consolidated subsidiaries, unless context requires otherwise.

3 Its registered offices are at c/o Landis+Gyr AG, Theilerstrasse 1, CH-6302 Zug, Switzerland.

NON-LISTED SIGNIFICANT DIRECT AND INDIRECT SUBSIDIARIES OF LANDIS+GYR GROUP AG

Company name / location	Registered office	Country	Interest %	Share capital in thousands	Currency
Landis+Gyr Pty Ltd.	Mascot, NSW	Australia	100.00	5'000	AUD
Landis+Gyr E.d.M. Ltd.	Curitiba	Brazil	99.99	31'543	BRL
Landis+Gyr Meters & Syst. (Zhuhai) Co Ltd.	Zhuhai	China	100.00	65'000	HKD
Landis+Gyr OY	Jyskä	Finland	100.00	16'818	EUR
Landis+Gyr SAS	Montluçon	France	100.00	2'460	EUR
Landis+Gyr Ltd.	Peterborough	Great Britain	100.00	2'800	GBP
Landis+Gyr GmbH	Nuremberg	Germany	100.00	1'023	EUR
Landis+Gyr A.E	Corinth	Greece	100.00	7'950	EUR
Landis+Gyr Ltd.	Kolkata	India	100.00	457'400	INR
Landis+Gyr S.A. de C.V.	Reynosa	Mexico	99.99	10	MXN
Landis+Gyr BV	Gouda	Netherlands	100.00	90	EUR
Landis+Gyr (Pty) Ltd.	Kosmosdal	South Africa	69.09	2'000	ZAR
Landis+Gyr AG	Zug	Switzerland	100.00	29'700	CHF
Landis+Gyr LLC	Lafayette, IN	USA	100.00	0.0020	USD
Landis+Gyr Technology Inc.	Alpharetta, GA	USA	99.99	10'001	USD

1.2 Significant Shareholders

To the best of Landis+Gyr's knowledge, the following shareholders had holdings of 3% or more of the voting rights of the Company as of March 31, 2018.⁴

Credit Suisse Funds AG, Zurich, Switzerland, reported that as of May 7, 2018 it holds 891'991 registered shares corresponding to 3.02% of the voting rights.

The number of registered shareholders as of March 31, 2018 was 11'925 who held 19.1 million shares, approx. 65% of the total shares. Unregistered shares (in disposition) including nominees amounted to 10.4 million or approximately 35% of the total shares. As of March 31, 2018 the Company held no treasury shares.

Shareholder	Number of shares	% of voting rights
Rudolf Maag, Binningen BL, Switzerland	3'000'000	10.17%
Kristiansen Group ⁵ , Denmark	1'513'717	5.13%
Franklin Resources, Inc. ⁶ , United States	1'825'813	6.19%

1.3 Cross-Shareholdings

The Company is not aware of any cross-shareholding exceeding 5% of the capital or voting rights with any other company.

⁴ The number of shares shown here as well as the holding percentages are based on the last disclosure of shareholding communicated by the shareholder to the Company and the Disclosure Office of SIX Swiss Exchange. The number of shares held by the relevant shareholder may have changed since the date of such shareholder's notification. Any reportable changes since the date hereof can also be found on the website of the Disclosure Office of the SIX Swiss Exchange, which also includes the individual reports of the significant shareholders. See: <https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>.

⁵ Kjeld Kirk Kristiansen, DK-7190 Billund, Denmark, Thomas Kirk Kristiansen, DK-5300 Kerteminde, Denmark, Sofie Kirk Kristiansen, DK-6670 Holsted, Denmark, Agnete Kirk Kristiansen, DK-8752 Oestbirk, Denmark, ("Kristiansen Group") holding directly or indirectly through KIRKBI AG, 6341 Baar, Switzerland, 1'513'717 registered shares corresponding to 5.13% of voting rights.

⁶ Franklin Resources Inc., One Franklin Parkway, San Mateo, CA 94403, United States, holds directly or indirectly a total of 6.19% of voting rights, of which 1'147'437 registered shares corresponding to 3.89% of voting rights as beneficial owner and 678'376 registered shares corresponding to 2.30% of voting rights as person who can exercise the voting rights at its own discretion, pursuant to Art. 120 para. 3 of the Swiss Financial Market Infrastructure Act (FMIA) (report made on a consolidated basis). For the specific details please refer to the report of Franklin Resources Inc. on the website of the Disclosure Office of SIX Swiss Exchange: <https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>.

Capital Structure

2.1 Capital

On March 31, 2018, the Company's ordinary share capital as registered with the Commercial Register of the Canton of Zug amounted to CHF 295'100'000, divided into 29'510'000 fully paid registered shares with a par value of CHF 10.00 per share. The shares are non-assessable.

The Company's Articles of Association do not provide for any authorized capital.

2.2 Conditional capital

The share capital may be increased by up to CHF 4'500'000 by issuing up to 450'000 fully paid in registered shares with a nominal value of CHF 10.00 each, upon the exercise of option rights or in connection with similar rights regarding shares (including PSUs or performance stock units and/or RSUs, restricted stock units) granted to officers and employees at all levels of the Company. Pre-emptive rights and the advance subscription rights of shareholders do not apply, and the shares may be issued at a price below the market price. The maximum amount of conditional capital (CHF 4'500'000), if fully utilized, would equate to approx. 1.5% of the existing share capital.⁷

2.3 Changes in capital

From 2012 through the date of the initial public offering the Company had a nominal share capital of CHF 295'100'000, divided into 295'100'000 fully paid-in registered shares with a nominal value of CHF 1.00 each. In connection with the initial public offering of the Company, the shareholders' meeting held on July 11, 2017 resolved to change the number and nominal value of shares such that since the date of the initial public offering on July 21, 2017 the nominal issued share capital of the Company is CHF 295'100'000, divided into 29'510'000 fully paid-in registered ordinary shares with a nominal value of CHF 10.00 each. No further changes in capital have taken place.

