





# Table of Contents

Purpose of this Report	4
Group Structure and Shareholders	4
Capital Structure	6
Board of Directors	8
Group Executive Management	17
Compensation, Shareholdings and Loans	20
Shareholders' Participation Rights	20
Change of Control and Defense Measures	22
Auditor	22
Information Policy	23

# Corporate Governance Report

## Purpose of this Report

Good corporate governance is an essential element of Landis+Gyr's vision and values. We are committed to building trust with our customers and other stakeholders. Our Board of Directors are all non-executive directors and seven of our eight directors are independent. We have a Lead Independent Director who ensures independence and leadership for other independent directors. Further, the Chairman does not serve on either the Audit and Finance Committee or the Remuneration 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 have a compliance and data privacy 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 Governance<sup>1</sup> 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.<sup>2</sup>

## Group Structure and Shareholders

### 1.1 Group structure<sup>3</sup>

#### 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 100 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.<sup>4</sup>

#### 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 that have adopted the United States' ANSI metering standard. Our Americas segment primarily focuses on smart metering communications networks and solutions, connected intelligent devices, software and services.

#### EMEA

Our operations in EMEA are headquartered in Zug, Switzerland. The EMEA segment comprises our operations in Europe, the Middle East and Africa. In this region, the product offerings primarily 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 that have adopted the United States' ANSI metering standard). This segment primarily focuses on connected intelligent and standalone metering devices, software and services.

#### 1.1.2 Listing and capitalization

Landis+Gyr Group AG<sup>5</sup> shares are listed on SIX Swiss Exchange (ISIN: CH0371153492, ticker symbol: LAND, valor number: 37'115'349). On March 31, 2019, the market capitalization (excluding treasury shares) was CHF 1,846,579,518. There are no other listed companies belonging to the Group.

1 As in force on March 31, 2019.

2 This Governance Report is subject to all legal reservations and disclaimers set forth on page 50 of the Annual Report.

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

4 See also section 3.5.2.

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

### 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, 2019, the name, place of incorporation, ownership interest and share capital of the significant direct and indirect subsidiaries of Landis+Gyr Group AG.

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

Company name	Registered office	Country	Interest %	Share capital in thousands	Currency
Landis+Gyr Pty Ltd.	Mascot, NSW	Australia	100	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	65,000	HKD
Landis+Gyr OY	Jyskä	Finland	100	16,818	EUR
Landis+Gyr SAS	Montluçon	France	100	2,460	EUR
Landis+Gyr Ltd.	Peterborough	Great Britain	100	2,800	GBP
Landis+Gyr GmbH	Nuremberg	Germany	100	1,023	EUR
Landis+Gyr A.E	Corinth	Greece	100	7,950	EUR
Landis+Gyr Ltd.	Kolkata	India	100	457,400	INR
Landis+Gyr S.A. de C.V.	Reynosa	Mexico	99.99	10	MXN
Landis+Gyr BV	Gouda	Netherlands	100	90	EUR
Landis+Gyr (Pty) Ltd.	Kosmosdal	South Africa	69.9	2,000	ZAR
Landis+Gyr AG	Zug	Switzerland	100	29,700	CHF
Landis+Gyr LLC	Lafayette, IN	USA	100	0.002	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, 2019.<sup>6</sup>

The number of registered shareholders as of March 31, 2019 was 11,099 holding 20.8 million shares, approximately 70.5% of the total shares. Unregistered shares (in disposition) amounted to 8.7 million or approximately 29.5% of the total shares.

As of March 31, 2019, the Group held 198,674 treasury shares, whereas 157,842 thereof were repurchased under the share buyback program. The source of the treasury shares is explained in more detail in Section 2.3.

<sup>6</sup> The number of shares shown here and 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: [www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html](http://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html).

