

Corporate Governance

The → [Articles of Incorporation of Geberit AG](#) contained in the Corporate Governance chapter are available in two versions:

- The version that is currently in effect (version as of April 4, 2013).
- The draft Articles of Incorporation with the amendments as proposed by the Board of Directors for approval by the Annual General Meeting scheduled for April 3, 2014.

1. Group structure and shareholders

Group structure

Operational Group structure is shown in the diagram → **"Management Structure"**.

Geberit AG, the parent company of the Geberit Group, has its headquarters in Rapperswil-Jona (CH). For the place of listing, market capitalization, Swiss securities identification number and ISIN code, please refer to → **"Geberit share information"**.

The Group's consolidated subsidiaries are listed in → **Note 33, Group companies as of December 31, 2013** to the Consolidated Financial Statements. Except for Geberit AG, the scope of consolidation does not include any listed companies.

Significant shareholders

Shareholders acquiring or disposing of shares in a company listed in Switzerland and thereby reaching, exceeding or falling below certain thresholds of the share capital must be disclosed under the Federal Act governing the Swiss Stock Exchange.

The significant shareholders within the meaning of Art. 663c of the Swiss Code of Obligations (Schweizerisches Obligationenrecht) listed at right were entered in the share register on December 31, 2013, as holding more than 3% of share capital.

Disclosure notifications reported to Geberit during 2013 and published by Geberit via the electronic publishing platform of SIX Swiss Exchange can be viewed at:

→ www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_en.html.

Cross-shareholdings

In terms of equity interests or voting rights, the Geberit Group has no cross-shareholdings with any other companies.

Significant shareholders (as of December 31, 2013)

Capital Group Companies, Inc., Los Angeles, USA

Black Rock, New York, USA

MFS Investment Management, Boston, USA

AKO Capital LLP, London, UK

2. Capital structure

Capital

Ordinary capital:	MCHF 3.8
Conditional capital:	–
Authorized capital:	–

For more details, please refer to the following subchapters.

Conditional and authorized capital details

As of December 31, 2013, the Geberit Group had no conditional or authorized capital.

Changes in capital

For Geberit AG's changes in capital see table to the right.

For further details on changes in capital, reference is made to the Geberit Group's Consolidated Financial Statements in this Annual Report 2013 (→ [consolidated statements of changes in equity and consolidated statements of comprehensive income](#) and → [Note 22, capital stock and treasury shares](#)), to the information in the → [Financial Statements of Geberit AG](#) as well as to the 2011 figures in the → [2012 Annual Report](#) (Geberit Group's Consolidated Financial Statements: → [consolidated statements of changes in equity and statements of comprehensive income](#), → [Note 22, capital stock and treasury shares](#); → [Financial Statements of Geberit AG](#)).

	31.12.2011	31.12.2012	31.12.2013
	MCHF	MCHF	MCHF
Share capital	4.0	3.9	3.8
Reserves	947.1	918.4	765.1
Retained earnings	401.7	301.7	408.6

Shares, participation and profit-sharing certificates

The share capital of Geberit AG is fully paid in and amounts to CHF 3,779,842.70. It is divided into 37,798,427 registered shares with a par value of CHF 0.10 each. Each share registered in the share register of the Company with voting right carries one vote at the General Meeting.

No participation and profit-sharing certificates of the Geberit Group are outstanding.

Limitations on transferability and nominee registrations

Upon request and presentation of evidence of the transfer, acquirers of shares are registered as shareholders with voting rights in the share register if they explicitly declare to hold the shares in their own name and for their own account. The Articles of Incorporation provide for the registration of a maximum of 3% of the shares held by nominees, which may be permitted by the Board of Directors. The Board of Directors may register nominees as shareholders with voting rights in excess of such registration limitation, provided the nominees disclose detailed information and shareholdings of the persons for which they hold 0.5% or more of the share capital.

The Board of Directors has the power to delete entries in the share register retroactively as of the date of entry if the registration has been made on the basis of false information. It may give the concerned shareholder the opportunity to comment in advance. In any case, the concerned shareholder is informed without delay about the deletion.

Furthermore, the Articles of Incorporation do not contain any restrictions in terms of registration or voting rights.

Convertible bonds and warrants/options

No convertible bonds are outstanding.

No options were issued to any external parties. As regards options issued to employees, reference is made to the → [Remuneration Report](#) and → [Note 18, participation plans](#) in the Consolidated Financial Statements of the Geberit Group.

