

Remuneration Report 2018

Landis+Gyr
manage energy better

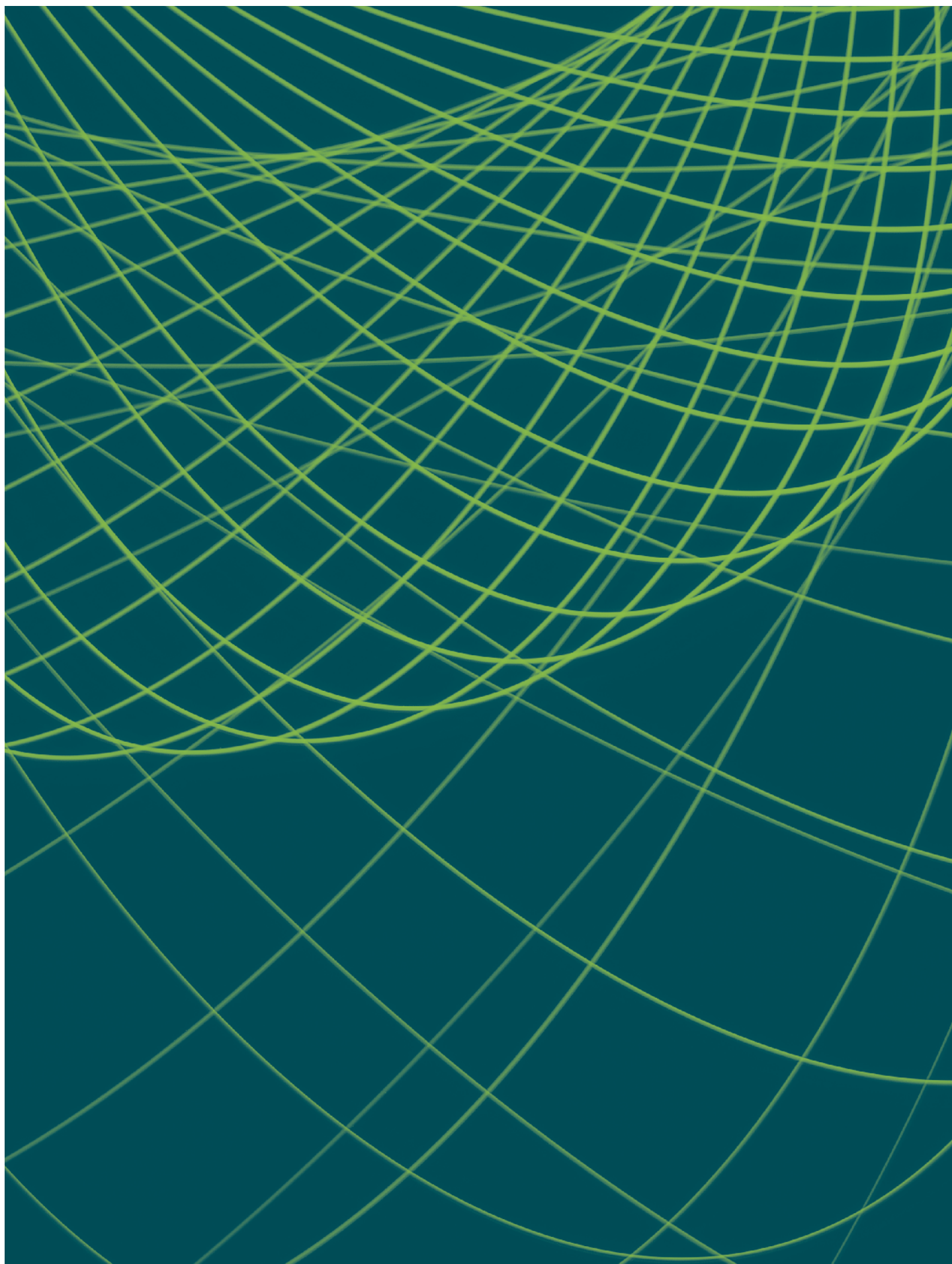


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Letter from the Chairman of the Remuneration Committee

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, 2019.

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.