Shareholder	Number of shares	% of voting rights
KIRKBI Invest A/S <sup>7</sup> , Denmark	4,445,265	15.06%
Rudolf Maag, Switzerland	3,000,000	10.17%
Franklin Resources, Inc. <sup>8</sup> , United States	1,825,813	6.19%
Fir Tree Value Master Fund <sup>9</sup> , United States	1,136,000	3.85%
Nordea 1, SICAV <sup>10</sup> , Luxembourg	918,351	3.11%
Norges Bank (the Central Bank of Norway), Norway	909,534	3.08%
Credit Suisse Funds AG, Switzerland	907,466	3.08%

On April 5, 2019, Fir Tree reported that as of April 1, 2019 it had fallen below the reporting threshold of 3% of voting rights. After March 31, 2019, Norges Bank reported that it had crossed and re-crossed the reporting threshold of 3% of voting rights several times, see notifications of April 1, 2019 (below 3%), of April 15, 2019 (above 3%) and of April 16, 2019 (below 3%).

### 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.

## Capital Structure

### 2.1 Capital

On March 31, 2019, 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 Company may increase its share capital 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 Group. Pre-emptive rights and advance subscription rights of shareholders do not apply, and the shares may be issued at a price below the market price. If fully utilized, the maximum amount of conditional capital (CHF 4,500,000) would equal approximately 1.5% of the existing share capital.<sup>11</sup>

### 2.3 Share buyback program

On January 29, 2019 the Company announced that its Board of Directors had approved a share buyback program of up to CHF 100 million or a maximum of 8% of shares outstanding. The shares are being repurchased for the purposes of cancellation, subject to approval by future Annual General Shareholders' Meetings. As of March 31, 2019, 157,842 shares (0.53% of shares outstanding) had been repurchased under the program. In addition, Landis+Gyr AG regularly purchases additional shares for the purposes of Board of Director compensation and the Company's Long-Term Incentive Plan.

7 Kjeld Kirk Kristiansen, 7190 Billund, Denmark, Thomas Kirk Kristiansen, 5300 Kerteminde, Denmark, Sofie Kirk Kristiansen, 6670 Holsted, Denmark, Agnete Kirk Kristiansen, 8752 Oestbirk, Denmark, ("Kristiansen Group") holding directly or indirectly through KIRKBI Invest A/S, 7190 Billund, Denmark, 4,445,265 registered shares corresponding to 15.06% of voting rights.

8 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. For the specific details please refer to the report of Franklin Resources Inc. on the website of the Disclosure Office of SIX Swiss Exchange: [www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html](http://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html).

9 Fir Tree Capital Management L.P., United States as beneficial owner.

10 Nordea Investment Funds S.A., L-2220 Luxembourg, Luxembourg as license holder.

11 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](#).

## 2.4 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.

## 2.5 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*).

## 2.6 Dividend-right certificate

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

## 2.7 Limitations on transferability and nominee registrations

The Company's Articles of Association contain no limitations on transferability. Every person recorded in the share register is regarded as a shareholder of the Company. Persons not expressly declaring themselves to be holding shares for their own account in their application for entry in the share register or upon request by the Company (Nominees<sup>12</sup>) are entered in the share register with voting rights without further inquiry up to a maximum of 3.0% of the share capital outstanding at the time. Above this limit, shares held by Nominees are entered in the share register with voting rights only after the Nominee discloses 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.

Under Article 5 of the Articles of Association, 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, 2019, no exemptions under Article 5 of the Articles of Association had been granted.<sup>13</sup>

## 2.8 Convertible bonds and options

The Company has no bonds or options regarding its shares outstanding as of March 31, 2019.

<sup>12</sup> 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 one shareholder or Nominee.

<sup>13</sup> For a comprehensive description on the limitations to transferability and nominee registration refer to Art. 5 of the [Articles of Association](#).

## Board of Directors

### 3.1 Members of the Board of Directors

#### 3.1.1 Overview

The Board of Directors is entrusted with the ultimate strategic direction of the Company as well as the supervision of the management. Accordingly, Board candidates are carefully selected to ensure qualified, committed members who will devote the effort and time necessary to effectively carry out their governance responsibilities.

In selecting members, the Board looks for diversity of backgrounds (current members represent six 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 committees, Audit & Finance and Remuneration.