3. Board of Directors

Members of the Board of Directors

On December 31, 2013, the Board of Directors was composed of six members.

Albert M. Baehny (1952)

Executive Chairman of the Board of Directors since 2011
Swiss citizen

Albert M. Baehny graduated with a degree in biology from the University of Fribourg (CH). In 1979, he started his career in the research department of Sero-Hypolab. His further career comprised various marketing, sales, strategic planning and global management positions with Dow Chemicals Europe (1981–1993), Ciba-Geigy/Ciba SC (1994–2000), Vantico (2000–2001) and Wacker Chemie (2001–2002). For more than 20 years, Albert M. Baehny gathered relevant knowledge and expertise with global business responsibility. Before joining Geberit, he was Senior Vice President of Wacker Specialties. At Geberit he was Head of Group Division Marketing and Sales Europe from 2003–2004. Albert M. Baehny has been Chief Executive Officer (CEO) of the Geberit Group since 2005 and Chairman of the Board of Directors since 2011.



Robert F. Spoerry (1955)

Vice Chairman and Lead Director of the Board of Directors since 2011, non-executive, independent member of the Board of Directors since 2009
Swiss citizen

Chairman of the Board of Directors Mettler-Toledo International Inc., Greifensee (CH); Chairman of the Board of Directors Sonova Holding AG, Stäfa (CH); member of the Board of Directors Conzeta AG, Zurich (CH)

Robert F. Spoerry holds a degree in mechanical engineering from the Swiss Federal Institute of Technology (ETH) in Zurich (CH) and an MBA from the University of Chicago (US). He has been with Mettler-Toledo since 1983 and was its CEO from 1993–2007. He oversaw the separation from Ciba-Geigy in 1996 and the initial public offering of Mettler-Toledo on the New York Stock Exchange (NYSE) in 1997. In 1998, he became Chairman of the Board of Directors. Robert F. Spoerry has had no significant business relations with the Geberit Group in the past five years.



Felix R. Ehrat (1957)

Non-executive, independent member of the Board of Directors since 2013
Swiss citizen

Group General Counsel and member of the Executive Committee Novartis AG, Basel (CH); Chairman of the Board of Directors Globalance Bank AG, Zurich (CH); member of the Board of Directors Hyos Invest Holding AG, Zurich (CH)

Felix R. Ehrat received his doctorate of law from the University of Zurich (CH) in 1990, where he previously also received his law degree in 1982. In 1986, he completed an LL.M. at the McGeorge School of Law in the USA. In 1985, he was admitted to the Zurich Bar Association. He has been Group General Counsel of Novartis since October 2011 and a member of the Executive Committee of the Novartis Group since January 1, 2012. Felix R. Ehrat is a leading practitioner of corporate, banking and mergers and acquisitions law, as well as an expert in corporate governance and arbitration. He started his career as an Associate with Bär & Karrer in Zurich (CH) in 1987, became Partner in 1992 and advanced to Senior Partner (2003–2011) and Executive Chairman of the Board of Directors (2007–2011) of the firm. Felix R. Ehrat is Chairman of the Board of Directors of Globalance Bank AG, Zurich (CH), and a member of the Board of Directors of



Hyos Invest Holding AG, Zurich (CH). Previously, he was, among other things, Chairman of the Board of Directors of Banca del Gottardo and a board member of Julius Bär Holding AG, Austriamicrosystems AG, Charles Vögele Holding AG and Carlo Gavazzi Holding AG. Felix R. Ehrat has had no significant business relations with the Geberit Group in the past five years.

Hartmut Reuter (1957)

Non-executive, independent member of the Board of Directors since 2008
German citizen

Member of the Shareholders Committee and Supervisory Board Vaillant GmbH, Remscheid (DE); Chairman of the Advisory Board GBT-Bücolit GmbH, Marl (DE); Member of the Board of Directors Wilkhahn GmbH + Co KG, Bad Mündler (DE)

After graduating in industrial engineering from Technical University Darmstadt (DE), Hartmut Reuter joined the Bosch Group in Stuttgart (DE) in 1981. During more than 15 years with Bosch, he occupied management positions in various industrial business units, until finally becoming Director in the planning and controlling division at Bosch headquarters. From 1997–2009, Hartmut Reuter was member of the Group Executive Board of the Rieter Group in Winterthur (CH); for the last seven of those years he was CEO of the company. Since then, he has worked as a freelance management consultant and has held positions in various supervisory bodies. He has had no significant business relations with the Geberit Group in the past five years.



