

**Articles of Incorporation**  
(Free English Translation)

**ARTICLES OF INCORPORATION**

**of**

**GEBERIT AG**

**I. NAME, REGISTERED OFFICE, DURATION AND PURPOSE OF THE CORPORATION**

Art. 1

Name, Registered Office, Duration

Under the name

Geberit AG

there exists a corporation in accordance with Art. 620 et seq. Swiss Code of Obligations (CO) with unlimited duration having its registered office in Rapperswil-Jona, Canton of St. Gall.

Art. 2

Purpose

The purpose of the corporation is the direct or indirect participation in companies of all kind in Switzerland and abroad, in particular in the field of sanitary technology and related consumer durables as well as other related fields. It may establish companies, participate in existing companies and finance such companies.

The corporation may engage in all activities and take all actions which are appropriate to directly or indirectly promote the purpose of the corporation. The corporation may acquire, charge or sell real property in Switzerland and abroad.

**II. SHARE CAPITAL AND SHARES**

Art. 3

Share Capital

The share capital of the Company shall amount to CHF 4'174'773.10, divided into 41'747'731 registered shares with a par value of CHF 0.10 each. The share capital is fully paid in.

Registered shares may be converted into bearer shares and bearer shares into registered shares by way of resolution of the general meeting of shareholders.

Art. 3a

Conditional Share

The share capital shall be increased by no more than

## Capital

CHF 185'226.90 through the issue of no more than 1'852'269 registered shares with a par value of CHF 0.10 each, to be fully paid in, through the exercise of conversion and/or warrant rights issued in connection with bonds or other financial market instruments issued by the Company and/or any of its group companies. Shareholders' pre-emption rights are excluded. Holders of conversion and/or warrant rights are entitled to subscribe to the new shares. The board of directors shall determine the conversion and/or warrant conditions.

When issuing bonds or other financial market instruments which are linked to conversion and/or warrant rights, the board of directors is entitled to restrict or exclude shareholders' preferential subscription rights completely or partially if the instruments are issued in order to finance or refinance the acquisition of companies, parts of companies, equity stakes or new investment plans, and/or if they are issued on national or international capital markets. If preferential subscription rights are not granted, either directly or indirectly, by decision of the board of directors (1) the bonds or other financial market instruments are to be issued at market conditions, (2) the issue of new shares shall be at market conditions taking into account the market price of the shares and/or comparable instruments with a market price, and (3) the time limit for exercising conversion rights and warrant rights may in each case not be more than 7 years from the date of the relevant issue.

The acquisition of registered shares through the exercise of conversion and/or warrant rights and any further transfers of registered shares are subject to the registration restrictions according to Art. 5 of the articles of incorporation.

### Art. 4

## Shares and Share Register

The shareholder may at any time request the corporation to issue a confirmation regarding its shareholdings. The shareholder has, however, no right to request the printing and delivering of share certificates. The corporation may, however, at any time, print and deliver share certificates and, with the consent of the shareholder, cancel issued share certificates which are delivered to the corporation.

In case share certificates are printed, the corporation may issue certificates for each share or a number of shares. The share certificates bear the facsimile signature of the chairman of the board.

Shares for which no certificates have been issued as well as rights of such shares may only be transferred by assignment. Such assignment is valid provided the corporation is notified about the assignment.

Shares for which no certificates have been issued as well as financial rights of such shares may only be pledged by written pledge agreement in favour of the bank through which the shares are held by way of book entries. A notification of the corporation is not required.

The corporation shall keep a share register in which the owners, usufructuaries and nominees of registered shares are registered with name, address and nationality (in case of companies with the registered office). The person entered in the share register shall be deemed to be the shareholder, the usufructuary or nominee in relation to the corporation. The corporation only recognises one proxy per share.

#### Art. 5

Registration  
Restrictions and Duty  
to Notify

Acquirers of shares are, upon request and presentation of evidence of the transfer, registered as shareholder with voting right in the share register if they explicitly declare to hold the shares in their own name and for their own account.

