

Remuneration Report 2017



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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, 2018, which has been prepared for the first time since the Company went public in July 2017.

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

A key focus of the Remuneration Committee during this first year has been to review and refine the short-term and long-term incentive plans to ensure they link performance to pay, in line with the principles communicated at the IPO in July 2017.

To further align shareholders' and the Group Executive Management's interests, the Remuneration Committee has introduced shareholding guidelines for the Group Executive Management, under which they are encouraged to hold a certain percentage of their annual base salary in Landis+Gyr shares.

We continue to proactively assess and review our remuneration programs to ensure that they are fulfilling their purpose and responding to the evolving business environment and furthermore are aligned with the interests of our shareholders.

At the Annual General Meeting in June 2018, you will have the opportunity to express your opinion on our remuneration principles and systems through a consultative vote on the remuneration report. We will also ask you for your approval of the aggregate remuneration amount to be awarded to the Board of Directors for the period to the next AGM in 2019 and to the Group Executive Management for the financial year ending March 31, 2020.

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 for your ongoing support.



A handwritten signature in black ink that reads "Eric Elzvik".

Eric Elzvik
Chairman of the Remuneration Committee
Lead Independent Director
Zug, June 2018

Remuneration Report 2017

The Remuneration Report provides a comprehensive overview of Landis+Gyr's (Landis+Gyr Group AG, "Landis+Gyr" and its subsidiaries, together the "Company") remuneration governance 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, 2018 (FY 2017).

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

Shareholders' engagement

Landis+Gyr's Articles of Association outline the rules and principles relating to the remuneration of the members of the Board and GEM as well as the additional remuneration amount for newly appointed or promoted GEM members after the Annual General Meeting (AGM) has approved the aggregate maximum amount of remuneration. Details of these provisions are available on Landis+Gyr's website: www.landisgyr.com/about/executive-management-and-board/ → Corporate Governance Documents → Articles of Association

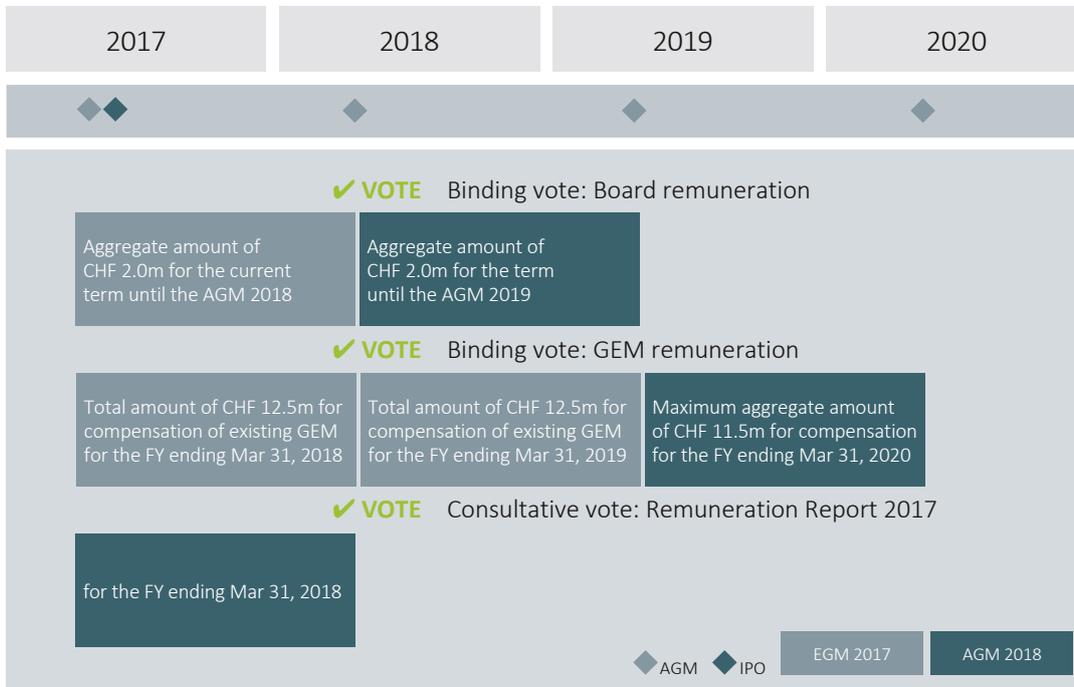
In line with Landis+Gyr's Articles of Association, at the 2018 AGM, the Board of Directors will submit three separate remuneration-related resolutions for shareholder approval:

- This Remuneration Report (consultative vote).
- The aggregate remuneration amount for the Board of Directors for the period from the date of the 2018 AGM until the next AGM in 2019 (binding vote).
- The aggregate maximum remuneration amount for the GEM for the next financial year starting April 1, 2019 and ending March 31, 2020 (binding vote).