The focus of our activities in the past year has been on proactively assessing our remuneration systems and programs in context of a changing business environment and in alignment with the best interests of our shareholders. All remuneration proposals were approved at the Annual General Meeting in 2018, with some investors voicing feedback on certain components and disclosures in our 2017 Remuneration Report (approval vote 65.75%). This feedback was taken into consideration for our assessment and review of our remuneration programs. The major milestones and changes made in the past year were:

- **Dialogue:** A key focus of the Board and Remuneration Committee was to continue our exchange on remuneration plans with major shareholders and other stakeholders.
- **Board of Directors' Remuneration:** As already announced at the 2018 Annual General Meeting, we implemented the remuneration structure for the Board of Directors with payment of their base and committee fees in cash and blocked shares (previously only cash). This change took effect in July 2018 as of the start of the new term of office.
- **Executive remuneration:** A clawback policy for recovery of variable remuneration paid to members of the Group Executive Management was approved by the Board of Directors and implemented with effect from financial year 2018.
- **Short-term incentive plan:** Discussions within the Remuneration Committee and the Board of Directors during the past year further focused on the structure of our short-term incentive plan. Consideration was given to a potential future amendment of the performance metrics (which are currently based on financial performance indicators) to also include non-financial performance criteria related to Landis+Gyr's strategic focus. No changes to the current plan structure will be made for financial year 2019, however, the Remuneration Committee and the Board will continue to further evaluate this during the coming year.
- **Long-term incentive plan:** The reference group used for the relative total shareholder return component of Landis+Gyr's long-term incentive plan was reviewed during the past year and it was decided to replace the current SPI reference group with the SPI Industrials Index (SWX ID Industry TR Index). This change, taking effect as of the grants in financial year 2019, allows for more specific market and performance comparability. Furthermore, this year's Remuneration Report provides additional clarification on the termination arrangements affecting awards under the long-term incentive plan.

Further discussions within the Remuneration Committee and the Board focused on medium- to long-term evolution of remuneration at Landis+Gyr. For the coming year we expect to continue our focus on the structure of our variable incentive plans, particularly with respect to maintaining and further strengthening the strong link between pay and performance.

At the Annual General Meeting in June 2019, 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 2020 and to the Group Executive Management for the financial year ending March 31, 2021. The proposed amount for the Group Executive Management is reduced compared to prior years, reflecting the new composition with four members compared to previously six members. 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 for your ongoing support.



A handwritten signature in black ink, appearing to read 'Eric Elzvik'.

Eric Elzvik
Chairman of the Remuneration Committee
and Lead Independent Director
Zug, May 2019

Remuneration Report 2018

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, 2019 ("FY 2018").

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.

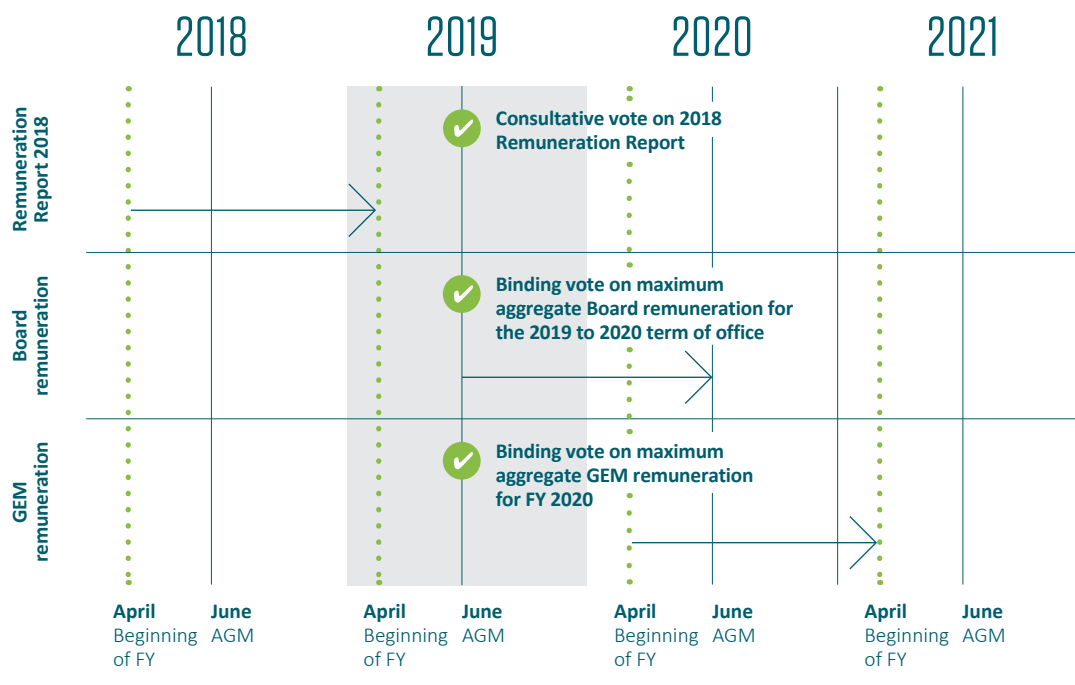
Landis+Gyr's Articles of Association include the principles governing remuneration (specifically Articles 12, 25, 26, 28 and 29) and can be viewed online at: www.landisgyr.com/about/executive-management-and-board/ → Corporate Governance Documents → Articles of Association. The key provisions are summarized 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 2019 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 2019 AGM to 2020 AGM (binding vote).
- The maximum aggregate remuneration amount for the GEM for the financial year starting April 1, 2020 and ending March 31, 2021 (binding vote).