2.4 Shares and participation certificates

The 29'510'000 shares are registered shares with a nominal value of CHF 10.00 each and are fully paid-in. Each share carries one vote at a shareholders' meeting. The shares rank *pari passu* in all respects with each other, including, in respect of entitlements to dividends, to a share in the liquidation proceeds in the case of a liquidation of the Company and to pre-emptive rights.

The Company issues its shares as uncertificated securities (*Wertrechte*), within the meaning of Art. 973c CO, and enters them into the main register of SIS and, consequently, constitutes them as book-entry securities (*Bucheffekten*) within the meaning of the Federal Act on Intermediated Securities (FISA). In accordance with Art. 973c CO, the Company maintains a register of uncertificated securities (*Wertrechtbuch*).

2.5 Dividend-right certificate

There are no dividend-right certificates (*Genussscheine*).

2.6 Limitations on transferability and nominee registrations

The Articles of Association of Landis+Gyr contain no limitations on transferability. Every person recorded in the share register is regarded as a shareholder *vis-à-vis* the Company.

In order to be entered into the share register, persons not expressly declaring to be holding the shares for their own account (Nominees⁸) are entered in the share register with voting rights without further inquiry up to a maximum of 3% of the share capital. Above this limit, shares held by Nominees are entered in the share register with voting rights only upon the Nominee disclosing the names, addresses and shareholdings of the persons for whose account the Nominee is holding 0.5% or more of the share capital and provided that the disclosure requirements stipulated by the FMIA are complied with. The same restrictions also apply to the subscription for or acquisition of shares by exercising pre-emptive, option or convertible rights arising from shares.

⁷ For a more comprehensive description of the terms and conditions of the issuance of the conditional capital, refer to Art. 3a of the [Articles of Association](#).

⁸ Legal entities or partnerships or other associations which are linked through capital ownership or voting rights, through common management or in a similar manner, as well as individuals, legal entities or partnerships which act in concert with the intent to circumvent the entry restriction, are considered as 1 shareholder or Nominee.

The Company may in special cases approve exceptions to the above restrictions. The decision to grant exceptions is made at the discretion of the Board.

As of March 31, 2018 no exemptions under Art. 5 of the Articles of Association had been granted.⁹

2.7 Convertible bonds and options

The Company has no bonds or options regarding its shares outstanding as of March 31, 2018.

Board of Directors

3.1 Members of the Board of Directors

3.1.1 Overview

The Board of Directors of Landis+Gyr takes seriously its ultimate responsibility for the direction

of the Company. This starts with a careful process for selecting Board candidates to ensure qualified, committed members who will devote the effort and time necessary to effectively carry out their governance responsibilities, including as regards oversight of management.

In selecting members, the Board looks for diversity of backgrounds (current members represent five different nationalities and diverse ages) as well as experience and expertise relevant for the specific role they will play on the Board, including on one or both of its two specialized committees, Audit & Finance and Remuneration.

In furtherance of checks-and-balances, the Board consists entirely of non-executive members and follows the good governance practice of having, in addition to the Chairman, a Lead Independent Director. The role of the Lead Independent Director is described in Section 3.4.2 below. As of March 31, 2018, the Board members were:

Name/Role	First Election	Expires ^{a)}	Committees
Andreas Umbach, Chairman	2017	AGM 2018	None
Eric Elzvik, Lead Independent Director	2017	AGM 2018	Remuneration (Chair), Audit and Finance
Dave Geary, Independent Member	2017	AGM 2018	Remuneration
Pierre-Alain Graf, Independent Member	2017	AGM 2018	Remuneration
Andreas Spreiter, Independent Member	2017	AGM 2018	Audit and Finance (Chair)
Christina Stercken, Independent Member	2017	AGM 2018	Audit and Finance

a) All Board members are elected annually in accordance with Swiss Corporate law and Landis+Gyr Group AG's Articles of Association.

3.1.2 Professional background and other activities and functions of Board Members

We aim to have a well-balanced board with individuals who bring a variety of perspectives, backgrounds, and skills and who apply them to permit the Board to offer informed stewardship.

3.1.3 Previous service as executives and other relationships

The Chairman served as CEO of the Group until March 31, 2017 and was thereafter elected as executive Chairman of Landis+Gyr AG and served in that role until the IPO.¹⁰

None of the Board members or companies or organizations they represent have important business connections with Landis+Gyr, except as follows: From April 1, 2017 to the EGM on July 19, 2017 the Board of Directors comprised employees of the two pre-IPO shareholders of Landis+Gyr, Toshiba Corporation and Innovation Network Corporation of Japan. The current six non-executive members of the Board of Directors were elected on July 19, 2017 in connection with the IPO.

9 For a comprehensive description on the limitations to transferability and nominee registration refer to Art. 5 of the [Articles of Association](#).