At the 2017 Extraordinary General Meeting held on July 19, 2017 (EGM), shareholders approved an aggregate remuneration amount for the Board of Directors for the period until the 2018 AGM as well as the maximum total amount of fixed and variable remuneration for members of the GEM for FY 2017 and FY 2018 respectively.

See Exhibit 1 for an overview of shareholders' approvals of remuneration-related matters.

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



For a reconciliation of approved versus awarded amounts please refer to page 15.

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.

Activities of the Remuneration Committee during FY 2017

The Remuneration Committee meets as often as business requires but at least four times a year. In FY 2017, the Remuneration Committee held four meetings following the IPO 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 12.

EXHIBIT 2: GOVERNANCE ON REMUNERATION MATTERS

	CEO	RemCo	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	Reviews	Consultative vote
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 CEO		Proposes	Approves	
Individual remuneration of other GEM members	Proposes	Reviews	Approves	

EXHIBIT 3: OVERVIEW OF THE MAIN TOPICS DISCUSSED BY THE REMUNERATION COMMITTEE DURING FY 2017



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 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 2017, HCM International AG (HCM) was appointed as an independent advisor on Board and GEM remuneration matters.

Remuneration principles

All remuneration programs are designed along the following principles:

- Performance: to anchor Landis+Gyr’s business strategy, to drive results and sharpen the focus on long-term performance and to incentivize and reward performance in a sustainable manner
- Shareholder value: to be aligned with shareholders’ interest, driving creation of shareholder value, as well as to foster entrepreneurial thinking
- Talent Management: to attract, motivate and retain talented employees who can drive world class performance, as well as to incentivize a high level of performance
- Market orientation: to 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 remuneration

The Remuneration Committee and the Board periodically benchmark remuneration of the members of the Board and GEM against remuneration paid by comparable companies. For these purposes, they regard the Swiss listed industrial companies as the most relevant reference market for remuneration comparison for members of the Board and GEM. However, in particular for

the GEM, a closer look at industry-related international comparators is also considered in the assessment of remuneration practices, structure and pay level. The composition of the respective comparison group is reviewed annually¹.

Remuneration system

Remuneration system of the Board

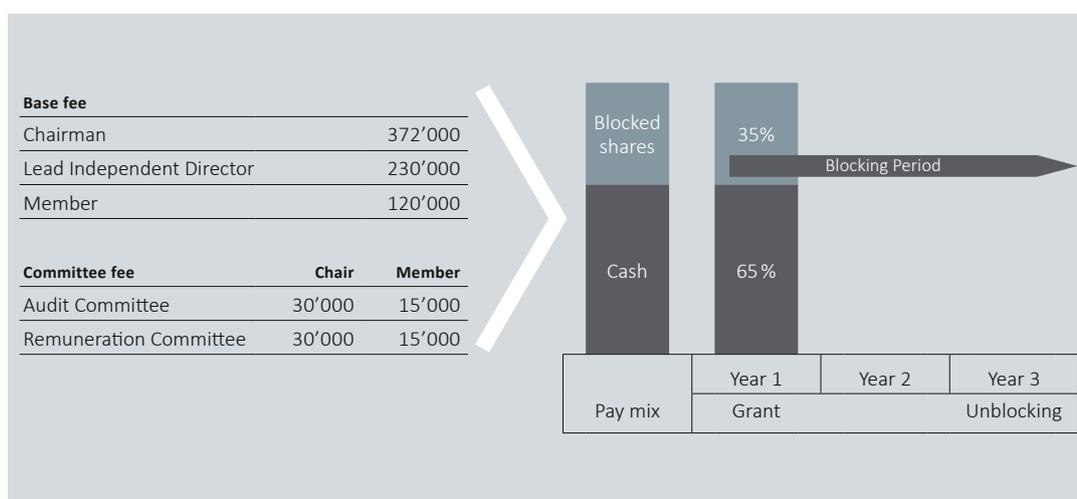
The remuneration of the Board is fixed and does not contain any variable component.

