

# Remuneration Report 2019





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# Letter from the Chairman of the Remuneration Committee

Dear Shareholders,

On behalf of the Board of Directors and the Remuneration Committee, I am pleased to introduce Landis+Gyr's Remuneration Report for the financial year ended March 31, 2020.

The Remuneration Report explains our remuneration system and its governance, as well as how the performance results impacted the variable incentive payments to the Group Executive Management in their remuneration plans.

At the last Annual General Meeting in 2019, you expressed your support of the Board's and the Remuneration Committee's activities and the changes implemented in the remuneration systems through the very positive approval votes of all remuneration related resolutions. The Board and I wish to thank you for your support, which reinforced our ongoing review and enhancements of our remuneration framework in the interest of our shareholders.

Following the IPO in 2017 and the implementation of several changes and improvements in our remunerations systems during the past two years, financial year 2019 was a year of continuity and stability. As in previous years, we continued to assess our remuneration systems and programs, with particular focus on alignment of our incentive plans with Landis+Gyr's business strategy and shareholder interests. Valuable inputs received during our ongoing engagement and dialogue with investors and stakeholders represented an integrative part of this review process. This assessment led to the decision to expand the short-term incentive plan with non-financial performance considerations. Starting with financial year 2020, we will introduce a Corporate Social Responsibility ("CSR")-related component in the short-term incentive plan with a 10% overall weight. The remaining 90% of the short-term incentive plan will continue to be measured against financial key performance indicators. Linking a portion of variable remuneration to our CSR strategy reinforces and emphasizes Landis+Gyr's strong commitment to sustainable development. Overall, in the context of the current situation, the treatment of the short-term incentive for financial year 2020 is under review.

Also, as already announced in the Remuneration Report 2018, the reference group used for the relative total shareholder return component of Landis+Gyr's long-term incentive plan was adjusted for the grant made in financial year 2019. The Swiss Performance Index, which was used as the reference group for the grant in 2018, was replaced with the SPI Industrials Index (SWX ID Industry TR Index), thereby allowing for more specific market and performance comparability.

In addition, the Remuneration Committee conducted its regular activities during the past year, including the preparation of the remuneration report and the say-on-pay votes for the Annual General Meeting, as well as an assessment of the succession planning for executive positions, the review of Group Executive Management performance and remuneration levels.

During the coming year, the Remuneration Committee and the Board will continue their discussions and assessment of the remuneration systems, in particular the variable incentive plans, to ensure ongoing alignment with the evolving business environment and the link between pay and performance.

As announced, Werner Lieberherr was appointed Chief Executive Officer as of April 1, 2020, replacing Richard Mora, who ceased his role as Chief Executive Officer as of March 31, 2020. Werner Lieberherr's overall target remuneration under the Landis+Gyr remuneration programs is comparable to that of the previous Chief Executive Officer. In financial year 2020, Richard Mora will receive remuneration in accordance with his contractual terms for the 12-month notice period. Remuneration in relation to financial year 2020 will be disclosed in the Remuneration Report 2020.

At the Annual General Meeting in June 2020, we will ask for your approval of the maximum aggregate remuneration amount to be awarded to the Board of Directors for the period to the next Annual General Meeting in 2021 and to the Group Executive Management for the financial year ending March 31, 2022. In addition, you will again have the opportunity to express your opinion on our remuneration principles and systems through a consultative vote on the Remuneration Report.

We encourage and pursue open and regular dialogue with our shareholders and their representatives as we continue to evolve our remuneration system.

On behalf of the Board of Directors and the Remuneration Committee, I would like to thank you again for your feedback and ongoing support.



A handwritten signature in black ink that reads "Eric Elzvik". The signature is fluid and cursive.

Eric Elzvik  
Chairman of the Remuneration Committee  
and Lead Independent Director  
Zug, May 2020

# Remuneration Report 2019

The Remuneration Report provides a comprehensive overview of Landis+Gyr's (Landis+Gyr Group AG defined as the "Company", and its subsidiaries, together the "Group") remuneration governance and principles, structure and elements. The Remuneration Report also includes information on the remuneration awarded to members of the Board of Directors ("Board") and Group Executive Management ("GEM") for the financial year ended March 31, 2020 ("FY 2019").

The Remuneration Report is written in accordance with the Ordinance Against Excessive Compensation in Listed Companies ("Ordinance"), the standard relating to information on Corporate Governance of the SIX Swiss Exchange, and the principles of the Swiss Code of Best Practice for Corporate Governance of *economiesuisse*.

## Remuneration Governance and Principles

### Shareholder engagement

Under the Ordinance, shareholders of Swiss listed companies have significant influence on the remuneration of governing bodies and annually approve the maximum aggregate remuneration for the members of such governing bodies. In addition, the principles governing remuneration must be defined in a company's articles of association, which are also subject to shareholder approval.

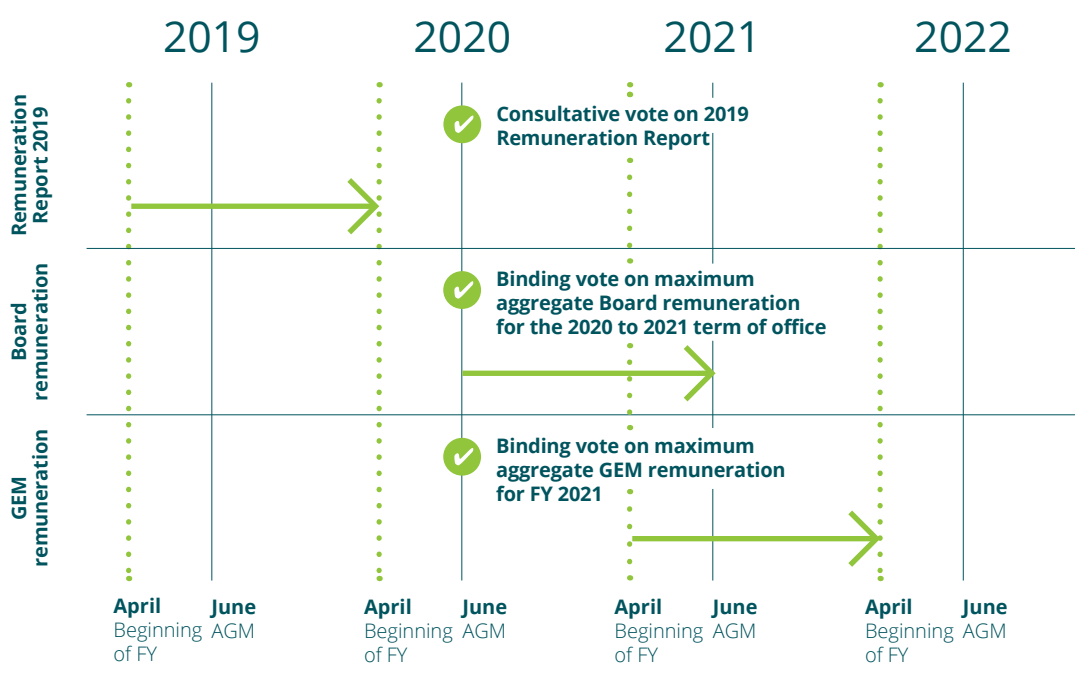
Landis+Gyr's Articles of Association include the principles governing remuneration (specifically Articles 12, 25, 26, 28 and 29) and can be viewed online at: [www.landisgyr.com/about/executive-management-and-board/](http://www.landisgyr.com/about/executive-management-and-board/) → Corporate Governance Documents → Articles of Association. The key provisions are summarized below:

- **Votes on remuneration (Article 12):** Every year the Annual General Meeting ("AGM") votes separately and bindingly on the maximum aggregate remuneration of the Board for the term of office until the next AGM and on the maximum aggregate remuneration of the GEM (fixed and variable components) for the subsequent financial year.
- **Principles relating to the remuneration of the Board (Article 25) and the members of the GEM (Article 26):** The remuneration of the Board consists of a fixed base fee, fixed committee fees and a lump sum for expenses. The fees are awarded in cash and shares. The remuneration of the GEM consists of a fixed annual base salary and variable remuneration, which includes an annual short-term incentive paid in cash as well as a long-term incentive settled in shares, and other benefits.
- **Loans and credits (Article 28):** Loans and credits may not be granted to members of the Board or the GEM.
- **Additional amount for new members of the GEM (Article 29):** If the maximum aggregate remuneration already approved by the AGM is not sufficient to cover the remuneration for newly appointed or promoted members of the GEM in the respective financial year, the Company may pay an additional amount in each case up to 30% of the last maximum aggregate remuneration amount approved.