10 Landis+Gyr AG is the senior operating subsidiary of Landis+Gyr Group AG.

Board of Directors

Andreas Umbach

Chairman
Since July 19, 2017
Born: 1963



Nationality: Swiss/German

Prior Positions at Landis+Gyr:

2002–2017 CEO/COO, Landis+Gyr Group;
April 1, 2017–July 19, 2017 Executive
Chairman of the Board of Directors of
Landis+Gyr AG¹¹.

**Current Positions at Profit-Oriented
Companies other than Landis+Gyr:**

Ascom Holding AG (Chairman) and WWZ AG
(Board member).

Prior Other Positions:

President of the Siemens Metering Division
within the Power Transmission and Distribu-
tion Group and other positions within
Siemens, including Commercial Manager of
an industrial sensor business in the Automa-
tion and Drives Group and consultant at the
Corporate Management Audit.

Education:

MBA, University of Texas at Austin, USA;
Diplom-Ingenieur in Mechanical Engineering,
Technical University of Berlin, Germany.

Eric Elzvik

Lead Independent Director
Since July 19, 2017
Born: 1960



Nationality: Swiss/Swedish

Prior Positions at Landis+Gyr:

None

**Current Positions at Profit-Oriented
Companies other than Landis+Gyr:**

AB Volvo (Board Member), LM Ericsson
Telephone Company (Board Member and
Chairman of audit committee) and Global
Gateway South (Board member).

Prior Other Positions:

Chief Financial Officer and Group Executive
Committee Member, ABB Ltd and other
positions at ABB including Division CFO ABB
Discrete Automation & Motion, division
CFO Automation Products Division, various
senior positions within finance, mergers &
acquisitions and new ventures; Board mem-
ber of the Swiss Swedish Chamber of
Commerce.

Education:

Master of Business Administration
(Civilekonom), Stockholm School
of Economics, Sweden.

Dave Geary

Independent Member
Since July 19, 2017
Born: 1955



Nationality: USA

Prior Positions at Landis+Gyr:

None

**Current Positions at Profit-Oriented
Companies other than Landis+Gyr:**

DJGeary Consulting, LLC (founder).

Prior Other Positions:

Executive Vice President Business Integration
at Nokia Networks, President of the
Wireless Networks business, Alcatel-Lucent;
President of Wireline Networks; other
senior positions within Lucent Technologies
and AT&T Network Systems.

Education:

Bachelor of Science in Electrical Engineering,
Bradley University, USA; MBA in Finance,
Kellogg School of Management, Northwest-
ern University, USA.

¹¹ The senior operating subsidiary of
Landis+Gyr Group AG.

Pierre-Alain Graf

Independent Member
Since July 19, 2017
Born: 1962



Nationality: Swiss

Prior Positions at Landis+Gyr:

None

Current Positions at Profit-Oriented Companies other than Landis+Gyr:

Leclanché SA (Board member), Broadband Networks AG (Board member), and ABB Ltd. (Senior Vice President).

Prior Other Positions:

CEO, Swissgrid; Chairman of the TSC–TSO Security Cooperation; General Manager, Cisco Systems Switzerland.

Education:

Master's in Law, University of Basel; MBA, University of St. Gallen, Switzerland.

Andreas Spreiter

Independent Member
Since July 19, 2017
Born: 1968



Nationality: Swiss/British

Prior Positions at Landis+Gyr:

Group CFO (until 2012); Other positions included: Business Unit Controller/Head of Finance & Controlling, Landis+Gyr (Europe) AG and Siemens Metering AG; Business Unit Head Digital Meters/Head of Center of Competence Electronic Meters at Siemens Metering AG.

Current Positions at Profit-Oriented Companies other than Landis+Gyr:

Reichle & De-Massari Holding AG (Board member and Chairman of audit committee).

Prior Other Positions: Group CFO of Forbo International AG.

Education:

Master's in Industrial Engineering, Swiss Federal Institute of Technology (ETH), Switzerland.

Christina Stercken

Independent Member
Since July 19, 2017
Born: 1958



Nationality: German

Prior Positions at Landis+Gyr:

None

Current Positions at Profit-Oriented Companies other than Landis+Gyr:

Ascom Holding AG (Board member) and Ansell Ltd. (Board member).

Prior Other Positions:

Partner at EAC – Euro Asia Consulting PartG (EAC). Various positions at Siemens AG, including Managing Director Corporate Finance M&A, Lead of the Siemens Task Force China and Head of Public Sector Business Unit, Siemens Business Services. Earlier positions with BMW Pvt. Ltd., South Africa.

Education:

Diploma, Economics and Business Administration, University of Bonn and Technical University of Berlin, Germany; Executive MBA, Duke University, N.C., USA.

3.1.4 Cross-shareholdings and other business connections

The Group has not entered into cross-shareholdings with other companies in terms of capital or voting rights and no member of the Board serves on the board or executive management of any company having a material commercial relationship with Landis+Gyr. Two members serve on the same board (Ascom AG) as further shown in the table under 3.2 below.

3.2 Permitted mandates outside Landis+Gyr

In the interest of good governance, the Company's Articles of Association limit the number of outside mandates by the members of our Board as follows:

a) no more than four mandates as a member of the board of directors or of the senior manage-

ment or administrative body of any publicly traded company, other than the Chairman for whom a limit of three applies;

b) no more than 10 mandates as member of the board of directors or of the senior management or administrative body of non-publicly-traded, for-profit legal entities;

c) no more than 10 mandates in associations or in charity or employee assistance foundations.

The members of the Board of Directors currently have on average only one outside mandate at public companies, one outside mandate at non-public companies and one outside mandate at non-profit-oriented companies. To ensure compliance, the Board has a process for review of current and new mandates.