The Chairman of the Board is entitled to a fixed annual base fee and lump sum remuneration for expenses, as well as pension fund contributions. Other members of the Board are entitled to a fixed annual base fee and fixed fees for membership in Board committees, as well as a lump sum remuneration for expenses. The amounts of the base fee and committee membership fees, as

illustrated in Exhibit 4, reflect the responsibility and time requirement inherent to the function.

Starting from the 2018 AGM, the base fee and committee membership fee will be paid 65% in cash and 35% in Landis+Gyr's shares, which will be blocked for sale for a period of three years. The remuneration for the current term is paid fully in cash.

EXHIBIT 4: REMUNERATION SYSTEM OF THE BOARD, IN CHF



¹ The comparison group used for the remuneration benchmarking analysis conducted in FY 2017 consisted of the following Swiss listed industrial companies: ABB, ADECCO, ARBONIA, BELIMO, BOBST GRP, BUCHER, BURCKHARDT, BURKHALTER, COMET, CONZZETA, DAETWYLER, DKSH, DORMAKABA, FLUGHAFEN ZUERICH, FORBO, GEORG FISCHER, IMPLLENIA, INFICON, INTERROLL, KARDEX, KOMAX, KUEHNE+NAGEL, LAFARGEHOLCIM, OC OERLIKON, RIETER, SCHINDLER, SCHWEITER, SFS GROUP, SGS, SIKA, SULZER, VAT GROUP. This comparison group was used for benchmarking purposes for the remuneration of the Board as well as a primary source for benchmarking the remuneration of GEM members. For the GEM, further international comparisons were taken into account following a structural approach to further reflect industry-specific remuneration particularities.

Remuneration system of the Group Executive Management

The remuneration elements of the GEM are summarized in Exhibit 5.

EXHIBIT 5: REMUNERATION SYSTEM OF THE GEM

	Fixed Remuneration		Short-term Incentive Plan (STIP)		Long-term Incentive Plan (LTIP)	
	Base salary	Pension and Other Benefits	FY 2017	FY 2018	Grant for FY 2017	Grant for FY 2018
Purpose	Attract and retain	Risk protection, market competitiveness	Focus on one-year operational and financial performance of the Company		Attract, retain, and align with shareholders' interests	Participate in the long-term success of the Company and align with shareholders' interests
Performance period	–	–	1 year		3 years	
Key drivers	Role, experience and individual performance	Market practice, legal requirements	Corporate and (if relevant) regional performance		Corporate long-term performance	Corporate long-term performance
Instrument/settlement	Cash	Pension plan, insurance plans, fringe benefits	Cash		Cash	Performance Share Units (PSUs) Settled in shares
Performance KPIs	Individual goal achievement and Company values	–	Net Sales, normalized EBITA ¹ , normalized operating Cash Flow	Net Sales, adjusted EBITDA ² , operating Cash Flow less tax paid	Performance-based component: Equally weighted Net Sales and normalized EBITA	Equally weighted relative Total Shareholder Return (TSR) and Earnings Per Share (EPS)
Target amount	–	–	Up to 80% of base salary		Individually defined LTIP amounts based on multiple factors including e.g. role, overall performance levels, future Company strategy, and market benchmarks	Individually defined LTIP amounts based on multiple factors including e.g. role, overall performance levels, future Company strategy, and market benchmarks, however, maximum grant value is 80% of base salary, converted into PSUs at grant
Payout range	–	–	0% to 200% of target amount	0% to 200% of target amount; in addition, every single KPI is capped at 200%	Time-based component: 0% or 100% of granted amount Performance-based component: 0% to 200% of granted amount	0% to 200% of number of granted PSUs
Impact of share-price on payout	–	–	NO		NO	YES
Forfeiture	–	–	YES		YES	

1 Consolidated global L+G Group Earnings Before Interest, Tax and Amortization derived from the US GAAP financial statements but normalized to exclude items such as restructuring, special items, X2 case and litigation impacts

2 Consolidated global L+G Group EBITDA derived from US GAAP financial statements as adjusted for restructuring, the X2 case 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.