The Board consists entirely of non-executive members. In addition, because the current Chairman formerly served as Chief Executive Officer of the Company, the Board also has a Lead Independent Director. The role of the Lead Independent Director is described in Section 3.4.2 below. As of March 31, 2019, the Board members were:

Name	Role	First Election	Expires <sup>14</sup>	Committees
Andreas Umbach	Chairman, not independent	2017	2019 AGM	None
Eric Elzvik	Lead Independent Director	2017	2019 AGM	Remuneration (Chair), Audit and Finance
Dave Geary	Independent Member	2017	2019 AGM	Remuneration
Pierre-Alain Graf	Independent Member	2017	2019 AGM	Remuneration
Mary Kipp	Independent Member	2018	2019 AGM	None
Peter Mainz	Independent Member	2018	2019 AGM	None
Andreas Spreiter	Independent Member	2017	2019 AGM	Audit and Finance (Chair)
Christina Stercken	Independent Member	2017	2019 AGM	Audit and Finance

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

---

## Andreas Umbach

Chairman  
Since July 19, 2017  
Born: 1963



**Nationality:** Swiss/German

**Prior positions at Landis+Gyr:**

Executive Chairman of the Board of Directors of Landis+Gyr AG (April 2017 to July 2017); Group CEO/COO (2002 to 2017)

**Current positions at profit-oriented companies other than Landis+Gyr:**

Chairman of the Board of Directors of SIG Combibloc Group AG (SIX: SIGN) (2018 to present); Board member of Ascom Holding AG (SIX: ASCN) (Director since 2010, Chairman from 2017 to April 10, 2019, afterwards regular Board member); Board member of WWZ AG (2013 to present); Chairman of the Supervisory Board of Techem Energy Services GmbH (since 2018)

**Prior other positions:**

Board member at LichtBlick SE (2012 to 2016); President of the Siemens Metering Division within the Power Transmission and Distribution Group and other positions within Siemens (2002 and prior)

**Education:**

Master of Business Administration, 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:**

Board member at AB Volvo (STO: VOLV) (2018 to present); Board member and Chairman of the audit and compliance committee of LM Ericsson Telephone Company (STO: ERIC) (2017 to present); Board member of Fenix Marine Services (2017 to present); and Board member of VFS Global (2018 to present)

**Prior other positions:**

Chief Financial Officer and Group Executive Committee Member, ABB Ltd (2013 to 2017); various other positions at ABB including Division CFO ABB Discrete Automation & Motion (2010 to 2013); Division CFO Automation Products Division (2006 to 2010) and prior to that various senior positions within finance, mergers & acquisitions and new ventures; Board member of the Swiss Swedish Chamber of Commerce (2016 to 2017)

**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:**

Founder of DJGeary Consulting, LLC (2016 to present)

**Prior other positions:**

Executive Vice President Business Integration at Nokia Networks (2016); President of the Wireless Networks business at Alcatel-Lucent (2012 to 2015); President of Wireline Networks (2009 to 2012); and before that other senior positions within Lucent Technologies and AT&T Network Systems

**Education:**

Master of Business Administration in Finance, Kellogg School of Management, Northwestern University, USA; Bachelor of Science in Electrical Engineering, Bradley University, USA

---

## 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:**

Senior Vice President of Global Security Business within the Power Grids Division of ABB Ltd. (SIX: ABBN) (2017 to present); Board member of Broadband Networks AG (2016 to present); and owner of PAG Consulting & Services GmbH (2016 to present)

**Prior other positions:**

Board member of Leclanché SA (2017 to 2018); Chief Executive Officer of Swissgrid (2008 to 2015); Chairman of the TSC – TSO Security Cooperation (2011 to 2015); Earlier positions include General Manager, Cisco Systems Switzerland

**Education:**

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

---

## Mary Kipp

Independent Member  
Since June 28, 2018  
Born: 1967



**Nationality:** USA

**Prior Positions at Landis+Gyr:**  
None

**Current positions at profit-oriented companies other than Landis+Gyr:**

President and Chief Executive Officer El Paso Electric Company (NYSE: EE) (2014 to present)

