

# Corporate Governance

## Introduction by the Chairman of the Board of Directors

### Dear shareholders,

The Board of Directors and the Executive Committee of GF attach great importance to good Corporate Governance in the interest of shareholders, customers, business partners, and employees. In the year under review, we have made major efforts with Corporation's compensation policy, held many discussions and deepened our understanding of our shareholders' expectations. You can view the consequences of this in the [Compensation Report](#) and in the comments below.

### Trust-based collaboration between Board of Directors, CEO and Executive Committee

GF has a strong, broadly supported, competent and independent Board of Directors. Another key success factor is the transparent and trust-based collaboration between the Board of Directors, CEO and Executive Committee. This is nurtured and put into practice in exemplary fashion at GF. This includes, above all, mutual respect as well as regular and open information of the Board of Directors by the Executive Committee. Joint visits to companies and markets, which provide time for in-depth encounters, are also very valuable.

### Change of CEO and change in the Board of Directors

One of the most important tasks for any Board of Directors is succession planning. Our CEO Yves Serra has reached retirement age. The Board of Directors therefore began succession planning early with the additional support of a specialist consulting company. With the appointment of the present CFO Andreas Müller, as the new CEO, we were able to find an excellent internal solution that guarantees continuity. Andreas Müller will become new CEO after the Annual Shareholders' Meeting on 17 April 2019.

There is also a change in the Board of Directors. We are proposing to appoint Yves Serra to replace Gerold Bühner, who is stepping down from the Board of Directors due to achieving the age limit of 70 years. His in-depth knowledge of all aspects of GF, his many years' experience in Asia and strategic thinking will help the Board of Directors continue to overcome future challenges.

Two members have been on the Board for more than twelve years, namely Roman Boutellier (since 1999) and Zhiqiang Zhang (since 2005). As the former long-term Vice Chairman of the ETH Zurich, former Professor of Innovation and Technology Management at the ETH Zurich and former CEO of listed companies, Roman Boutellier has an excellent combination of technology and innovation expertise and operating management experience. Zhiqiang Zhang is a Chinese citizen and has held key positions in leading European corporations in China for many years. As GF generates around 20% of the Corporation's revenue in China, his expertise in China and in-depth knowledge of European culture and its economy are extremely valuable. Therefore, the Board of Directors is proposing both for re-election.

At the end of 2018, one third of the Board of Directors had been on the Board for less than five years, another third between five and ten years, with the remainder more than ten years. This means that we have a balanced ratio of continuity and experience, and benefit from the widely spread experience and in-depth knowledge of all members of the Board.

### Strategy 2020 well on track

In the year under review, GF made further progress in implementing Strategy 2020. This included expanding our presence in growth markets and stepping up involvement in markets for higher value businesses. With the divestment of two of the largest iron foundries in Germany, the start of precision casting and building up further production capacity for light metal parts in the USA, Romania and China, GF Casting Solutions (previously GF Automotive) in particular has fundamentally changed its portfolio.

**Engagement with shareholders**

GF sets great store on positive and trust-based collaboration with you, our shareholders. We were unhappy that the Compensation Report was only approved by a relatively narrow majority at the Annual Shareholders' Meeting 2018. We held many discussions with shareholders and proxy advisors in the year under review. As a result, we have revised and newly adopted the long-term incentive plan (LTI) in the compensation system for the Executive Committee for 2019. We invite you to remain active and to let us know your views.

2018 was a significant and successful year, but there is still a great deal to do. The changing operating conditions also require a high level of commitment and flexibility from everyone. We are very confident that we will continue to make further progress with your support.



**Andreas Koopmann**

Chairman of the Board of Directors

## Content of the report

The present publication fulfills all obligations of the SIX Exchange Regulation directive on information relating to Corporate Governance and is based on the Swiss Code of Best Practice for Corporate Governance of economiesuisse, the Swiss Business Federation. The **Compensation Report** is presented in a separate chapter. All data and information apply to the reporting date of 31 December 2018, unless otherwise noted. Any changes occurring before the editorial deadline on 21 February 2019 are listed at the end of this chapter. Any changes occurring after the editorial deadline can be found on our website.

This report provides information on structures and processes, areas of responsibility and decision-making procedures, control mechanisms, as well as the rights and obligations of the various stakeholders. GF also publishes the Articles of Association of Georg Fischer Ltd, the internal Organization and Business Rules, the Code of Conduct, and more information online at:

[www.georgfischer.com/content/gf/com/en/investoren/annual-report.html](http://www.georgfischer.com/content/gf/com/en/investoren/annual-report.html)

## Governance bodies

|  |  |  |  |
|--|--|--|--|
| <b>Annual Shareholders' Meeting</b><br>Approval of GF Annual Report, comprising the consolidated financial statements of the GF Corporation and the financial statements of Georg Fischer Ltd, consultative vote on the Compensation Report, proposed appropriation of available earnings and distribution of profit, election of members of the Board of Directors, Chairman, members of the Compensation Committee, approval of the maximum compensation of members of the Board of Directors and Executive Committee, election of the auditors and independent proxy, establishing and amending the Articles of Association |  |  |  |
| <b>Board of Directors</b><br><b>Audit Committee</b> <b>Compensation Committee</b> <b>Nomination Committee</b><br>Definition of the Corporation's strategic direction, appointment and supervision of the Executive Committee, approval of significant transactions and investments   |  |  | <b>Auditors</b><br>Opinion on the compliance of the consolidated financial statements of the GF Corporation and the financial statements of Georg Fischer Ltd with applicable accounting standards and with Swiss law, opinion on the compliance of the Compensation Report with applicable law and opinion on the effectiveness of internal control measures on financial reporting |
| <b>Executive Committee</b><br>Management of the business operations of GF  |  |  |  |

### Board of Directors

Based on the Swiss Code of Best Practice for Corporate Governance from [economiesuisse](#) all members of the Board of Directors are independent and non-executive. Moreover, the Chairman of the Board of Directors does not simultaneously act as the CEO. The Board of Directors assigns the preparation of businesses to the following three committees:

- Audit Committee
- Compensation Committee
- Nomination Committee

The Board of Directors comprises nine members. The three committees each consist of three members, with every member belonging to one committee. The members of the Board of Directors have different nationalities, professional experience and skills. More information on the members of the Board of Directors' backgrounds can be found in chapter [Members of the Board of Directors](#).

### Management structure

The Board of Directors appoints the persons entrusted with the management. The CEO, supported by the other members of the Executive Committee, bears responsibility for the management of the Corporation, where this is not delegated to the divisions or the Corporate Staff Units. The Heads of the Divisions, supported by the Heads of the Business Units and Service Centers, bear responsibility for the management of the divisions. The Corporate Staff Units support the Board of Directors and the Executive Committee in their management and supervisory functions.

### Compensation, shareholdings and loans

Information regarding the compensation paid to and shareholdings of the members of the Board of Directors and Executive Committee, as well as loans granted to those individuals can be found in the [Compensation Report](#) and in the [note 6 Compensation and shareholdings](#) of the financial statements of Georg Fischer Ltd.

## Corporate structure and affiliated companies

The parent company of all Corporate Companies is Georg Fischer Ltd. It is incorporated under Swiss law and domiciled in Schaffhausen (Switzerland). Georg Fischer Ltd is listed on the SIX Swiss Exchange (FI-N; security number 175230). Its share capital is CHF 4'100'898, and its market capitalization was CHF 3'225 million as of 31 December 2018 (previous year: CHF 5'282 million).