In line with the Company's Articles of Association, the Board will submit three separate remuneration-related resolutions for shareholder approval at the 2020 AGM as illustrated in Exhibit 1:

- This Remuneration Report (consultative vote).
- The maximum aggregate remuneration amount for the Board for the term of office from 2020 AGM to 2021 AGM (binding vote).
- The maximum aggregate remuneration amount for the GEM for the financial year starting April 1, 2021 and ending March 31, 2022 (binding vote).

## EXHIBIT 1: SAY ON PAY – REMUNERATION-RELATED SHAREHOLDER APPROVALS



At the 2019 AGM held on June 25, 2019, shareholders approved a maximum aggregate remuneration amount for the Board for the term of office until the 2020 AGM of CHF 2.0 million, as well as the maximum aggregate amount of fixed and variable remuneration for members of the GEM for FY 2020 in the amount of CHF 8.5 million. In addition, shareholders approved the FY 2018 Remuneration Report in a consultative vote.

The estimated remuneration granted to the Board for the term of office from 2019 AGM to 2020 AGM is CHF 1.5 million compared to the approved amount of CHF 2.0 million. An amount of CHF 5.9 million was granted to the GEM in FY 2019 compared to the approved amount of CHF 11.5 million. For a reconciliation of approved versus awarded amounts please refer to page 24.

### Governance on remuneration matters

As outlined in Exhibit 2, the Remuneration Committee acts in an advisory capacity while the Board retains the decision authority on remuneration matters relating to the Board and GEM, except for the remuneration-related shareholder approvals for the Board and GEM. Members of the Remuneration Committee are elected annually and individually by the shareholders at the respective Annual General Meeting. The Chairman of the Remuneration Committee reports to the full Board after each meeting. The minutes of the meetings are made available to the members of the Board. The Chairman of the Board generally attends the Remuneration Committee meetings as a non-voting guest; however, he is not present during meetings or parts thereof during which his own remuneration is discussed. The CEO and the Head of HR may attend the Remuneration Committee meetings in an advisory function but are excluded from certain discussions. The Chairman of the Remuneration Committee may decide to invite other executives to attend the meetings as appropriate. No member of management attends the meetings or the part of the meetings in which their own performance or remuneration is discussed.

The Remuneration Committee may decide to consult an external advisor on specific remuneration matters. In FY 2019, HCM International AG ("HCM") was mandated as an independent advisor on Board and GEM remuneration matters. HCM does not have any other mandates with Landis+Gyr.

**EXHIBIT 2: GOVERNANCE ON REMUNERATION MATTERS**

	CEO	Remuneration Committee	Board	AGM
Remuneration principles (Articles of Association)		Proposes	Reviews	Approves (binding vote)
Remuneration principles and system for the Board and GEM		Proposes	Approves	
Remuneration report		Proposes	Approves	Consultative vote
Maximum aggregate amount of remuneration for the Board		Proposes	Reviews	Approves (binding vote)
Individual remuneration of Board members		Proposes	Approves	
Maximum aggregate amount of remuneration for GEM		Proposes	Reviews	Approves (binding vote)
Remuneration of the Chief Executive Officer (“CEO”)		Proposes	Approves	
Individual remuneration of other GEM members	Proposes	Reviews	Approves	

**Activities of the Remuneration Committee during FY 2019**

The Remuneration Committee meets as often as business requires but at least four times a year. In FY 2019, the Remuneration Committee held five meetings and covered the topics described in Exhibit 3. Details on Remuneration Committee members and their meeting attendance are provided in the Corporate Governance Report on page 8ff.

**EXHIBIT 3: OVERVIEW OF THE MAIN TOPICS DISCUSSED BY THE REMUNERATION COMMITTEE DURING FY 2019**

	Apr	May	Oct	Dec	Feb
<b>Remuneration governance and policy</b>					
Preparation of AGM related reward items including maximum aggregate remuneration amounts for the Board and GEM to be submitted to AGM vote	X	X			X
Remuneration Report	X	X			X
Review of remuneration principles, strategy and systems			X	X	X
Review of stakeholder feedback on remuneration disclosure			X		
Remuneration Committee governance, meeting schedule and agenda setting			X		
Communication with major shareholders and their representatives					X
<b>Board remuneration</b>					
Review of benchmarking peer group and external benchmark for Board remuneration			X	X	
<b>GEM remuneration</b>					
Review of GEM performance	X		X		X
Review and recommendation of individual GEM remuneration levels					X
Review of short-term incentive performance target setting for new financial year and performance and payouts for previous financial year	X	X			X
Review of long-term incentive performance target setting and eligibility for new performance period and performance for previous performance period	X				X
<b>People &amp; Talent</b>					
Succession, engagement			X	X	X



## Remuneration principles

Landis+Gyr's remuneration programs are designed to recognize and reward performance, enabling the organization to attract, motivate and retain talented employees who drive performance and the achievement of business strategy and objectives as well as the creation of shareholder value.

The remuneration programs within Landis+Gyr are periodically reviewed to ensure continued alignment with the Group's strategy and market practice and are built around the following principles:

Principle	Description
Performance	Anchor Landis+Gyr's business strategy, drive results and sharpen the focus on long-term performance and incentivize and reward performance in a sustainable manner, also in alignment with our Corporate Social Responsibility strategy
Shareholder value	Align with shareholders' interests, drive creation of shareholder value and foster entrepreneurial thinking
Talent management	Attract, motivate and retain talented employees who can drive world class performance, and who are incentivized based on such performance
Market orientation	Ensure a best practice remuneration system with competitive levels and structures, reflecting a sustainable balance between short-term and long-term performance focus

## Determination of Board and GEM remuneration

The remuneration for the Board and the target remuneration for the GEM take into account the roles and responsibilities, the respective experience required as well as current market pay practices. In addition, for the GEM, internal compensation structures as well as affordability are considered.

To support remuneration recommendations to the Board, the Remuneration Committee periodically benchmarks remuneration of the members of the Board and GEM against remuneration of comparable companies. For these purposes, the Remuneration Committee regards Swiss listed industrial companies as the most relevant reference group. For the purpose of Board benchmarking, in order to allow for a sufficiently broad and representative comparison for non-executive Board members in Switzerland, this core reference group is expanded with a selection of cross-industry Swiss listed companies of comparable size to Landis+Gyr in terms of revenue<sup>1</sup> (basis for the selection are the top 100 Swiss Performance Index companies in terms of market capitalization, excluding companies in the financial services industry). For target structure and target pay levels for members of the GEM, international comparators represented by European and US companies from relevant traditional and innovation-driven industries are additionally considered in the assessment of remuneration practices, because Landis+Gyr operates and competes for talent at a global level.