**Prior other positions:**

Various positions at El Paso Electric Company including Senior Vice President, General Counsel and Chief Compliance Officer (2010 to 2014); Board Member of WestStar Bank, El Paso, Texas (2016 to 2018); Board member First Fabens Bancorporation, Inc. (2015 to 2016); Earlier positions (2009 and earlier) include Senior Enforcement Attorney at Federal Energy Regulatory Commission (FERC) Office of Enforcement; Attorney at Greenburg Traurig LLP, El Paso Electric Company and El Paso Natural Gas Company

**Education:**

Juris Doctor from the University of Texas School of Law, USA; Bachelor of Arts, Williams College, Massachusetts, USA

---

## Peter Mainz

Independent Member  
Since June 28, 2018  
Born: 1964



**Nationality:** Austrian

**Prior Positions at Landis+Gyr:**  
None

**Current positions at profit-oriented companies other than Landis+Gyr:**

None

**Prior other positions:**

Board Member of Itron, Inc. (2016 to 2018); Non-Executive Director of Cyan Connode Holdings (2014 to 2015); President and Chief Executive Officer of Sensus (2008 to 2014); Other positions at Sensus including Executive Vice President of Operations and Chief Financial Officer (2003 to 2008); Various Positions at Invensys including VP Finance Metering Systems Division (1999 to 2003); and previously Controller at Schlumberger

**Education:**

Master of Business Administration, Texas A&M University, USA; Bachelor of Business Administration and Computer Science, Johannes Kepler University, Linz, Austria

---

## Andreas Spreiter

Independent Member  
Since July 19, 2017  
Born: 1968



**Nationality:** Swiss/British

**Prior Positions at Landis+Gyr:**

Group CFO (2002 to 2012); prior positions at Landis+Gyr and its predecessors including Business Unit Head Digital Meters/Head of Center of Competence Electronic Meters and Business Unit Controller/Head of Finance & Controlling

**Current positions at profit-oriented companies other than Landis+Gyr:**

Board member and Chairman of audit committee of Reichle & De-Massari Holding AG (2010 to present)

**Prior other positions:**

Group CFO of Forbo International AG (2013 to 2017)

**Education:**

Master 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:**

Board member of Ascom Holding AG (SIX: ASCN) (2014 to present) and Board member of Ansell Ltd. (ASX: ANN) (2017 to present)

**Prior other positions:**

Partner at Euro Asia Consulting PartG (EAC) (2006 to 2017). Earlier positions include Siemens AG, Managing Director Corporate Finance M&A, Lead of the Siemens Task Force China and Head of Public Sector Business Unit, Siemens Business Services; and BMW Pvt. Ltd., South Africa

**Education:**

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

### 3.1.2 Skillset and Assessment of the Board of Directors

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

When identifying members for the new Board of Directors at the time of the Company's initial public offering, a collective set of important skills/traits was defined with the support of an external consultant. This set of skills/traits was reviewed and expanded in financial year 2018 (FY 2018; April 1, 2018 to March 31, 2019). The Board Skill Matrix below summarizes the updated set of skills/traits grouped into six categories. The actual skillset/traits of the current Board of Directors were then reviewed and mapped against the matrix and it was confirmed that the existing Board of Directors collectively possesses all of the identified skills/traits.

General	Governance	Technical/Functional	Industry Experience	Personality	Diversity
Independence	Understanding Fiduciary, Legal and Ethical Duties	Strategy Development and Execution	Utility Markets and Regulation	Honest, Fair and Diligent	Multicultural Background
Financial Proficiency	Board Experience	Growth and Innovation	Utility Operations	Commitment, Efficiency and Effectiveness	Gender
Global/International/Emerging Markets Experience	Governance Experience	Operational Excellence	Solutions, Software and Services in Energy Management	Independent Thinking	
Leadership, General Management and P&L Experience	Risk Management and Oversight	Financial Expertise			
	Sustainability/ Environmental/ Health and Safety	Digitalization incl. Cybersecurity			
		Transformation and Restructuring			

In addition, the Board of Directors carries out an annual self-assessment to identify strengths and areas for improvement. In FY 2018, this assessment was facilitated by an outside governance consultant who interviewed all directors and several management members.