The Corporation has the operational divisions: GF Piping Systems, GF Casting Solutions and GF Machining Solutions, plus the Corporate Staff Units Finance & Controlling and Corporate Development. The GF organization structure is displayed in the chapter [Organization of GF](#) in the Business Report.

An overview of all Affiliated Companies in the scope of consolidation can be found in the notes to the consolidated financial statements in [note 4.2 Affiliated companies](#). The list contains the company name, domicile, share capital and percentage held by GF.

## GF share and shareholders

### Share

#### Capital and share information

Fully paid-in share capital amounts to CHF 4'100'898 and is divided into 4'100'898 registered shares each with a par value of CHF 1. Each registered share has one vote at the Annual Shareholders' Meeting. The authorized capital and the conditional capital amount to a maximum of 600'000 shares in total. The maximum authorized or conditional capital is reduced by the amount that authorized or conditional capital is created by the issue of bonds or similar debt instruments or new shares.

By no later than 17 April 2020, the maximum authorized share capital will be CHF 600'000 divided into no more than 600'000 registered shares, each with a par value of CHF 1. Moreover, the share capital may be increased via the conditional capital by a maximum of CHF 600'000 by the issue of no more than 600'000 fully paid-in registered shares, each with a nominal value of CHF 1, through the exercise of conversion rights and/or warrants granted in connection with the issuance on capital markets of bonds or similar debt instruments of the company or one of its Corporate Companies. As of 31 December 2018, no such bonds or similar debt instruments were outstanding. The beneficiaries and the conditions and modalities of the issue of authorized capital are described in § 4.4a) of the Articles of Association of Georg Fischer Ltd and those of conditional capital in § 4.4b) of the Articles of Association of Georg Fischer Ltd.

[www.georgfischer.com/content/gf/com/en/investoren/annual-report.html](http://www.georgfischer.com/content/gf/com/en/investoren/annual-report.html)

The subscription to and acquisition of the new shares, and any subsequent transfer of the shares, are subject to the statutory restrictions on transferability.

No participation or profit-sharing certificates exist.

#### Restrictions on transferability

Entry in the company's share register as a shareholder or beneficiary with voting rights is subject to the approval of the Board of Directors. Approval of registration is subject to the following conditions: a natural person or legal entity may not accumulate, either directly or indirectly, more than 5% of the registered share capital. Persons who are bound by capital or voting rights, by consolidated management or in a similar manner, or who have come to an agreement for the purpose of circumventing this rule, shall be deemed as one person.

#### Nominee registrations

Persons who hold shares for third parties (referred to as "nominees") are only entered in the share register with voting rights if the nominee declares their willingness to disclose the names, addresses, and shareholdings of those persons on whose behalf they hold the shares. The same registration limitations apply, mutatis mutandis, to nominees as to individual shareholders.

#### Cancellation or amendment of restrictions

Cancellation or easing of the restrictions on the transferability of registered shares requires a resolution of the Annual Shareholders' Meeting passed by at least two-thirds of the shares represented and an absolute majority of the par value of the shares represented.

#### Convertible bonds and options

There are no outstanding convertible bonds, and GF has issued no options.

## Share information

|  | 2018          | 2017      | 2016      | 2015      | 2014      |
|--|---------------|-----------|-----------|-----------|-----------|
| <b>Share capital</b>   |               |           |           |           |           |
| <b>Number of shares as of 31 December</b>                              |               |           |           |           |           |
| Registered shares  | 4'100'898     | 4'100'898 | 4'100'898 | 4'100'898 | 4'100'898 |
| Thereof entitled to dividend   | 4'100'898     | 4'100'898 | 4'100'898 | 4'100'898 | 4'100'898 |
| <b>Number of registered shareholders</b>                               | <b>15'521</b> | 12'562    | 12'651    | 14'005    | 13'446    |
| <b>Share prices in CHF</b>   |               |           |           |           |           |
| Registered share   |               |           |           |           |           |
| Highest (intraday)   | 1'420         | 1'317     | 901       | 739       | 738       |
| Lowest (intraday)  | 730           | 811       | 601       | 524       | 495       |
| Closing as of 31 December  | 787           | 1'288     | 834       | 679       | 629       |
| <b>Earnings in CHF</b>   |               |           |           |           |           |
| Per registered share   | 69            | 62        | 53        | 46        | 45        |
| <b>Price-earnings ratio</b>  | <b>11</b>     | 21        | 16        | 15        | 14        |
| <b>Market capitalization as of 31 December</b>                         |               |           |           |           |           |
| CHF million  | 3'225         | 5'282     | 3'420     | 2'785     | 2'579     |
| As % of sales  | 71            | 127       | 91        | 76        | 68        |
| As % of equity attributable to shareholders of Georg Fischer Ltd       | 233           | 401       | 296       | 258       | 244       |
| <b>Cash flow from operating activities in CHF</b>                      |               |           |           |           |           |
| Per registered share   | 97            | 100       | 98        | 80        | 61        |
| <b>Equity attributable to shareholders of Georg Fischer Ltd in CHF</b> |               |           |           |           |           |
| Per registered share   | 337           | 322       | 283       | 264       | 259       |
| <b>Dividend paid (proposed) in CHF million<sup>1</sup></b>             | <b>103</b>    | 94        | 82        | 74        | 70        |
| <b>Dividend paid (proposed) in CHF</b>                                 |               |           |           |           |           |
| Per registered share <sup>1</sup>                                      | 25            | 23        | 20        | 18        | 17        |
| <b>Pay-out ratio in %</b>  | <b>36</b>     | 37        | 38        | 39        | 38        |

1 In the years 2015 to 2018 as a dividend out of retained earnings. In 2014, as a dividend out of retained earnings and reserves from capital contributions.

## Ticker symbols

- Telekurs, Dow Jones (DJT): FI-N
- Bloomberg: FI/N SW
- Reuters: FIN.S
- Security number: 175230
- ISIN: CH0001752309

## Share price 2014–2018



### Market capitalization and earnings per share

On 31 December 2018 the market capitalization stood at CHF 3'225 million and earnings per share at CHF 69 (previous year: CHF 62).

### Proposed dividend payment

At the Annual Shareholders' Meeting, the Board of Directors will propose the payment out of retained earnings of a dividend in the amount of CHF 25 per registered share.

## Shareholders

### Significant shareholders and shareholder groups

As of 31 December 2018, two shareholders had shareholdings between 3% and 5%. The BlackRock Group, held directly or indirectly by BlackRock, Inc., New York (USA), had shareholdings of 4.92% and Impax Asset Management Limited, London (Great Britain), had shareholdings of 3.02%.

In the year under review, 58 disclosure notifications were filed. 26 of the filings related to Norges Bank (the Central Bank of Norway), Oslo (Norway), 24 to the BlackRock Group, held directly or indirectly by BlackRock Inc., New York (USA), 4 to JPMorgan Chase & Co., New York (USA), 3 to UBS Fund Management (Switzerland) AG, Basel (Switzerland) and 1 to Impax Asset Management Limited, London (Great Britain).

Disclosure notifications pertaining to shareholdings in Georg Fischer Ltd that were filed with Georg Fischer Ltd and the SIX Swiss Exchange are published on the latter's electronic publication platform and can be accessed via the following link:

[www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html](http://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html)

### Cross-shareholdings

There are no cross-shareholdings or shareholder pooling agreements with other companies.