The board of directors may register nominees as shareholder with voting rights in the share register up to a maximum of 3% of the share capital. Nominees are persons who in the registration request do not explicitly declare to hold the shares for their own account and with whom the corporation has entered into respective agreements. The board of directors may register nominees as a shareholder with voting rights in excess of such registration limitation provided the nominees disclose the names, addresses, nationality 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 shareholders' register retroactively as of the date of the entry if the registration has been made on the basis of false information. It may give the concerned shareholder in advance the opportunity to comment. In any case, the concerned shareholder is informed without delay about the deletion.

The board of directors shall give the necessary directions for

the carrying of the share register. It may delegate such duties.

In the invitation to the general meeting, the board of directors shall announce the record date for registration in the share register that is authoritative with respect to the right to attend and vote.

### III. BODIES OF THE CORPORATION

#### Art. 6

Corporate Bodies

The bodies of the corporation shall be:

- A) the general meeting of shareholders,
- B) the board of directors,
- C) the auditors.

#### **A) The General Meeting of Shareholders**

#### Art. 7

Power, Ordinary and  
Extraordinary  
Shareholders' Meeting

The general meeting of shareholders is the supreme corporate body of the corporation.

The ordinary general shareholders' meeting shall take place annually within six months after the end of the business year. Extraordinary shareholders' meetings are called for if the board of directors or the auditors deem it necessary or if the general meeting of shareholders so resolves. Further, one or more shareholders representing together at least 10% of the share capital may jointly in writing by indicating the agenda items and the motions, in case of elections the name of the proposed candidates, request that an extraordinary shareholders' meeting is called for.

#### Art. 8

Calling

The notices of any general meeting of shareholders shall be made by way of official publication of the corporation not less than 20 days prior to the date of the meeting. Notices may also be mailed to the shareholders registered in the share register.

The calling shall state the day, time and place of the meeting, the agenda items as well as the motions of the board of

directors and of the shareholders who have requested the holding of the general meeting of shareholders or the inclusion of an item in the agenda.

No resolutions may be passed on motions concerning agenda items which have not been duly announced; excepted are motions for the calling of an extraordinary meeting of shareholders and the initiation of a special audit.

Shareholders representing shares of a par value of CHF 4'000.-- may request items to be included in the Agenda. Such request must be made at least 45 days prior to the meeting in writing by stating the items of the agenda and the motions.

#### Art. 9

Powers

The general meeting of shareholders shall have the following inalienable powers:

1. The adoption and the amending of the Articles of Incorporation;
2. The election and removal of the members of the board of directors and the auditors;
3. The approval of the annual report and of the consolidated statements of account;
4. The approval of the annual financial statements as well as the resolution on the use of the balance sheet profit, in particular the declaration of dividends;
5. The discharge of the members of the board of directors;
6. The passing of resolutions on matters which are by law or by the Articles of Incorporation reserved to the general meeting of shareholders.

#### Art. 10

Voting Right and Proxy

In the shareholders' meeting each share registered in the share register of the corporation shall have one vote.

Shareholders may be represented in the shareholders' meeting by their statutory proxy, another shareholder with voting rights, a corporate body, the independent proxy holder or proxy holders for deposited shares. Shareholders may be represented only by proxy in writing. The board of directors may establish rules regarding proxies.

#### Art. 11

#### Resolutions and Elections

Unless otherwise required by law or the Articles of Incorporation, the general meeting of shareholders passes resolutions and carries out elections by absolute majority of the share votes cast, excluding any abstentions or invalid votes. Elections shall be held separately.

If in case of elections no person is elected in the first election and several candidates are proposed, the votes shall be casted for a second time in which the relative majority shall be decisive.