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



At the 2018 AGM held on June 28, 2018, shareholders approved a maximum aggregate remuneration amount for the Board for the term of office until the 2019 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 2019 in the amount of CHF 11.5 million. In addition, shareholders approved the FY 2017 Remuneration Report in a consultative vote.

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.

Activities of the Remuneration Committee during FY 2018

The Remuneration Committee meets as often as business requires but at least four times a year. In FY 2018, 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 15.

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	

EXHIBIT 3: OVERVIEW OF THE MAIN TOPICS DISCUSSED BY THE REMUNERATION COMMITTEE DURING FY 2018

	Apr	Jun ¹	Oct	Dec	Feb
Remuneration governance and policy					
Review of remuneration principles, strategy and systems			X	X	
Preparation of AGM related reward items including maximum aggregate remuneration amounts for the Board and GEM to be submitted to AGM vote	X				X
Remuneration Report	X	X			X
Review of stakeholder feedback on remuneration disclosure			X		
Communication with major shareholders and their representatives					X
Remuneration Committee governance, meeting schedule and agenda setting			X		
Review of shareholding guidelines / current shareholdings of each member of the GEM				X	
Board remuneration					
Implementation of Board remuneration policy with payment structure in cash and shares	X				
GEM remuneration					
Review of benchmarking peer group and external benchmark for GEM remuneration				X	X
Review of GEM performance	X				
Review and recommendation of individual GEM remuneration levels					X
Review of short-term incentive performance target setting for upcoming year and performance and payouts for previous year	X	X			X
Review of long-term incentive performance target setting and individual target awards for upcoming performance period and performance and vesting for previous performance period	X				X
People & Talent					
Succession, diversity, engagement			X	X	X

1 additional meeting held in June 2018

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 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 Remuneration Committee may decide to consult an external advisor on specific remuneration matters. In FY 2018, HCM International AG ("HCM") was mandated as an independent advisor on Board and GEM remuneration matters. HCM also provided governance advisory services to the Board during FY 2018. HCM does not have any other mandates with Landis+Gyr.

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
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

In the context of the remuneration principles, the remuneration for the Board and GEM takes 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 taken into account. Remuneration for the members of the Board is fixed and for the GEM includes variable components driven by Landis+Gyr's performance.

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 and the Board regard Swiss listed industrial companies as the most relevant reference group. In addition, because Landis+Gyr operates and competes for talent at a global level, international comparators represented by European and US companies from relevant traditional and innovation-driven industries are also considered in the assessment of remuneration practices, structure and pay levels for members of the GEM.

The composition of the reference groups for benchmarking is reviewed periodically as required. In the reporting year the Swiss comparison group¹ as well as the international comparators were reviewed and adjusted with regard to the respective size of the companies to allow for closer alignment with Landis+Gyr.

The outcomes of the benchmarking undertaken for the remuneration of the members of the GEM in FY 2018 were considered by the Remuneration Committee and the Board when discussing the total remuneration for FY 2019. For the members of the Board, the Remuneration Committee and Board decided to undertake the next benchmarking in FY 2019.

1. The Swiss comparison group used for the remuneration benchmarking analysis conducted in FY 2018, as compared to the comparison group used in FY 2017, was adjusted for company size to align more closely with Landis+Gyr. This resulted in the removal of both larger and smaller companies from the comparison group, which fall outside of the defined size parameters. The resulting adjusted comparison group referenced in FY 2018 consists of the following Swiss listed industrial companies: Implenia, Sulzer, Geberit, OC Oerlikon, Bucher, Dormakaba, SFS Group, Bobst Group, Conzeta, Daetwyler, Arbonia, Flughafen Zuerich, Schweizer. This comparison group was used for benchmarking purposes as a primary source for the remuneration of the GEM members. Further international comparisons were taken into account following a structural approach to further reflect industry-specific remuneration particularities.

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. 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 base fee payment is adjusted accordingly. Correspondingly, as there was an increase to the employer contributions remitted by the Company, the base fee paid to the Chairman in FY 2018 in the amount of CHF 362,696 was lower than the full-year equivalent amount of CHF 372,000 in FY 2017 (amount paid and reported for FY 2017 was pro-rata).

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 4, reflect the responsibility and time requirement inherent to the function and remained the same in FY 2018 compared to FY 2017. As of the term of office from 2018 AGM to 2019 AGM, 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 (first grant in July 2018), with each instalment blocked for three years from the date of its grant. In the event of a change of control, the blocking period on the shares will be lifted.