### Shareholdings of members of the Board of Directors, the Executive Committee, and the Senior Management

A total of 43'504 Georg Fischer shares were held by members of the Board of Directors, the Executive Committee, and the Senior Management as of 31 December 2018 (previous year: 41'717 Georg Fischer shares):

|                                    | Number of<br>Georg Fischer<br>registered<br>shares<br>as of 31 Dec.<br>2018 | Number of<br>Georg Fischer<br>registered shares<br>as of 31 Dec. 2017 |
|------------------------------------|---|---|
| Members of the Board of Directors  | 15'752  | 14'252  |
| Members of the Executive Committee | 8'758   | 8'765   |
| Members of the Senior Management   | 18'994  | 18'700  |
| <b>Total</b>                       | <b>43'504</b>   | <b>41'717</b>   |
| <b>In % of issued shares</b>       | <b>1.06%</b>  | <b>1.02%</b>  |

The shares of the share-based compensation program are either treasury shares or repurchased on the market.

### Number of registered shareholders as of 31 December 2018

| Number of shares                             | Number of<br>registered<br>shareholders | Shares in %   |
|--|---|---------------|
| 1–100  | 13'614                                  | 9.3%          |
| 101–1'000                                    | 1'700                                   | 11.1%         |
| 1'001–10'000                                 | 189                                     | 9.0%          |
| 10'001–100'000                               | 16                                      | 15.5%         |
| > 100'000                                    | 2                                       | 9.4%          |
| <b>Total registered shareholder / shares</b> | <b>15'521</b>                           | <b>54.3%</b>  |
| Unregistered shares                          |   | 45.7%         |
| <b>Total</b>                                 |   | <b>100.0%</b> |

### Registered shareholders per type as of 31 December 2018

|                         | Shareholders in % | Shares in %   |
|-------------------------|-------------------|---------------|
| Individual shareholders | 93.6%             | 38.4%         |
| Legal entities          | 6.4%              | 61.6%         |
| <b>Total</b>            | <b>100.0%</b>     | <b>100.0%</b> |

### Registered shareholders per country as of 31 December 2018

|                 | Shareholders in % | Shares %      |
|-----------------|-------------------|---------------|
| Germany         | 6.5%              | 3.2%          |
| Great Britain   | 0.4%              | 15.9%         |
| Switzerland     | 89.0%             | 68.5%         |
| USA             | 0.4%              | 6.7%          |
| Other countries | 3.7%              | 5.7%          |
| <b>Total</b>    | <b>100.0%</b>     | <b>100.0%</b> |

### Shareholders' rights

As of 31 December 2018, Georg Fischer Ltd had 15'468 shareholders with voting rights (previous year: 12'514), most of whom reside in Switzerland. To maintain this broad base, the Articles of Association of Georg Fischer Ltd provide for the statutory restrictions summarized hereinafter.

### Restriction on voting rights

The total number of votes exercised by one person for their own shares and shares for which they vote by proxy may not exceed 5% of the votes of the company's total share capital. Persons bound by capital or voting rights, by consolidated management, or otherwise acting in concert for the purpose of circumventing this provision are deemed to be one person.

The restriction of voting rights under § 4.10 of the Articles of Association of Georg Fischer Ltd may be revoked only by a resolution of the Annual Shareholders' Meeting, passed by a two-thirds majority of the shares represented and an absolute majority of the par value of the shares represented.

### Proxy voting

A shareholder may, on the basis of a written power of attorney, be represented at the Annual Shareholders' Meeting by another shareholder entitled to vote or the independent proxy. Shareholders can also confer powers of attorney and issue instructions to independent proxies electronically. Partnerships may be represented by a partner or authorized signatory, legal entities by a person authorized by law or the Articles of Association of Georg Fischer Ltd, married persons by their spouse, wards by their legal guardians, and minors by their legal representative, regardless of whether such representatives are shareholders or not.

### Statutory quorum

For specific legal and statutory reasons (§ 12.2 of the Articles of Association of Georg Fischer Ltd), the following resolutions of the Annual Shareholders' Meeting require a majority greater than the simple majority as laid down by law for votes. At least two-thirds of the shares represented and an absolute majority of the par value of the shares represented must be in favor of:

- the cases listed in Art. 704 para. 1 CO
- the alleviation or withdrawal of limitations upon the transfer of registered shares
- the creation, extension, alleviation, or withdrawal of the voting restrictions
- the conversion of registered shares into bearer shares
- the amendments to § 16.1 of the Articles of Association of Georg Fischer Ltd
- the removal of restrictions concerning the passing of resolutions by the Shareholders' Meeting, particularly those of § 12 of the Articles of Association of Georg Fischer Ltd

### Convocation of the Annual Shareholders' Meeting

No regulations exist which deviate from those stipulated by law.

### Agenda

Shareholders representing a minimum of 0.3% of the share capital may request that an item be added to the agenda. The application must be submitted in writing no later than 60 days before the Annual Shareholders' Meeting and must specify the item to be discussed and the shareholder's proposal.

### Entry in the share register

The deadline for entering shareholders in the share register with regard to attendance at the Annual Shareholders' Meeting is around ten days before the date of the Annual Shareholders' Meeting. The deadline is mentioned in the invitation to the Annual Shareholders' Meeting.

### Change of control

The Articles of Association of Georg Fischer Ltd do not contain any regulations governing "opting-out" or "opting-up". As of 1 January 2014, the contractually agreed period of notice for the members of the Executive Committee is basically twelve months. Furthermore, a change of control will result in the cancellation of all existing disposal limitations for shares allocated according to the share plan. In the event of a change of control, bondholders and banks have the right to demand the immediate repayment of bonds and loans before they are due.

## Board of Directors

As of 31 December 2018



### Responsibilities

The Board of Directors has ultimate responsibility for supervising and monitoring the management of Georg Fischer Ltd. The Board of Directors is responsible for all matters vested to it by the law or the Articles of Association of Georg Fischer Ltd, provided it has not delegated these to other bodies. These are in particular:

- decisions on corporate strategy and the organizational structure
- appointing and dismissing members of the Executive Committee
- organizing finance and accounting
- determining the annual and investment budgets

Unless otherwise provided for by law or the Articles of Association of Georg Fischer Ltd, the Board of Directors delegates operational management to the Chief Executive Officer, who is assisted in this task by the Executive Committee. The extent to which competencies are delegated by the Board of Directors to the Executive Committee and the nature of the cooperation between the Board and the Executive Committee are defined by the Organization and Business Rules.

[www.georgfischer.com/content/gf/com/en/investoren/annual-report.html](http://www.georgfischer.com/content/gf/com/en/investoren/annual-report.html)

### Elections and term of office

As per § 16.2 of the Articles of Association of Georg Fischer Ltd, the members of the Board of Directors have to be elected individually, and their term of office ends at the next Annual Shareholders' Meeting. Re-election is possible.

The average term of office of members of the Board of Directors is ten years. Two-thirds of members of the Board of Directors have a term of office of less than ten years. Members of the Board must resign their mandate at the Annual Shareholders' Meeting following their 70th birthday.

### 2018

At the 122nd Annual Shareholders' Meeting on 18 April 2018, all nine members of the Board of Directors were re-elected.

