

2017

Corporate Governance

Interim Report July to December 2017

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Corporate Governance Report

Purpose of this Report

As part of our commitment to corporate governance, Landis+Gyr issues this interim report¹ to make available to our investors and other stakeholders timely information on our governance practices. More comprehensive information will be included in our Annual Report 2017/18².

Landis+Gyr considers good corporate governance as an essential element of our corporate vision and values. This includes our commitment 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 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 Governance³ 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 latter.

Group Structure and Shareholders

1.1 Group Structure⁴

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 represented in 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 AMI 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 software and services, connected intelligent devices and standalone devices.

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 software and services, connected intelligent devices and standalone devices.

1.1.2 Listing and Capitalization

The Landis+Gyr Group AG⁵ shares are listed on SIX Swiss Exchange (ISIN: CH0371153492, ticker symbol: LAND, valor number: 37'115'349). At 31st December 2017, the market capitalization was CHF 2'289'976'000 (based on the closing price of the last trading day in 2017, 29th December 2017). There are no other listed companies belonging to the Group.

1 The information contained herein is as of 31st December 2017 and is subject to updates.

2 The Annual Report will cover the financial year ending 31st March 2018 and will be available later in the year.

3 As in force on 31st December 2017.

4 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.

5 Its registered offices are at c/o Landis+Gyr AG, Theilerstrasse 1, CH-6301 Zug, Switzerland.

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

Landis+Gyr Group AG, Switzerland is the ultimate parent company of the Group. Its sole shareholder is in Landis+Gyr AG Switzerland, which directly or indirectly owns the other companies in the

Group. The table below sets forth, as of 31st December 2017, 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 / location	Country	Interest %	Share capital in thousands	Currency
Landis+Gyr Pty Ltd.	Australia	100.00	5'000	AUD
Landis+Gyr E.d.M. Ltd.	Brazil	99.99	31'543	BRL
Landis+Gyr Meters & Syst. (Zhuhai) Co Ltd.	China	100.00	65'000	HKD
Landis+Gyr SAS	France	100.00	2'460	EUR
Landis+Gyr OY	Finland	100.00	16'818	EUR
Landis+Gyr Ltd.	Great Britain	100.00	2'800	GBP
Landis+Gyr GmbH	Germany	100.00	1'023	EUR
Landis+Gyr A.E	Greece	100.00	7'950	EUR
Landis+Gyr Ltd.	India	100.00	457'400	INR
Landis+Gyr S.A. de C.V.	Mexico	99.99	10	MXN
Landis+Gyr BV	Netherlands	100.00	90	EUR
Landis+Gyr (Pty) Ltd.	South Africa	69.09	2'000	ZAR
Landis+Gyr AG	Switzerland	100.00	29'700	CHF
Landis+Gyr LLC	USA	100.00	0.0020	USD
Landis+Gyr Technology Inc.	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 at 31st December 2017⁶:

Shareholder	Number of shares	% of voting rights
Rudolf Maag, Binningen BL, Switzerland	3'000'000	10.17%
Kristiansen Group ⁷ , Denmark	1'008'642	3.42%
Franklin Resources, Inc., United States ⁸	1'478'371 (see footnote for explanation)	5.0097% (see footnote for explanation)

6 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 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>.

7 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, 1'008'642 registered shares corresponding to 3.42% of voting rights. According to a recent filing as of 6th February 2018, the Kristiansen Group holds 1'513'717 registered shares corresponding to 5.13% of voting rights.

8 Franklin Resources Inc., One Franklin Parkway, San Mateo, CA 94403, United States, holds directly or indirectly a total of 5.0097% of voting rights, of which 941'909 registered shares corresponding to 3.1918% of voting rights as beneficial owner and 536'462 registered shares corresponding to 1.8179% 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). Based on filing as of 13th January 2018.

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

At 31st December 2017, the Company's ordinary share capital as registered with the Commercial Register of the Canton of Zug amounted to CHF 295'100'000.00, divided into 29'510'000 fully paid registered shares with a par value of CHF 10.00 per share. The shares are fully paid-in and 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 4'500'000.00 by issuing up to 450'000 fully paid up 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 4'500'000.00), if fully utilized, would equate to approx. 1.5% of the existing share capital⁹.

2.3 Changes in capital

From to 2012 through the date of the initial public offering the Company had a nominal share capital of CHF 295'100'000.00, divided in 295'100'000 fully paid-in registered shares with a nominal value of CHF 1 each. In connection with the initial public offering of the Company, an extraordinary shareholders' meeting held on 11th July 2017 resolved to change the number and nominal value of shares such that since the date

of the initial public offering on 21st July 2017, the nominal issued share capital of the Company is CHF 295'100'000.00, divided into 29'510'000 fully paid-in registered 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 (Bucheffecten) 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.