Name	Outside mandates at public profit-oriented companies	Outside mandates at non-public profit-oriented companies	Outside mandates at non-profit-oriented companies
Andreas Umbach (Chairman)	Ascom Holding AG (Chairman)	WWZ AG (Board member)	President, Zug Chamber of Commerce
Eric Elzvik	AB Volvo (Board Member), LMEricsson Telephone Company (Board Member and Chairman of audit committee)	Global Gateway South (Board member)	CFO Circle Switzerland (Board member)
Dave Geary	None	DJGeary Consulting, LLC (founder)	None
Pierre-Alain Graf	Leclanché SA (Board member)	Broadband Networks AG (Board member)	None
Andreas Spreiter	None	Reichle & De-Massari Holding AG (Board member and Chairman of audit committee)	None
Christina Stercken	Ascom Holding AG (Board member) Ansell Ltd. (Board member)	None	Myanmar Foundation (Vice Chairman)

3.3 Elections and terms of office

As prescribed by Swiss law, members of the Board of Directors, including the Chairman, are elected individually by the shareholders at the ordinary General Meeting for a one-year term. Re-election is possible as long as at the time of election or re-election the relevant member has not completed the age of 70.¹²

3.4 Internal organisational structure

3.4.1 Allocation of tasks within the Board of Directors

To operate effectively and allow in-depth focus in specific areas, the Board of Directors has an Audit and Finance Committee and a Remuneration Committee. To avoid undue accumulation of powers, the Chairman does not serve on any of these committees and no board member is chair of more than one committee. The members of each committee are shown in the table under Section 3.1.1 above.

¹² For more information on the terms of office of Board members, see the [Organizational Regulations](#), Article 4.

3.4.2 Tasks and area of responsibility of the Lead Independent Director

Appointed by the Board of Directors, the role of the Lead Independent Director (LID) is to provide leadership to the independent directors. Besides creating a governance means to address any potential issue where the Chairman – due to his previous role as CEO of the Group – may be conflicted, the LID function enhances the opportunity for each Board member's point of view to be heard. Further, if the Chairman is indisposed or conflicted, the Lead Independent Director chairs the Board meetings. This includes any deliberations or decision-taking involving the assessment of the Chairman's work. The LID also takes the chair during the vote for the Chairman's reelection at the annual shareholders' meeting.

3.4.3 Tasks and responsibilities of the Audit and Finance Committee

In addition to assisting the Board to provide oversight of financial reporting, the Audit and Finance Committee (AFC)¹³ focuses on assessing the adequacy of the Group's systems, policies, and controls regarding financial and non-financial risks. This includes compliance with legal and regulatory obligations, insurance and related matters.

The Committee also evaluates the work of the internal control functions (e.g. Audit and Compliance) and of the external auditors, making proposals to the Board on the choice of the external auditors and, upon request of the CFO, approving the budget for auditing and other fees from the external auditors.¹⁴ The Committee also assesses the yearly business expenses of the members of Group Executive Management.

Comprising independent Board members, the AFC regularly reports to the Board of Directors on its findings and recommendations. The overall responsibility, including for approving recommendations, remains with the Board of Directors. The Head of Internal Audit reports to the Audit and Finance Committee. The Chief Compliance Officer

provides regular, independent reports to the CEO and to the AFC and ad hoc reports whenever requested by the AFC. The reports cover the compliance program and compliance issues. In addition, both the Chief Compliance Officer and the Group General Counsel may, together or separately, report to the Board with respect to any significant compliance or material Group risk issue.¹⁵

3.4.4 Tasks and responsibilities of the Remuneration Committee

The Remuneration Committee (RemCo) supports the Board of Directors in ensuring executives and employees are paid in a way that rewards performance, innovation, and good conduct, while helping the Company attract and retain the talent it needs to achieve its business goals.

Comprising three independent Board members,¹⁶ the RemCo establishes and reviews the compensation strategy and prepares proposals to the shareholders' meeting regarding the compensation of the Board of Directors and the Group Executive Management. This includes, among other things, the compensation system, compensation targets for the Group Executive Management and other members of senior management, and maximum individual aggregate compensation of the CEO, as well as the individual compensation of other members of the Group Executive Management. It also includes the individual compensation of the Chairman of the Board and other members of the Board.

The RemCo typically meets once every three months and regularly reports to the Board of Directors on its findings and recommendations. The overall responsibility, including for approving recommendations, remains with the Board of Directors.¹⁷

3.4.5 Board Meetings and Attendance

The Board of Directors meets as often as needed to fulfil its duties and responsibilities, usually monthly in person or via conference call.¹⁸

13 The 3 members of the AFC are appointed by the Board of Directors based on relevant qualifications and experience. They serve for one year and may be re-elected for further terms.

14 The external auditors are PWC (auditors of Landis+Gyr Group AG and of the Consolidated Financial Statements of the Landis+Gyr Group). They conduct their audit in compliance with Swiss law and in accordance with Swiss Auditing Standards and accounting principles generally accepted in the United States of America (US GAAS)

15 The organization, detailed responsibilities and reporting duties of the AFC are stipulated in its Charter and in the Company's [Articles of Association](#).

16 In accordance with Swiss law, these members are elected each year by the shareholders' meeting. They serve for one year and may be re-elected for further terms.

17 The organization, detailed responsibilities and reporting duties of the RemCo are stipulated in its Charter and in the Company's [Articles of Association](#).