### EXHIBIT 4: REFERENCE GROUPS USED FOR GEM AND BOARD BENCHMARKING

GEM	Board
<p><b>Geography:</b> Switzerland + International</p> <p><b>Industry:</b> Industrials + technology</p> <p><b>Size:</b> Comparable (Revenue)</p>	<p><b>Geography:</b> Switzerland</p> <p><b>Industry:</b> Industrials + diverse (excl. financials)</p> <p><b>Size:</b> Comparable (Revenue)</p>

The last benchmarking for the remuneration of the members of the GEM was undertaken in FY 2018. For the members of the Board, a benchmarking was undertaken in FY 2019. The benchmarking analysis focused not only on remuneration levels but also considered fee structure and pay instruments and did not reveal any significant deviations from market practice. Following this comprehensive review of the Board remuneration structure, the Board currently does not foresee any changes with regard to structure and fee levels.

<sup>1</sup> The Swiss listed industrial companies included in the reference group in FY 2019 for the purpose of Board benchmarking are: Sulzer, Geberit, Bucher, Dormakaba, OC Oerlikon, SIG, Conzzeta, SFS Group, Bobst Group, Daetwyler, Flughafen Zuerich, Schweiter. As described above, the reference group was expanded with the following further 12 cross-industry Swiss listed companies: Emmi, Galenica Sante, Logitech, Sonova, EMS-Chemie, Sunrise, KTM Industries, AMS, Vifor Pharma, Straumann, Forbo, Tamedia.

## Remuneration System

### Remuneration system of the Board

To ensure its independence in fulfilling its supervisory duties, the remuneration of the Board is fixed and does not contain any variable component.

The Chairman of the Board receives a fixed annual base fee of CHF 400,000 and a lump sum for expenses. The Chairman is not entitled to being compensated for assuming additional committee responsibilities. Due to his previous long-standing employment relationship with Landis+Gyr, during which he was continuously covered under the collective pension scheme offered by Landis+Gyr in Switzerland in accordance with Swiss pension regulations, the pension cover was subsequently continued under the terms of his directorship with the Company, under the provision that all contributions, including the employer portion, are to be funded by the Chairman himself. This ensures that the Company does not incur costs for pension fund contributions in addition to the Chairman's fixed base fee of CHF 400,000. The actual base fee payment to the Chairman is therefore reduced by the amount remitted by the Company into the pension scheme representing the employer pension contributions. To the extent that these contributions change, based on the regulations of the pension scheme, the actual base fee payment is adjusted accordingly. In FY 2019 the Company paid CHF 37,541 in employer pension contributions, which were deducted accordingly from the Chairman's base fee payment. In FY 2018 the employer pension contributions amounted to CHF 37,304.

Other members of the Board receive a fixed annual base fee and fixed fees for membership in Board committees, as well as a lump sum for expenses.

The amounts of the base fee and committee membership fees, as illustrated in Exhibit 5, reflect the responsibility and time requirement inherent to the respective function and remained the same in FY 2019 compared to FY 2018. The base fee and committee membership fee are paid 65% in cash and 35% in Company shares, which are blocked for sale for a period of three years from the date of grant. The cash portion of the base fee and committee membership fee is paid monthly; the share portion is granted in four quarterly instalments, with each instalment blocked for three years from the date of its grant. Should a Board member resign before completion of the respective term of office, such member is entitled to the respective pro-rata remuneration and any shares already received that are in excess of the pro-rata entitlement are to be re-transferred to the Company. All granted shares remain blocked until the end of the respective blocking period. Should a Board member not stand for re-election, or not be re-elected following completion of the previous term of office, already granted shares also remain blocked until the end of the respective blocking period. In the event of a change of control, the blocking period on the shares is lifted.

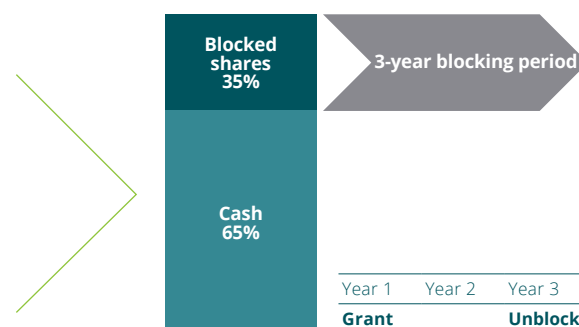
EXHIBIT 5: REMUNERATION SYSTEM OF THE BOARD, IN CHF

### Fixed remuneration

Base fee	
Chairman <sup>1</sup>	400,000
Lead Independent Director	230,000
Member	120,000

Committee fee	Chair	Member
Audit Committee	30,000	15,000
Remuneration Committee	30,000	15,000

### Pay Mix



<sup>1</sup> The base fee for the Chairman is CHF 400,000 (no change compared to FY 2018); CHF 37,541 of the base fee were deducted in FY 2019 (FY 2018: CHF 37,304) as the Chairman is financing the entire cost of the pension cover himself, including the Company contribution, by way of a reduction to the base fee. Accordingly, the actual base fee paid in FY 2019 was CHF 362,459 (FY 2018: CHF 362,696). The split of the base fee into 65% cash and 35% shares is applied to the base fee after the deduction of the Company pension contributions.

## Remuneration system of the Group Executive Management

The remuneration elements of the GEM are summarized in Exhibit 6.

### EXHIBIT 6: REMUNERATION SYSTEM OF THE GEM

	FIXED REMUNERATION		VARIABLE REMUNERATION	
	Base salary	Pension and Other Benefits	Short-Term Incentive Plan	Long-Term Incentive Plan
<b>Purpose</b>	Attract and retain	Risk protection, market competitiveness	Focus on Landis+Gyr's one-year operational and financial performance <sup>1</sup>	Participate in the long-term success of Landis+Gyr and align with shareholders' interests
<b>Performance period</b>	–	–	1 year	3 years
<b>Key drivers</b>	Role, experience and individual performance	Market practice, legal requirements	Group and (if relevant) regional performance	Group long-term performance
<b>Instrument/settlement</b>	Cash	Pension and insurance plans, other benefits	Cash	Performance Stock Units settled in shares
<b>Performance KPIs</b>	–	–	Net Sales, adjusted EBITDA <sup>2</sup> , operating Cash Flow less tax paid	Equally weighted relative Total Shareholder Return and Earnings Per Share
<b>Target incentive amount</b>	–	–	Individually defined target amounts based on respective role and in alignment with market; cannot exceed the equivalent of 80% of base salary	Individually defined target amounts based on respective role and in alignment with market; cannot exceed the equivalent of 80% of base salary; converted into number of Performance Stock Units at grant
<b>Payout range</b>	–	–	0% to 200% of target incentive amount; in addition, payout respective to each KPI is capped at 200%	0% to 200% of number of granted Performance Stock Units; in addition, the vesting multiple respective to each KPI is capped at 200%
<b>Impact of share-price on payout value</b>	–	–	NO	YES
<b>Forfeiture provisions</b>	–	–	YES	YES
<b>Clawback provisions</b>	–	–	YES	YES

<sup>1</sup> As detailed on page 13, as of FY 2020 the short-term incentive plan will also include non-financial performance considerations linked to Landis+Gyr's Corporate Social Responsibility strategy.

<sup>2</sup> Consolidated global Landis+Gyr Group EBITDA derived from US GAAP financial statements as adjusted for restructuring expenses, exceptional X2 related warranty costs, timing difference on FX derivatives and special items, all as shown in our H1 and full year financial reporting as Adjusted EBITDA with the exception of the warranty normalization items.

**Base Salary**

Base salary is the fixed remuneration paid to employees for carrying out their role and is established considering the following factors:

- scope and responsibilities of the role, as well as qualifications and experience required to perform the role,
- market value of the role in the location in which Landis+Gyr competes for talent,
- skills and expertise of the individual in the role, and
- individual performance.

The base salary is paid out to GEM members in twelve equal monthly cash instalments.

