Corporate Governance

Carlo Gavazzi Group

Carlo Gavazzi is committed to the principles of good corporate governance. The Carlo Gavazzi Group shows responsibility in dealing with the interests of its various stakeholders, which include shareholders, employees, customers and the public. Sound corporate governance principles help to consolidate and strengthen trust in the Group.

The following representations made by Carlo Gavazzi Holding AG (the "Company", together with its subsidiaries "Carlo Gavazzi Group" or the "Group"), are in accordance with the Directive on Information relating to Corporate Governance (DCG) of SIX Exchange Regulation AG dated June 20, 2019. To the extent not applicable or not material, information required by the directive is not mentioned. The representations also take into account the Guideline on the Corporate Governance Directive (Guideline DCG) of SIX Exchange Regulation, as fully revised on April 10, 2017. The information is set out in the order required by the DCG, with subsections being summarized to the extent possible. Carlo Gavazzi Group's financial statements comply with IFRS reporting standards, and in certain sections readers are referred to the financial statements and notes in this annual report.

1. Group structure and shareholders

The operational Group structure is as follows:

Carlo Gavazzi Holding AG
Board of Directors, Steinhausen CH

Automation Components

R&D, Sourcing Companies
and National Sales Companies

There are no listed companies apart from the Company being listed on SIX Swiss Exchange, Security No. 1100359, ISIN No. CH0011003594 (stock market capitalization CHF 144 984 840 as of March 31, 2020, respectively CHF 181 231 050 as of March 31, 2019). For details regarding non-listed companies, please refer to the Notes to the Consolidated Financial Statements of the Company, note 25 "Subsidiaries", where all consolidated subsidiaries of the Company are listed.

Major shareholders	% of voting rights March 31, 2020
Valeria Gavazzi, Zug (indirectly via Barguzin Participation SA, Zug)	73.85 %
Uberta Gavazzi, Zug	4.95 %

Reports concerning the disclosure of significant shareholdings made to the Company and to the Disclosure Office of the SIX Swiss Exchange can be viewed via the link to the search facility on the Disclosure Office's publication platform at www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html. No new disclosures were published during the financial year under review.

Apart from the shareholders mentioned above, there are no other major shareholders known to the Group holding more than 3 % of the Company's voting rights. No cross-shareholdings exist.

2. Capital structure

The fully paid-up share capital of the Company amounts to CHF 10 660 650, divided into 1 600 000 non-listed registered shares with a par value of CHF 3 each and 390 710 bearer shares with a par value of CHF 15 each, which are listed on the SIX Swiss Exchange. Each share carries one vote and each share is entitled to dividend payments. Further information on the shares issued by the Company is available at www.carlogavazzi.com/en/investors/shares.html. For further details regarding the share capital of the Company, refer to the Notes to the Financial Statements of the Company, note 3 "Share Capital" as well as to article 6 of the Articles of Association, governing the exclusion of shareholders' subscription rights (the Articles of Association are available at www.carlogavazzi.com/files/media/files/6930b8b2b86c52483ef5f9ca5828ed9d (German only)). As of March 31, 2020 the Company had no authorized capital and no conditional capital. There were no changes in the share capital, the authorized capital and the conditional capital during the annual reporting period that ended on March 31, 2020 and the preceding two financial years. The Company has not issued any profit-sharing certificates (Genussscheine) or participation certificates (Partizipationsscheine). There are no restrictions on transferability or registration of shares. With regard to registered shares, the purchaser has to provide to the Company certain information and declare that he purchased the shares in his own name and on his own account ("trustee registration") as further set out in article 5 of the Articles of Association (the Articles of Association are available in German at www.carlogavazzi.com/files/media/files/6930b8b2b86c52483ef5f9ca5828ed9d). There are no convertible bonds or options issued by the Company or any of its subsidiaries with respect to the shares of the Company.

Board of Directors

3. Board of Directors

The Board of Directors currently comprises four members.