18 This pursuant to the Company's Organizational Regulations which foresees that meetings take place at the request of the Chairman or Lead Independent Director, or of any other member if done in writing and justifying the reason for such request.

Since the extraordinary General Meeting (EGM) on July 19, 2017¹⁹ the Board held twelve meetings (including both in-person meetings and conference calls). The in-person meetings were for a full day and the calls had an average duration of approximately three hours. The overall atten-

dance was 98% and is further detailed in the table below. In addition to the meetings, two full-day onboarding sessions were attended by all Directors in the two months after the IPO.

BOARD ATTENDANCE FROM JULY 19, 2017 THROUGH MARCH 31, 2018

	19.7	26.7	16-17.8	20.9	25.10	17.11	7.12	14.12	18.1	20-21.2	2.3	18.3
Andreas Umbach	√	√	√	√	√	√	√	√	√	√	√	√
Eric Elzvik	√	√	√	√	√	√	√	√	√	√	√	√
Dave Geary	√	√	√	√	√	√	√	o	√	√	√	√
Pierre-Alain Graf	√	√	√	√	√	√	√	√	√	√	√	√
Andreas Spreiter	√	√	√	√	√	√	√	√	√	√	√	√
Christina Stercken	√	√	√	√	√	√	√	√	√	√	√	√

Between the EGM on July 19, 2017 and March 31, 2018 the Audit and Finance Committee held five meetings with 100% attendance. These meetings lasted approximately half a day. The Remuneration Committee held four meetings with 92% attendance. These meetings lasted approximately three hours.

The Board meetings were, with the exception of certain Directors only sessions, attended by the CEO and members of the GEM and other representatives of senior management. Meetings of the Audit and Finance Committee were all attended by the Chairman, CFO and CEO and were usually attended by the Head of Internal Audit. Meetings of the Remuneration Committee were all attended by an external advisor to the Remuneration Committee and the Head of Human Resources; the CEO and CFO attended portions of meetings of the Remuneration Committee when they were presenting.

3.5 Responsibilities between the Board of Directors and Executive Management

Landis+Gyr's two main governing bodies allocate their tasks and responsibilities as follows:

3.5.1 Board of Directors

The Board of Directors is entrusted with the ultimate direction of the Company as well as with the oversight of management. This includes determining the strategy of the Group upon recommendation of the CEO and appointing the CEO and the other members of the Group Executive Management, as well as the head of internal audit.

Although pursuant to the Articles of Association and the Organization Regulations, the Board may, to the fullest extent permitted by law, delegate various responsibilities to the CEO, it retains in line with Articles 16 and 17 of the Articles of Association and the provisions of the Organization Regulations, certain duties, including in respect of determining the risk profile of the Group, monitoring risks, and ensuring fundamental policies and controls are in place such as with regard to compliance with applicable law and regulations.²⁰

Resolutions of the Board of Directors require the affirmative simple majority of the votes cast. Circular resolutions require the majority of the members of the Board. In case of a tie on any issue, the Chairman has the casting vote.

¹⁹ From April 1, 2017 to the EGM on July 19, 2017 the Board of Directors comprised employees of the two pre-IPO shareholders of Landis+Gyr, Toshiba Corporation and Innovation Network Corporation of Japan. This pre-IPO Board of Directors typically met monthly for approximately two hours.

²⁰ The detailed description of these responsibilities and duties are stipulated in Articles 16 and 17 of the Articles of Association and the Organization Regulations. See also the Appendix hereto.

3.5.2 Group Executive Management (Konzernleitung)

The CEO²¹ leads and is assisted by the Group Executive Management and the Extended Executive Management. The Group Executive Management comprises the CEO, CFO, CSO and the Regional EVPs. The CEO is appointed and removed by the Board of Directors. The other Group Executive Management members are appointed and removed by the Board of Directors upon recommendation of the CEO. The Extended Executive Management is a larger group comprising key functional leaders and direct reports to the CEO.

The Extended Executive Management meets on a monthly basis.

3.6 Information and control instruments vis-à-vis the Group Executive Management

At the invitation of the Board of the Directors, members of Group Executive Management and Extended Executive Management may attend Board meetings and report on significant projects and events. However, the Board may limit their participation to relevant meetings or parts of meetings. In addition, the Board may meet in private session, i.e. without management presence.

To ensure the Board of Directors receive timely information on material matters involving the Group's business, the members of the Group Executive Management and Extended Executive Management report to the Board and its committees prior to or at every meeting, including regarding strategic, financial, risk, and compliance matters. Internal audit and compliance also make quarterly reports to the Board and its committees.

The reports to the Board include information about the balance sheet, the income and cash flow statements, and key figures for the company and its segments. They incorporate comments on the respective business results and a forecast of the key figures. The CEO and CFO report at every Board meeting on business developments and all matters relevant to the company including competitor activities and emerging opportunities and threats. On a regular basis, the Board or the AFC is updated with regards to major risks facing the Group, such as quality issues, the progress of major customer projects, the progress of R+D projects and other risk areas as they are identified.

Furthermore, the Board reviews and approves major customer contracts which exceed a certain value or have particular risk characteristics. During the Board Meetings, the Chairmen of the Audit and Finance Committee and the Remuneration Committee also report on all matters discussed by their committees and on the key findings and assessments, and they submit proposals accordingly. Each year, the Board of Directors discusses and approves the budget for the following year, and the five-year midterm plan.