Fixed remuneration

Base Salary

Base salary is the fixed compensation paid to employees for carrying out their role and reflects the following factors:

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

The base salary is paid out in twelve equal monthly cash installments.

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 competition and legal conditions; they at least meet the legal requirements of the countries concerned.

Other benefits

In addition, the Company aims to provide a competitive package of employee benefits. Benefits are considered from a global perspective, appropriately reflecting differing local employment market conditions.

For the GEM members, benefits include local market benefits such as car leasing, and where relevant international benefits such as executive benefits allowance, tax advisory, etc. The monetary value of these remuneration elements is evaluated at fair value and is disclosed in the remuneration table.

Short-term Incentive Plan (STIP)

Current STIP (until FY 2017)

The purpose of the STIP is to motivate eligible participants to deliver effective performance and increased contribution to the Company's success through financially incentivized target-orientated activities aligned to business priorities.

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 and correlate with the long-term strategy which aims to achieve sustainable profitability and growth.

The amount of the STIP is determined by multiplying the individual on-target incentive by the target achievement which ranges from 0% to 200%.

The STIP payout is also subject to forfeiture rules in case of termination of employment before the end of the plan cycle.

For FY 2017 and FY 2018, the STIP scorecard comprised Sales, Profit and Cash Flow, see Exhibit 6.

EXHIBIT 6: STIP PERFORMANCE SCORECARD FOR THE GEM MEMBERS FOR FY 2017 AND FY 2018

Topic	KPI	Weight FY 2017	Weight FY 2018
Sales	Net Sales	20%	30%
	Normalized EBITA ¹	40%	
Profit	Adjusted EBITDA ²		40%
	Normalized operating Cash Flow	40%	
Cash Flow	Operating Cash Flow less tax paid		30%

1 Consolidated global L+G Group Earnings Before Interest, Tax and Amortization derived from the US GAAP financial statements but normalized to exclude items such as restructuring, special items, X2 case and litigation impacts

2 Consolidated global L+G Group EBITDA derived from US GAAP financial statements as adjusted for restructuring, the X2 case 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, CSO and CFO, 100% Group results are considered when determining the level of performance on these KPIs. For GEM members with regional responsibility, 30% Group results and 70% regional results of the respective region are evaluated.

New STIP

During the course of FY 2017, the Remuneration Committee reviewed the STIP and in particular revised the KPIs and adjusted their weights for FY 2018 to place more emphasis on profitable growth and to be more aligned with the interests of shareholders. In addition, the achievement factor of each KPI will be individually capped at 200% of respective target.

Long-term Incentive Plan (LTIP)

Current LTIP (until FY 2017)

The LTIP was originally introduced as a retention instrument, which also strengthened the link be-

tween individual remuneration and the Company long-term performance. The FY 2017 LTIP for the Group CEO and CFO was tied to the achieved Revenue and EBITA over a three-year performance period. For other members of the GEM, the LTIP was split into two equally weighted components: a time-based component and a performance-based component. Both components vest at the end of the three-year vesting period depending on satisfaction of time and performance (equally weighted Net Sales and normalized EBITA) criteria. The payout of the performance-based portion occurs based on reaching performance thresholds and is capped at 200% of the granted amount. The outstanding grants vest through the year 2020.

New LTIP

A new share-based LTIP was developed and approved by the Board during FY 2017. This new LTIP will be introduced in FY 2018 with the purpose of fostering long-term value creation for the Company by providing the members of the GEM and other eligible key managers with a 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.