### 3.1.3 Previous service as executives and other relationships

None of the Board members or companies or organizations they represent have important business connections with Landis+Gyr, except as follows: The Chairman served as Chief Executive Officer ("CEO") of the Group until March 31, 2017 and was thereafter elected as executive Chairman of Landis+Gyr AG<sup>15</sup> and served in that role until the initial public offering. Six of the current non-executive members of the Board of Directors were elected on July 19, 2017 in connection with the IPO; the other two non-executive members of the Board of Directors were elected on June 28, 2018 at the 2018 AGM.

### 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 Holding AG) as further shown in the table under 3.2 below. Ascom and Landis+Gyr are in different industries.

<sup>15</sup> Landis+Gyr AG is the senior operating subsidiary of Landis+Gyr Group AG.

### 3.2 Permitted mandates outside Landis+Gyr

In the interest of good governance, Article 23 of the Company's Articles of Association limits 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 management 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 a 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)	SIG Combibloc Group AG (SIX: SIGN) (Chairman), Ascom Holding AG (SIX: ASCN) (Chairman/Director) <sup>16</sup>	WWZ AG (Board member), Techem Energy Services GmbH (Chairman of the supervisory board)	Zug Chamber of Commerce and Industry (President)
Eric Elzvik	AB Volvo (STO: VOLV) (Board member), LM Ericsson Telephone Company (STO: ERIC) (Board member and Chairman of audit and compliance committee)	Fenix Marine Services (Board member), VFS Global (Board member)	CFO Circle Switzerland (Board member) until April 2019
Dave Geary	None	DJGeary Consulting, LLC (Founder)	None
Pierre-Alain Graf	ABB Ltd. (SIX: ABBN) (Senior Vice President)	Broadband Networks AG (Board member), PAG Consulting & Services GmbH (Owner)	None
Mary Kipp	El Paso Electric Company (NYSE: EE) (President and Chief Executive Officer)	None	U.S. Federal Reserve Bank of Dallas (Deputy Chair), Borderplex Alliance – US-Mexico Economic Development Group (Chair), Smart Electric Power Alliance (Board member and Chair-elect), Texas Business Leadership Council (Board member)
Peter Mainz	None	None	None
Andreas Spreiter	None	Reichle & De-Massari Holding AG (Board member and Chairman of audit committee)	None
Christina Stercken	Ascom Holding AG (SIX: ASCN) (Board member), Ansell Ltd. (ASX: ANN) (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.<sup>17</sup>

<sup>16</sup> Mr. Umbach chose not to stand for reelection as Chairman and so his term as Chairman of the Board of Ascom ended at the Ascom General Meeting in April 2019. He was elected as a regular member of the Board of Directors.

<sup>17</sup> For more information on the terms of office of Board members, see Article 4 of the [Organizational Regulations](#).

## 3.4 Internal organizational 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. The members of each committee are shown in the table under Section 3.1.1 above.

### 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 LID chairs the Board meetings. This includes any deliberations or decision-taking involving the assessment of the Chairman's work.

### 3.4.3 Tasks and responsibilities of the Audit and Finance Committee

In addition to assisting the Board with oversight of financial reporting, the Audit and Finance Committee (AFC)<sup>18</sup> focuses on assessment of 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. Internal Audit and Compliance) and of the external auditor, making proposals to the Board on the choice of the external auditor and, on request of the Chief Financial Officer ("CFO"), approving the budget for auditing and other fees from the external auditors.<sup>19</sup> The Committee also assesses the yearly business expenses of the members of Group Executive Management.

The AFC typically meets once every two to three months. 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 Global Internal Audit reports to the AFC. The Chief Compliance and Data Privacy 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 and data privacy programs and relevant issues and risks. In addition, the Chief Compliance and Data Privacy Officer will provide independent, ad hoc reports to the Board/AFC regarding any significant Group compliance or data privacy issues or risks.<sup>20</sup>

### 3.4.4 Tasks and responsibilities of the Remuneration Committee

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

Comprising three independent Board members,<sup>21</sup> 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 two to three months. The Chairman of the RemCo reports to the full Board on the RemCo's findings and recommendations after each meeting, and the minutes

<sup>18</sup> The three 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.