**Pension benefits**

The purpose of pension benefits is to provide security for employees and their dependents in the event of retirement, sickness, inability to work and death. The GEM members participate in the social insurance and pension plans in the countries where their employment contracts were entered into. The plans vary according to local market practice and legislation; at a minimum they reflect the statutory requirements of the respective countries. In line with local employment practice for Swiss employees, GEM members under Swiss employment contracts are covered by a supplementary non-compulsory occupational welfare plan in addition to the Company's compulsory occupational pension scheme.

**Other benefits**

In addition, Landis+Gyr aims to provide competitive employee benefits. Benefits are considered from a global perspective, while appropriately reflecting differing local market practice and employment conditions.

For the GEM members, benefits include local market benefits such as company car, health cover, etc. and, where relevant, international benefits such as executive benefits allowance, tax advisory services, etc. Further, to the extent applicable, replacement awards to incoming GEM members awarded to compensate, generally on a "like-for-like" basis, for remuneration forfeited at the previous employer as a result of joining Landis+Gyr are reported as "other benefits". The monetary value of these remuneration elements is evaluated at fair value and is disclosed in the remuneration table.

**Short-Term Incentive Plan ("STIP")**

The STIP is an annual cash incentive plan. The purpose of the STIP is to motivate eligible participants to deliver outstanding performance and increased contribution towards Landis+Gyr's success.

Plan participants at Group and regional level are incentivized based on the achievement of financial performance targets, which are determined by the Board at the beginning of each financial year. The performance targets correlate with the mid-term plan and long-term strategy and are aligned with business priorities, with the aim of achieving sustainable profitability and growth in alignment with shareholders' interests.

These targets represent commercially sensitive information and are therefore not disclosed. Information on realized payout for FY 2019 is provided on page 19.

Payouts under the STIP are calculated based on the achievement level of the respective financial performance targets, with 100% achievement resulting in 100% payout. For each financial performance target, minimum threshold performance levels, below which there is no payout, as well as maximum performance levels, at which payout is capped at 200%, apply. Linear interpolation is used to calculate the payout between threshold, target and maximum. Total payout under the STIP can range from 0% to 200% of the target incentive amount. For FY 2019, the individual target incentive amount for the CEO corresponds to approximately 75% (FY 2018: 75%) of base salary and for the other members of the GEM on average to 67% (FY 2018: 65%) of base salary. The maximum payout amount for the CEO is hence equivalent to approximately 150% (FY 2018: 150%) of base salary and for other members of the GEM on average to 134% of base salary (FY 2018: 130%).

In case of termination of employment during the performance period, the STIP payout may be reduced or forfeited depending on the conditions of such termination and subject to applicable law.

For FY 2019, the STIP scorecard comprised Sales, Profit and Cash Flow financial performance targets referred to as Key Performance Indicators (“KPIs”), as detailed in Exhibit 7.

**EXHIBIT 7: STIP PERFORMANCE SCORECARD FOR THE GEM FOR FY 2019**

Topic	KPI	Weight FY 2019
Sales	Net Sales	30%
Profit	Adjusted EBITDA <sup>1</sup>	40%
Cash Flow	Operating Cash Flow less tax paid	30%

<sup>1</sup> Consolidated global Landis+Gyr Group EBITDA derived from US GAAP financial statements as adjusted for restructuring expenses, exceptional X2 related warranty costs, timing difference on FX derivatives and special items, all as shown in our H1 and full year financial reporting as Adjusted EBITDA with the exception of the warranty normalization items.

For the CEO and CFO, 100% Group results are considered when determining the level of performance of these KPIs. For the GEM members with regional responsibility, 30% Group results and 70% regional results of the respective region are evaluated with the above KPIs correspondingly assessed at both global and regional level.

Outlook FY 2020: During the review of remuneration systems undertaken in FY 2019, the Board further evaluated the possibility of including non-financial performance considerations in the short-term incentive plan. Given the importance of Landis+Gyr’s CSR strategy and its commitment to sustainable development, the decision was taken to introduce CSR related targets with a weight of 10% in the short-term incentive plan as of FY 2020. The remaining 90% will continue to be measured against the financial KPIs as described above, maintaining the same proportionality as in 2019. The CSR related targets will be directly linked to the environmental topics of Landis+Gyr’s CSR strategy focusing on energy and resource efficiency.

**Long-Term Incentive Plan (“LTIP”)**

The current LTIP, under which the first grant was made in FY 2018, is a share-based incentive plan measured over a three-year performance period. Its purpose is to foster long-term value creation for the Group by providing the members of the GEM and other eligible key managers with the possibility:

- to become shareholders or to increase their shareholding in the Company,
- to participate in the future long-term success of Landis+Gyr, and
- to further align the long-term interests of the plan participants with those of the shareholders.

The individual target award amounts under the LTIP are determined based on the role and responsibilities, taking into account external market levels, and do not exceed the equivalent of 80% of base salary. In FY 2019, the individual target award amount at grant for the CEO corresponds to approximately 50% (FY 2018: 50%) of base salary and for other members of the GEM represents on average 50% (FY 2018: 42%) of base salary. Awards under the LTIP are a contingent entitlement, granted in the form of Performance Stock Units (“PSUs”), to receive Landis+Gyr shares, provided certain performance targets are achieved during the three-year performance period (see Exhibit 8) and subject to continuous employment. In case the performance does not reach certain pre-determined thresholds after three years, no PSUs will vest under the LTIP.

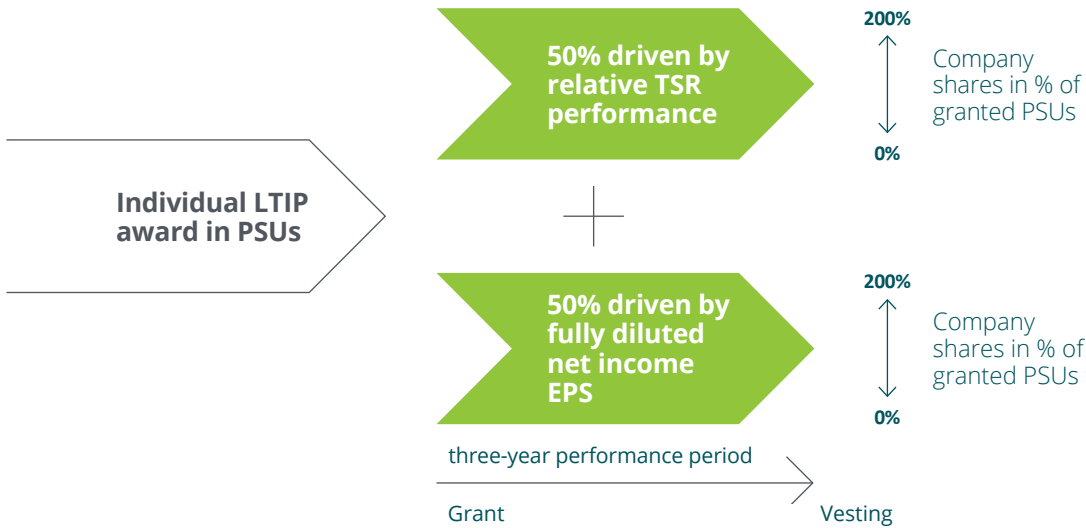
For the purpose of the LTIP, the measurement of Landis+Gyr’s long-term performance comprises two equally weighted KPIs:

- 50% of the award is linked to the Total Shareholder Return (“TSR”) measured over three years relative to the SPI Industrials Index<sup>1</sup> and
- 50% of the award is linked to the fully diluted net income Earnings per Share (“EPS”).

As already disclosed in the Remuneration Report 2018, the SPI Industrials Index replaced the Swiss Performance Index as the reference group for the relative TSR measurement for the grant made in FY 2019. The Board decided to apply this change to the reference group in FY 2019 to allow for more specific market and performance comparability.