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 (Nominees¹⁰) 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

⁹ 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](#).

¹⁰ 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 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.

As of 31st December 2017 no exemptions under Art. 5 of the Articles of Association had been granted¹¹.

2.7 Convertible bonds and options

The Company has no bonds or options regarding its shares outstanding as of 31st December 2017.

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 responsibility as the organ with 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 as well 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 3.5.2 below. As of the date of this report, the Board members are:

Name/Role	First Election	Expires(a)	Committees
Andreas Umbach, non-executive Chairman	2017	June 2018	None
Eric Elzvik, Lead Independent Director	2017	June 2018	Remuneration (Chair), Audit and Finance
Dave Geary, Independent Member	2017	June 2018	Remuneration
Pierre-Alain Graf, Independent Member	2017	June 2018	Remuneration
Andreas Stanley Spreiter, Independent Member	2017	June 2018	Audit and Finance (Chair)
Christina Stercken, Independent Member	2017	June 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. Below is a description of the background of each member and their outside activities.

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.

None of the Board members or companies or organizations they represent have important business connections with Landis+Gyr, except as follows: From 1st April 2017 to the AGM on 19th July 2017 the Board of Directors comprised employees of the two pre-IPO shareholders of Landis+Gyr, Toshiba Corporation and Innovation

¹¹ For a comprehensive description on the limitations to transferability and nominee registration refer to Art. 5 of the [Articles of Association](#). Please see also Section 6.1.1 below which set out to when the Board may approve exceptions to these restrictions.

Board of Directors

Andreas Umbach

Non-executive Chairman
Since 19th July 2017



Nationality: Swiss/German

Prior Positions at Landis+Gyr:

2002–2017 President and CEO/COO, L+G Group; April 1, 2017-July 19, 2017 executive Chairman of the Board of Directors of L+G AG¹².

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

Ascom AG (Chairman) and WWZ AG (Board member). For more information, see table under Section 3.2 below.

Prior Other Positions:

President of the Siemens Metering Division within the Power Transmission and Distribution Group and other positions within Siemens, including Commercial Manager of an industrial sensor business in the Automation 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 21st July 2017



Nationality: Swiss/Swedish

Prior Positions at Landis+Gyr:

None

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

LMEricsson Telephone Company (Board Member and Chairman of audit committee) and Global Gateway South (Board member). For more information, see table under Section 3.2 below.

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 member of the Swiss Swedish Chamber of Commerce.

Education:

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

Dave Geary

Independent Member
Since 21st July 2017



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:

Founder, DJGeary Consulting, LLC; other positions including 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, Northwestern University, USA.

¹² The operating subsidiary of Landis+Gyr Group AG.

Pierre-Alain Graf

Independent Member
Since 21st July 2017



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). For more information, see table under Section 3.2 below.

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 21st July 2017



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 21st July 2017



Nationality: German

Prior Positions at Landis+Gyr:

None

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

Ascom AG (Board member) and Ansell Ltd. (Board member). For additional details, see table under Section 3.2 below.

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.

Network Corporation of Japan. The current six non-executive members of the Board of Directors were elected in connection with the IPO on 19th July 2017.

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 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 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 member of the board of directors or of the senior management or administrative body of legal entities not meeting the above-mentioned criteria;
 - c) no more than 10 mandates in associations or in charity or employee assistance foundations.
- Notwithstanding the above limits, 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 AG (Chairman)	WWZ AG (Board member)	President, Zug Chamber of Commerce
Eric Elzvik	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 Stanley Spreiter	None	Reichle & De-Massari Holding AG (Board member and Chairman of audit committee)	None
Christina Stercken	Ascom 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 70¹³.

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

¹³ For more information on the terms of office of Board members, see the [Organizational Regulations](#), Article 4.

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.

3.4.2 Tasks and area of responsibility of the Lead Independent Director

Appointed by the Board of Directors, the Lead Independent Director (LID) serves as intermediary between the Chairman and the other members of the Board of 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: (i) the assessment of the Chairman's work, (ii) the Chairman's re-election (at the request of the annual shareholders' meeting), and (iii) the Chairman's compensation.

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)¹⁴ focuses on assessing the adequacy of the Group's systems, policies, and controls as regards 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 (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 auditors¹⁵. The Committee also assesses the yearly business expenses of the members of Group Executive Management¹⁶.

Made up exclusively of 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 Internal Auditor 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 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.

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.

Consisting of three independent Board members¹⁷, 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 regularly reports to the Board of Directors on its findings and recommendations. The overall responsibility, including for approving recommendations, remains with the Board of Directors¹⁸.

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

15 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 GAAP)

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

17 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.