The Board's responsibility includes designing, implementing and maintaining an internal control system (ICS) relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The ICS ensures the implementation of appropriate procedures and measures to identify and monitor the main financial risks to which the Company is exposed. In particular, the aim of the ICS is to ensure the integrity and completeness of accounting, to provide timely and reliable financial reporting, and to prevent, minimize and identify errors and irregularities in the financial statements.

In order to achieve these objectives, Group companies in scope for external and internal audit are determined annually. Hence, it is ensured that at least 80% of the revenue and of total assets of the Group are covered. The external audit confirms the existence of the ICS in connection with the year-end audit. Additionally, the external auditors submit improvement suggestions on a yearly basis, which are implemented in the following year.

The internal audits are conducted by the internal audit function in accordance with an annual plan approved by the AFC. A distinction is made between ordinary and special engagement audits. The latter consist of limited reviews, follow-up reviews, compliance audits, and other special engagements. The audits focus on the larger entities and higher risk areas. Detailed reports of identified deficiencies are prepared (with deficiencies classified as either high, medium or low risk) and remedial action plans are agreed with management. The risks and deficiencies identified in these audits are minimized or eliminated by measures adopted by management and are regularly monitored. In 2017, seven internal audits were conducted. The internal audits were

²¹ The CEO exercises those duties which the Board of Directors has delegated to management in accordance with the Company's Organizational Regulations and Swiss law.

restricted to selected business processes. In its review of audited Group companies, internal audit included any issues that had been defined in the framework of the internal control system (ICS). Internal audits also involved various compliance reviews related to these processes. Lastly, additional risks and controls in connection with the above-mentioned business processes were analysed in the audit. Internal audit reports are submitted to the AFC and reviewed by the AFC with the head of internal audit, at least three times per year. The implementation and reliability of the controls introduced with the ICS were examined by the Group and regional management to ensure that deviations were identified and that appropriate corrective measures were implemented.

Group Executive Management

4.1 Members of the Group Executive Management

As of March 31, 2018 the members of the Group Executive Management were:

NAME	POSITION	YEAR OF APPOINTMENT
Richard Mora	Chief Executive Officer ("CEO")	2017
Jonathan Elmer	Chief Financial Officer ("CFO")	2012
Roger Amhof	Chief Strategy Officer ("CSO")	2014
Prasanna Venkatesan	Head of Americas	2013
Oliver Iltisberger ²²	Head of EMEA	2014
Ellie Doyle	Head of Asia Pacific	2014

²² Oliver Iltisberger resigned from the Company on March 6, 2018 to pursue an outside career opportunity. He ceased his active role on June 1, 2018 and his termination date is expected to be June 30, 2018.

Group Executive Management

4.2 Professional background and other activities and functions

Richard Mora

CEO
Since April 2017
COO 2013–2017



Nationality: USA

Prior Positions at Landis+Gyr:
COO; EVP and Head of Americas

Current Positions Outside of Landis+Gyr:
Enphase Energy, Inc. (Board Member).

Prior Other Positions:

Various management positions within the Siemens Group, including CEO of Siemens Metering, Inc.; Director of Quality for Siemens Power Transmission & Distribution; positions at GE Capital, including as a Merger & Acquisitions Manager.

Education:

Bachelor of Arts degree in Economics, Stanford University, USA.

Jonathan Elmer

EVP and CFO
Since August 2012



Nationality: British

Prior Positions at Landis+Gyr:
CFO, EMEA; EVP and CEO, UK/Prepayment region; Finance Manager and then CEO, Ampy Metering Ltd. (a company acquired by Bayard Capital in 2003 which then became part of the Group upon Bayard Capital's acquisition of Landis+Gyr in 2004).

Current Positions Outside of Landis+Gyr:
None

Prior Other Positions:

None

Education:

Degree in Economics and Politics, University of Exeter, UK; member of the Institute of Chartered Accountants, England and Wales, UK.

Roger Amhof

EVP and Chief Strategy Officer
Since 2014



Nationality: Swiss

Prior Positions at Landis+Gyr:
None

Current Positions Outside of Landis+Gyr:
None

Prior Other Positions:

Manager in Risk Advisory Practice, Arthur Andersen; Various at Ernst & Young, including as Senior Manager, Head Enterprise Risk Management Services, Senior Partner, Head Risk Advisory, and Global Client Service Partner; Economic Advisory Board of the Innovation Park Zurich, Switzerland.

Education:

MBA, University of Fribourg, Switzerland; International Directors Programme, INSEAD; author of various specialist articles and co-author of book on financial analysis techniques.

Prasanna Venkatesan

EVP and Head of Americas
Since November 2013



Nationality: USA

Prior Positions at Landis+Gyr:

SVP & General Manager Systems & Services, L+G North America; VP R&D, L+G; Various positions at Cellnet Technology, Inc. (acquired by Landis+Gyr in 2007), including VP of R&D leading the integration process of Cellnet into L+G.

Current Positions Outside of Landis+Gyr:

Advanced Energy Economy (Board member of not for profit organisation).

Prior Other Positions:

Several senior level engineering and operations management positions (including as Technology Center Manager), Schlumberger.

Education:

Master of Science degree in Industrial Engineering, University of Oklahoma, USA.

Oliver Iltisberger

EVP and Head of EMEA
Since August 2014



Nationality: German

Prior Positions at Landis+Gyr:

EVP and Head of Asia Pacific; SVP & COO EMEA; VP & Head of Energy Measurement Products EMEA; Head of Global Portfolio Management; VP Product Management and Marketing EMEA.