CHAIRMAN / NON-EXECUTIVE
VALERIA GAVAZZI
Born August 2, 1974
Swiss and Italian national, Zug
First elected 2009,
elected until 2020

- Graduated in economics and business administration, IGS, Paris
- Managing Director of Barguzin Consultancy GmbH from 2004 until 2009
- Chairman of Carlo Gavazzi Holding AG since July 2009
- Managing Director of Barguzin Participation SA, Zug, since 2015

VICE-CHAIRMAN / NON-EXECUTIVE
STEFANO PREMOLI TROVATI
Born December 1, 1971
Italian national, Milan
First elected 2008,
elected until 2020

- Graduated in economics and corporate law, Cattolica University, Milan
- Postgraduate degree in tax law
- Managing Director of Barguzin Participation SA, Luxembourg, 2009 until 2015
- Partner of the tax and law firm TFP & Partners since 2009
- Member of the Board of Ceresio SIM, Milan, Italy, since 2016
- Member of the Board of Eurofin-leading Fiduciaria S.p.A., Milan, Italy, since 2016
- Member of the Board of Global Selection SGR, Milan, Italy, since 2017
- Various other board memberships and positions as statutory auditor

DIRECTOR / NON-EXECUTIVE
FEDERICO FOGLIA
Born April 28, 1969
Swiss national, London
First elected 2004,
elected until 2020

- Graduated in economics and political sciences, Bocconi University, Milan
- Held positions with Merrill Lynch, London, from 1996 until 2000
- Managing Director of Banca del Ceresio, Lugano, from 2000 until 2014
- Executive Director, since 2014, and member of the Board of Belgrave Capital Management, London, since 2003
- Member of the Board of Ceresio SIM, Milan, Italy, since 2006
- Member of the Boards of Centro Stampa Ticino SA, since 2010, Società Editrice Corriere del Ticino SA, since 2011, and Corriere del Ticino Holding SA, Muzzano, Switzerland, since 2012
- Member of the Board of Global Selection SGR, Milan, Italy, since 2014
- Member of the Board of AIDA Marketing SA, Muzzano, Switzerland, since 2018

DIRECTOR / NON-EXECUTIVE

DANIEL HIRSCHI

Born March 19, 1956

Swiss national, Biel

First elected 2010,
elected until 2020

- Graduated as an engineer in Biel, Switzerland
- Attended AMP/SMP Advanced Management Program at Harvard Business School
- Developed his professional career during 23 years in Saia Burgess, a Swiss industrial company in the electro mechanical and electronics field
- CEO of Saia Burgess from 2001 until 2006
- Bearer shareholders' representative of Carlo Gavazzi Holding AG since July 2010

SECRETARY TO THE BOARD

RAOUL BUSSMANN

Swiss national, Zug

- University of Zurich, Doctorate in jurisprudence
- Legal Counsel and member of the Corporate Legal Staff of Sulzer Brothers Limited, Winterthur, Switzerland, from 1981 until 1986
- General Counsel and head of the Corporate Legal Staff of Landis & Gyr AG, Zug, from 1986 until 1991
- Attorney at Law and Notary in Zug since 1991 and partner at the law firm Stadlin Advokatur Notariat in Zug from 1998 until 2016
- Partner at the law firm Kaiser Odermatt & Partner, Zug, since 2016
- Secretary to the Board of Directors of Carlo Gavazzi Holding AG since July 2009

Executive Management and independence of the Board of Directors

None of the members of the Board of Directors have served in the Executive Management of the Company or of any of its direct or indirect subsidiaries in the three financial years preceding the period under review. Valeria Gavazzi and Stefano Premoli Trovati have served on the Boards of Directors of direct or indirect subsidiaries of the Company. Valeria Gavazzi is a significant shareholder of the Company.
For additional information on members of the Board of Directors and "Related Party Transactions" refer to note 23 "Related party transactions" to the Consolidated Financial Statements of Carlo Gavazzi Holding AG, note 4 "Significant shareholders and their shareholdings" to the Financial Statements of Carlo Gavazzi Holding AG, section 1 of this report concerning the disclosure of significant shareholdings as well as to section 2 "Remuneration expense" to the compensation report.