<sup>1</sup> SPI Industrials Index is the SWX ID Industry TR Index

**EXHIBIT 8: VESTING UNDER THE LTIP**



The relative TSR is calculated considering not only the variations of the closing price over the three-year performance period but also the dividends distributed in the same period, assuming that those dividends are reinvested at the time of the distribution in the shares of Landis+Gyr.

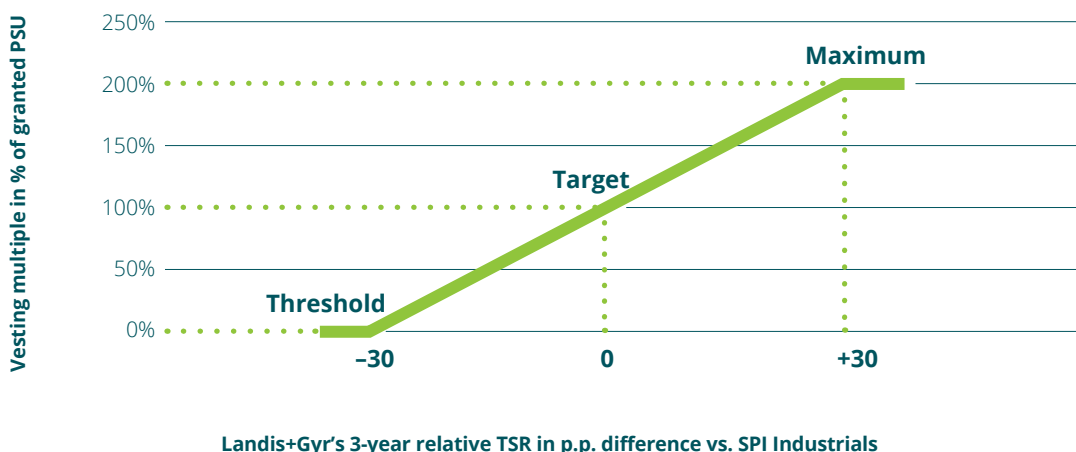
For the FY 2019 grant, 100% of the PSUs linked to the relative TSR performance will vest following the 3-year performance period, if the Landis+Gyr TSR is equivalent to the SPI Industrials TSR. The maximum vesting multiple of 200% applies if the Landis+Gyr TSR is 30 or more percentage points above the SPI Industrials TSR. The vesting multiple of 0% applies, should the Landis+Gyr TSR be 30 or more percentage points below the SPI Industrials TSR. Linear interpolation applies between the threshold, target and maximum performance levels.

The Remuneration Committee and the and Board have chosen this approach for the following reasons:

- To allow for the PSU grant under the LTIP to fulfill the purposes mentioned previously in this Remuneration Report, it was purposefully decided to provide a realistic performance-related chance to realize vesting.
- Furthermore, the PSU grant under the LTIP supports symmetrical performance and payout situations below and above the target. This means that increases (or decreases) in the level of performance (benchmarked against the performance of the SPI Industrials Index) lead to a proportionate increase (decrease) in the number of PSUs vesting in shares.
- As an additional safeguard from the shareholders' perspective, if Landis+Gyr's absolute TSR attributable to the relevant three-year performance period is negative, the relative TSR vesting multiple will be set at zero regardless of Landis+Gyr's performance relative to the SPI Industrials Index.

Exhibit 9 represents an illustration of the relative TSR vesting curve for the FY 2019 grant.

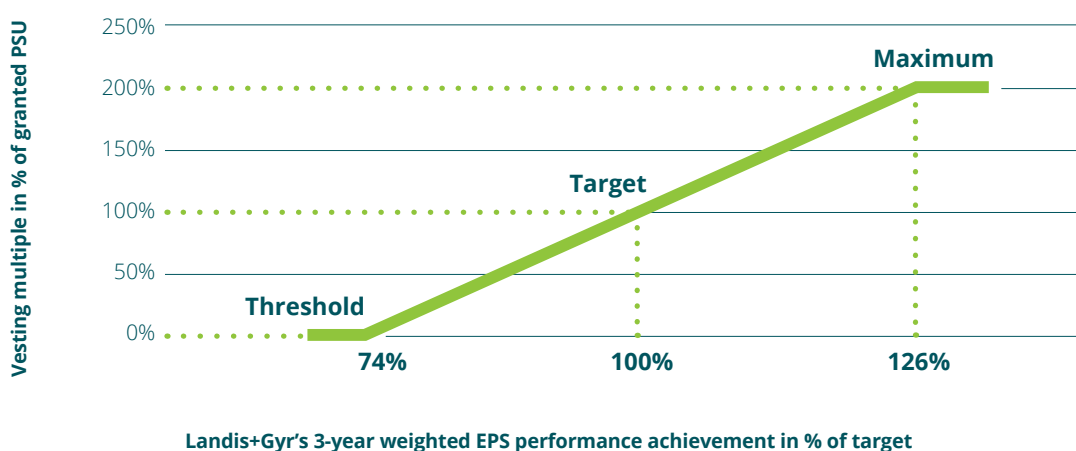
**EXHIBIT 9: VESTING CURVE 3-YEAR RELATIVE TSR FOR FY 2019 GRANT**



The three-year fully diluted net income EPS is calculated as the cumulative weighted sum of the reported net income fully diluted EPS attributable to shareholders for the financial years covered by the respective 3-year performance period. In order to give more weight to the EPS achieved in the later years of the performance period, the EPS of each year is weighted as follows: The first financial year is weighted at 1/6, the second financial year at 2/6 and the third financial year at 3/6.

Threshold and maximum performance levels apply; if the weighted EPS target is reached, 100% of the respective PSUs granted under the EPS KPI will vest. If the weighted EPS performance is at or above the maximum performance level, 200% of respective granted PSUs will vest. If the weighted EPS performance is at or below the threshold performance level, 0% of PSUs granted under the EPS KPI will vest. Linear interpolation applies between the threshold, target and maximum performance levels. Exhibit 10 represents an illustration of the weighted EPS vesting curve for the FY 2019 grant.

**EXHIBIT 10: VESTING CURVE 3-YEAR WEIGHTED EPS FOR FY 2019 GRANT**



Actual EPS targets are considered commercially sensitive information and communicating such targets would allow insight into the strategy of Landis+Gyr and may create a competitive disadvantage for the Company. Consequently, the decision was made not to disclose the specifics of those targets at the time of their setting, but to explain in more detail the process applied in setting EPS targets, and to subsequently disclose the target achievement at the end of the respective performance period, i.e. for the 2019 grant with the reporting for FY 2021.

EPS targets for each grant are set by the Board following a thorough outside-in approach conducted by the Remuneration Committee's independent external advisor. Investors' return expectations on market value, stock risk profile, investment projections and current profitability levels were taken as a starting point and translated into EPS targets, using multifactor valuation models and statistical analyses in order to establish an appropriate link between LTIP payouts and the value created for investors. The results of the outside-in approach were assessed against historical company performance, as well as equity analysts' expectations and strategic plan as suggested by management, to reinforce the Remuneration Committee's and Board's confidence in the overall quality and robustness of the EPS targets.

At the end of the vesting period, based on actual performance achieved, the resulting multiple of PSUs will be settled in ordinary shares of Landis+Gyr, however, subject to forfeiture rules in case of termination of employment before the end of the respective period as summarized in Exhibit 11.

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**EXHIBIT 11: SUMMARY OF LTIP FORFEITURE PROVISIONS**

Termination reason	Vesting Provisions	Early vesting	Vesting level
Death and disability	Pro-rata vesting	Yes	At target
Retirement	Pro-rata vesting	No	Based on actual performance
Termination without cause	Pro-rata vesting	No	Based on actual performance
Other termination reasons	Full forfeiture	n/a	n/a

In addition, in the event of a change of control, early vesting on a pro-rata basis at target, i.e. without consideration of performance, applies.