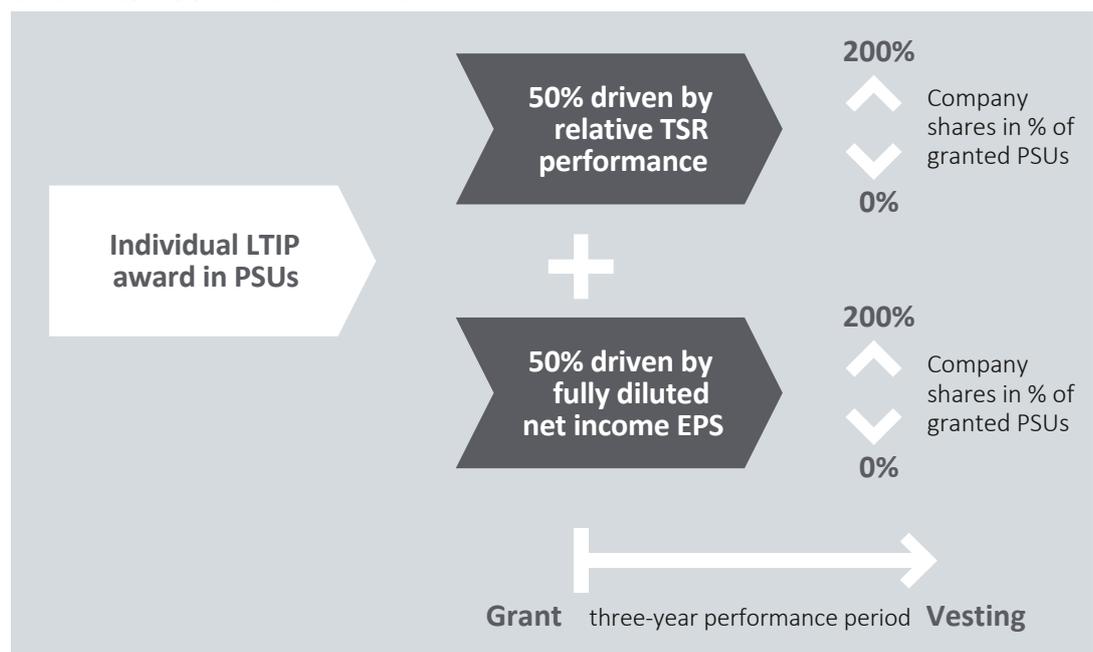
The individual grant levels under the new LTIP are determined based on multiple factors which include, amongst others, the role being performed, overall performance levels, quality of realized performance, future Company strategy, as well as market benchmarks, and cannot exceed at grant the maximum of 80% of base salary for any member of the GEM.

In principle, each new award under the LTIP is a contingent entitlement (Performance Share Unit or PSU) to receive Landis+Gyr shares provided certain performance targets are achieved during the three-year performance period (see Exhibit 7 below). In case the performance does not reach certain pre-determined thresholds after three years, no shares of Landis+Gyr will vest under the new LTIP.

For the purposes of the new LTIP, the measure of Landis+Gyr’s long-term performance comprises two equally weighted metrics:

- 50% of the award is linked to the TSR measured over three years relative to the Swiss Performance Index (SPI), and
- 50% of the award is linked to the achievement of the fully diluted, all-in EPS objective set by the Board at the beginning of each three-year LTIP award cycle.

EXHIBIT 7: VESTING OF THE NEW LTIP AWARD



The relative TSR objective 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.

The EPS objective is set based on an outside-in view, taking into account growth expectations, risk profile, investment levels and profitability levels. This outside-in approach to setting EPS objectives for the LTIP is provided by external advisors and assumes that investors expect a risk-adjusted return on their investment, which is based on market value (and not book value) and translates such expected returns over a three-year period into EPS targets.

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

Both KPIs have a vesting range of 0% to 200% each of which transmits into an overall leverage of between 0% and 200% of the number of PSUs at grant. Additionally, 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.

At the end of the three-year vesting period, 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 plan cycle.

Employment conditions

The members of the GEM are employed under employment 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.

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 compensation granted to members of the Board and GEM. Compensation to members of the Board and the highest paid member of the GEM is shown separately.

Remuneration awarded to the Board for FY 2017 (Audited)

From April 1, 2017 to the EGM on July 19, 2017 the Board comprised employees of the two pre-IPO shareholders of Landis+Gyr, Toshiba Corporation and Innovation Network Corporation of Japan.

Exhibit 8 summarizes remuneration paid for FY 2017 to the six non-executive Board members that were elected in connection with the IPO at the 2017 EGM.