Restrictions on positions outside the Carlo Gavazzi Group

According to article 28 of the Articles of Association (the Articles of Association are available in German at www.carlogavazzi.com/files/media/files/6930b8b2b86c52483ef5f9ca5828ed9d), a member of the Board of Directors may hold up to twenty additional mandates as a member of the highest-level governing or administrative body of companies outside the Carlo Gavazzi Group, five thereof in listed companies. Mandates with associated companies outside the Carlo Gavazzi Group are deemed to be a single mandate, as long as not more than ten mandates are being held within such a group of associated companies.

Election, terms of office and internal organization

The Board of Directors of the Company comprises at least three members. They are elected by the AGM on an individual basis for a term of one year. Re-election is permitted. There is no limit to the terms of office. The statutory age limit is 70 years. The Chairman is elected annually by the AGM. Re-election is permitted. The Articles of Association are available in German on the Group's website at www.carlogavazzi.com/files/media/files/6930b8b2b86c52483ef5f9ca5828ed9d.

Areas of responsibility – Board of Directors

The Board of Directors establishes the strategic, accounting, organizational and financing policies to be followed by the Group. It supervises, controls and advises the Group's management. The Board of Directors has put in place reporting and controlling processes to ensure it has sufficient information to make appropriate decisions. The Board of Directors regularly reviews the operational and financial results and approves budgets as well as consolidated financial statements. The Board of Directors appoints the Group's executive officers. On a regular basis, the CFO reports the financial results and forecasts to the Board of Directors, whereas the CEO of Automation Components regularly reports to the Board of Directors regarding the industrial and commercial business activity. The Board of Directors has established an Audit Committee (the "AC") and the Compensation Committee (the "CC" – whose members are elected by the AGM) to carry out certain duties as set out below. Further, as a means to exercise supervision over the Business Unit, the Board of Directors has established the Strategic Management Board (the "SMB").

The SMB regularly reports to the Board of Directors with respect to its supervision activities of the Business Unit and submits for approval to the Board of Directors the strategies of the Group. Other members of management report to the Board of

Directors as necessary. The Board of Directors has a quorum when the majority of its members are present. Its decisions are taken by a simple majority of the attending members. In case of a tied vote, the Chairman has the casting vote.

The Board of Directors holds a minimum of four meetings per year including a strategy review meeting and a budget meeting in November and March, respectively. The meetings of the Board of Directors usually last for a whole day. The CEO of Automation Components attends these meetings as required. The CFO regularly assists the Chairman in the presentation and discussion of the financial results. In the reporting period, the Board of Directors held four full-day meetings including one strategy review meeting and one budget meeting as well as three conference calls. The CFO attended all of the four full-day meetings in an advisory capacity. The attendance of the CEO of Automation Components at the four meetings in an advisory capacity was related to business operations and on average lasted for approximately half a day. No members of the Executive Management took part in the conference calls. No external consultants attended the meetings and the conference calls.

Audit Committee (AC)

The prime function of the Audit Committee is to assist the Board of Directors in fulfilling its supervisory responsibilities. It evaluates the independence and effectiveness of external auditors, approves auditing services to be performed by the external auditors and their related fees, evaluates business risks, assesses the quality of financial accounting and reporting, evaluates scope and overall audit plans, reviews audit results and monitors compliance with specific laws and regulations governing the financial statements. The Audit Committee may ask any questions at all times when deemed necessary through the Chief Financial Officer and may have direct contact with the Group's auditors and other professional organizations. The Audit Committee is acting in an advisory capacity and its proposals are subject to the approval of the entire Board of Directors. During the financial year 2019/20, the Audit Committee consisted of Stefano Premoli Trovati (Chairman) and Daniel Hirschi. The Audit Committee meets as often as business requires. In the reporting period, the Audit Committee held two meetings, each with the participation of the Group's auditors. The CFO in an advisory capacity attended both meetings in full. No external consultants or other members of the Executive Management attended the meetings. On average, the meetings lasted for approximately half a day.