Jeff Song (1946)

Non-executive, independent member of the Board of Directors since 2012
US citizen

Jeff Song earned a Master's degree in mechanical engineering at Jiaotong University in Shanghai (CN) and at the University of Toronto (CA). In 1988 he received his Ph.D. at the University of Utah (US). He was responsible for the China business of Ingersoll Rand from 2004 to January 2014 and reported directly to the CEO and Chairman of the Group. He also headed the management body of the Ingersoll Rand Division Heads of the Asia/Pacific region. From 1988–2004, Jeff Song was employed at Honeywell. In the Honeywell Group he held different positions as a development engineer, marketing and sales director as well as managing director, first in the USA and later in China. Jeff Song has had no significant business relations with the Geberit Group in the past five years.



Jørgen Tang-Jensen (1956)

Non-executive, independent member of the Board of Directors since 2012
Danish citizen

Member of the Board of Directors Coloplast A/S (DK); member of the Confederation of Danish Industry Business Political Committee

Jørgen Tang-Jensen holds an MSc in Economics & Business Administration from the Business School in Aarhus (DK). He has also completed a number of management further training courses at the IMD in Lausanne (CH) and at Stanford University (US). Jørgen Tang-Jensen has been CEO of the Danish building materials manufacturer VELUX A/S since 2001. The VELUX Group has 10,000 employees at its sales companies in about 40 countries and its manufacturing companies in 11 countries. VELUX is one of the strongest brands in the global building materials sector. After completing his studies, Jørgen Tang-Jensen joined the VELUX Group in 1981 and worked in various executive positions in the main VELUX sales and production companies until being appointed CEO. As a managing director, he was responsible for the respective national companies in Denmark from 1989–1991, France from 1991–1992, the United States in 1996 and Germany from 1999–2000. Jørgen Tang-Jensen has had no significant business relations with the Geberit Group in the past five years.



Elections and terms of office

As from January 1, 2014, pursuant to Art. 3 of the Ordinance Against Excessive Compensation for Listed Companies (OaEC), the term of office for a member of the Board of Directors ends at the closing of the following ordinary General Meeting. Members of the Board of Directors are elected on an individual basis. Re-election is possible.

Also as from January 1, 2014, the Chairman of the Board of Directors is elected by the General Meeting. Their term of office also ends at the closing of the following ordinary General Meeting. Re-election is possible. If the position of Chairman of the Board of Directors is vacant, the Board of Directors is to appoint a new Chairman of the Board of Directors from among its members for the remaining term of office. See Art. 4 OaEC.

Members of the Nomination and Compensation Committee are as from January 1, 2014 also elected annually and on an individual basis. Only members of the Board of Directors are eligible. Their term of office ends at the closing of the following ordinary General Meeting. Re-election is possible. See Art. 7 OaEC.

Jeff Song has decided to step down from the Board of Directors as of the next General Meeting in April 2014 for health reasons.

At the General Meeting 2014, the Chairman of the Board of Directors, the Vice Chairman and Lead Director, and the remaining members of the Board of Directors and the members of the Nomination and Compensation Committee are standing for re-election for a further year.

As of the General Meeting 2013, Susanne Ruoff decided to step down from the Board of Directors in order to concentrate fully on her new role as CEO of Swiss Post.

Internal organizational structure

The organization of the Board of Directors is governed by law, the Company's → [Articles of Incorporation](#) and → ["Organization Regulations of the Board of Directors of Geberit AG"](#) (see also → ["Definition of areas of responsibility"](#)).

Upon the entry into force of the OaEC on January 1, 2014, the Chairman of the Board of Directors and the members of the Nomination and Compensation Committee are now to be elected annually by the General Meeting. After each ordinary General Meeting, the Board of Directors elects the Vice Chairman and Lead Director from among its members, as well as the Chairman of the Nomination and Compensation Committee and the Chairman and the members of the Audit Committee.