Mr. Umbach's employment contract and any related agreements with Landis+Gyr AG and any other Group entity were terminated upon his election as Chairman (July 19, 2017) and replaced

EXHIBIT 8: REMUNERATION OF MEMBERS OF THE BOARD FOR FY 2017¹ (AUDITED), IN CHF

Non-executive Board members	Role in the Board	Base fees	Committee fees	Expenses	Pension fund contribution ²	Employer Social Security Contributions	Total remuneration
Andreas Umbach	Chairman	261'000		14'032	22'084	20'666	317'782
Eric Elzvik	Lead independent director	161'371	31'573	7'016		14'393	214'353
David Geary	Independent Member	84'194	10'524	7'016			101'734
Pierre-Alain Graf	Independent Member	84'194	10'524	7'016		7'328	109'062
Andreas Spreiter	Independent Member	84'194	21'048	7'016		8'134	120'392
Christina Stercken	Independent Member	84'194	10'524	7'016			101'734
Total Board of Directors		759'147	84'193	49'112	22'084	50'521	965'057

1 Represents gross amounts, prior to deductions for social security, withholding tax, etc. for services rendered from July 19, 2017 until March 31, 2018.

2 Employer pension contribution.

with a new chairman agreement. For services rendered as executive Chairman of Landis+Gyr AG from April 1, 2017 until the election as Chairman, Mr. Umbach was paid a base salary of CHF 258'523 (incl. employer social security and pension costs). As disclosed at the IPO, any unpaid remuneration and other claims from previous and now replaced agreements, including long-term incentives and related awards, were forfeited against net payment of CHF 2.6 million (i.e. CHF 2.96 million incl. social security contribution) by Landis+Gyr AG in full discharge of such liabilities. Under the agreement, Mr. Umbach used this amount to buy Landis+Gyr shares at the IPO price of CHF 78, which, together with the shares he received under the IPO recognition bonus funded by selling shareholders, are subject to a staggered lock-up period of two years.

In conjunction with the IPO recognition bonus (granted and funded by the selling shareholders), Mr. Umbach received 17'143 shares valued at a grant date fair value of CHF 1.34 million based on the IPO listing price of CHF 78 and CHF 668'571 in cash. Social security of CHF 137'449 was paid by the employer in conjunction with the recognition bonus.

Remuneration awarded to the GEM for FY 2017 (Audited)

For FY 2017, the members of the GEM received base salary, performance-based remuneration

and pension and other benefits, in line with the remuneration policy, as detailed in Exhibit 5.

For the Group as a whole, FY 2017 results have been broadly in line with expectations but with significant variations between the regions; while the Americas significantly out-performed, we experienced some weakness in both EMEA and AP. This resulted in an overall target attainment factor of 98.6% for the CEO and 33.2% – 145.4% for other members of the GEM.

In addition, as disclosed at the IPO, the selling shareholders (Toshiba Corporation and Innovation Network Corporation of Japan) had decided to grant and fund an additional bonus in connection with the IPO to selected members of senior management in recognition of their efforts and to provide them with an equity stake in the Company to support its long-term performance. This selling shareholder-funded recognition bonus was conditional upon the completion of the offering and the acceptance of the lock-up undertaking. It comprised a share portion (approx. 2/3, subject to a staggered lock-up period of up to two years) and a cash portion (approx. 1/3). In total the recognition bonus granted to the members of the GEM consisted of 50'775 shares (thereof 16'000 shares for the CEO) valued at a grant date fair value of CHF 3.96 million (thereof CHF 1.248 million for the CEO) based on the IPO listing price of CHF 78 CHF and CHF 2.0 million in cash (thereof CHF 624'000 for the CEO). Social security (and for international employees' tax equalization) of CHF 545'474 were paid by the employer in conjunction with the recognition bonus (thereof CHF 331'600 for the CEO).

EXHIBIT 9: REMUNERATION OF GROUP EXECUTIVE MANAGEMENT MEMBERS FOR FY 2017¹ (AUDITED), IN CHF

Compensation elements	Members of the GEM ²	Highest remuneration Richard Mora, CEO
Base salary	3'105'343	800'000 ⁶
Short-term incentive in cash ³	1'833'017	579'756
Fair value at grant under the LTIP ⁴	1'351'609	391'992
Other benefits ⁵	831'425	321'669
Pension costs	231'330	11'960
Employer Social Security Contributions	291'902	42'946
Total compensation	7'644'626	2'148'323

1 Represents gross amounts paid, prior to deductions for social security, withholding tax, etc. for services rendered from April 1, 2017 until March 31, 2018.