Compensation Committee (CC)

The Compensation Committee comprises of at least two members, each elected by the AGM for a one-year term. Re-election is permitted. The prime function of the Compensation Committee is to assist the Board of Directors in preparing and proposing to the Board of Directors compensation guidelines in line with the overall strategy. It prepares and proposes to the Board of Directors the compensation levels for the Board of Directors and its Committees. In addition, it prepares and proposes to the Board of Directors the terms of employment of the Chairman, the Vice-Chairman of the Board of Directors and of the Executive Management. It also prepares and proposes to the Board of Directors a compensation policy for the Group (including Automation Components) that fairly rewards performance and effectively attracts and retains the human resources necessary to successfully lead and manage the unit. The Compensation Committee prepares, monitors and proposes to the Board of Directors compensation plans including any modifications to such plans for executives reporting to the Board of Directors or to the Chairman of the Board of Directors, including Automation Components' first-line managers. Upon request of the Board of Directors, it prepares and proposes to the Board of Directors long-term incentive plans.

In the financial year 2019/20, the Compensation Committee consisted of Daniel Hirschi (Chairman), Federico Foglia and Stefano Premoli Trovati. The Compensation Committee meets as often as business requires. In the reporting period, the Compensation Committee met three times. No external consultants or members of the Executive Management attended the meetings. On average, the meetings lasted for approximately two hours.

According to article 8(4) of the Articles of Association (the Articles of Association are available in German at www.carlogavazzi.com/files/media/files/6930b8b2b86c52483ef5f9ca5828ed9d), the compensation of the Board of Directors and the Executive Management has to be approved by the AGM.

Strategic Management Board (SMB)

The SMB develops and submits for approval to the Board of Directors the strategies of the Group. Further, the SMB supervises the business. In these functions, the SMB, inter alia, reviews the accounts of Automation Components and the consolidated accounts of the Group, manages budget deviations and takes the necessary corrective actions.

The SMB develops and discusses strategic opportunities, coordination requirements and common services. The SMB further develops and discusses policies, procedures and regulations and drives special projects. It develops and discusses sales and procurement synergies and develops marketing, finance, personnel and IT policies.

In the financial year 2019/20, the SMB consisted of Valeria Gavazzi (Chairman), Daniel Hirschi, Stefano Premoli Trovati, the CEO of Automation Components (Vittorio Rossi) and the CFO (Anthony M. Goldstein until February 29, 2020 and Dr. Lorenzo Trezzini from March 1, 2020). The CFO of Automation Components attended the meetings. The SMB meets as often as business requires. In the reporting period, the SMB met nine times. On average, the meetings lasted for approximately half a day.

Members of the Committees of the Board of Directors and members of the Board of Directors being members of the SMB

Name	Audit Committee	Compensation Committee	SMB
Valeria Gavazzi			✻
Stefano Premoli Trovati	✻	▼	▼
Federico Foglia		▼	
Daniel Hirschi	▼	✻	▼

✻ Chairman ▼ Member

Reporting to the Board of Directors

Frequency	Content
Monthly	Key P&L information on - Automation Components sub-consolidated - Group consolidated with previous year and budget comparisons
Quarterly	P&L, balance sheets, investments and personnel - Automation Components sub-consolidated - Group consolidated with previous year, budget comparisons and year-end estimate
Semi-annually	Interim reports meeting the requirements of the SIX Swiss Exchange
Annually	All information necessary to establish the annual report governed by IFRS and the rules applicable to companies quoted on the SIX Swiss Exchange

The Board of Directors is regularly informed about the Group's performance according to the latest Management Information System (MIS) reporting for which the CFO is responsible. Furthermore, the annual budget and the strategic plan are subject to approval by the Board of Directors. Ad hoc information is reported to the Board of Directors when deemed necessary. Each year, the Company

conducts a risk assessment process. This process is based on bottom-up assessment by the responsible first-line managers of the Group. Risks are rated by impact and probability of occurrence and mitigating measures and operational responsibilities are defined. The risk assessment process is evaluated in a specific committee and identified risks and mitigating actions are reported to the Board of Directors of the Company.

4. Executive Management

According to article 29 of the Articles of Association (the Articles of Association are available in German at www.carlogavazzi.com/files/media/files/6930b8b2b86c52483ef5f9ca5828ed9d), the employment agreements with the members of the Executive Management must either have a fixed term of not more than one year, or an unlimited term with a notice period of not more than twelve months.