The reorganization in the Board of Directors, with Albert M. Baehny as Chairman of the Board of Directors while at the same time remaining in office as CEO, was communicated and explained in detail. This is an interim solution intended to aid in determining the best possible succession for the management positions in the company. Albert M. Baehny holds the position of Executive Chairman, Robert F. Spoerry that of Vice Chairman and Lead Director. The Lead Director is invested with additional authorities so that – despite the positions of Chairman of the Board of Directors and CEO being combined – exemplary corporate governance is guaranteed. For instance, the Lead Director can independently convene meetings of the independent members of the Board of Directors, and he chairs the Board of Directors in the event of conflicts of interest on the part of the Chairman or when resolutions regarding the compensation of the Chairman of the Board of Directors and CEO are to be passed. Robert F. Spoerry was elected an independent member of the Board of Directors of Geberit AG in 2009 and, because of his extensive experience in corporate management and on company boards, has the best credentials to carry out his responsibilities on Geberit's Board of Directors.

The Board of Directors meets whenever business so requires, usually six times a year for one day each (2013: six meetings). Meetings shall be chaired by the Chairman or, in the event of his incapacity, by the Vice Chairman. The Board of Directors shall appoint a Secretary, who need not be a member of the Board of Directors. The Chairman of the Board of Directors may invite members of the Group Executive Board to attend meetings of the Board of Directors.

The Board of Directors shall be quorate if a majority of its members are present. Attendance can also be effected via telephone or electronic media.

The regular meetings of the Board of Directors and committees are scheduled early, so that as a rule all members participate in person. The participation rate in 2013 was 89%.

	Mar 5	Apr 4	June 25	Sept 5	Oct 28	Dec 10
Albert M. Baehny	X	X	X	X	X	X
Robert F. Spoerry	X	X	X	X	X	X
Felix R. Ehrat	n/a	n/a	-	X	X	X
Hartmut Reuter	X	X	X	X	X	X
Jeff Song	-	X	X	X	X	-
Jørgen Tang-Jensen	X	X	X	-	X	X
Susanne Ruoff	X	X	n/a	n/a	n/a	n/a

The Board of Directors has formed two committees composed exclusively of non-executive Board members:

Nomination and Compensation Committee (NCC; formerly Personnel Committee)

The compensation and nomination tasks and responsibilities are combined in this Committee. Detailed responsibilities are stipulated in the → [Organization Regulations of the Nomination and Compensation Committee](#)

The members of the Nomination and Compensation Committee are Robert F. Spoerry (Chairman), Hartmut Reuter (from October 2013) and Jørgen Tang-Jensen. The committee meets at least three times a year for a half day each (2013: four meetings).

	Mar 5	Apr 4	Sept 6	Dec 10
Robert F. Spoerry	X	X	X	X
Jørgen Tang-Jensen	X	X	-	X
Hartmut Reuter	n/a	n/a	n/a	X

This corresponds to a participation rate of 89%.

The powers and duties of the Nomination and Compensation Committee are based on the following principles:

1. Preparation and periodical review of the Geberit Group's compensation policy and principles and personnel policy, performance criteria related to compensation and periodical review of their implementation, as well as submission of the respective proposals and recommendations to the Board of Directors.
2. Preparation of all relevant decisions of the Board of Directors in relation to the nomination and compensation of the members of the Board of Directors and of the Group Executive Board, as well as submission of the respective proposals and recommendations to the Board of Directors.

The Board of Directors may delegate further powers and duties to the Nomination and Compensation Committee in respect of nomination, compensation and related matters.

Audit Committee

The Audit Committee is composed of Hartmut Reuter (Chairman), Felix R. Ehrat (from the General Meeting 2013) and Robert F. Spoerry. The committee meets at least twice a year for a half day each (2013: three meetings).

	Mar 4	Sept 6	Oct 30
Hartmut Reuter	X	X	X
Felix R. Ehrat	n/a	X	X
Robert F. Spoerry	X	X	X

This corresponds to a participation rate of 100%.

The Audit Committee develops proposals to be submitted to the entire Board of Directors. The committee's responsibilities include, in particular, the supervision of the internal and external audit as well as the control of the financial reporting. It determines the scope and planning of the internal audit and coordinates them with those of the external audit. For every meeting, the internal and external auditors provide an all-inclusive report about all audits carried out and the measures to be implemented. The Audit Committee monitors the implementation of the conclusions of the audit. The committee also assesses the functionality of the internal control system, including risk management (refer to → ["Information and control instruments vis-à-vis the Group Executive Board"](#)). The CEO and CFO as well as the internal and external auditors attend the meetings if necessary. Furthermore, the committee is entitled to hold meetings exclusively with representatives of the external as well as the internal auditors. Both the external and internal auditors have access to the minutes of the meetings of the Board of Directors and Group Executive Board. The detailed responsibilities are stipulated in the → [organization regulations of the Audit Committee](#).