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

3.4.5 Board Meetings and Attendance

The Board of Directors meets as often as needed to fulfil its duties and responsibilities, but in no

case less than six times each year¹⁹. Board and committee meeting attendance is set forth in the table below.

BOARD ATTENDANCE FROM 19 JULY, 2017 (CONSTITUTING CALL) THROUGH 31ST DECEMBER 2017

	19.7	26.7	16-17.8	20.9	25-10	17.11	7.12	14.12
Andreas Umbach	√	√	√	√	√	√	√	√
Eric Elzvik	√	√	√	√	√	√	√	√
Dave Geary	√	√	√	√	√	√	√	o
Pierre-Alain Graf	√	√	√	√	√	√	√	√
Andreas Stanley Spreiter	√	√	√	√	√	√	√	√
Christina Stercken	√	√	√	√	√	√	√	√

From July to December 2017 the Audit and Finance Committee held three meetings with 100% attendance and the Remuneration Committee held four meetings with 100% attendance.

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 re-

spect 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 regulations²⁰.

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.

3.5.2 Group Executive Management (Gruppengeschäftsleitung)

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.

¹⁹ 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.

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.

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

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

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 regularly to the Board and its committees, including regarding strategic, financial, risk, and compliance matters. The control functions, including internal audit and compliance, also make regular reports to the Board and its committees.

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 part of meetings. In addition, the Board may meet in private session, i.e. without management presence.

The Chairman and the CEO ensure the proper information flow between the Group Executive Management and the Board of Directors, as well as within the Board of Directors. The Board of Directors receives regular and ad hoc reports from the Board's Committees, the Chairman, the CEO as well as from the Group Executive Management and Extended Executive Management. The minutes of Committee meetings are made available to the full Board.

Group Executive Management

4.1 Members of the Group Executive Management

As of 31st December 2017 the members of the Group Executive Management are:

NAME	POSITION	YEAR OF APPOINTMENT
Richard Mora	Chief Executive Officer ("CEO")	2017
	Chief Operating Officer	2013
	Head of Americas / North America	2008
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 6 March, 2018 to pursue an outside career opportunity. He will remain in his current position for a few months to assist in the transition.

Group Executive Management

4.2 Professional background and other activities and functions

Richard Mora

CEO
Since April 2017



Nationality: USA

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

Current Positions Outside of Landis+Gyr:
See table under Section 4.3 below.

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 L+G 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 L+G in 2007), including VP of R&D leading the integration process of Cellnet into L+G.

Current Positions Outside of Landis+Gyr:

See table under Section 4.3 below.

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 (L+G was 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.

Notwithstanding the above limits, 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

As it serves only an interim purpose, this report does not contain information on compensation, shareholdings or loans of the members of the Board of Directors or the Executive Management. Comprehensive information will be provided in the compensation report for the financial year ending 31st March 2018, which will be issued with the annual report for the financial year ending 31st March 2018.

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 Association²⁴. 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.

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 will be 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.

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.

6.1.2 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. The absolute majority of the represented shares par value is required for the easement or abolition of the restrictions of the transferability of the 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 needs 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 post 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 General Meeting 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 General Meeting.

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 31st March 2017. The auditor in charge is Rolf Johner who has been carrying out this function since PricewaterhouseCoopers AG became our statutory auditors.

For the years ended 31st March 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 Selling Shareholders, Toshiba Corporation, who ended its global audit engagement of Ernst & Young.

8.2/8.3 Auditing and additional fees

Since this is an Interim Corporate Governance Report as of 31st December 2017, no information is available that can be provided relating to the auditing and additional fees to the statutory auditor. Comprehensive information will be provided with the annual report for the financial year ending 31st March 2017.

8.3 Information instruments pertaining to the external audit

PWC presents to the Audit Committee a detailed report on the Financial Statements audit, and the findings on significant financial accounting and reporting issues together with the findings on the internal control.

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 Committee is also informed on the work of PWC through regular briefings of its Chairman. The lead auditor is rotated every seven years in accordance with Swiss law. Audit fees are ultimately approved by the Audit Committee.

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 Audit Committee annually.²⁵

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 in print and electronic form within 4 months of the March 31 balance sheet date. In addition, the Company releases results for the first half of each fiscal year in electronic form 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 via telephone. The Company also publishes press releases at the time of any potentially price-sensitive event.

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

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:

<http://www.landisgyr.com>

Ad-hoc messages (pull system):

<http://www.landisgyr.com/investors>

Link, where investors can subscribe for ad hoc messages (push system):

Financial reports:

<http://www.landisgyr.com/investors/financial-information>

Corporate 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, fax, e-mail or letter.

Contact Addresses

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Investor Relations

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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. It looks forward to providing further and updated information on Landis+Gyr's governance and related practices in the forthcoming Annual Report for financial year 2017.

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