Areas of responsibility – CEO of Automation Components

The CEO of Automation Components leads the Business Unit Automation Components. Automation Components is currently the only Business Unit. In his function he reports to the Chairman of the SMB. Operationally responsible for Automation Components, he ensures the integration and coordination of the subsidiaries' activities towards the overall achievement of the Group's goals. Within the limits of the law and with the exception of those competencies that are reserved to the Board of Directors or delegated otherwise, the Board of Directors delegates to the CEO of Automation Components the overall management of the industrial and commercial activities of Automation Components and the conduct of the day-to-day business of the various companies belonging to it. His main responsibilities are: management of Automation Components, preparation of alternatives and proposals for the SMB in all matters relating to the activities of Automation Components, execution of decisions of the Board of Directors and the SMB, regular reporting to the Board of Directors and the SMB on business activities and important events, support to the Chairman on matters of M&A.

The CEO of Automation Components can delegate part of his functions to other persons. In particular, it is his task to define responsibilities and competencies within the Business Unit. However, such delegation does not release the CEO of Automation Components from the responsibility of the overall management and results of Automation Components.

Areas of responsibility – Chief Financial Officer of the Group (CFO)

The CFO is responsible for organizing and supervising all financial aspects of the Group. In the performance of his tasks he provides guidance to and is assisted by the CFO of Automation Components. He implements all decisions of the Board of Directors and of the SMB with regard to financial matters and is responsible for the flow of information to the Board of Directors in regard to those matters.

In particular, the CFO's responsibilities include: ensuring a timely and adequate reporting system to the Board of Directors and the SMB, including budgets and mid-term projections, organizing and implementing the financial planning, tax planning, organizing and supervising the Group banking relations, assisting the Chairman as required in investor relations, representing the Group towards financial institutions, providing for a timely completion of the financial portion of the interim and the annual report, both on a consolidated basis for the Group and on a stand-alone basis for the Company.

The executive management responsibility lies with the CEO of Automation Components and the CFO. They have the executive management responsibility in their respective roles.

CEO AUTOMATION COMPONENTS
VITTORIO ROSSI
Born May 8, 1958
Italian national

- Graduated in electrical engineering, Politecnico of Milan
- Held various management positions with the Siemens Group in Germany, Italy and USA from 1985 until 2002
- CEO of Siemens SpA, Milan, from 2002 until 2005
- CEO of Gewiss SpA, Bergamo, Italy, from 2005 until 2007
- CEO of Automation Components since June 2009

CHIEF FINANCIAL OFFICER (CFO)
UNTIL FEBRUARY 29, 2020
ANTHONY M. GOLDSTEIN
Born March 11, 1949
Swiss and British national

- Chartered Accountant FCA
- Audit and training manager at Deloitte, Zurich, from 1975 until 1982
- Joined Group in 1982
- Head of Group Reporting
- Group Controller
- Secretary to the Board from 1983 until 2009
- Chief Financial Officer from 2007 until 2020
- Member of Board of Swisscanto Collective Foundation of the Cantonal Banks since 2014
- Member of the Zurich Rental Conciliation Authority since 2014

CHIEF FINANCIAL OFFICER (CFO)
FROM MARCH 1, 2020
LORENZO TREZZINI
Born August 1, 1968
Swiss national

- MBA (lic. oec.) and PhD in economics (Dr. oec.), University of Zurich, Swiss CPA
- Audit manager at Deloitte, New York and Zurich, from 1994 until 2001
- Corporate Finance Manager at Ernst & Young, Zurich, from 2001 until 2002
- Investment Manager at Invision AG, Zug, from 2002 until 2004
- CFO of Valartis Group and Valartis Bank, from 2004 until 2008
- CFO of Valora Group, from 2008 until 2012
- Corporate Consultant, from 2013 until 2014
- CFO of Implantica Group, from 2015 until 2020
- Chief Financial Officer of Carlo Gavazzi Group since 2020

EXTERNAL CORPORATE COMMUNICATIONS
ROLF SCHLÄPFER
Swiss national

- Senior Partner of Hirzel.Neef.Schmid. Konsulenten AG, Zurich
- External corporate communications of the Carlo Gavazzi Group since January 1, 2011

Rolf Schläpfer is not a member of the Executive Management and is not an employee of the Group.