### Internal organizational structure

Pursuant to § 16.3 of the Articles of Association of Georg Fischer Ltd, the Annual Shareholders' Meeting elects a member of the Board of Directors as its Chairman for the period of one year until the next ordinary Annual Shareholders' Meeting. Re-election is possible.

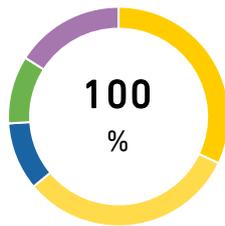
With the exception of the election of a Chairman of the Board of Directors, who is elected by the Annual Shareholders' Meeting, the Board of Directors constitutes itself by electing a Vice Chairman from within its ranks once a year. Alongside the election of Andreas Koopmann as Chairman of the Board of Directors, Gerold Bühler was elected by the Board of Directors as its Vice Chairman on the day of the Annual Shareholders' Meeting on 18 April 2018.

In addition, pursuant to § 20.1 of the Articles of Association of Georg Fischer Ltd, the Annual Shareholders' Meeting elects the members of the Compensation Committee.

### Diversity and independence

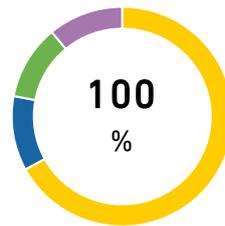
The Board of Directors comprises nine members. Each member normally belongs to one of the three standing committees. When members are elected, the focus is not only on experience in executive and management functions, industry and technology markets, innovation, finance and accounting, risk management and law, but also on specific international relationships and regional market knowledge. The Board of Directors also aims to achieve a proper balance of competence and knowledge, taking into account the main operational focus of the Corporation, its international orientation, and the accounting requirements of listed companies. The Board of Directors broadly covers the required competence and knowledge. Expert knowledge in innovation and digitalization is being gradually expanded. After the retirement of Gerold Bühler from the Board of Directors, the expertise in finance and accounting will also be built up again.

#### Expertise/Experience



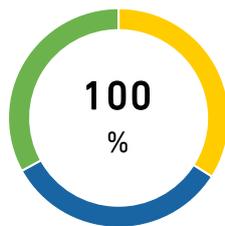
- Industry/Technology/Innovation
- Finance/Accounting
- Int. relationships/Markets
- Leadership/Management
- Legal

#### Nationality



- Swiss
- German
- Brazilian
- Chinese

#### Tenure



- <5 years
- 5 to 10 years
- >10 years

Based on the Swiss Code of Best Practice for Corporate Governance from *economiesuisse* all members of the Board of Directors are independent and non-executive. There are no significant business relationships between members of the Board or the companies or organizations they represent and Georg Fischer Ltd or a Corporate Company.

### **Mandate**

Pursuant to § 21 of the Articles of Association of Georg Fischer Ltd, a member of the Board of Directors may at one and the same time hold no more than four additional mandates as a member of the supreme managerial or governing body of listed legal entities and no more than ten additional mandates as a member of the supreme managerial or governing body of unlisted legal entities.

In addition, a member of the Board of Directors may not hold more than ten mandates that he or she exercises by order of the company, in legal entities belonging to the member's own family, in a professional or industry association or in a charitable institution.

Mandates of associated companies or institutions, which are exercised in the function as a member of the supreme managerial or governing body of a legal entity, together count as one mandate.

### **Succession planning**

For new nominations, a requirement profile is drawn up based on a competence matrix, and suitable candidates are sought and contacted with the help of an external executive recruiter. The Nomination Committee is responsible for preparing and drawing up the requirement profile as well as for pre-selection. Candidates also meet the Chairman and other members of the Board of Directors personally before any nominations are proposed.

All members of the Board of Directors are independent and non-executive. However, three members have been on the Board of Directors for more than twelve years. Gerold Bühler (member of the Board of Directors since 2001) will step down from the Board at the Annual Shareholders' Meeting 2019. Meanwhile, Roman Boutellier and Zhiqiang Zhang (members since 1999 and 2005 respectively) will be proposed for re-election at the Annual Shareholders' Meeting 2019. As the former long-term Vice Chairman of the ETH Zurich, former Professor of Innovation and Technology Management at the ETH Zurich and former CEO of listed companies, Roman Boutellier has an excellent combination of technology and innovation expertise and operating management experience. Zhiqiang Zhang is a Chinese citizen and has held key positions in leading European corporations in China for many years. As GF generates around 20% of the Corporation's revenue in China, his expertise in China and in-depth knowledge of European culture and its economy are extremely valuable. Therefore, the Board of Directors is proposing their re-election.

### **Areas of responsibility**

The members of the three standing Board Committees are listed at the beginning of this chapter and in the separate section [Members of the Board of Directors](#). The Board Committees provide preliminary advice to the Board of Directors and do not make any definitive decisions. They discuss the issues assigned to them and make proposals to the Board of Directors as a whole. The CEO attends the meetings of the Board Committees, but is not entitled to vote. Minutes of the committee meetings are sent to all members of the Board of Directors. The Chairmen of the individual committees also make a verbal report at the next meeting of the Board of Directors and submit any proposals.

### **Working methods of the Board of Directors**

Decisions are made by the Board of Directors as a body. Members of the Executive Committee also participate in Board meetings for agenda items relating to the company's business, but are not entitled to vote. Only the Chief Executive Officer is present when personnel topics are dealt with. Personnel topics affecting him directly are treated in his absence. Invitations to Board meetings list all the items that the Board of Directors, a Board Committee, or the CEO wish to discuss. All participants in a Board meeting receive detailed written material on the proposals in advance.

The Board of Directors meets at least four times a year under the leadership of its Chairman. During the year under review, it met six times: five meetings lasted less than a day. One meeting, including the annual strategy meeting in 2018 that was dedicated to reviewing Strategy 2020, lasted two days. The dates of the regular meetings are generally set two years in advance to enable all members to attend personally. In the

year under review, the attendance rate was 100%. The three standing Board Committees met a total of 20 times.

External consultants are called on for their services when specific topics are involved. Further information is provided in the section on the Board Committees.

## Evaluation

The Board of Directors carried out a self-assessment in 2018, the results of which were circulated and noted. The Board of Directors will discuss these in 2019 and agree measures to further optimize the Board of Directors' work.

## Audit Committee

The Audit Committee consists of three Board members (see separate section [Members of the Board of Directors](#)). It supports the Board of Directors in monitoring accounting and financial reporting, supervises the internal and external audit function, assesses the efficiency of the internal control system including risk management and compliance with legal and statutory provisions, acknowledges the sensitivity analysis of the pension funds of Georg Fischer Ltd, and issues its opinions on transactions concerning equity and liabilities at Georg Fischer Ltd. The Audit Committee also decides whether or not the consolidated financial statements and those of Georg Fischer Ltd can be recommended to the Board of Directors for presentation to the Annual Shareholders' Meeting.

As a rule, the Chairman of the Board, the CEO, the CFO, the Head of Corporate Controlling and Investor Relations, the Head of Internal Audit, and a representative of the external auditor also take part in the meetings. At the request of the Audit Committee the external auditor also provides information on current questions related to the financial reporting requirements and financial issues.

In the year under review, the Audit Committee held five ordinary and two extraordinary meetings, four of which lasted half a day, and the other three lasted between one and two hours. All members of the Audit Committee attended all seven meetings.