Definition of areas of responsibility

Pursuant to Swiss Corporate Law and the Articles of Incorporation, the Board of Directors has the following non-transferable and irrevocable responsibilities:

- The ultimate management of the Company and the giving of the necessary directives
- The establishment of the organization
- The structuring of the accounting system and the financial controls as well as the financial planning
- The appointment and removal of the persons entrusted with the management and the representation
- The ultimate supervision of the persons entrusted with the management, in particular, in view of compliance with the law, Articles of Incorporation, regulations and directives
- The preparation of the annual report and of the compensation report (for the first time for the business year 2014) as well as the preparation of the General Meeting and the implementation of its resolutions
- The notification of the judge in case of overindebtedness

The Board of Directors determines the strategic objectives and the general resources for achieving these, and decides on major business transactions. To the extent legally permissible and in accordance with the Organization Regulations, the Board of Directors has assigned the operational management to the Chief Executive Officer.

The Group Executive Board is composed of the Chief Executive Officer and four other members. The members of the Group Executive Board are appointed by the Board of Directors based upon the proposal of the Nomination and Compensation Committee.

The Articles of Incorporation and the Organization Regulations of the Board of Directors regulate the duties and powers of the Board of Directors as a governing body, of the Chairman, the Vice Chairman and Lead Director and the committees. The Organization Regulations also define the rights and duties of the Group Executive Board that are set forth in more detail in the Internal Regulations for the Group Executive Board. The Organization Regulations of the → [Board of Directors](#), the → [Nomination and Compensation Committee](#) and the → [Audit Committee](#) can be viewed at www.geberit.com/infocenter.

Information and control instruments vis-à-vis the Group Executive Board

At every meeting, the members of the Group Executive Board inform the Board of Directors of current business developments and major business transactions of the Group or Group companies, as the case may be. Between meetings, the Board of Directors is comprehensively informed in writing about current business developments and the company's financial situation on a monthly basis. Essentially, this report contains key statements on the Group and on the market development, information and key figures on the Group sales and profit development (in January, April, July and October, it contains statements only on sales development and not on profit development), statements about the course of business in the individual product lines and countries as well as an analysis on the share price development. The more extensive quarterly report additionally contains the expectations of the operational management on the development of results until the end of the financial year, information on the development of the workforce and on the investments made, the composition of the shareholders as well as market expectations in regard to the business development. In the past year, the Board of Directors held six ordinary meetings. In addition, decisions were made using conference calls.

Furthermore, the Vice Chairman and Lead Director of the Board of Directors and the Chief Executive Officer are in contact at regular intervals with respect to all major issues of corporate policy. Each member of the Board of Directors may individually demand information with respect to all matters of the Group or Group companies, as the case may be.

Based on the Organization Regulations of the Board of Directors, the Audit Committee has implemented a comprehensive system for monitoring and controlling the risks linked to the business activities. This process includes the risk identification, analysis, control and reporting. Operationally, the Group Executive Board is responsible for the controlling of the risk management. In addition, responsible persons are designated in the company for significant individual risks. These responsible parties decide on specific actions for risk mitigation and monitor their implementation. Every other year, the Internal Audit department issues a risk report for the attention of the Board of Directors. Significant risks are also constantly discussed in the meetings of the Group Executive Board and Board of Directors, which take place on a regular basis. For information on the management of financial risks, refer to → [Notes to the Consolidated Financial](#)

Statements, 4. "Risk assessment and management". In addition, the Internal Audit department reports to the Audit Committee at every meeting on completed audits and on the status of the implementation of findings and optimization proposals of previous audits.

4. Group Executive Board

Albert M. Baehny (1952)

Chief Executive Officer (CEO) since 2005
Member of the Group Executive Board since 2003
with Geberit since 2003
Chairman of the Board of Directors since 2011
Swiss citizen

Albert M. Baehny graduated with a degree in biology from the University of Fribourg (CH). In 1979, he started his career in the research department of Serono-Hypolab. His further career comprised various marketing, sales, strategic planning and global management positions with Dow Chemicals Europe (1981–1993), Ciba-Geigy/Ciba SC (1994–2000), Vantico (2000–2001) and Wacker Chemie (2001–2002). For more than 20 years, Albert M. Baehny gathered relevant knowledge and expertise with global business responsibility. Before joining Geberit, he was Senior Vice President of Wacker Specialties. At Geberit he was Head of Group Division Marketing and Sales Europe from 2003–2004. Albert M. Baehny has been Chief Executive Officer (CEO) since 2005 and Chairman of the Board of Directors since 2011, refer also to [→ Management Structure](#).