<sup>19</sup> The external auditor is PwC (auditors of Landis+Gyr Group AG and of the Consolidated Financial Statements of the Landis+Gyr Group). It conducts its 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 GAAP).

<sup>20</sup> The organization, detailed responsibilities and reporting duties of the AFC are stipulated in its Charter and in Article 7.2 of the [Organization Regulations](#).

<sup>21</sup> 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.

of the meetings are made available to the members of the Board. The overall responsibility, including for approval of recommendations, remains with the Board of Directors.<sup>22</sup>

### 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.<sup>23</sup>

Between April 1, 2018 and March 31, 2019, the Board held 14 meetings (of which five were in-person meetings and nine were conference calls). The in-person meetings were for a full day and the calls had an average duration of approximately three hours. The overall attendance was 100% and is further detailed in the table below. In addition to the meetings, the Board held a two-day strategy meeting with Group Executive Management and other senior managers, and two full-day and one half-day onboarding sessions were attended by the two new Directors.

BOARD ATTENDANCE FROM APRIL 1, 2018 THROUGH MARCH 31, 2019														
	24.4.	8.5.	17.5.	4.6.	27- 28.6.	16.7.	17.8.	28.9.	25.10.	19.11.	20.12.	21.1.	24.2.	23.3.
Andreas Umbach	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Eric Elzvik	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Dave Geary	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Pierre-Alain Graf	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Mary Kipp	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√	√	√	√	√
Peter Mainz	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√	√	√	√	√
Andreas Spreiter	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Christina Stercken	√	√	√	√	√	√	√	√	√	√	√	√	√	√

Between April 1, 2018 and March 31, 2019, the Audit and Finance Committee held seven meetings with 100% attendance. These meetings generally lasted approximately three to five hours. The Remuneration Committee held five meetings with 100% attendance. These meetings generally lasted approximately three hours.

The Board meetings were, with the exception of certain Directors only sessions, attended by the CEO and members of the Group Executive Management and other senior managers. Meetings of the Audit and Finance Committee were all attended by the Chairman, the CEO and the CFO and several were attended by the Head of Global Internal Audit for the internal audit update sections. Meetings of the Remuneration Committee were all attended by an external advisor to the Remuneration Committee (in person or via conference call) and the Head of Human Resources; the CEO and the CFO attended parts of meetings of the Remuneration Committee in an advisory function but were excluded from certain discussions. No member of management attended the part of the meetings in which their own performance or remuneration was discussed. The Chairman of the Board attended all Remuneration Committee meetings, but he was not present during meetings or parts thereof during which his own remuneration was discussed.

<sup>22</sup> The organization, detailed responsibilities and reporting duties of the RemCo are stipulated in its Charter, in Article 19 of the Company's [Articles of Association](#) and in Article 7.3 of the [Organization Regulations](#).

<sup>23</sup> This is pursuant to the Organization Regulations, which foresee 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.

### 3.5 Responsibilities between the Board of Directors and Group 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 strategic 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 Global Internal Audit.

Although pursuant to the Articles of Association and the Organization Regulations, the Board may, to the 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.<sup>24</sup>

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 the case of a tie on any issue, the Chairman has the casting vote.

#### 3.5.2 Group Executive Management (Konzernleitung)

The CEO<sup>25</sup> leads and is assisted by the Group Executive Management and the Extended Executive Management. The Group Executive Management comprises the CEO, CFO, Chief Strategy Officer (“CSO”) and the Regional Executive Vice Presidents (“EVPS”).<sup>26</sup> 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 generally 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 before or at every meeting, including regarding strategic, financial, risk, and compliance matters. Internal audit and compliance also make regular reports to the Board or its committees. In addition, the Chairman acts as liaison between the Board and management and in this capacity has regular interactions with the CEO, other members of the Group Executive Management and the Group General Counsel. The LID has regular interactions with the CEO and the Senior Vice President of Global Human Resources, and the Chairman of the AFC has regular interactions with the CFO and the Head of Global Internal Audit.