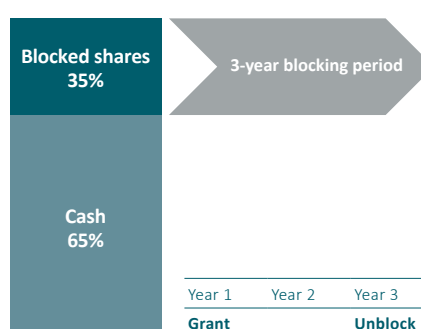
EXHIBIT 4: REMUNERATION SYSTEM OF THE BOARD, IN CHF

Fixed remuneration

Base fee ¹		
Chairman ²	400,000	Annualized FY 2017: 372,000 Actual FY 2018: 362,696
Lead Independent Director	230,000	
Member	120,000	

Committee fee ¹	Chair	Member
Audit Committee	30,000	15,000
Remuneration Committee	30,000	15,000

Pay Mix



¹ There has been no change to base fee and committee fee amounts in FY 2018 compared to FY 2017

² The base fee for the Chairman is CHF 400,000 (no change compared to FY 2017), however, CHF 37,304 were deducted 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. The pension contribution increased in FY 2018 compared to FY 2017. In addition, in FY 2017 the base fee paid to the Chairman was pro-rated for the services rendered from July 19, 2017 to March 31, 2018. The split of the base fee into 65% cash and 35% shares (as of July 2018) 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 5.

EXHIBIT 5: REMUNERATION SYSTEM OF THE GEM

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

1 Consolidated global L+G 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.

Other benefits

In addition, Landis+Gyr aims to provide a competitive package of 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 and, where relevant, international benefits such as executive benefits allowance, tax advisory services, 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”)

The STIP is an annual cash incentive plan. The purpose of the STIP is to motivate eligible participants to deliver effective 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 and 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 2018 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 performance achievement between threshold, target and maximum. Total payout under the STIP can range from 0% to 200% of the target incentive amount. For FY 2018, the individual target incentive amount for the CEO corresponds to approximately 75% of base salary and for the other members of the GEM on average to 65% of base salary. The maximum payout amount for the CEO is equivalent to approximately 150% of base salary and for other members of the GEM on average to 130% of base salary.

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 2018, the STIP scorecard comprised Sales, Profit and Cash Flow financial performance targets referred to as Key Performance Indicators (“KPIs”), as detailed in Exhibit 6.

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

Topic	KPI	Weight FY 2018
Sales	Net Sales	30%
Profit	Adjusted EBITDA ¹	40%
Cash Flow	Operating Cash Flow less tax paid	30%

¹ Consolidated global L+G 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, CSO and CFO, 100% Group results are considered when determining the level of performance of these KPIs. For GEM members with regional responsibility, 30% Group results and 70% regional results of the respective region are evaluated.

Long-Term Incentive Plan (“LTIP”)

The first grant under the current LTIP, which is a share-based incentive plan measured over a three-year performance period, was made in FY 2018 with the purpose of fostering 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 grant levels under the LTIP are determined based on the role and responsibilities, taking into account external market levels, and cannot exceed the equivalent of 80% of participants’ base salaries in any year. In FY 2018, the individual award amount at grant for the CEO corresponds to approximately 50% of base salary and for other members of the GEM represents on average 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 7). In case the performance does not reach certain pre-determined thresholds after three years, no PSUs of Landis+Gyr will vest under the LTIP.

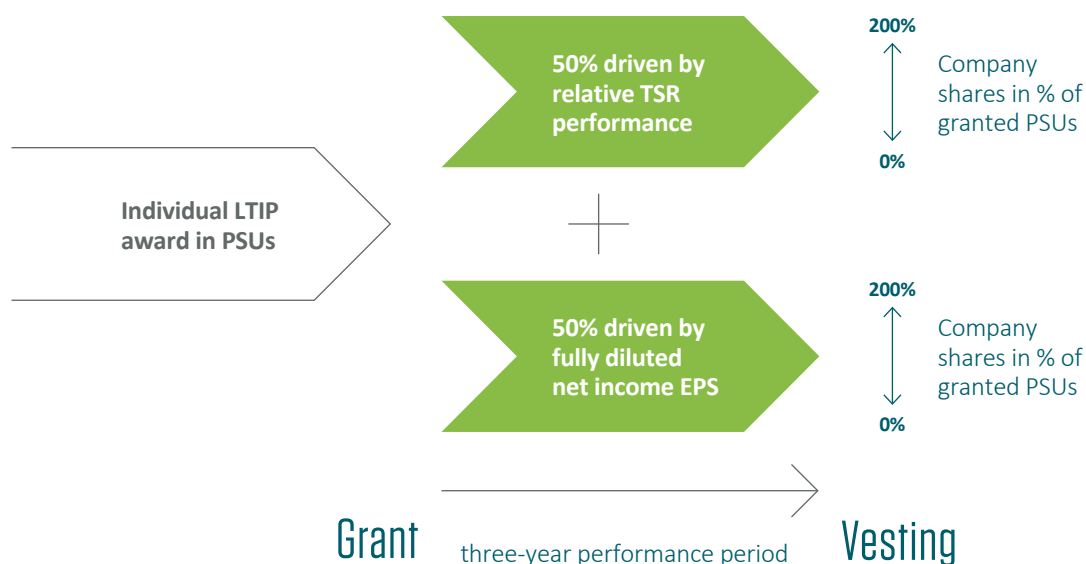
For the purpose of the LTIP, the measurement of Landis+Gyr’s long-term performance comprises two equally weighted KPIs:

- 50% of the award is linked to the Total Shareholder Return (“TSR”) measured over three years relative to the Swiss Performance Index (“SPI”), and
- 50% of the award is linked to the achievement of the fully diluted net income Earnings per Share (“EPS”) target set by the Board at the beginning of each three-year LTIP award cycle.

During the course of FY 2018, the Remuneration Committee reviewed the reference group for the relative TSR measurement and made a recommendation to the Board to replace the current SPI with the SPI Industrials Index¹ as the reference group. This change takes effect as of the grants in FY 2019.

¹ SPI Industrials Index is the SWX ID Industry TR Index

EXHIBIT 7: VESTING UNDER THE LTIP



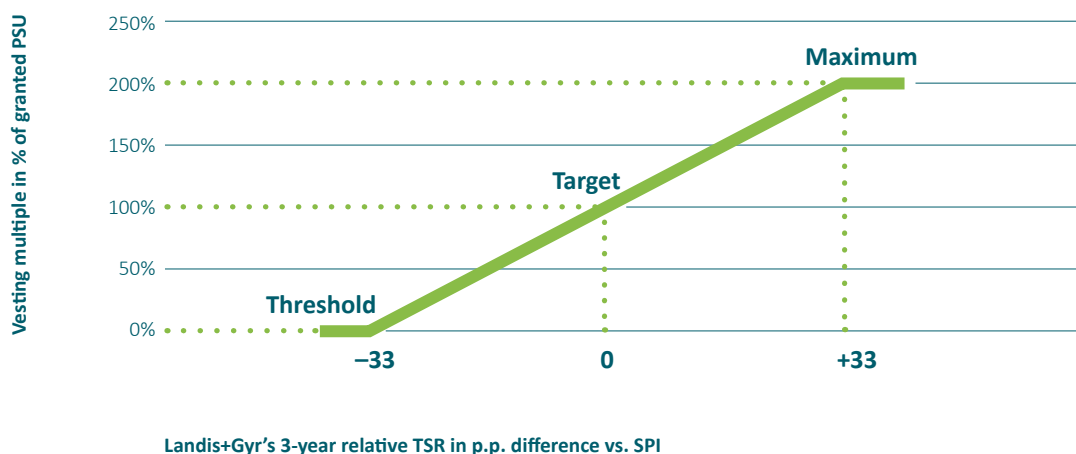
The relative TSR is calculated considering not only the variations of the closing price over the three-year performance period but also the dividends distributed in the same period, assuming that those dividends are reinvested at the time of the distribution in the shares of Landis+Gyr.

For the FY 2018 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 TSR. The maximum vesting multiple of 200% applies if the Landis+Gyr TSR is 33 or more percentage points above the SPI TSR. The vesting multiple of 0% applies, should the Landis+Gyr TSR be 33 or more percentage points below the SPI TSR. Linear interpolation applies between the threshold, target and maximum performance levels.

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.

Exhibit 8 represents an illustration of the relative TSR vesting curve for the FY 2018 grant.