**Previous LTIP (until FY 2017)**

The previous cash-based LTIP was discontinued as of the IPO event, with the last grants made in FY 2017 (prior to the IPO). These vested after three years at the end of FY 2019, subject to meeting performance and service conditions (except with regard to the grants for the CEO and CFO which are subject to meeting performance conditions only). The realized payout from this grant corresponds to 92.7% of the originally granted target amounts, except for the CEO and CFO for who the realized payout corresponds to 85.4% of the originally granted target amounts.

**Clawback of variable remuneration**

Landis+Gyr's clawback provisions allow for partial or full recovery of performance-based cash or equity paid or vested to members of the GEM during the previous three financial years (but not earlier than FY 2018). These provisions apply in cases where the Company is required to make a material restatement to its accounts (due to fraud or error) as well as in the event of fraud, gross negligence or willful misconduct, any serious breach of Landis+Gyr's code of business ethics and conduct or in the event of actions that caused serious reputational harm to the Company.

**Employment conditions**

The members of the GEM are employed under contracts of unlimited duration with a notice period up to a maximum of twelve months. GEM members are not contractually entitled to termination payments or any change of control provisions other than the early vesting of LTIP awards as mentioned above, which are applicable to all plan participants. Correspondingly, members of the GEM are not disproportionately advantaged by change of control provisions in comparison to any other employees. Employment contracts for GEM members include non-competition agreements not exceeding a period of twelve months following end of employment.



## Remuneration awarded to Members of Governing Bodies

The section below is in line with Swiss law and specifically with Arts. 14 to 16 of the Ordinance which requires disclosure of remuneration granted to members of the Board and GEM. Remuneration paid to members of the Board and to the highest paid member of the GEM is shown separately.

### Remuneration awarded to the Board for FY 2019

#### Explanatory comments

Exhibit 12 summarizes remuneration paid to the Board for the full FY 2019. Mary Kipp did not stand for re-election at the 2019 AGM; Exhibit 12 therefore includes the remuneration paid to her for the period from April 1, 2019 to June 30, 2019. The other seven Board members were re-elected at the 2019 AGM; in addition, Søren Thorup Sørensen was newly elected at the 2019 AGM, keeping the overall number of members unchanged. As the representative of Kirkbi Invest A/S, Landis+Gyr's biggest shareholder, he waived all remuneration for his Board duties for the term of office from 2019 AGM to 2020 AGM.

Exhibit 13 summarizes remuneration paid for the full FY 2018 to the six non-executive Board members who were re-elected at the 2018 AGM, as well as the two Board members newly elected at the same time (Mary Kipp and Peter Mainz).

In FY 2019 the Board received total remuneration of CHF 1,530,200 (FY 2018: CHF 1,561,971). There was no change to individual fee levels in FY 2019 as compared to FY 2018. The difference in total remuneration in FY 2019 as compared to FY 2018 is due to the different composition of the Board as explained above.

#### Remuneration of the Board (audited)

EXHIBIT 12: REMUNERATION OF MEMBERS OF THE BOARD FOR FY 2019<sup>1</sup> (AUDITED), IN CHF

Non-executive Board members	Role in the Board	Base fees paid in cash	Committee fees paid in cash	Base and committee fees delivered in shares <sup>2</sup>	Pension fund contribution <sup>3</sup>	Total fees (cash and shares)	Expenses	Employer Social Security Contributions	Total remuneration
Andreas Umbach	Chairman	235,409		127,050	37,541	400,000	20,000	26,156	446,156
Eric Elzvik	Lead Independent Director	149,500	29,250	96,250		275,000	10,000	20,062	305,062
David Geary	Independent Member	78,000	9,750	47,250		135,000	10,000		145,000
Pierre-Alain Graf	Independent Member	78,000	9,750	47,250		135,000	10,000	10,176	155,176
Andreas Spreiter	Independent Member	78,000	19,500	52,500		150,000	10,000	11,306	171,306
Christina Stercken	Independent Member	78,000	9,750	47,250		135,000	10,000		145,000
Mary Kipp <sup>4</sup>	Independent Member	19,500		10,500		30,000	2,500		32,500
Peter Mainz	Independent Member	78,000		42,000		120,000	10,000		130,000
Søren Thorup Sørensen <sup>5</sup>	Not independent; representative of biggest shareholder								
<b>Total Board of Directors</b>		<b>794,409</b>	<b>78,000</b>	<b>470,050</b>	<b>37,541</b>	<b>1,380,000</b>	<b>82,500</b>	<b>67,700</b>	<b>1,530,200</b>

1 Represents gross amounts, prior to deductions for social security, withholding tax, etc. for services rendered from April 1, 2019 until March 31, 2020 (with exception of one Board member who did not stand for re-election at the 2019 AGM as per footnote 4 below).

2 Granted in quarterly instalments; fair value is defined using the volume weighted average share price for the last 20 trading days of the month preceding the month of the respective quarterly grant.

3 Employer pension contribution funded by the Chairman through a reduction to base fee paid.

4 Amounts reflect the period in office from April 1, 2019 until June 30, 2019. Mary Kipp did not stand for re-election at the 2019 AGM.

5 Newly elected at 2019 AGM; waived all remuneration for the term of office 2019/2020.

**EXHIBIT 13: REMUNERATION OF MEMBERS OF THE BOARD FOR FY 2018<sup>1</sup> (AUDITED), IN CHF**

Non-executive Board members	Role in the Board	Base fees paid in cash	Committee fees paid in cash	Base and committee fees delivered in shares <sup>2</sup>	Pension fund contribution <sup>3</sup>	Total fees (cash and shares)	Expenses	Employer Social Security Contributions	Total remuneration
Andreas Umbach	Chairman	267,408		95,288	37,304	400,000	20,000	24,993	444,993
Eric Elzvik	Lead Independent director	169,625	33,187	72,188		275,000	10,000	20,262	305,262
David Geary	Independent Member	88,500	11,062	35,438		135,000	10,000		145,000
Pierre-Alain Graf	Independent Member	88,500	11,062	35,438		135,000	10,000	10,285	155,285
Andreas Spreiter	Independent Member	88,500	22,125	39,375		150,000	10,000	11,431	171,431
Christina Stercken	Independent Member	88,500	11,062	35,438		135,000	10,000		145,000
Mary Kipp <sup>4</sup>	Independent Member	58,500		31,500		90,000	7,500		97,500
Peter Mainz <sup>4</sup>	Independent Member	58,500		31,500		90,000	7,500		97,500
<b>Total Board of Directors</b>		<b>908,033</b>	<b>88,498</b>	<b>376,165</b>	<b>37,304</b>	<b>1,410,000</b>	<b>85,000</b>	<b>66,971</b>	<b>1,561,971</b>

1 Represents gross amounts, prior to deductions for social security, withholding tax, etc. for services rendered from April 1, 2018 until March 31, 2019 (with exception of two newly elected Board members as per footnote 4 below).

2 Granted in quarterly instalments (first grant in July 2018); fair value is defined using the volume weighted average share price for the last 20 trading days of the month preceding the month of the respective quarterly grant.

3 Employer pension contribution funded by the Chairman through a reduction to base fee paid.

4 Amounts reflect the period in office since election at the 2018 AGM from July 1, 2018 until March 31, 2019.

## Remuneration awarded to the GEM for FY 2019

### Performance assessment and explanatory comments

For FY 2019, the members of the GEM received base salary, variable remuneration and pension and other benefits, in line with the remuneration system, as detailed in Exhibit 6.

For the Group as a whole FY 2019 results, as illustrated in Exhibit 14 below, were below the targets with regards to Net Sales and Operating Cash Flow less tax paid and below the threshold with regards to Adjusted EBITDA. For the regions, there was a significant variation in performance with Americas under-performing on all targets; overall, EMEA and Asia Pacific were above target.

