

## **Organizational regulations**

for the Personnel Committee of the  
Board of Directors of Geberit AG

1. Principles
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4. Concluding provisions

# Organizational Regulations

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## 1. Principles

On the basis of the Articles of Incorporation and the Organizational Regulations for the Board of Directors of Geberit AG dated 20.04.11, the Board of Directors hereby issues the following regulations concerning the duties and the organization of the Personnel Committee.

The Board of Directors shall elect a Personnel Committee from its midst. This committee combines the functions of a remuneration and nomination committee in line with the recommendations of the "Swiss Code of Best Practice" of Economiesuisse.

## 2. Duties

### 2.1 General

The Personnel Committee supports the Board of Directors in the fulfillment of its statutorily prescribed, inalienable and non-transferable duties as per Art. 716a OR (Swiss Code of Obligations) in the area of personnel policy (personnel planning, remuneration, nomination).

As a fundamental rule, overall responsibility for the duties and powers transferred to the Personnel Committee shall remain with the Board of Directors.

The Personnel Committee reports to the Board of Directors on its activities and submits the necessary proposals.

### 2.2 Duties in detail

#### 2.2.1 Personnel policy

The Personnel Committee accompanies and monitors the goals and principles of the personnel policy and reports to the Board of Directors accordingly. The goal of the personnel policy is to find, encourage and retain employees for the Geberit Group and, by so doing, to ensure the competitiveness and long-term success of the company.

The Personnel Committee obtains information on the implementation of these principles by the Group Executive Board. This also includes concepts concerning leadership and cooperation, salaries and incentives, training as well as internal communication.

#### 2.2.2 Performance assessment, training and succession planning

Once per annum, the Personnel Committee reviews the assessment, proposed by the CEO, of the members of the Group Executive Board and corresponding measures. The Personnel Committee carries out this evaluation for the Group CEO, the CEO for the other members of the Group Executive Board.

Once per annum, the Personnel Committee obtains information on the personnel development and the corresponding concrete measures at management levels 1 and 2.

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Once per annum, the Personnel Committee obtains information on the personnel succession planning (management levels 1 and 2) and the related development measures.

#### **2.2.3 Contracts with members of the Board of Directors and of the Group Executive Board**

The Personnel Committee approves all contracts with the members of the Group Executive Board and any contracts with the members of the Board of Directors.

#### **2.2.4 Remuneration**

The Personnel Committee evaluates and discusses the remuneration guidelines and plans of the Geberit Group and submits corresponding proposals to the Board of Directors. In addition to basic salaries, this also includes fringe benefits, cash bonuses, participation plans, pensions and other elements forming part of the total remuneration. It assesses the effect, attractiveness and competitiveness of these plans at least every 3 years.

The Personnel Committee reviews the remuneration of the members of the Board of Directors at least every 3 years and submits corresponding proposals to the Board of Directors.

The Personnel Committee decides once per annum on the individual remuneration of managers at management level 1 as proposed by the CEO, and submits a corresponding proposal to the Board of Directors. Concerning the remuneration of the CEO, the Personnel Committee submits a proposal directly to the Board of Directors.

#### **2.2.5 Nomination of members of the Board of Directors and of the Group Executive Board**

The Personnel Committee determines the principles for the selection of candidates for election or re-election to the Board of Directors by the General Meeting, and prepares the selection in accordance with these criteria.

Together with the CEO, it evaluates candidates for the appointments as members of the Group Executive Board to be made by the Board of Directors.

#### **2.2.6 Insurance**

The Personnel Committee evaluates appropriate insurance for the members of the Board of Directors and of the Management (e.g. D&O insurance) at least every 3 years and proposes adjustments to the Board of Directors.

At least every 3 years, the Personnel Committee obtains information from the Group Executive Board concerning the pension plans for all employees in all countries.

### **3. Organization**

#### **3.1 Composition**

The Personnel Committee is made up of three independent, non-executive members of the Board of Directors. The Board of Directors appoints one member of the Personnel Committee as its Chairman.

#### **3.2 Working methods**

The Personnel Committee meets as often as business requires, at least, however, twice per year. The invitation, stating the agenda items, must be issued in writing at

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least 10 days before the meeting.

The Chairman or – in the event of incapacity – another non-executive member of the Board of Directors chairs the meeting.

The Chairman of the Personnel Committee determines the recording secretary.

The Personnel Committee performs its duties and exercises its powers as an overall and collective organ. The members have no personal powers and can therefore not issue any orders.

The Personnel Committee is quorate if a majority of its members are present. Resolutions are passed by a majority of the votes cast. In the event of a tied vote, the Chairman shall cast the deciding vote.

Minutes must be taken of the discussions and resolutions. These must be signed by the Chairman and the recording secretary, and must be circulated to all members of the Personnel Committee. The minutes must be approved by the Personnel Committee at its next meeting.

#### 4. Concluding provisions

These regulations shall come into effect upon approval.

Rapperswil-Jona, April 20, 2011

For the Board of Directors



Albert M. Baehny  
(Chairman)



Robert F. Spoerry  
(Vice Chairman and Lead Director)