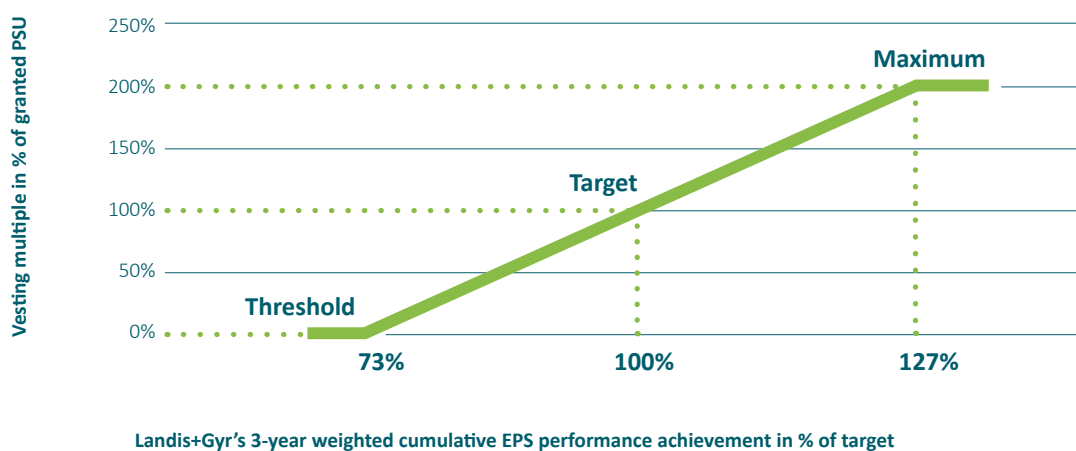
EXHIBIT 8: VESTING CURVE 3-YEAR RELATIVE TSR FOR FY 2018 GRANT



The three-year fully diluted net income EPS is calculated as the 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 cumulative EPS target is reached, 100% of the respective PSUs granted under the EPS KPI will vest. If the weighted cumulative EPS performance is at or above the maximum performance level, 200% of respective granted PSUs will vest. If the weighted cumulative 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 9 represents an illustration of the weighted cumulative EPS vesting curve for the FY 2018 grant.

EXHIBIT 9: VESTING CURVE 3-YEAR WEIGHTED CUMULATIVE EPS FOR FY 2018 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 period, i.e. with the reporting for FY 2020.

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, 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 as summarized in Exhibit 10.

EXHIBIT 10: 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 pre-IPO LTIP was a cash-based plan under which grants vested over a three-year period subject to meeting performance and service conditions (except with regard to the LTIP grants for FY 2017 for the CEO and CFO which are subject to meeting performance criteria only). This LTIP was discontinued as of the IPO event, with the last grants made in FY 2017 (prior to the IPO), which will vest after three years at the end of FY 2019. The realized payout from the grant made in FY 2016, which vested at the end of FY 2018, corresponds to 95.0% of the originally granted target amounts.

Clawback of variable remuneration

Effective as of FY 2018, clawback provisions have been implemented with regard to the variable remuneration plans. These 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 wilful 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 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 other than the early vesting of LTIP awards as mentioned above. 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 2018

Explanatory comments

Exhibit 11 summarizes remuneration paid for 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, and reflects remuneration paid for the full FY 2018. Exhibit 12 summarizes remuneration paid for FY 2017 to the six non-executive Board members who were elected in connection with the IPO at the 2017 Extraordinary General Meeting ("EGM") on July 19, 2017, and reflects remuneration paid for the period from the EGM until March 31, 2018. From April 1, 2017 to the EGM the Board comprised employees of two pre-IPO shareholders of Landis+Gyr, Toshiba Corporation and Innovation Network Corporation of Japan.

In FY 2018 the Board received total remuneration of CHF 1,561,971 (FY 2017 for partial year: CHF 965,057).

On an annualized basis there was no change to individual fee levels. Total remuneration in FY 2018 increased compared to FY 2017 due to the different composition of the Board with the election of two new members at the 2018 AGM. Further, as explained above, the remuneration disclosed for FY 2018 represents the full year, whereas for FY 2017 only the partial year as of the EGM. The payment in shares was introduced following 2018 AGM.

Remuneration of the Board (audited)

Remuneration of the Board, including the Chairman, did not change in FY 2018 compared to FY 2017, but the reporting table (Exhibit 11) is amended to better reflect practice. No changes have been made to the reporting table for FY 2017 (Exhibit 12).

EXHIBIT 11: REMUNERATION OF MEMBERS OF THE BOARD FOR FY 2018¹ (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 ²	Pension fund contribution ³	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 ⁴	Independent Member	58,500		31,500		90,000	7,500		97,500
Peter Mainz ⁴	Independent Member	58,500		31,500		90,000	7,500		97,500
Total Board of Directors		908,033	88,498	376,165	37,304	1,410,000	85,000	66,971	1,561,971

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.

EXHIBIT 12: 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.

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 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.

