

## 14<sup>th</sup> Annual General Meeting

of the shareholders of Geberit AG, held on April 4, 2013 at 4:30 p.m.

**Location:** Grünfeld sports hall, Rapperswil-Jona, Switzerland

**Created:** April 5, 2013

**Participants:** Albert M. Baehny (Chairman of the Board of Directors, CEO)  
 Robert F. Spoerry (Lead Director, Vice Chairman of the Board of Directors)  
 Hartmut Reuter (Board of Directors)  
 Susanne Ruoff (Board of Directors)  
 Jeff Song (Board of Directors)  
 Jørgen Tang-Jensen (Board of Directors)

William J. Christensen (Group Executive Board)  
 Roland Iff (Group Executive Board)  
 Michael Reinhard (Group Executive Board)  
 Karl Spachmann (Group Executive Board)

**Secretary:** Roman Sidler

894	registered shareholders at the beginning of the General Meeting
59	external guests
70	internal assistants

### I. Welcome and opening

In his capacity as chairman of the General Meeting, Chairman of the Board of Directors Albert M. Baehny opens the General Meeting and welcomes the shareholders and guests.

In addition to the members of the Board of Directors, members of the Group Executive Board, shareholders and guests, the following are also participating in the General Meeting:

- Roger Müller, Attorney at Law, Zurich, as an independent proxy holder (representing Andreas Keller, Attorney at Law);
- Manfred John, Notary, Chief Officer of the Rapperswil-Jona Notary's Office;
- Erich Zoller, Mayor of the Municipality of Rapperswil-Jona and the Rapperswil-Jona municipal councilmen Thomas Furrer and Thomas Rüegg;
- Bruno Bünzli, Managing Director of Geberit Produktions AG, Rapperswil-Jona, as a corporate body;
- René Rausenberger and Martin Knoepfel from PricewaterhouseCoopers AG, Zurich, as representatives of the auditors;
- Representatives from the media; and
- Geberit apprentices based in Rapperswil-Jona who are in their final year of apprenticeship.

### II. Notice of convocation, notice by means of official publication, opportunity to inspect documents

Before addressing the items on the agenda, the chairman makes the following formal introductory statements:

1. In a letter dated March 13, 2013, which included the agenda items and the proposals of the Board of Directors as well as an enclosed Summary Report on the business year 2012, the shareholders were invited to today's General Meeting in accordance with the provisions of the Articles of Incorporation and in compliance with the advance notice of 20 days prescribed by law. The invitation was published in the Swiss Official Gazette of Commerce on March 14, 2013.
2. No proposals for the agenda were received from the shareholders.

3. The Annual Report for the year 2012, the Financial Statements and the Consolidated Financial Statements plus the Auditors' Reports were published on the Internet ([www.geberit.com/annualreport](http://www.geberit.com/annualreport)) as an online version on March 12, 2013. Since this date, a hard-copy version thereof had been available for inspection by the shareholders at the Company's headquarters.
4. The minutes of the last Annual General Meeting, which was held on April 4, 2012, were duly signed and available for inspection by the shareholders at the Company's headquarters. They were also published on the Internet.
5. As per the Articles of Incorporation, the General Meeting is chaired by the Chairman of the Board of Directors. In the interests of good corporate governance, Lead Director Robert F. Spoerry will conduct the consultative vote on agenda item 1.2, the remuneration system and the remunerations for 2012.
6. The secretary and the tellers are appointed by the chairman.
7. The secretary of the General Meeting is Roman Sidler, Head Corporate Communications & Investor Relations for the Geberit Group.
8. Former Rapperswil-Jona Municipal Clerk Hans Wigger and Rapperswil-Jona Assistant Municipal Clerk Hansjörg Goldener shall officiate as head tellers.

The chairman declares that the General Meeting has been convened, notice thereof by means of official publication has been provided and the related documents have been made available for inspection in a timely and proper manner in accordance with the law and the Articles of Incorporation and that the General Meeting is thereby duly constituted and constitutes a quorum.

### III. Attendance

Immediately prior to the vote on the first agenda item, the number of shareholders present, votes represented and capital represented is as follows: 22,961,111 registered voting shares, each with a par value of CHF 0.10 (a total par value of CHF 2,296,111.10), are represented at the General Meeting either directly or by proxy. This is equivalent to 59,15% of the total share capital (total share capital = CHF 3,882,100.50).

In detail, the representation proportions are as follows:

- 894 shareholders/shareholders' representatives are present, representing 4,006,262 shares;
- The corporate body is representing 1,695,493 shares;
- The independent proxy holder is representing 17,259,356 shares; and
- 0 shares are represented by proxies of deposited shares.

