

Organizational regulations

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

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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 Audit Committee.

In line with the recommendations of the “Swiss Code of Best Practice” of Economiesuisse, the Board of Directors elects an Audit Committee from its midst and for respective periods of one year.

2. Duties

2.1 General

The Audit 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 areas of financial controls (supervision of internal and external auditing, monitoring of financial reporting) as well as supervision of persons entrusted with management (internal control system). Nevertheless, overall responsibility for the duties and powers transferred to the Audit Committee shall always remain with the Board of Directors.

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

2.2 Duties in detail

2.2.1 Supervision of internal and external auditing

The Audit Committee determines the audit plan for a period of several years as well as the scope of the internal and external audits. It discusses the audit reports with the internal and external auditors as well as with the management, and monitors their implementation.

It assesses the performance of the internal and external auditors as well as their cooperation with one another.

The Audit Committee supports the Board of Directors in the nomination of the external auditors for proposal to the General Meeting.

The Audit Committee assesses the fees of the external auditors and satisfies itself of their independence. It checks the compatibility of the audit work with any consulting mandates.

The Audit Committee checks the independence of the Internal Corporate Audit Department from the Group Executive Board and the units to be audited.

The Audit Committee approves the guidelines for the work of the Internal Corporate Audit Department. It submits proposals concerning the appointment and dismissal of the Head of the Internal Corporate Audit Department.

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2.2.2 Monitoring of financial reporting

The Audit Committee assesses the consolidated financial statements as well as the financial statements of Geberit AG.

It decides whether the consolidated financial statements and the financial statements of Geberit AG can be recommended to the Board of Directors for submission to the General Meeting.

2.2.3 Assessment of the internal control system

The Audit Committee assesses the functionality of the internal control system, including risk management, forms an impression of the situation concerning compliance with applicable standards and guidelines, and develops these further.

2.2.4 Information

The Audit Committee has direct access to the Internal Corporate Audit Department, can obtain all information required by it within the Geberit Group and question the responsible employees. It ensures that it receives regular information from both the internal and the external auditors.

2.2.5 Corporate Governance

The Audit Committee supports the Board of Directors in matters of Corporate Governance. It monitors the relevant Corporate Governance aspects and develops them further.

3. Organization

3.1 Composition

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

3.2 Working methods

The Audit 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 least 10 days before the meeting.

The Chairman or – in the event of incapacity – the oldest member of the Audit Committee chairs the meeting.

The Chairman of the Audit Committee determines the recording secretary.

The Audit 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 Audit Committee shall be 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.

The Audit Committee can invite the Chief Executive Officer and other members of the Group Executive Board to its meetings. It is also at liberty to hold meetings exclusively with representatives of the internal and external auditors.

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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 Audit Committee as well as to the members of the Board of Directors. They must be approved by the Audit 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)