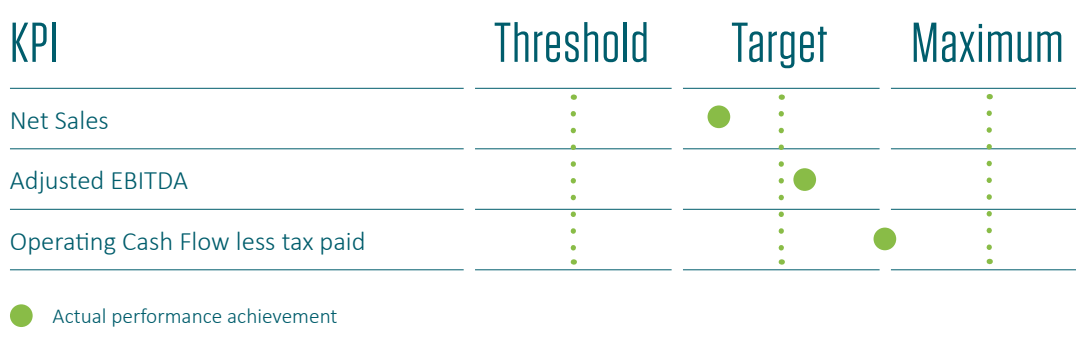
Remuneration awarded to the GEM for FY 2018

Performance assessment and explanatory comments

For FY 2018, 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 5.

For the Group as a whole FY 2018 results, as illustrated in Exhibit 13 below, were ahead of targets with regards to Adjusted EBITDA and Operating Cash Flow less tax paid, but behind on Net Sales. For the regions there was a similar picture with Adjusted EBITDA and Operating Cash Flow close to or above targets in each of the regions but shortfalls on Net Sales.

EXHIBIT 13: PERFORMANCE AT GROUP LEVEL FY 2018



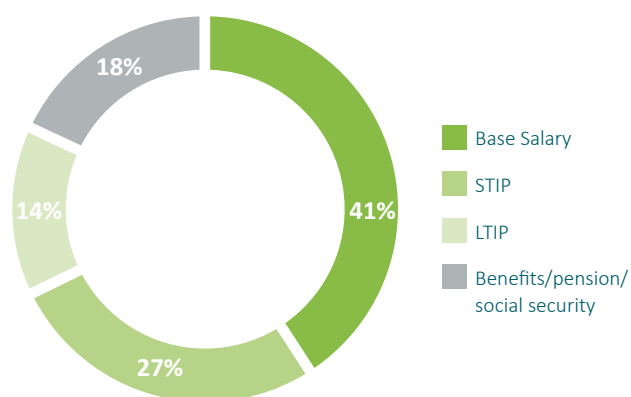
This resulted in an overall payout of 111.5% of the STIP target incentive amount for the CEO (FY 2017: 98.6%) and 92.7%–111.5% of the STIP target incentive amounts for other members of the GEM (FY 2017: 33.2%–145.4%).

In FY 2018, GEM members received total remuneration of CHF 7,252,822 (FY 2017: CHF 7,644,626). This is an overall decrease of 5% compared to previous year. The following explanatory comments can be given:

- **Composition of the GEM:** Susanne Seitz joined in November 2018, replacing Oliver Ittisberger who left the company at the end of June 2018; their respective remuneration for the year has been included accordingly. Neither received a LTIP grant in FY 2018. Susanne Seitz will participate in the LTIP as of FY 2019. Further, Roger Amhof and Ellie Doyle ceased serving as active members of the GEM during FY 2018 and are both contractually entitled to a twelve months' notice period. Their remuneration paid during the notice period in FY 2018 has been fully included in the remuneration disclosed for FY 2018; the remuneration to be awarded for the remainder of their respective notice periods will be disclosed in the Remuneration Report for FY 2019.
- **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 2018.
- **STIP:** The overall higher payouts under the STIP in FY 2018 vs. FY 2017 are due to the achieved performance levels as described above. There was no change to the STIP target incentive amounts for any member of the GEM in FY 2018. In addition, there is a variation in amounts compared to FY 2017 due to the changes to the composition of the GEM as described above.
- **LTIP:** There was no change to the LTIP target amounts for any members of the GEM in FY 2018. The difference in the LTIP grant amounts disclosed in FY 2018 compared to FY 2017 is due to the different composition of the GEM as explained above. A further minimal variation in LTIP award valuation is due to the first grant in FY 2018 under the new equity-based plan, whereas the grant made in FY 2017 was under the old cash-based LTIP. The first vesting under the new equity-based LTIP will be following the end of FY 2020.

As illustrated in Exhibit 14, for FY 2018 the total variable remuneration, i.e. STIP and LTIP, for the GEM represents 41% of total remuneration received. The CEO's total variable remuneration represents 48% of total remuneration and for other members of the GEM on average 40%. This puts a material portion of the GEM's remuneration at risk in alignment with shareholders' interests.