In addition to reviewing and approving the Group's comprehensive annual risk assessment process, the Board and its committees are updated regularly by members of the Group Executive Management and Extended Executive Management on all key 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.

Other 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. The reports 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

<sup>24</sup> The detailed description of these retained responsibilities and duties are stipulated in Articles 16 and 17 of the Articles of Association.

<sup>25</sup> 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.

<sup>26</sup> The Organization Regulations were changed effective as of May 28, 2019, to reflect that the Group Executive Management comprises the CEO, CFO, the EVP for the Americas and the EVP for EMEA.

competitor activities and emerging opportunities and threats. Furthermore, the Board reviews and approves major customer contracts that 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 defining the fundamentals of and monitoring the effectiveness of 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 auditor submits 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 regular and special engagement audits. The latter consist of limited reviews, compliance audits, and other special engagements that are incident-specific and upon request of senior management, the AFC or the Board. In all cases, internal audit engagements are approved by the AFC. Regular 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 FY 2018, eight internal audits were conducted. The internal audits were restricted to selected business processes. In its review of audited Group companies and organizations, risks and control deficiencies in connection with the above-mentioned business processes were analyzed. Internal audit reports are submitted to the AFC and reviewed by the AFC with the Head of Global Internal Audit, at least four 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, 2019, 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
Susanne Seitz	Head of EMEA	2018
Prasanna Venkatesan	Head of Americas	2013

Three members of the Group Executive Management departed during FY 2018. Oliver Iltisberger's active role ended on June 1, 2018; Ellie Doyle's active role ended on October 31, 2018; and Roger Amhof's active role ended on December 31, 2018. For more information on these former members of the Group Executive Management, please refer to pages 15 and 16 of the Company's [Corporate Governance Report 2017](#).

## 4.2 Professional background and other activities and functions

---

### Richard Mora

CEO  
Since April 2017



**Nationality:** USA

**Prior positions at Landis+Gyr (2001 to 2017):**  
COO (November 2013 to April 2017); EVP and President & CEO Americas (2011 to 2013); EVP and President & CEO North America (2008 to 2011)

**Current positions outside of Landis+Gyr:**  
Board member of Enphase Energy, Inc. (NASDAQ: ENPH) (2014 to present)

**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 Manager of Strategy & Analysis, and as a Manager of Productivity & Income Improvement

**Education:**  
Bachelor of Arts in Economics, Stanford University, USA

---

### Jonathan Elmer

EVP and CFO  
Since August 2012



**Nationality:** British

**Prior positions at Landis+Gyr (1996 to 2012):**  
CFO, EMEA (2009 to 2012); EVP and CEO, UK/Prepayment region (2004 to 2008); Finance Manager and then CEO, Ampy Metering Ltd. (1996 to 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

---

## Susanne Seitz

EVP and Head of EMEA  
Since November 2018



**Nationality:** Swiss

**Prior positions at Landis+Gyr:**

None

**Current positions outside of Landis+Gyr:**

None

**Prior other positions:**

Various management positions with Siemens Building Technologies (2003 to 2018), including SVP Europe North (2017 to 2018), SVP Systems & Solutions (2015 to 2017); VP Enterprise Security (2012 to 2015); and Director of Product Line Intrusion (2006 to 2010). Earlier in her career she worked for BT&T Asset Management in corporate communications and as a project manager with Ernst Basler and Partners

**Education:**

Executive Master of Business Administration from the University of St Gallen; Master of Science in Environmental Engineering, ETH Zurich

---

## Prasanna Venkatesan

EVP and Head of Americas  
Since November 2013



**Nationality:** USA

**Prior positions at Landis+Gyr (2006 to 2013):**

SVP & General Manager Systems & Services, Landis+Gyr North America (2009 to 2013); VP Research and Development, Landis+Gyr (Jan 2008 to Jan 2009); positions at Cellnet Technology, Inc. (acquired by Landis+Gyr in 2007), included VP of Supply Chain and Manufacturing engineering and leading the integration process of Cellnet Technology, Inc. into Landis+Gyr

**Current positions outside of Landis+Gyr:**

Advanced Energy Economy (Board member of not for profit organization) (2015 to present)

**Prior other positions:**

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

**Education:**

Master of Science in Industrial Engineering, University of Oklahoma, 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, Article 23 of the 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 company<sup>27</sup>
- 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 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

The remuneration programs within Landis+Gyr are periodically reviewed to ensure continued alignment with the Group's strategy and market practice, and all details of compensation, shareholdings and loans are set forth on pages 17 to 23 of the Remuneration Report 2018.