External Corporate Communications

The function of Corporate Communications is executed by Rolf Schläpfer.
In his function he reports to the Chairman. He is responsible for the elaboration of the Group's communications strategy, for its final definition in close coordination with the Chairman of the Board of Directors and for its implementation.

In particular, this includes: continuous review of the Group's communications activities with the purpose of enhancing or redefining the Group's positioning towards all stakeholders, preparation of the Group's media releases, participation in media conferences, shareholders' meetings and investor meetings, coordination of all main events such as media conferences and AGMs, organization of any other events such as interviews and meetings with the media and the financial community, assistance to the Chairman and other members of the management in the preparation of public statements.

Restrictions on positions outside the Carlo Gavazzi Group

According to article 28 of the Articles of Association (the Articles of Association are available in German at www.carlogavazzi.com/files/media/files/6930b8b2b86c52483ef5f9ca5828ed9d), a member of the Executive Management may hold up to three additional mandates as a member of the highest-level governing or administrative body of non-listed companies outside the Carlo Gavazzi Group. No additional mandates may be held in listed companies. Mandates with associated companies outside the Carlo Gavazzi Group are deemed to be a single mandate, as long as not more than ten mandates are being held within such a group of associated companies.

Members of the Executive Management require the prior approval of the Board of Directors, or, if delegated, of the Compensation Committee, to accept positions/employment outside the Carlo Gavazzi Group.

Management contracts

There are no management contracts in existence pertaining to management tasks that have been delegated to third parties except for a consultancy agreement with Hirzel.Neef.Schmid. Konsulenten AG, Zurich, for the Group's corporate communications. The agreement provides for a monthly flat fee of CHF 9 000 as compensation for the services rendered and may be terminated at any time with a notice period of one month.

5. Compensation

For details relating to the compensation of present and former members of the Board of Directors and of the Executive Management, please refer to the 2019/20 compensation report included in the annual report 2019/20 (available at www.carlogavazzi.com/en/investors/annual-report.html).

Statutory rules regarding the principles of compensation, loans, credits and pension benefits are set out in articles 25 and 30 of the Articles of Association (the Articles of Association are available in German at www.carlogavazzi.com/files/media/files/6930b8b2b86c52483ef5f9ca5828ed9d). The rules regarding approval of the compensation of the Board of Directors and the Executive Management by the AGM are set out in articles 26, 27 and 29 of the Articles of Association. The Articles of Association are available in German at www.carlogavazzi.com/files/media/files/6930b8b2b86c52483ef5f9ca5828ed9d.

6. Shareholders' participation rights

There are no restrictions on the use of voting rights by any group of shareholders. Statutory rules for participating at meetings of shareholders do not differ from the applicable legal provisions. The AGM passes its resolutions by absolute majority of the votes cast, to the extent the law or the Articles of Association do not provide otherwise. The Articles of Association do not provide for any resolutions that would require a majority greater than that required by law. Convocation of the meetings of shareholders and rules for adding items to the agenda of the meetings of shareholders, especially rules on deadlines, are in accordance with the applicable legal provisions. Shareholders representing shares of a par value of CHF 1 000 000 may request items to be included in the agenda. The putting on the agenda has to be requested in written form listing the items and the motions. While there is no set deadline, for administrative reasons such request must be submitted to the Company timely prior to the distribution of the AGM invitation.

All shareholders entered into the share register will be admitted to the meetings of shareholders and are entitled to vote. For administrative reasons, no new entries will be made during the ten days preceding a meeting of shareholders. Shareholders who dispose of their shares before a meeting of shareholders are not entitled to vote.

Each shareholder with voting rights may have his shares represented by a proxy that he/she has appointed or by the independent proxy. The AGM annually elects the independent proxy, whose term of office ends at the conclusion of the next AGM. Re-election is permitted. If the Company does not have an independent proxy, the Board of Directors appoints an independent proxy for the next AGM.