2 Six members of the GEM for FY 2017.

3 Payable in FY 2018 for FY 2017.

4 Disclosure reflects awards for a reporting year, that is, grant value for FY 2017. The LTIP value at vesting may vary based on performance outcomes. Resulting employer social security contributions (and tax equalization for expatriates) will be reflected at the time of settlement of the LTIP.

5 Includes car leasing, allowances, tax advisory, tax equalization for expatriates, employer contribution to 409a, etc.

6 Paid in USD.

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 0.57% of the outstanding registered shares as of March 31, 2018. This participation includes registered shares purchased as well as fully vested shares allocated in connection with the remuneration schemes. However, unexercised options or unvested performance shares do not count.

EXHIBIT 10: SHARES HELD BY MEMBERS OF THE BOARD (AUDITED)

	Role	Shares held
Andreas Umbach	Chairman	66'501
Eric Elzvik	Lead Independent Director	2'564
David Geary	Independent Member	0
Pierre-Alain Graf	Independent Member	385
Andreas Spreiter	Independent Member	6'410
Christina Stercken	Independent Member	650

EXHIBIT 11: SHARES HELD BY MEMBERS OF THE GEM (AUDITED)

	Role	Shares held
Richard Mora	Chief Executive Officer ("CEO")	41'641
Jonathan Elmer	Chief Financial Officer ("CFO")	9'030
Roger Amhof	Chief Strategy Officer ("CSO")	6'425
Ellie Doyle	Head of Asia Pacific	3'774
Oliver Iltisberger	Head of EMEA	9'143
Prasanna Venkatesan	Head of Americas	21'372

Shareholding guidelines for the GEM members

Starting from FY 2018 shareholding guidelines will be introduced for GEM members. The guidelines 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

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.

Related-party transactions

Disclosure on remuneration for the FY 2017 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 2017 no remuneration was paid to any related party.

Reconciliation of AGM remuneration resolutions

For the term to the 2018 AGM, the 2017 EGM has approved an aggregate remuneration amount for the Board of CHF 2.0 million (including social security costs, etc.).

The total amount of fixed and variable remuneration of the existing members of the GEM for the financial years ending March 31, 2018 and

March 31, 2019, respectively, approved by the 2017 EGM, is CHF 12.5 million per year (including social security costs, etc., but excluding deferred compensation and performance-related compensation from previous years; amounts are subject to adjustments for currency fluctuations in respect of individuals paid in foreign currencies).

For the reconciliation of the aggregate amount approved at the 2017 EGM meeting for the Board and the GEM to what was awarded during FY 2017 please refer to Exhibits 12 and 13 below. Please note that the amounts shown do not

reflect the IPO recognition bonus (granted and funded by the selling shareholders) and other payments made to Andreas Umbach prior to the IPO as described on pages 12 and 13 of this report.

Prior to the IPO offering, the members of the GEM were allocated long-term performance-related remuneration elements, which vest through to the year 2020. In accordance with Article 33 of the Articles of Association, these remuneration elements will not be voted upon as decided and implemented prior to the IPO.

EXHIBIT 12: REMUNERATION APPROVED AND GRANTED FOR THE MEMBERS OF THE BOARD

	Total remuneration granted for the period from the EGM 2017 to March 31, 2018	Aggregate amount approved by shareholders at the EGM	Amount requested for shareholders' approval at the respective AGM
EGM 2017 to AGM 2018	CHF 965 thousand (8.5 months)	CHF 2.0 million	–
AGM 2018 to AGM 2019	–	–	CHF 2.0 million

EXHIBIT 13: REMUNERATION APPROVED AND GRANTED FOR THE MEMBERS OF THE GEM

	Total remuneration granted for the respective FY	Aggregate amount approved by shareholders at the EGM	Amount requested for shareholders' approval at the respective AGM
FY 2017	CHF 7.6 million	CHF 12.5 million	–
FY 2018	–	CHF 12.5 million	–
FY 2019	–	–	CHF 11.5 million



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 31 March 2018. 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 marked with the label 'audited' on pages 12 to 14 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 31 March 2018 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, 4 June 2018

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This report is published in English and German. In the event of inconsistencies between the English or German version of this report, the original English version prevails.



Landis+Gyr

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