Resolutions shall be passed and elections shall be carried out openly, unless the general meeting of shareholders or its chairman resolves to cast votes in writing. The chairman may also resolve to cast votes by electronic means. The chairman may at any time order to repeat a resolution or an election carried out openly by casting votes in writing or by electronic means if he doubts the result of the vote. In this case, the preceding resolution or election carried out openly is deemed not to have occurred.

A resolution of the general meeting of shareholders passed by a at least 2/3 of the votes represented shall be required for:

1. the change of the corporation's purpose;
2. the creation of shares with privileged voting rights;
3. the restriction of the transferability of registered shares;
4. an increase of capital, authorised or subject to a condition;
5. an increase of capital out of equity, against contributions in kind, or for the purpose of acquisition of assets and the granting of special benefits;

6. the limitation or withdrawal of pre-emptive rights;
7. the change of the domicile of the corporation;
8. the dissolution of the corporation.

Art. 12

Chairman and Minutes

The general meeting of shareholders shall be chaired by the chairman of the board or, if he is not able to attend, another member of the board of directors.

The chairman appoints the secretary and the tellers who must not be shareholders; these functions may be assigned to one and the same person.

The minutes shall record the resolutions and the elections and the declaration of shareholders given for the record. The minutes shall be signed by the chairman and the secretary and shall be available for review by the shareholders at the registered office of the corporation.

**B) Board of Directors**

Art. 13

Composition and Term

The board shall be composed of at least 2 and in the maximum 7 members which must be shareholders unless they are elected as representatives of legal entities or business companies.

The members of the board of directors shall be appointed for the maximum of three years; their term shall be determined in the election. For this purpose a year shall be deemed the term between two ordinary shareholders' meetings. Resignations and removals are reserved.

The members of the board of directors may be re-elected at any time. Their term however ends in the ordinary shareholders' meeting following their 70<sup>th</sup> birthday.

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|--------------------|--|
| Organisation       | <p data-bbox="585 315 679 347"><u>Art. 14</u></p> <p data-bbox="585 389 1406 566">The board shall organise itself. It shall appoint a chairman, one or more vice-chairmen as appropriate, managing directors as well as a secretary who must not be member of the board of directors. The board of directors shall determine the compensation of its members.</p>  |
| Notice of Meetings | <p data-bbox="585 645 679 676"><u>Art. 15</u></p> <p data-bbox="585 719 1406 824">The board of director shall convene upon notice by the chairman or the vice-chairman as often the business affairs require and whenever a member is requesting it.</p>   |
| Resolutions        | <p data-bbox="585 902 679 934"><u>Art. 16</u></p> <p data-bbox="585 976 1406 1189">The board of directors may pass resolutions if the majority of its members are attending. Attendance may be made by phone or electronic media. No quorum is required, if exclusively resolutions regarding the implementation of a capital increase and subsequent amendments of the Articles of Incorporation have to be passed.</p> <p data-bbox="585 1232 1406 1301">Resolutions are passed by the majority of the votes cast. The chairman shall have the casting vote.</p> <p data-bbox="585 1344 1406 1447">Resolutions may also be adopted in writing respectively by telefax or e-mail by consenting to a proposal, unless a member requests discussion in a meeting.</p> <p data-bbox="585 1489 1406 1630">Discussions and meetings of the board of directors shall be recorded in minutes which shall be signed by the chairman of the board and the secretary and despatched to all members of the board of directors.</p> |
| Duties, Committees | <p data-bbox="585 1709 679 1740"><u>Art. 17</u></p> <p data-bbox="585 1783 1406 1926">The board of directors shall take decisions on all matters which by law or the Articles of Incorporation are not allocated or reserved to the general meeting of shareholders or another body of the corporation.</p> <p data-bbox="585 1968 1406 2029">The board of directors has the following non transferable and inalienable duties:</p>  |

1. Ultimate management of the corporation and the giving of the necessary directives;
2. The establishment of the organisation;
3. The structuring of the accounting system and of the financial controls as well as the financial planning;
4. The appointment and removal of the persons entrusted with the management and the representation;
5. 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;
6. The preparation of the business report as well as the preparation of the general meeting of shareholders and the implementation of its resolutions;
7. The notification of the judge in case of over indebtedness.