## Compensation Committee

The Compensation Committee consists of three Board members (see separate section [Members of the Board of Directors](#)), who are elected on a yearly basis by the Annual Shareholders' Meeting. It supports the Board of Directors in setting compensation policy at the highest corporate level. It uses knowledge of internal and external compensation specialists about market data from comparable companies in Switzerland, in addition to publicly available data obtained on the basis of compensation disclosures. Furthermore, based on internal and external sources, common market practices and expectations of stakeholders are continuously evaluated by the Compensation Committee. Adaptations to the long-term incentive plan (LTI) decided and implemented in the reporting year, based on requirements expressed by the shareholders of GF, will be implemented in 2019. These adaptations are disclosed in the [Compensation Report](#). The Compensation Committee proposes to the Board of Directors the total amount of compensation to be paid to the entire Executive Committee and the Chief Executive Officer.

The Compensation Committee held three ordinary and three extraordinary meetings during the past fiscal year, each of which lasted one to two hours. All six Compensation Committee meetings were consistently attended by all of the Compensation Committee members, with the exception of one person at an extraordinary meeting.

## Nomination Committee

The Nomination Committee consists of three Board members (see separate section [Members of the Board of Directors](#)). It supports the Board of Directors in succession planning and assists in the selection of suitable candidates for the Board of Directors and the Executive Committee. The Nomination Committee is kept informed annually about succession planning for the Senior Management levels, about the talent pipeline within Senior Management, and the diversity situation. For specific high-level recruitments, services of headhunters were hired.

In the year under review, the Nomination Committee held three ordinary and four extraordinary meetings, which lasted one to two hours on average. All members of the Nomination Committee attended all seven meetings.

## Information and control instruments

The Board of Directors is informed in depth about business performance every month. The members of the Board receive the monthly report. In addition to an introductory commentary on the current course of business, it contains the most important key figures for the course of business and the monthly closing as well as a preview of the next three months and the year-end. These key figures are broken down by Corporation, divisions and Corporate Companies. The Executive Committee presents and comments on business performance and presents its assessment of business performance for the coming months at Board meetings. It also presents all important topics to the Board of Directors.

In addition, the Board of Directors receives regularly the forecast containing the expected figures at year-end. Once a year, the Board of Directors receives and approves the budget of the Corporation and the divisions for the following year. The Board of Directors holds as a general rule a two-day meeting once a year to discuss the strategies of the divisions and the Corporation as a whole. Once a year, it discusses the Corporate Risk Officer's report, the Corporation's risk profile and is updated about the measures taken to minimize and control risk.

The Chairman of the Board of Directors attends the Corporate Convention of the Senior Management and the Executive Committee's strategy meeting and is a regular attendee at other corporate management meetings. The Chairman of the Board of Directors and the CEO inform and consult each other regularly on all business matters that are of fundamental importance or have far-reaching ramifications. The Chairman of the Board receives the invitations and minutes of the Executive Committee and Corporate Staff Meetings. He visits Corporate Companies on a regular basis to see their operations in person and how they are implementing the Corporation's strategy. In 2018, he visited Corporate Companies in Europe, in the USA and in Asia.

## Internal Audit

Internal Audit reports to the Chairman of the Audit Committee operationally and to the CFO administratively. Based on the audit plan approved by the Audit Committee, Corporate Companies are audited either annually or every two to three years, depending on the risk assessment and based on a comprehensive audit program. In the year under review, 41 internal audits were conducted. The audit reports are reconciled with the management of the audited Corporate Companies and distributed to the line managers, the external auditor, the Executive Committee, the Chairman of the Board of Directors as well as the Chairman of the Audit Committee. Audit reports with significant findings are presented to and discussed in the Audit Committee.

Internal Audit ensures that all discrepancies arising in internal and external audits are addressed and submits a report to the Executive Committee and the Audit Committee. The Head of Internal Audit prepares an annual report, which is discussed by the Executive Committee and the Audit Committee. He also serves as the secretary of the Audit Committee.

## Corporate Compliance

The Service Center Law & Compliance informs the Board of Directors and the Executive Committee about legal issues and significant changes to the law. The Corporate Compliance Officer (CCO) is appointed by the Chief Executive Officer and in this function reports to the General Counsel; he informs the CEO directly, if necessary. The CCO helps Corporate Companies comply with the law, internal directives, and the Corporation's principles of business ethics in their business activities, in particular through preventive measures and training in the divisions along with information and advice to the Corporate Companies. The Executive Committee, in consultation with the CCO, defines priority issues.

A number of compliance measures were implemented in 2018:

- further implementation of the "Compliance Agreement for Intermediaries" as a guideline for GF business partners who act in the name or interest of Corporate Companies within the GF Corporation
- roughly 2'900 internal e-learnings were conducted on anticorruption, competition, and cartel law as well as for export controls and economic sanctions
- training courses on antitrust law, anticorruption, export controls, and/or other compliance topics at various Corporate Companies
- ongoing advice and support for internal revisions

- continuation of specific compliance measures for intermediaries in China (e.g. ongoing checks regarding the appropriateness of compensation paid to intermediaries as well as examination of their ownership structure so as to avoid conflicts of interests)
- further implementation of a web-based system for the prevention of business with sanctioned persons and organizations
- advice on issues relating to export controls, cartel law, and labor law
- further implementation of the function “Compliance Agents” (carried out by the Business Unit Controllers) for risk assessment and internal control
- updating the data protection measures in view of the changed legislation in the EU and preparatory activities with respect to the forthcoming revised Swiss data protection law

Code of Conduct of GF:

[www.georgfischer.com/content/gf/com/en/UeberGeorgFischer/nachhaltigkeit/code-of-conduct.html](http://www.georgfischer.com/content/gf/com/en/UeberGeorgFischer/nachhaltigkeit/code-of-conduct.html)

## Risk management

The Board of Directors and the Executive Committee attach great importance to the thorough handling of risks in the areas of strategy, finance, markets, management and resources, operations, and sustainability. The Head of the Service Center Risk Management & Tax acts as the Chief Risk Officer (CRO) and, in this function, directly reports to the CEO. The CRO is supported by a non-executive risk officer from each division. Supplemented by internal experts of the corporate risk management, the risk officers under the leadership of the CRO constitute the Corporate Risk Council which met twice during the year under review. In addition, the CRO conducted workshops with the management of the three divisions as well as with the Executive Committee to analyze the risk situation, discuss measures to mitigate the risks, and define the actual top risks of each unit. Based on the results of the workshops, a risk report was prepared which was reviewed and approved by the Board of Directors in September.

The handling of financial and operational risks is explained in the notes to the consolidated financial statements in [note 3.6 Risk management](#).

## Assessment

The Board of Directors evaluates and assesses the performance of the Executive Committee and its members at least once a year in the absence of the Executive Committee members. The Chairman of the Board of Directors must approve any appointments of Executive Committee members to external Boards of Directors or to high-level political or other public functions.