Rules regarding the principles of compensation, participation plans, loans, credits and pension benefits are set in Articles 24, 25, 26, 28 and 29 of the Articles of Association. The rules regarding the approval of the remuneration by the Annual General Meeting are set forth in Article 12 of the [Articles of Association](#).

## Shareholders' Participation 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](#).<sup>28</sup> 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) 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, paragraphs 3, 4 and 5 of the [Articles of Association](#). The respective rules, including the group clause, the rules on granting exceptions, and on exceptions granted during the period under review have been described in Section 2.7 "Limitations on transferability and nominee registrations" on page 7 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

<sup>27</sup> Pursuant to Article 727 para. 1 number 1 of the Swiss Code of Obligations.

<sup>28</sup> 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 2.7 above "Limitations on transferability and nominee registrations" of this report.

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 two thirds of the represented share votes. An absolute majority of the par value of represented shares is required to ease or abolish the restrictions on 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 Articles 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.

A shareholders' meeting is convened by publication of 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 must 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 Defense 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.

## Auditor

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

The independent statutory auditor of the Company is PricewaterhouseCoopers AG (PwC), Gotthardstrasse 2, 6302 Zug, Switzerland, who has been the auditor of the Company since financial year 2016 (FY 2016; April 1, 2016 to 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.

### **8.2 Auditing fees**

PwC was paid compensation of CHF 1.9 million for services in connection with auditing the annual financial statements of the Company and the consolidated statements of the Group for FY 2018.

### **8.3 Additional fees**

PwC charged CHF 0.3 million for non-audit services performed during the year-ended March 31, 2019. The non-audit services primarily included tax advisory services.

### **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, before 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 auditor in accordance with Swiss law, based on its 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 AFC 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 three meetings of the AFC at which PwC presented its report on the audit of the Group's accounts for the financial year 2017, (FY 2017; April 1, 2017 to March 31, 2018) its proposal for the audit of the Group's accounts for FY 2018 and a review of certain aspects of the Group's accounts for the six months to September 30, 2018.

The Group and PwC have agreed on clear guidelines and firewalls for non-audit services that are 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.<sup>29</sup>

## 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 that is published within four months after 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 30 September 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](http://www.landisgyr.com)

**Ad-hoc messages (pull system):**

[www.landisgyr.com/investors](http://www.landisgyr.com/investors)

**Subscription for ad hoc messages (push system):**

[www.landisgyr.com/investors/subscription-company-news/](http://www.landisgyr.com/investors/subscription-company-news/)

**Financial reports:**

[www.landisgyr.com/investors/financial-information](http://www.landisgyr.com/investors/financial-information)

**Corporate calendar:**

[www.landisgyr.com/investors/financial-calendar](http://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.

<sup>29</sup> For more information on the AFC in respect of the external auditor, see Section 3.4.3 above.

**Contact addresses**

Group Communications and Investor Relations  
Stan March  
Stan.March@landisgyr.com  
+1 678 258 1321

Investor Relations  
Christian Waelti  
Christian.Waelti@landisgyr.com  
+41 41 935 6331

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

Landis+Gyr Group AG  
Theilerstrasse 1  
CH-6302 Zug  
+41 41 935 6000  
ir@landisgyr.com  
[www.landisgyr.com/investors](http://www.landisgyr.com/investors)

© Landis+Gyr Group AG

This report is published in English and German. In the event of inconsistencies between the English and German version of this report, the English version prevails. This report is subject to all legal reservations and disclaimers as set forth on page 50 of the Annual Report.

**Landis+Gyr Group AG**

Theilerstrasse 1

CH-6302 Zug

Schweiz

[www.landisgyr.com](http://www.landisgyr.com)