The Company enables its shareholders to transfer their votes to the independent proxy by electronic means through the platform Sherpany (www.sherpany.com) for any general meeting. The relevant description of the procedure to register and vote through the platform is sent to shareholders who are registered in the share register upon their request.

7. Changes of control and defense measures

There are no statutory rules in existence relating to opting out or opting up in connection with the duty to make an offer. Furthermore, there are no agreements in existence relating to changes of control.

8. Auditors

PricewaterhouseCoopers AG, Zug, have been the group auditors and statutory auditors since 1979. The auditors are elected by the AGM for a period of one year. The lead auditor, Thomas Illi, assumed his mandate in July 2017. In accordance with Swiss law, the lead auditor will rotate every seven years. The next change will be in 2024/25.

The audit fees charged by PricewaterhouseCoopers in 2019/20 amounted to CHF 518 416.
For additional services the Group paid PricewaterhouseCoopers the sum of CHF 73 446, representing CHF 46 492 for tax consulting services and CHF 26 954 for other additional services relating mainly to coaching and supporting group subsidiaries.

Fees charged in 2019/20 by other audit companies for auditing certain subsidiaries amounted to CHF 106 513.

The Audit Committee reviews annually the scope of the audit, the audit focus areas, the audit plan, as well as the results of the audit including key audit matters and overall assessment. Further, the Audit Committee reviews any questions, comments, or suggestions of the auditors regarding internal control, significant risks and accounting practices and procedures. In addition to the audit reports on the consolidated financial statements and the statutory financial statements of Carlo Gavazzi Holding AG, the auditors prepare annually a detailed report to Audit Committee and the Board of Directors. The Audit Committee discusses the report and the results of the audit in detail with the auditors. The auditors are also present at meetings of the Audit Committee as required. For the reporting period, the Audit Committee held two meetings with PricewaterhouseCoopers AG.

The Audit Committee regularly evaluates the independence, fees and the effectiveness of the external auditors. The reports and presentations composed by the auditors, the discussions in the meetings, the factual and objective perspectives and the expertise form the basis for the assessment of the Board of Directors regarding the auditors' performance and the fees paid for the audit services provided. The Audit Committee verifies that any additional services of the auditors not relating to the audit services are provided within the independence requirements pursuant to Swiss law. The auditors are required to confirm that their performance of these additional services had no influence on the conduct or outcome of the audits mandated by law.

9. Information policy

The Carlo Gavazzi Group has an open information policy and sets as its goal to treat all target groups equally. When the annual results are released, the Group organizes a conference for the media and the investor community to discuss details related to its performance and its business. In addition to the annual report and the interim report, the Group provides the media with information on relevant changes and developments.

Such data can also be obtained from the Group's website at www.carlogavazzi.com/media.The Company's official means of communication is the Swiss Official Gazette of Commerce.

As a company listed on the SIX Swiss Exchange and in line with article 53 et seq. of the Listing Rules dated November 8, 2019 (ad hoc publicity), the Group publishes all information relevant to its share price. In compliance with the Directive on Ad hoc Publicity dated March 20, 2018, the Group offers a service on its website that allows interested parties to receive via e-mail distribution timely notification of potentially price-sensitive facts (www.carlogavazzi.com/registration). In addition, any ad hoc notice will be made available on the Group's website simultaneously. All media releases can be viewed under www.carlogavazzi.com/media.

The financial calendar for the financial year 2020/21 is available inside the back cover of this annual report and can also be viewed on the Group's website under www.carlogavazzi.com/en/investors/financial-calendar.html.

Contact for investor relations:
Rolf Schläpfer, rolf.schlaepfer@konsulenten.ch,
+41 43 344 42 42

Hirzel.Neef.Schmid.Konsulenten AG
Gottfried-Keller-Strasse 7
8024 Zurich
Switzerland

Corporate Headquarters:
Carlo Gavazzi Holding AG
Sumpfstrasse 3
6312 Steinhausen
Switzerland
www.carlogavazzi.com