#### EXHIBIT 14: PERFORMANCE AT GROUP LEVEL FY 2019

KPI	Threshold	Target	Maximum
Net Sales			
Adjusted EBITDA <sup>1</sup>			
Operating Cash Flow less tax paid			

Actual performance achievement

<sup>1</sup> Consolidated global Landis+Gyr Group EBITDA derived from US GAAP financial statements as adjusted for restructuring expenses, exceptional X2 related warranty costs, timing difference on FX derivatives and special items, all as shown in our H1 and full year financial reporting as Adjusted EBITDA with the exception of the warranty normalization items.

This resulted in an overall payout of 29.6% of the STIP target incentive amount for the CEO (FY 2018: 111.5%) and between 15.2% and 108.8% of the STIP target incentive amounts for other members of the GEM (FY 2018: 92.7%–111.5%).

In FY 2019, GEM members received total remuneration of CHF 5,913,740 (FY 2018: CHF 7,252,822). This is an overall decrease of 18% compared to previous year.

### Remuneration of the GEM (audited)

#### EXHIBIT 15: REMUNERATION OF GROUP EXECUTIVE MANAGEMENT MEMBERS FOR FY 2019<sup>1</sup> (AUDITED), IN CHF

Remuneration elements	Members of the GEM <sup>2</sup>	Highest remuneration Richard Mora, CEO
Base salary	2,692,945	800,000 <sup>7</sup>
Short-term incentive in cash <sup>3</sup>	809,909	175,232
Fair value at grant under the LTIP <sup>4</sup>	1,094,473	388,994
Other benefits <sup>5</sup>	872,437	226,423
Pension costs <sup>6</sup>	225,566	10,703
Employer Social Security Contributions	218,410	28,536
<b>Total remuneration</b>	<b>5,913,740</b>	<b>1,629,888</b>

- Represents gross amounts paid, prior to deductions for social security, withholding tax, etc. for services rendered from April 1, 2019 until March 31, 2020.
- Reflects remuneration of six members of the GEM for FY 2019, including pro-rated remuneration for two members for their remaining contractual notice periods ending during FY 2019, of 6 months (from April 1, 2019 to September 30, 2019) and 7 months (from April 1, 2019 to October 31, 2019), respectively.
- Payable in FY 2020 for FY 2019.
- Disclosure reflects awards for the reporting year, that is, fair value at grant for FY 2019. The LTIP value at vesting may vary based on performance outcomes and respective share price at the time of vesting. Resulting employer social security contributions (and tax equalization related costs for expatriates) will be reflected at the time of settlement of the LTIP.
- Includes car benefits, allowances, tax advisory services, tax equalization for expatriates, employer contribution to 409a, etc. as well as the replacement award as mentioned below.
- For GEM members under Swiss employment contracts, the employer's contribution to the supplementary welfare plan in FY 2019 also includes company contributions to retirement savings in addition to the already existing risk cover for death and disability. The change took effect as of January 2020 and resulted in an additional cost of CHF 19,300 for FY 2019 as compared to FY 2018.
- Paid in USD.

**EXHIBIT 16: REMUNERATION OF GROUP EXECUTIVE MANAGEMENT MEMBERS FOR FY 2018<sup>1</sup> (AUDITED), IN CHF**

Remuneration elements	Members of the GEM <sup>2</sup>	Highest remuneration Richard Mora, CEO
Base salary	2,976,225	800,000 <sup>6</sup>
Short-term incentive in cash <sup>3</sup>	1,958,508	662,535
Fair value at grant under the LTIP <sup>4</sup>	1,015,650	335,183
Other benefits <sup>5</sup>	820,125	220,319
Pension costs	210,137	11,282
Employer Social Security Contributions	272,177	37,871
<b>Total remuneration</b>	<b>7,252,822</b>	<b>2,067,190</b>

- 1 Represents gross amounts paid, prior to deductions for social security, withholding tax, etc. for services rendered from April 1, 2018 until March 31, 2019.
- 2 Reflects remuneration of seven members of the GEM for FY 2018, including pro-rated remuneration to one newly appointed member (for the period November 19, 2018 to March 31, 2019), as well as pro-rated remuneration for the period April 1, 2018 to June 30, 2018 to one member whose employment ended June 30, 2018.
- 3 Payable in FY 2019 for FY 2018.
- 4 Disclosure reflects awards for the reporting year, that is, fair value at grant for FY 2018. The LTIP value at vesting may vary based on performance outcomes and respective share price at the time of vesting. Resulting employer social security contributions (and tax equalization related costs for expatriates) will be reflected at the time of settlement of the LTIP.
- 5 Includes car benefits, allowances, tax advisory services, tax equalization for expatriates, employer contribution to 409a, etc.
- 6 Paid in USD.

The following explanatory comments can be given with regard to the changes compared to prior year:

**Composition of the GEM:** Exhibit 15 includes remuneration paid in FY 2019 to six members of the GEM, including pro-rated remuneration for Roger Amhof and Ellie Doyle. They ceased serving as active members of the GEM during FY 2018 and were both contractually entitled to a twelve months' notice period which extended over FY 2018 and FY 2019. Correspondingly, the remuneration awarded for the remainder of their notice periods in FY 2019, 6 and 7 months respectively, has been included in the remuneration table for FY 2019. Neither of the two received a LTIP grant in FY 2019. Remuneration for FY 2018 as shown in Exhibit 16 was for seven members of the GEM, including pro-rated remuneration for one newly appointed member who joined in November 2018 and for one member who left the Company at the end of June 2018. These two members did not receive LTIP grants in FY 2018.

**Base salary:** The variance in base salary is due to the changes of the GEM composition during the year, as mentioned above. Base salaries were not increased for any members of the GEM in FY 2019.

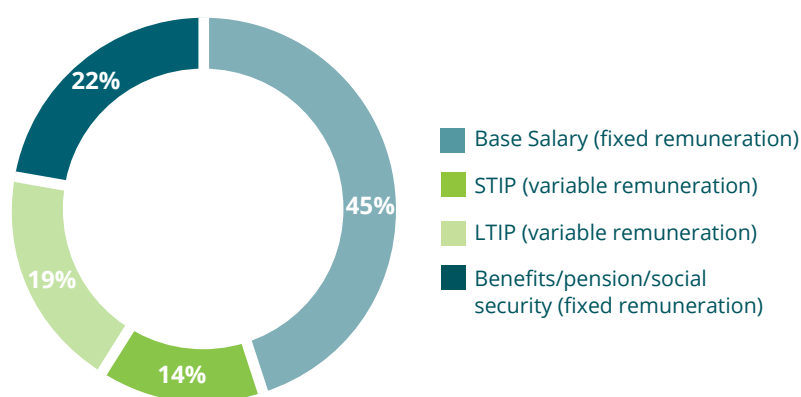
**STIP:** The overall lower payouts under the STIP in FY 2019 vs. FY 2018 reflect the achieved performance levels as described above. The target incentive amount for one member of the GEM was increased from 65% to 68% of base salary in FY 2019 to align total remuneration with respective market levels. No other member of the GEM, including the CEO, received an increase to the STIP target incentive amount in FY 2019 as compared to FY 2018.

**LTIP:** The target incentive amount for one member of the GEM was increased from 30% to 40% of base salary in FY 2019. This adjustment was made to more closely align the variable pay portion and overall remuneration level for this member to the respective market levels. No other member of the GEM, including the CEO, received an increase to the LTIP target incentive amount in FY 2019 as compared to FY 2018. Further, the disclosed grant amounts are impacted by the difference between the share price used to convert the target incentive amount into number of PSUs, which was the 20-day average share price prior to the start of the performance period, and the higher share price at grant date used for the fair value calculation. Additionally, as the target incentive amount for the CEO and one other member of the GEM is contractually determined in USD, there is a foreign exchange rate impact.

