

## **Organizational Regulations**

for the Audit Committee (AC) 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 March 7, 2014, the Board of Directors hereby issues the following regulations concerning the powers and duties and the organization of the Audit Committee (hereinafter referred to as the "**AC**").

The Board of Directors elects the members of the AC from its midst. Their term of office ends at the closing of the following ordinary general meeting.

## 2. Powers and duties

### 2.1 General

The AC 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 AC shall always remain with the Board of Directors.

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

### 2.2 Powers and duties in detail

#### 2.2.1 Supervision of internal and external auditing

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

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

The AC 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 AC assesses the consolidated financial statements as well as the statutory financial statements and from the business year 2014 the management report of Geberit AG.

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

### **2.2.3 Assessment and further development of the internal control system**

The AC 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 AC 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 Pension plans**

The AC shall receive information on an annual basis from the Group Executive Board concerning the financial situation of the pension plans for the employees in Switzerland and of other important pension schemes of the Geberit Group.

### **2.2.6 Corporate governance**

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

### **3.2 Working methods**

The AC 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 most senior member of the AC chairs the meeting.

The Chairman of the AC determines the recording secretary.

The AC 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 AC may pass resolutions 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 of the AC shall cast the deciding vote.

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The AC can invite the CEO 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.

Minutes must be taken of the discussions and resolutions. These must be signed by the Chairman of the AC and the recording secretary, and must be circulated to all members of the AC as well as to the members of the Board of Directors. They must be approved by the AC at its next meeting.

### 4. Concluding provisions

These regulations were adopted by the Board of Directors at its meeting of March 7, 2014 and shall come into effect upon approval and replace the organizational regulations for the Audit Committee of Geberit AG dated April 20, 2011.

Rapperswil-Jona, March 7, 2014

For the Board of Directors



Albert M. Baehny  
(Chairman)



Robert F. Spoerry  
(Vice Chairman and Lead Director)