Current Positions Outside of Landis+Gyr:

None

Prior Other Positions:

Various management positions within Siemens Automation & Drives in Germany and Singapore, including Head Product Management & Marketing Power Distribution Solutions; Co-founder and president Interoperable Device Interface Specifications (IDIS) Industry Association.

Education:

Joint Master's degree in Mechanical Engineering and Business Administration, Technical University of Darmstadt, Germany.

Ellie A. Doyle

EVP and Head of Asia Pacific
Since July 2014



Nationality: USA

Prior Positions at Landis+Gyr:

SVP Strategy and Growth, Americas; SVP and General Counsel North America; Several positions within Siemens Corporation, Atlanta (Landis+Gyr's former owner), including as in-house counsel.

Current Positions Outside of Landis+Gyr:

None

Prior Other Positions:

Litigation Counsel, Lord, Bissell & Brook, Atlanta.

Education:

Bachelor of Arts in Political Science, Emory University, USA; JD, University of Virginia – School of Law, USA.

4.3 Mandates permitted outside Landis+Gyr

In the interest of good governance and to ensure our executives focus on the business of the Company, our Company's Articles of Association limit the number of outside mandates by members of the Group Executive Management as follows:

- a) no more than one mandate as member of the board of directors or of any other superior management or administrative body of any publicly traded company²³
- b) no more than five mandates as member of the board of directors or of any other superior management or administrative body of legal entities not meeting the above-mentioned criteria.

All of the members of the Group Executive Management combined currently have only one outside mandate at public companies and one outside mandate at other companies. To ensure compliance, the Group Executive Management must secure approval from the Board of Directors before accepting any new mandate.

4.4 Management contracts

There are no management contracts with third parties at Landis+Gyr.

Compensation, Shareholdings and Loans

All details of compensation, shareholdings and loans are listed in the Remuneration Report 2017.

Shareholders' Participant Rights

6.1 Voting rights restrictions and representations

6.1.1 Voting rights restrictions and rules on granting exceptions

Voting rights are as set forth in the Articles of Association.²⁴ They may be exercised only after a shareholder has been registered in the Company's share register as a shareholder with voting

rights up to a specific qualifying day (Record Date) which is designated by the Board of Directors. On application, persons acquiring shares are entered in the share register as shareholders with voting rights without limitations, provided they expressly declare having acquired the shares in their own name and for their own account and that they comply with the disclosure requirement stipulated by the Federal Act on Financial Market Infrastructure (FMIA). Entry in the share register of registered shares with voting rights is subject to the approval of the Company.

The entry may be refused based on the grounds set forth in article 5, para. 3, para. 4 and para. 5 of the Articles of Association. The respective rules, including the group clause, the rules on granting exceptions, as well as exceptions actually granted during the period under review have been described in Section 2.6 "Limitations on transferability and nominee registrations" on page 6 of this Corporate Governance Report.

If the Company does not refuse to register the acquirer as a shareholder with voting rights within 20 calendar days upon receipt of the application, the acquirer is deemed to be a shareholder with voting rights. Non-recognized acquirers are entered in the share register as shareholders without voting rights. The corresponding shares are considered as not represented in the General Meeting of Shareholders.

The Company may in special cases approve exceptions to the above restrictions. After due consultation with the persons concerned, the Company may delete entries in the share register of a shareholder with voting rights with retroactive effect if these were effected on the basis of false information or if the respective person does not provide the information pursuant to Article 5 para. 3 of the Articles of Association. The concerned person is immediately informed of the deletion.

6.1.2 Procedure and conditions for abolishing voting rights restrictions

Procedure and conditions for abolishing voting rights restrictions in the Articles of Association require resolution of the General Meeting passed by at least 2/3 of the represented share votes. An absolute majority of the par value of repre-

²³ Pursuant to Article 727 para. 1 number 1 of the Swiss Code of Obligations.

²⁴ The Articles of Association set forth all relevant conditions, including as to when the entry may be refused based on the grounds set forth in Article 5, para. 3, para. 4 and para. 5 of the Articles of Association. See also Section 2.6 above "Limitations on transferability and nominee registrations" of this report.

sented shares is required for the easing or abolition of the restrictions of the transferability of registered shares (see Article 13 of the Articles of Association).

6.2 Rules on participation in the General Meeting of shareholders

At shareholders' meetings, shareholders may be represented by an independent proxy or any other person who need not be a shareholder. The Board of Directors determines the requirements regarding proxies and voting instructions.

6.3 Rules on instructions to the independent proxy and on the electronic participation in the General Meeting of shareholders

As the Articles of Association do not contain requirements on the subject, instructions in written or electronic form to an independent proxy for participation in the General Meeting of shareholders are governed by Swiss law.

6.4 Quorums required by the Article of Association

The Company's Articles of Association do not stipulate any resolutions of the shareholders' meeting that can be passed only by a majority greater than that required by the statutory legal provisions.

6.5 Convocation of the General Meeting of shareholders

The Company's Articles of Association do not differ from applicable Swiss statutory provisions under Swiss law, other than that the Board of Directors is required to convene an extraordinary shareholders' meeting within two months if requested by one or more shareholder(s) representing in aggregate at least 5% of the Company's nominal share capital registered in the commercial register. Shareholders' meetings may also be convened by the Board of Directors or, if necessary, by a Company's statutory auditors or liquidators under Swiss law. The Board of Directors is further required to convene an extraordinary shareholders' meeting if resolved at a shareholders' meeting.