Roland Iff (1961)

Member of the Group Executive Board since 2005
with Geberit since 1993
Head of Group Division Finance (CFO)
Swiss citizen
Member of the Board of Directors VZ-Holding AG, Zurich (CH)

Roland Iff studied economics at the University of St. Gallen (CH) and graduated with the degree of lic.oec. (major: accounting and finance) in 1986. He started his professional career in 1987 as internal auditor with the American Mead Corporation in Zurich (CH) and at the company's headquarters in Dayton (US). Subsequently he worked on different market development projects in Brussels (BE) before he was appointed Chief Financial Officer of Mead's Italian subsidiary in Milan (IT) in 1990. In 1993, Roland Iff joined Geberit as Head of Corporate Development. In 1995, he became Head of Group Controlling. Beginning in October 1997, he served as Head of Group Treasury. Roland Iff has been Head of Group Division Finance (CFO) of the Geberit Group since 2005, refer also to [→ Management Structure](#).



William J. Christensen (1973)

Member of the Group Executive Board since 2009
with Geberit since 2004
Head of Group Division Sales International
Swiss citizen

William J. Christensen graduated with a Bachelor of Arts (major: economics) from Rollins College (US). In 1995, he started his career as a project manager in Switzerland for Rieter Automotive Systems. He held subsequent positions in finance, sales and general management with Rieter Automotive both in Switzerland and in North America. He left Rieter in 2001 to pursue an MBA at the University of Chicago (US). Upon graduation in 2003, William J. Christensen joined J. P. Morgan Securities Inc. in New York (US) in the Mergers & Acquisitions department. In November 2004, he returned to Switzerland, joining Geberit as Head of Strategic Marketing. He relocated to Chicago in February 2006, to become President and CEO of Geberit's North American business. 2007, he became Head Group Marketing. William J. Christensen is Head of the Group Division Sales International, effective 2009, refer also to [→ Management Structure](#).



Michael Reinhard (1956)

Member of the Group Executive Board since 2005

with Geberit since 2004

Head of Group Division Products

German citizen

Member of the Board of Directors Reichle & De-Massari AG, Wetzikon (CH)

Michael Reinhard studied mechanical engineering at the Technical University Darmstadt (DE) and was awarded a PhD in materials science from the Deutsche Kunststoffinstitut. He started his professional career in 1987 as a project manager with Automatik GmbH, Gross-Ostheim (DE). In 1990, he joined McKinsey & Company and was soon promoted to senior associate. In 1992, Michael Reinhard joined Schott, Mainz (DE), where he was entrusted with various functions of increasing responsibility within international sales and marketing. In 1995, he became Vice President of Schott's Pharmaceutical Packaging Division and in 1998 Senior Vice President of the Tubing Division comprising 2,400 employees. At Geberit, Michael Reinhard became Head of Group Division Sales in 2005. He has been Head of the Group Division Products since 2006, refer also to [→ Management Structure](#).



Karl Spachmann (1958)

Member of the Group Executive Board since 2011

with Geberit since 1997

Head of Group Division Sales Europe

German citizen

Karl Spachmann graduated in business and organizational studies at the University of the German Armed Forces in Munich (DE). He began his career with the German Armed Forces in 1983 where he served as radar commanding officer, platoon leader and press officer until 1990. In early 1990, he joined Adolf Würth GmbH & Co. KG in Künzelsau (DE), initially as Assistant to the Managing Director of Sales and later as Regional Sales Manager for North Rhine-Westphalia. In 1995, he moved to Friedrich Grohe AG in Hemer (DE) to work as responsible Sales Manager for Germany. Since 1997, he has been responsible for the German sales company of the Geberit Group, initially as Managing Director focusing on field service, and since 2000 as Chairman of the Management Board. Karl Spachmann has been responsible for Group Division Sales Europe since 2011, refer also to [→ Management Structure](#).



Management contracts

The Group has not entered into any management contracts with third parties.

5. Compensations, shareholdings and loans

See → [Remuneration Report](#).