## Members of the Board of Directors

### As of 31 December 2018 Committees

#### Audit Committee

Hubert Achermann, Chairman  
Gerold Bühler  
Roger Michaelis

#### Compensation Committee

Eveline Saupper, Chairwoman  
Riet Cadonau  
Jasmin Staiblin

#### Nomination Committee

Andreas Koopmann, Chairman  
Roman Boutellier  
Zhiqiang Zhang



**Andreas Koopmann**

#### Chairman of the Board

1951 (Switzerland)

Dipl. Masch.-Ing. ETH Zurich (Switzerland), MBA from IMD Lausanne (Switzerland)

Board Member since 2010,  
Chairman of the Board since 2012

#### Committees

Chairman of the Nomination Committee

#### Corporate Governance

Independent member

#### Professional background, career

Various positions in Swiss industrial companies (1979–1982); Vice President of Engineering and Production, Bobst Group, Roseland (USA) (1982–1989); various senior positions in the Bobst Group (Switzerland) (1989–2009), as CEO (1995–2009); Chairman of Alstom (Switzerland) AG (2010–2012)

#### Other activities of governing bodies in listed corporations

Vice Chairman of the Board of Directors of Nestlé AG (2013–April 2018); Member of the Board of Directors of Credit Suisse Group AG (both Switzerland)

#### Further professional activities and functions

Vice Chairman of the Board of Directors of CSD Holding AG; Member of the Board of Directors of Sonceboz SA; Member of the Board of economiesuisse (all Switzerland)



**Gerold Bühler**

#### Vice Chairman of the Board

1948 (Switzerland)

lic. oec. publ. University of Zurich (Switzerland)

Board Member since 2001, Vice Chairman of the Board since 2012

#### Committees

Member of the Audit Committee

#### Corporate Governance

Independent member

#### Professional background, career

Various positions at the Union Bank of Switzerland (now UBS) (1973–1990), ultimately as a Member of the Executive Management of the bank's investment company; Member of the Executive Committee of Georg Fischer Ltd (1991–2000); Member of the Swiss Parliament (1991–2007); President of economiesuisse (2007–2012)

#### Other activities of governing bodies in listed corporations

First Vice Chairman of the Board of Directors of Swiss Life (until April 2018) (Switzerland)

#### Further professional activities and functions

Chairman of the Board of Directors of Fehr Advice & Partners AG and of Meier + Cie AG; Board Member of Cellere AG (until May 2018); Member of the European Advisory Council of J.P. Morgan (all Switzerland)

**Hubert Achermann****Member of the Board of Directors**

1951 (Switzerland)

Dr. iur, attorney, graduated in law at the University of Bern (Switzerland)

Board Member since 2014

**Committees**

Chairman of the Audit Committee

**Corporate Governance**

Independent member

**Professional background, career**

Legal advisor at FIDES Treuhandgesellschaft in Zurich (1982–1987); heading the company's Lucerne office (1987–1994); Partner and Vice Chairman of the Board of Directors of the newly created KPMG Schweiz (1992–1994); joined the four-person Executive Board, where he was responsible for tax and law (1994–2004); CEO of KPMG Schweiz and performed several key roles for KPMG International (2004–2012); first Lead Director of KPMG International and Member of the KPMG Global Board (2009–2012)

**Other activities of governing bodies in listed corporations**

Member of the Board and Head Audit Committee of UBS Switzerland AG (Switzerland)

**Further professional activities and functions**

Chairman of the Foundation Board of Lucerne Festival and of Friends of Lucerne Festival; Member of the Foundation Board of Ernst von Siemens Musikstiftung (all Switzerland)

**Roman Boutellier****Member of the Board of Directors**

1950 (Switzerland)

Dr. sc. math. ETH Zurich (Switzerland)

Board Member since 1999

**Committees**

Member of the Nomination Committee

**Corporate Governance**

Independent member

**Professional background, career**

Kern AG (1981–1987); Member of the Executive Management of Leica AG (1987–1993); Professor at the University of St. Gallen (1993–1998); CEO and Delegate to the Board of Directors of SIG Holding AG (1999–2004); Professor of Innovation and Technology Management at the ETH in Zurich (2004–2015) and Member of the Executive Board of the ETH Zurich (2008–2015)

**Other activities of governing bodies in listed corporations**

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**Further professional activities and functions**

Chairman of the Board of Directors of Appenzell Cantonal Bank; Board Member of Ammann Group Holding AG, of Rychiger AG Steffisburg and of Swiss Association Balgrist (all Switzerland)

**Riet Cadonau****Member of the Board of Directors**

1961 (Switzerland)

BA of Arts in Business and Economics at the University of Basel (Switzerland); MA of Arts in Economics and Business Administration at the University of Zurich (Switzerland); INSEAD Advanced Management Program AMP (France)

Board Member since 2016

**Committees**

Member of the Compensation Committee

**Corporate Governance**

Independent member

**Professional background, career**

Swiss Bank Corporation (now UBS) (1988–1989); various positions at IBM Switzerland (1990–2001), ultimately as Director of Global Services and Member of the Executive Committee; various positions as Member of the Executive Board at Ascom Group (2001–2005 and 2007–2011), since 2007 as CEO; 2005–2007 Managing Director and Senior Vice President at ACS Inc. (now Xerox); since 2011 CEO at Kaba Group resp. dormakaba Group; since 2018 Chairman at dormakaba Group

**Other activities of governing bodies in listed corporations**

Member of the Board of Directors at Zehnder Group (Switzerland)

**Further professional activities and functions**

-

**Roger Michaelis****Member of the Board of Directors**

1959 (Brazil and Germany)

Studied business administration at the University of São Paulo (Brazil), post-graduate degree in management and strategy at Krupp Foundation, Munich (Germany), and Babson College (USA)

Board Member since 2012

**Committees**

Member of the Audit Committee

**Corporate Governance**

Independent member

**Professional background, career**

Various positions at Osram Group (1988–2012), ultimately as CEO at Osram Brazil and Head of Human Resources in Latin America (2004–2012); before CFO at Osram subsidiaries in India and Brazil; Partner and Director of Verocap Consulting, São Paulo, (Brazil) (since 2012)

**Other activities of governing bodies in listed corporations**

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**Further professional activities and functions**

Managing Director and owner of Verocap Consulting; Chairman of the Advisory Board of Bentonit União Ltd. São Paulo; CEO and Member of the Board of Directors of Celena S.A Solução em Iluminação e Eficiência Energética; Member of the Advisory Board of Mast Group Ltd. (all Brazil)

**Eveline Saupper****Member of the Board of Directors**

1958 (Switzerland)

Dr. iur, attorney and certified tax expert, graduated in law at the University of St. Gallen (Switzerland)

Board Member since 2015

**Committees**

Chairwoman of the Compensation Committee

**Corporate Governance**

Independent member

**Professional background, career**

Legal and tax Advisor at Peat Marwick Mitchell (now KPMG Fides) (1983–1985); Attorney at Baker & McKenzie (1985–1992); Employee (1992–1994), Partner (1994–2014) and of counsel at Homburger AG (2014–2017)

**Other activities of governing bodies in listed corporations**

Member of the Board of Directors of Flughafen Zurich AG and Clariant AG (both Switzerland)

**Further professional activities and functions**

Chairwoman of Mentex Holding AG; Member of the Board of Directors of Stäubli Holding AG, of Tourismus Savognin Bivio Albula AG (all Switzerland) and of the Hoval Group (Principality of Liechtenstein); Member of the Board of Trustees of UZH Foundation and of Schweizer Berghilfe (both Switzerland)

**Jasmin Staiblin****Member of the Board of Directors**

1970 (Germany)

Double degree in electrical engineering and physics from the Technical University, Karlsruhe (Germany); Royal Institute of Technology, Stockholm (Sweden)