A shareholders' meeting is convened by publishing a notice of such meeting in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*) at least 20 days before the date of the meeting. To the extent the post or

e-mail addresses of the shareholders are known, a notice is sent simultaneously by mail or e-mail. The notice states the day, time and place of the meeting, the agenda, the proposals of the Board of Directors and the proposals of the shareholders who have requested the shareholders' meeting or that an item be included on the agenda.

6.6 Inclusion of items on the agenda

Registered shareholders with voting rights individually or jointly representing at least CHF 1 million of the nominal share capital of the Company may demand that items be put on the agenda. Such demands have to be submitted to the Chairman of the Board of Directors at least 45 days before the date of the shareholders' meeting and shall be in writing specifying the items and the proposals.

6.7 Entries in the share register

The relevant date to determine the shareholders' right to participate in the AGM on the basis of the registrations appearing in the share register is set by the Board of Directors and included in the invitation to the AGM.

Change of Control and Defence Measures

7.1 Duty to make an offer

The Company does not have a provision on opting out or opting up in the Articles of Association.

7.2 Clauses on change of control

There are no such agreements.

Auditors

8.1 Duration of the mandate and term of office of the lead auditor

The independent statutory auditors of the Company are PricewaterhouseCoopers AG (PWC), Grafenauweg 8, 6302 Zug, Switzerland, who have been the auditors of the Company since the financial year ended March 31, 2017. The auditor in charge is Rolf Johner who has been carrying out this function since PWC became the Company's statutory auditors. The lead auditor is rotated every seven years in accordance with Swiss law.

For the years ended March 31, 2015 and 2016, Ernst & Young AG served as the auditor of the Company. Our audit engagement with Ernst & Young AG ended following the global change in auditors of one of our former shareholders, Toshiba Corporation, who ended its global audit engagement of Ernst & Young.

8.2 Auditing fees

PWC was paid compensation of CHF 1.6 million for services in connection with auditing the annual financial statements of the Company as well as the consolidated statements of the Group for the financial year ended March 31, 2018.

8.3 Additional Fees

PWC charged CHF 0.9 million for non-audit services performed during the year-ended March 31, 2018. The majority of the fees for non-audit services resulted from services in connection with the comfort letter and prospectus during the IPO. The remaining non-audit services included income tax and indirect tax compliance services and tax advisory services, and accounting consultations for a new pronouncement.

8.4 Information instruments pertaining to the external audit

PWC presents to the Audit and Finance Committee, on an annual basis, a detailed report on the results of the audit of the consolidated financial statements, the findings on significant accounting and reporting matters, and findings on the internal control system. The results and findings of this report are discussed in detail with the CFO.

The AFC reviews annually the appropriateness of retaining PWC as the auditor of the Landis+Gyr Group AG and its subsidiaries, prior to proposing to the Board and to the Annual General Meeting of Landis+Gyr Group AG the election of PWC as auditors. The AFC assesses the effectiveness of the work of the auditors in accordance with Swiss law, based on their understanding of the Group's business, control, accounting and reporting issues, together with the way in which matters significant at Group level or in the statutory accounts are identified and resolved. It also makes a recommendation to the Board of Directors concerning the choice of the external auditor.

The Audit and Finance Committee is also informed on the work of PWC through briefings from its Chairman who is in turn briefed as required by PWC. Audit fees are ultimately approved by the AFC.

In the period under review, PWC attended one meeting of the Audit and Finance Committee at which PWC presented their report on the audit of the Group's accounts for the financial year ended March 31, 2017 and their proposal for the audit of the Group's accounts for the financial year ended March 31, 2018.

The Group and PWC have agreed on clear guidelines and firewalls as to non-audit services which it is appropriate for PWC to provide. These services include due diligence on mergers, acquisitions and disposals and certain tax and business risk assurance and IS/IT advisory support. These guidelines are aimed at ensuring PWC's independence in their capacity as auditors to the Group. PWC monitors its independence throughout the year and confirms its independence to the AFC annually.²⁵

²⁵ For more information on the AFC in respect of the external auditor, see Section 3.4.3 above.

Information Policy

9.1 Investor Relations – guiding principles

Landis+Gyr is committed to communicating in a timely and transparent way to shareholders, potential investors, financial analysts, and customers. Toward this end, the Board of Directors takes an active interest in fostering good relations and engagement with shareholders and other stakeholders. In addition, the Company complies with the requirements of SIX Swiss Exchange on the dissemination of material and price-sensitive information.

9.2 Methodology

The Company releases its financial results in an annual report which is published within 4 months of the 31 March balance sheet date. In addition, the Company releases results for the first half of each fiscal year within three months of the September 30 balance sheet date. The Company's annual report and half year results are announced via press releases and media and investor conferences in person and via telephone. The Company also publishes press releases at the time of any potentially price-sensitive event.

Notices to shareholders are made by publication in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt). The Board of Directors may designate further means for official publications. The following web-links provide further information:

The Company's website:

www.landisgyr.com

Ad-hoc messages (pull system):

www.landisgyr.com/investors

Subscription for ad hoc messages (push system):

www.landisgyr.com/investors/subscription-company-news/

Financial reports:

www.landisgyr.com/investors/financial-information

Corporate calendar:

www.landisgyr.com/investors/financial-calendar

The Landis+Gyr Group Investor Relations Department can be contacted, either through the website, or by telephone, e-mail or letter.

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The Board of Directors thanks the Company's shareholders, customers, and other stakeholders for their interest in and support of the Company.

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Landis+Gyr

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