6. Participatory rights of the shareholders

Voting rights and representation restrictions

Upon request and presentation of evidence of the transfer, acquirers of shares are registered as shareholders with voting rights in the share register if they explicitly declare to hold the shares in their own name and for their own account. The Articles of Incorporation provide for the registration of a maximum of 3% of the shares held by nominees, which may be permitted by the Board of Directors. The Board of Directors may register nominees as shareholders with voting rights in excess of such registration limitation, provided the nominees disclose detailed information and shareholdings of the persons for which they hold 0.5% or more of the share capital.

No exceptions to these rules were granted in the year under review.

The voting right may be exercised only if the shareholder is recorded as a voting shareholder in the share register of Geberit AG. Treasury shares do not entitle the holder to vote.

With respect to the participation in the General Meeting, there are no regulations in the Articles of Incorporation that deviate from the law.

Quorums required by the Articles of Incorporation

The rules relating to quorums set forth in the Articles of Incorporation correspond to the legal minimum requirements.

Convocation of the General Meeting of shareholders/agenda

The General Meeting is convened by the Board of Directors at the latest 20 days before the date of the meeting. No resolutions may be passed on any subject not announced in this context. Applications to convene an extraordinary General Meeting or for the performance of a special audit are exempt from this rule. Shareholders representing shares with a par value of CHF 4,000 may demand inclusion of items on the agenda. Such requests must be made at least 45 days prior to the General Meeting in writing by stating the items of the agenda and the motions.

Furthermore, one or more shareholders representing together at least 10% of the share capital may jointly request that an extraordinary shareholders' meeting is called. This is made in writing by indicating the agenda items and the motions, and in the case of elections the name of the proposed candidates. The Board of Directors proposes to reduce this percentage from 10% to 3% at the upcoming General Meeting on April 3, 2014.

Inscriptions into the share register

In the invitation to the General Meeting, the Board of Directors will announce the cut-off date for inscription into the share register that is authoritative with respect to the right to participate and vote.

7. Changes of control and defense measures

There are no regulations in the Articles of Incorporation with respect to “opting-up” and “opting-out”. For agreements and plans in the event of a change of control, see the [→ Remuneration report](#).

8. Auditors

Duration of the mandate and term of office of the lead auditor

PricewaterhouseCoopers AG, Zurich, has been the auditor of the Geberit Group and Geberit AG since 1997. Lead auditor René Rausenberger has been in charge of the auditing mandate since 2008. His term of office will end with the approval of the Financial Statements and the Consolidated Financial Statements 2014.

Auditing fees

In 2013, PricewaterhouseCoopers invoiced the Geberit Group TCHF 1,042 for services in connection with the audit of the financial statements of Group companies as well as the Consolidated Financial Statements of the Geberit Group.

Additional fees

For additional services PricewaterhouseCoopers invoiced TCHF 1,153 relating to tax consultancy and support as well as TCHF 523 for other services.

Supervisory and control instruments pertaining to the auditors

Prior to every meeting, the external auditor informs the Audit Committee in writing about relevant auditing activities and other important facts and figures related to the company. Representatives of the external and internal auditors attend the meeting of the Audit Committee for specific agenda items, and to comment on their activities and answer questions.

The Audit Committee of the Board of Directors makes an annual assessment of the performance, fees and independence of the auditors, and submits a proposal to the General Meeting for the appointment of the Group auditors. Every year, the Audit Committee determines the scope and planning of the internal audit, coordinates them with those of the external audit and discusses audit results with the external and internal auditors. For more details on the Audit Committee, see → [item 3, "Board of Directors, Internal organizational structure, Audit Committee"](#).

9. Information policy

Geberit maintains open and regular communication with its shareholders, the capital market and the general public with the CEO, CFO and the Head Corporate Communications & Investor Relations as direct contacts.

Printed summary annual reports as well as half-year reports are sent to shareholders. A comprehensive online version of the annual report, including an integrated sustainability report, is available on the Internet at → www.geberit.com/annualreport. Quarterly financial statements are published. Media and analysts' conferences are held at least once a year.

Contact may be established at any time at → corporate.communications@geberit.com. Contact addresses for investors, media representatives and the interested public can be found on the Internet at → www.geberit.com/contact under the appropriate chapters.

Interested parties may add their names to a mailing list available at → www.geberit.com/maillinglist in order to receive ad hoc announcements or further information relating to the company. All published media releases of the Geberit Group from recent years can be downloaded at → www.geberit.com/media.

For further details on the Geberit Group's information policy including a time schedule, please refer to the → ["Geberit share information"](#) chapter.