Board Member since 2011

**Committees**

Member of the Compensation Committee

**Corporate Governance**

Independent member

**Professional background, career**

Various positions at ABB, including in Switzerland, Sweden, and Australia (1997–2006); Country Manager of ABB Switzerland (2006–2012); CEO of Alpiq Holding AG (2013–2018)

**Other activities of governing bodies in listed corporations**

Board member of Rolls-Royce Holdings Plc (Great Britain)

**Further professional activities and functions**

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**Zhiqiang Zhang**

**Member of the Board of Directors**

1961 (China)

Bachelor of Sciences from Northern Jiatong University, Beijing (China);  
MBA from Queen's University, Kingston (Canada)

Board Member since 2005

**Committees**

Member of the Nomination Committee

**Corporate Governance**

Independent member

**Professional background, career**

Various positions at Siemens (1987–2012), including President of Siemens VDO Automotive China (1999–2005), President of Nokia Siemens Networks Greater China Region (2005–2012); Executive Vice President and Head of Emerging Markets (2012–2016), Senior Vice President of Sandvik Group, Head of APAC and President of Greater China Region (2016–2018), Country Managing Director of ABB China (since 2018)

**Other activities of governing bodies in listed corporations**

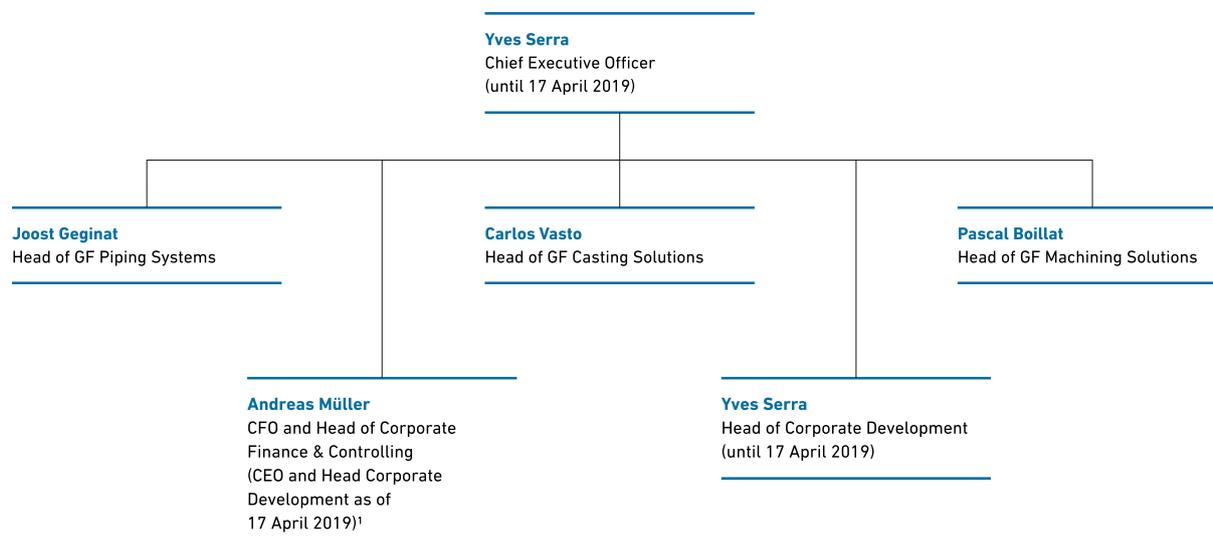
Member of the Board of Directors of Dätwyler Holding AG (Switzerland)

**Further professional activities and functions**

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## Executive Committee

As of 31 December 2018



<sup>1</sup> Mads Joergensen will succeed Andreas Müller as CFO and Head of Corporate Finance & Controlling.

The Chief Executive Officer is responsible for the management of the Corporation. Under his leadership, the Executive Committee addresses all issues of relevance to the Corporation, takes decisions within its remit, and submits proposals to the Board of Directors. The Heads of the three Divisions and two Corporate Staff Units are responsible for drafting and achieving their business objectives and for managing their units autonomously. No management responsibility is delegated to third parties at the Executive Committee level (management contracts).

### Members

On 1 September 2018, Carlos Vasto succeeded Josef Edbauer as Head of the GF Casting Solutions division. As of 31 December 2018, the Executive Committee is composed of the following members: Yves Serra, CEO and at the same time Head of Corporate Development; Joost Geginat, Head of GF Piping Systems; Carlos Vasto, Head of GF Casting Solutions; Pascal Boillat, Head of GF Machining Solutions; Andreas Müller, CFO and Head of Corporate Finance & Controlling.

With the end of the Annual Shareholders' Meeting on 17 April 2019, Andreas Müller will succeed Yves Serra as CEO of GF. On 21 February 2019, the Board of Directors appointed Mads Joergensen as new CFO and successor of Andreas Müller, effective as of 18 April 2019.

### Mandate

Pursuant to § 23a of the Articles of Association of Georg Fischer Ltd, a member of the Executive Committee may at one and the same time hold no more than one additional mandate as a member of the supreme managerial or governing body of listed legal entities and no more than five additional mandates as a member of the supreme managerial or governing body of unlisted legal entities. These mandates must be approved by the Board of Directors.

In addition, a member of the Executive Committee may not hold more than ten mandates that he or she exercises by order of the company, in legal entities belonging to the member's own family, in a professional or industry association or in a charitable institution.

Mandates of associated companies or institutions and involvement in professional or industry associations, which are exercised in the function as a member of the supreme managerial or governing body of a legal entity, shall together count as one mandate.

## Members of the Executive Committee



**Yves Serra**

**Chief Executive Officer**

1953 (France/Switzerland)

Engineering degree from École Centrale de Paris (France) and MSc in civil engineering from the University of Wisconsin-Madison (USA)

Member of the Executive Committee since 2003, CEO since 2008

**Professional background, career**

Deputy Commercial Attaché at the French Embassy in Manila (1977–1979); Customer Service Engineer for Alstom in France and South Africa (1979–1982); various positions at Sulzer in France and Japan (1982–1992); various positions at GF (since 1991), Managing Director of Charmilles Technologies Japan and Regional Head of Sales Asia (1992–1997), Head of Charmilles (1998–2002), Head of GF Piping Systems (2003–2008); President and CEO of Georg Fischer Ltd (since 2008)

**Other activities of governing bodies in listed corporations**

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**Further professional activities and functions**

Member of the Board of Directors of Stäubli Holding AG; member of the Board of Swiss Chinese Chamber of Commerce and member of the Chapter Board "Doing Business in USA" of the Swiss American Chamber of Commerce (Switzerland)



**Andreas Müller**

**CFO**

1970 (Germany)

Graduate in Business Administration (Dipl.-Betriebswirt FH), University of Applied Sciences (HTWG), Konstanz (Germany)

Member of the Executive Committee since 2017

**Professional background, career**

Various positions for GF (since 1995), including Head of Controlling of GF Piping Systems Schaffhausen (1998–2000), Head of Operations GF Piping System companies in Australia (2000–2002), Head of Controlling Business Unit Industry & Utility GF Piping Systems Schaffhausen (2002–2008); CFO of GF Automotive (2008–2016); CFO of Georg Fischer Ltd (since 2017)

**Other activities of governing bodies in listed corporations**

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**Further professional activities and functions**

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**Joost Geginat**

**Head of GF Piping Systems**

1966 (Germany/Switzerland)