The board of directors may delegate the preparation and the execution of its resolutions as well as the supervision of the business activities to committees or members of the board of directors. It shall provide for an appropriate reporting to its members.

#### Art. 18

#### Organisational Regulations

The board of directors may in the organisational regulations delegate fully or partly the management of the corporation to certain of its members or third persons.

The organisational regulations shall organise the management, determine the positions required therefore, define its duties and regulate in particular the reporting.

#### **C) Auditors**

#### Art. 19

#### Election and Duties

The general meeting of shareholders shall elect each year an audit firm under state oversight in accordance with the Swiss

Federal Act on the Licensing and Oversight of Auditors (Revisionsaufsichtsgesetz, RAG). The auditors shall be responsible for carrying out all functions and duties incumbent upon them by law.

#### **IV. DISTRIBUTION OF PROFITS**

##### Art. 20

##### Distribution of Profits

Subject to the statutory provisions regarding distribution of profits, in particular art. 671 et seq. CO, the balance sheet profit shall be at disposal of the general meeting of shareholders.

Dividends may only be determined after the corresponding allocation to the statutory reserves as required by law have been deducted. All dividends for which within five years after the due date no payment has been requested shall accrue to the corporation and shall be allocated to the general reserves.

#### **V. FINANCIAL STATEMENTS AND BUSINESS YEAR**

##### Art. 21

##### Financial Statements and Business Year

The business year shall end annually as of December 31.

The board of directors shall prepare for each business year a business report which shall be composed of the annual financial statements consisting of the balance sheet, the profit and loss statement and the attachment, the annual report and the consolidated statements of account.

#### **VI. DISSOLUTION AND LIQUIDATION**

##### Art. 22

##### Dissolution and Liquidation

The general meeting of shareholders may resolve at any time in accordance with the law and the Articles of Incorporation the dissolution and liquidation of the corporation.

The corporation shall be liquidated by the board of directors unless the general meeting of shareholders has appointed liquidators.

## VII. NOTICE

### Art. 23

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|-------------------------|--|
| Official Publications   | Official publications of the corporation shall be made in the Swiss Official Commercial Gazette (SOCG). The board of directors may designate further means for official publications.  |
| Notices to Shareholders | Notices of the corporation to shareholders shall be made by official publications of the corporation. Notices to shareholders may also be made in writing to the addresses of the shareholders recorded in the share register. |

## VIII. MISCELLANEOUS

### Art. 24

The Company takes over from the shareholders of Geberit International S.A., Luxembourg as listed in the Contribution Agreement dated June 21, 1999 all 5'460'000 ordinary shares of Geberit International S.A., Luxembourg, in accordance with the Contribution Agreement, at a value of CHF 54'600'000.--, at a price of CHF 54'600'000.--, in exchange for 2'730'000 newly issued registered shares at a par value of CHF 20.-- each.

The Company takes over from DH Projects 2 Limited, Times Place, 45 Pall Mall, London SW1Y 5JG, UK all 1'000 shares of Geberit Limited, U.K., in accordance with the Contribution Agreement dated June 21, 1999, at a value of £ 1'000.--, at a price of £ 1'000.--, in exchange for 6 newly issued registered shares at a par value of CHF 20.-- each.

The Company intends to acquire after the capital increases on June 1, 1999 from the shareholders of Geberit International S.A., Luxembourg as listed in the Preference Share Purchase Agreement dated June 21, 1999 all 5'453'334 non-voting preference shares of Geberit International S.A., Luxembourg with a nominal value of CHF 10.-- each at a maximum price of CHF 280'671'977.--.

Rapperswil-Jona, April 30, 2008