**Other benefits:** One member of the GEM, who joined Landis+Gyr during FY 2018, is entitled to a replacement award partially compensating the deferred remuneration forfeited at the previous employer as a result of joining Landis+Gyr. As per contract, this replacement award is payable in two instalments subject to continued employment of the GEM member at each respective payment date. The first instalment was paid after 12 months of employment in November 2019 and is correspondingly included in the remuneration for FY 2019 as shown in Exhibit 15. The second instalment is payable after 24 months of employment, i.e. in November 2020, and will be included in the remuneration disclosure for FY 2020.

As illustrated in Exhibit 17, for FY 2019 the total variable remuneration, i.e. STIP and LTIP, for the GEM represents 33% of total remuneration received. For the CEO total variable remuneration represents 35% of his total remuneration and 53% of his total fixed remuneration, i.e. base salary, benefits, pension and social security. For the other members of the GEM total variable remuneration represents on average 32% of total remuneration and ranges from 22% to 76% of total fixed remuneration, reflecting the variation in achieved performance levels. The target mix between variable STIP and LTIP in relation to fixed remuneration for the GEM balances short- and long-term performance in alignment with Landis+Gyr’s remuneration strategy and shareholders’ interests.

**EXHIBIT 17: GEM PAY COMPOSITION FY 2019**



## Holding of Shares by Members of the Board and the GEM (Audited)

The members of the Board and GEM, including related parties, hold a total participation of 0.55% of the outstanding registered shares as of March 31, 2020 (0.56% as of March 31, 2019). This participation includes registered shares purchased as well as fully vested shares allocated in connection with the remuneration schemes and, for members of the Board, shares allocated in payment of part of their fees. However, unvested PSUs are not included.

### EXHIBIT 18: SHARES HELD BY MEMBERS OF THE BOARD (AUDITED)

	Role	Shares held as at March 31, 2020	Shares held as at March 31, 2019
Andreas Umbach	Chairman	69,589	67,999
Eric Elzvik	Lead Independent Director	4,779	3,574
David Geary	Independent Member	1,150	558
Pierre-Alain Graf	Independent Member	1,534	942
Andreas Spreiter	Independent Member	7,689	7,030
Christina Stercken	Independent Member	1,800	1,208
Mary Kipp <sup>1</sup>	Independent Member	n/a	495
Peter Mainz	Independent Member	1,022	495
Søren Thorup Sørensen <sup>2</sup>	Not independent; representative of biggest shareholder	0	n/a

1 Did not stand for re-election at 2019 AGM held on June 25, 2019.

2 Newly appointed at 2019 AGM held on June 25, 2019; representative of Landis+Gyr's biggest shareholder KIRKBI Invest A/S, holding 4,445,265 shares which amounts to 15.2% of outstanding share capital.

### EXHIBIT 19: SHARES HELD BY MEMBERS OF THE GEM (AUDITED)

	Role	Shares held as at March 31, 2020	Shares held as at March 31, 2019
Richard Mora	Chief Executive Officer	41,641	41,641
Jonathan Elmer	Chief Financial Officer	9,030	9,030
Roger Amhof <sup>1</sup>	Chief Strategy Officer	n/a	6,425
Ellie Doyle <sup>2</sup>	Head of Asia Pacific	n/a	3,774
Prasanna Venkatesan	Head of Americas	22,072	22,072
Susanne Seitz <sup>3</sup>	Head of EMEA	0	0

1 Active member of the GEM until December 31, 2018; employment ended on September 30, 2019.

2 Active member of the GEM until October 31, 2018; employment ended on October 31, 2019.

3 Member of the GEM as of November 19, 2018.

In addition, as at March 31, 2020 members of the GEM held a total of 23,530 PSUs with respect to grants made under the LTIP. As at March 31, 2019 members of the GEM held a total of 11,793 PSUs.

## Shareholding Guidelines for the GEM Members

Shareholding guidelines were introduced for GEM members in FY 2018, which are designed to increase the alignment of the interests of GEM members and shareholders. The target ownership levels are defined based on the role and correspond to:

- 300% of base salary for the position of CEO
- 200% of base salary for other GEM members

GEM members are expected to build up their shareholding to the targeted ownership levels within five years, from the introduction of the guidelines or appointment to the GEM respectively.

## Loans granted to Members of the Board or the GEM

As referenced on page 6, in accordance with Article 28 of the Articles of Association, Landis+Gyr Group AG may not grant loans to members of the Board or the GEM and hence did not do so during FY 2019.

## Related-Party Transactions

Disclosure on remuneration for FY 2019 covers members of the Board and the GEM as indicated, and for both includes related parties to the extent applicable. Such related parties cover spouses, partners, children and other dependents or closely linked persons. In FY 2019 no remuneration was paid to any related party.

## Remuneration to Former Members of Governing Bodies

During FY 2019 no payments were made to former members of the Board or the GEM or related parties.

## Reconciliation of AGM Remuneration Resolutions

For the term to the 2020 AGM, the 2019 AGM approved a maximum aggregate remuneration amount for the Board of CHF 2.0 million (including social security costs). Exhibit 20 below shows the reconciliation between the remuneration that has been/will be paid/granted for the respective term of office and the maximum aggregate amount approved by the shareholders.

The maximum aggregate amount, comprising fixed and variable remuneration, of the existing members of the GEM for FY 2019 approved by the 2018 AGM, is CHF 11.5 million (including social security costs, benefits, etc.). Exhibit 21 below shows the reconciliation between the remuneration paid to the GEM for FY 2019 and the maximum aggregate amount approved by the shareholders.

### EXHIBIT 20: REMUNERATION APPROVED AND PAID/GRANTED FOR THE MEMBERS OF THE BOARD

	Total remuneration granted (paid/payable)	Maximum aggregate amount available	Status
2018 AGM to 2019 AGM	CHF 1.6 million <sup>1</sup>	CHF 2.0 million	Approved (2018 AGM)
2019 AGM to 2020 AGM	CHF 1.5 million <sup>2</sup>	CHF 2.0 million	Approved (2019 AGM)
2020 AGM to 2021 AGM		CHF 1.8 million <sup>3</sup>	Proposed (2020 AGM)

1 For 8 members of the Board.

2 For 8 members of the Board of which one member waived his remuneration for the term of office; represents an estimate for the term of office from 2019 AGM to 2020 AGM; the final amount will be disclosed in the 2020 Remuneration Report.

3 For 8 members of the Board.

### EXHIBIT 21: REMUNERATION APPROVED AND PAID/GRANTED FOR THE MEMBERS OF THE GEM

	Total remuneration granted	Maximum aggregate amount available	Status
FY 2018	CHF 7.3 million <sup>1</sup>	CHF 12.5 million	Approved (2017 EGM)
FY 2019	CHF 5.9 million <sup>2</sup>	CHF 11.5 million	Approved (2018 AGM)
FY 2020		CHF 8.5 million	Approved (2019 AGM)
FY 2021		CHF 8.5 million <sup>3</sup>	Proposed (2020 AGM)

1 For 7 members of the GEM as per the explanations given on page 20.

2 For 6 members of the GEM as per the explanations given on pages 19 and 20.

3 The amount requested for FY 2021 is for 4 members of the GEM, consistent with the amount requested for FY 2020.



# Report of the statutory auditor

## to the General Meeting of Landis+Gyr Group AG

Zug

We have audited the remuneration report of Landis+Gyr Group AG for the year ended March 31, 2020. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the sections labelled 'audited' on pages 17-20 and page 22 of the remuneration report.

### Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

### Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.



An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Opinion

In our opinion, the remuneration report of Landis+Gyr Group AG for the year ended March 31, 2020 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG



Rolf Johner  
Audit expert  
Auditor in charge



Claudia Muhlinghaus  
Audit expert

Zug, May 27, 2020

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