Studies of Business Management at the University of Cologne (Germany) and at École des Hautes Études Commerciales (HEC) in Paris (France); Degree Dipl. Kaufmann and CEMS Master

Member of the Executive Committee since 2016

**Professional background, career**

Various managing functions at Roland Berger Strategy Consultants in Germany, Switzerland and Asia (1995–2014); Senior Managing Director and Partner at AlixPartners in Switzerland (2014–2016); Head of GF Piping Systems (since 2016)

**Other activities of governing bodies in listed corporations**

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**Further professional activities and functions**

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**Carlos Vasto**

**Head of GF Casting Solutions**

1963 (Brazil/Italy)

University Degree Metallurgical Engineer Mackenzie University, São Paulo (Brazil); Bachelor of Business Administration GSBA Graduate school of Business Administration, Zurich (Switzerland)

Member of the Executive Committee since 2018

**Professional background, career**

Various positions at GF Casting Solutions (1987–2000); Head of Production former site of GF Casting Solutions, Lincoln (Great Britain) (2000–2003); Managing Director GF Casting Solutions, Lincoln (Great Britain) (2003–2005); Executive Vice President Acotecnica SA (Brazil) (2005–2010), Managing Director Intra do Brazil (2011–2015); General Manager GF Linamar (USA) (2015–2018); Head of GF Casting Solutions (since September 2018)

**Other activities of governing bodies in listed corporations**

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**Further professional activities and functions**

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**Pascal Boillat**

**Head of GF Machining Solutions**

1955 (Switzerland)

Studies of Electrical Engineering at Engineering School in Bienne (Switzerland); Dipl.-El.-Ing. ETS

Member of the Executive Committee since 2013

**Professional background, career**

Electrical Engineer and responsible for the software department at Wahli Frères in Bévillard (1977–1984); various positions at General Electric Switzerland and GE Fanuc Switzerland (1984–2000), ultimately as Country Manager Switzerland; Vice President (2000–2002), President & CEO of GE Fanuc Europe (Luxembourg) (2002–2010); at GF Agie Charmilles as Head of Operations (2010–2012); Head of GF Machining Solutions (since 2013)

**Other activities of governing bodies in listed corporations**

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**Further professional activities and functions**

Member of the working group Machine Tools and Machining of Swissmem (Switzerland); Delegate of Swissmem to CECIMO

## Auditors

### Mandate

In 2012, PricewaterhouseCoopers, Zurich (Switzerland), was elected as external auditor. Stefan Räbsamen is the auditor in charge since the Annual Shareholders' Meeting 2012. He will assume the responsibility of the audit for no longer than seven years. The next change in the lead auditor will happen after the audit in the fiscal year 2018. The statutory auditor is elected at the Annual Shareholders' Meeting for a term of one year.

### Audit fees

In 2018, the Corporation spent about CHF 2.76 million (previous year: CHF 2.70 million) worldwide in connection with the annual audits conducted by PricewaterhouseCoopers at Georg Fischer Ltd, the Corporation, and the Corporate Companies. For additional services, PricewaterhouseCoopers received in 2018 fees of approximately CHF 1.26 million (previous year: CHF 0.56 million), thereof CHF 0.19 million (previous year: CHF 0.27 million) for consulting mandates in connection with accounting, CHF 0.21 million (previous year: CHF 0.07 million) for services related to tax advice and CHF 0.86 million (previous year: CHF 0.22 million) for transaction services.

### Supervisory and control instruments

The external auditor informs the Audit Committee in writing about relevant auditing activities and findings as well as other important information regarding the audit of the Corporation. The auditor in charge of the external auditor attended the five ordinary meetings and one of the two extraordinary meetings of the Audit Committee.

The Audit Committee reviews and evaluates the effectiveness and independence of the external auditors annually. For this purpose, Internal Audit reviews all auditing services rendered by external auditors for the Corporation and their costs. The Audit Committee bases its evaluation on the following criteria:

- quality of the documents and reports provided to the Audit Committee and the management
- time taken and costs
- quality of oral and written reports on individual aspects and pertinent questions relating to accounting, auditing, or additional consulting mandates

In cooperation with internal and external audit, the Audit Committee evaluates the potential for improvements regarding the collaboration, the processing of the assignments and the interfaces or overlapping of internal and external audit work.

For the evaluation, the members of the Audit Committee use first of all the knowledge and experience which they have acquired as a result of similar functions at other companies. Internal Audit also issues an annual list of all services rendered by external auditors for the Corporation and their costs. The costs for the annual audits of Georg Fischer Ltd, the Corporation, and of all Corporate Companies were approved by the Audit Committee. Further services from PricewaterhouseCoopers are examined by the Head of Internal Audit and, depending on the amount, approved either by the CFO or by the Managing Directors of the respective Corporate Companies.

## Communication policy

Corporate Communications and Investor Relations are the two Service Centers responsible for activities relating to stakeholder information and communication. The communication strategy is based on GF's business strategy and supports the positioning of both the Corporation and the divisions. Communication with all GF stakeholders is active, open, and timely. If possible and permissible, employees are notified first.

An important internal information platform is the multi-award-winning employee magazine "Globe", that is published in eight languages. The publication was awarded the "Silver Feather" in 2018 by the Swiss Association for Internal Communication (SVIK). The jury rated the magazine as very reader-friendly and judges the online version as an enhancement to the printed one. Corporate Communications received another prize in 2018 – the "Golden Feather" in the Events category. The SVIK jury recognized the development project week carried out by GF apprentices in Bolivia in the summer and praised the exceptional commitment of the company.

Digital communication channels are increasingly displacing traditional communication channels – even in the external communication. GF therefore places great emphasis on its social media platforms, e.g. on LinkedIn, Xing, Facebook, and significantly increased the number of followers in 2018. Corporate Communications' largest project, the relaunch and modernization of the GF website, will be finished in the current year.

The shares of Georg Fischer Ltd are listed on the SIX Swiss Exchange. Therefore, GF is subject to the requirements on ad hoc publicity stipulated in the listing rules and the directive on ad hoc publicity. This relates to the obligation to report any potential share-price-relevant information. GF also maintains a dialog with investors and journalists at events and roadshows.

Subscription to an e-mail service for GF news is free of charge. All media releases, Annual Reports, and Mid-Year Reports plus important publications go online at [www.georgfischer.com](http://www.georgfischer.com) at the same time as they are published. Shareholders receive the short version of the Annual Report and the Mid-Year Report automatically, and other interested parties can order them.

[www.georgfischer.com/mediareleases\\_en](http://www.georgfischer.com/mediareleases_en)  
[www.georgfischer.com/subscriptionservice](http://www.georgfischer.com/subscriptionservice)

### Investor Relations

Daniel Bösiger  
[daniel.boesiger@georgfischer.com](mailto:daniel.boesiger@georgfischer.com)

### Corporate Communications

Beat Römer  
[beat.roemer@georgfischer.com](mailto:beat.roemer@georgfischer.com)

## Changes after the balance sheet date

Between 1 January 2019 and the editorial deadline on 21 February 2019, the following changes occurred.

On 21 February 2019, the Board of Directors appointed Mads Joergensen as new CFO and successor of Andreas Müller, effective as of 18 April 2019.

[www.georgfischer.com/content/gf/com/en/investoren/Ad-hoc-Media-Releases.html](http://www.georgfischer.com/content/gf/com/en/investoren/Ad-hoc-Media-Releases.html)