EXHIBIT 14: GEM PAY COMPOSITION FY 2018



Remuneration of the GEM (audited)

EXHIBIT 15: REMUNERATION OF GROUP EXECUTIVE MANAGEMENT MEMBERS FOR FY 2018¹ (AUDITED), IN CHF

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

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.

EXHIBIT 16: 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.

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).

Holding of shares by members of the Board and the GEM (Audited)

The members of the Board and GEM, including two former members who ceased to be active during the year, (including related parties) hold a total participation of 0.56% of the outstanding registered shares as of March 31, 2019 (0.57% as of March 31, 2018). 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 17: SHARES HELD BY MEMBERS OF THE BOARD (AUDITED)

	Role	Shares held as at March 31, 2019	Shares held as at March 31, 2018
Andreas Umbach	Chairman	67,999	66,501
Eric Elzvick	Lead Independent Director	3,574	2,564
David Geary	Independent Member	558	0
Pierre-Alain Graf	Independent Member	942	385
Andreas Spreiter	Independent Member	7,030	6,410
Christina Stercken	Independent Member	1,208	650
Mary Kipp ¹	Independent Member	495	n/a
Peter Mainz ¹	Independent Member	495	n/a

1 Newly appointed at 2018 AGM

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

	Role	Shares held as at March 31, 2019	Shares held as at March 31, 2018
Richard Mora	Chief Executive Officer ("CEO")	41,641	41,641
Jonathan Elmer	Chief Financial Officer ("CFO")	9,030	9,030
Roger Amhof ¹	Chief Strategy Officer ("CSO")	6,425	6,425
Ellie Doyle ²	Head of Asia Pacific	3,774	3,774
Oliver Iltisberger ³	Head of EMEA	n/a	9,143
Prasanna Venkatesan	Head of Americas	22,072	21,372
Susanne Seitz ⁴	Head of EMEA	0	n/a

1 Active member of the GEM until December 31, 2018

2 Active member of the GEM until October 31, 2018

3 Active member of the GEM until June 1, 2018; employment ended on June 30, 2018.

4 Member of the GEM as of November 19, 2018

In addition, as at March 31, 2019 members of the GEM held a total of 11,793 PSUs with respect to grants made under the LTIP. There were no PSUs held as at March 31, 2018.

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

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 FY 2018 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 2018 no remuneration was paid to any related party.

Remuneration to former members of governing bodies

During FY 2018 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 2019 AGM, the 2018 AGM approved a maximum aggregate remuneration amount for the Board of CHF 2.0 million (including social security costs). Exhibit 19 below shows the reconciliation between the remuneration that has been/will be paid 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 2018 approved by the 2017 EGM, is CHF 12.5 million (including social security costs, benefits, etc., but excluding variable remuneration from previous years). Exhibit 20 below shows the reconciliation between the remuneration paid to the GEM for FY 2018 and the maximum aggregate amount approved by the shareholders.

EXHIBIT 19: REMUNERATION APPROVED AND GRANTED FOR THE MEMBERS OF THE BOARD

	Total remuneration granted (paid/payable)	Maximum aggregate amount available	Status
2017 EGM ¹ to 2018 AGM	CHF 1.3 million ²	CHF 2.0 million	Approved (2017 EGM)
2018 AGM to 2019 AGM	CHF 1.6 million ³	CHF 2.0 million	Approved (2018 AGM)
2019 AGM to 2020 AGM		CHF 2.0 million ⁴	Proposed (2019 AGM)

1 EGM held on July 19, 2017

2 For 6 members of the Board

3 For 8 members of the Board; represents an estimate for the term of office from 2018 AGM to 2019 AGM; the final amount will be disclosed in the 2019 Remuneration Report.

4 For 9 members of the Board

EXHIBIT 20: REMUNERATION APPROVED AND GRANTED FOR THE MEMBERS OF THE GEM

	Total remuneration granted	Maximum aggregate amount available	Status
FY 2017	CHF 7.6 million	CHF 12.5 million	Approved (2017 EGM)
FY 2018	CHF 7.3 million	CHF 12.5 million	Approved (2017 EGM)
FY 2019		CHF 11.5 million	Approved (2018 AGM)
FY 2020		CHF 8.5 million ¹	Proposed (2019 AGM)

1 The amount requested for FY 2020 is for 4 members of the GEM, whereas the amounts requested for previous years were for 6 members of the GEM. In comparison to the amount requested for FY 2019, the amount requested for FY 2020 has increased somewhat on average per member. This increase is due to the different composition of the GEM.



Report of the statutory auditor to the General Meeting of Landis+Gyr Group AG

We have audited the remuneration report of Landis+Gyr Group AG for the year ended 31 March 2019. 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 labeled 'audited' on pages 17 to 18 and pages 20–22 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 31 March 2019 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, 28 May 2019

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