As per the Articles of Incorporation, the chairman may decide that votes and elections be carried out by electronic means. The chairman explains the electronic voting procedure that is going to be implemented. He also advises that data privacy is ensured when using the electronic devices. The chairman also advises the shareholders in attendance of the possibility of expatiating on votes. He advises in this regard that he reserves the right to impose a restriction on the time allotted for speaking, where required.

### IV. Individual agenda items

#### **Agenda item 1: Approval of the Annual Report, the Financial Statements and the Consolidated Financial Statements for 2012, acceptance of the Auditors' Reports as well as a consultative vote on the remuneration system and the remunerations for 2012**

The chairman points out that the shareholders had been sent a Summary Report of the Annual Report 2012 together with the invitation to the General Meeting. Furthermore, the complete Annual Report was published on the Internet as an online version. A hard-copy version thereof was also on display at the Company's headquarters.

The Corporate Governance section of the Annual Report contains detailed information on the remuneration system. The remunerations paid to the members of the Board of Directors and the Group Executive Board in the business year 2012 are illustrated in the Notes to the Financial Statements of Geberit AG. This year, a consultative vote will again be carried out on the remuneration system and the remunerations paid to the members of the Board of Directors and the Group Executive Board in the year 2012. More detailed information on this point will follow in agenda item 1.2.

### **Agenda item 1.1: Approval of the Annual Report, the Financial Statements and the Consolidated Financial Statements for 2012, acceptance of the Auditors' Reports**

After some introductory comments on the past business year and expressing his thanks to all employees for the exemplary accomplishments achieved during this time, the chairman – together with CFO Roland Iff – explains the business year 2012 in detail and provides an outlook for the year 2013 as a whole (cf. enclosures).

The Financial Statements and Consolidated Financial Statements for 2012 were audited by the auditors from PricewaterhouseCoopers AG and accepted without exception. The chairman states that the General Meeting has taken note of the Auditors' Reports and thanks the auditors for their work.

There were no requests to speak on this agenda item. The result of the vote on the proposal for approval of the Annual Report, the Financial Statements and the Consolidated Financial Statements for 2012, as contained in the online Annual Report, is as follows:

Valid votes:	22,891,302
Absolute majority:	11,445,652
Votes in favor:	22,874,011
Votes against:	17,291
Abstentions:	56,817
Votes not submitted:	19,693

The proposal of the Board of Directors with respect to agenda item 1.1 is thereby approved.

### **Agenda item 1.2: Consultative vote on the remuneration system and the remunerations for 2012**

The Lead Director, who is conducting this agenda item, explains that the Swiss Code of Best Practice for Corporate Governance recommends involving the General Meeting in the debate on the remuneration system in an appropriate form. According to this recommendation, one option in this regard is to conduct a consultative vote on the remuneration system and the remunerations paid to the members of the Board of Directors and the Group Executive Board in the business year in question.

The rules underlying the remunerations are described in detail in the Corporate Governance section of the Annual Report. The Lead Director summarizes the basic principles of remunerations to the Board of Directors and Group Executive Board.

In 2012, the five non-executive members of the Board of Directors received a total combined remuneration of CHF 1,047,445. The reasons for the increase compared with the prior year are as follows:

- The remuneration of the Board of Directors had not been increased for several years. Based on studies on this topic and the comparison with other Swiss industrial companies, the remunerations were therefore adjusted slightly at the beginning of 2012.
- At the 2011 General Meeting, various posts on the Board of Directors were filled for the first time or by new incumbents, with the overall effect of this only becoming apparent in 2012.
- Thanks to the positive full-year results in 2012, the conditions for the remuneration of the Board of Directors paid in the form of shares were better than in 2011.

The CEO received a total salary of CHF 2,248,876 in 2012. The reasons for the increase compared with the prior year are as follows:

- An external benchmark study revealed that the CEO's overall remuneration was below the market standard and that the share-based remuneration in particular was too low. In 2012, the share-based part was therefore increased from 10% to 25% of the target income.
- Furthermore, a structural reform of the pension plan was carried out at Geberit that affected all employees, including the CEO and the other members of the Group Executive Board. The long-term stability of the pension fund is to be ensured by a one-time contribution.

The remuneration of the Chairman of the Board of Directors is included in his salary as CEO and therefore in the remuneration of the Group Executive Board.

In 2012, the remunerations of the members of the Group Executive Board, including the CEO, amounted to a total of CHF 6,330,577. The increase compared with 2011 is attributable to the following factors:

- In 2012, the salaries of the members of the Group Executive Board were adjusted in line with the increases for the other employees in Switzerland. Adjustments that went beyond these increases relate to cases where the overall remuneration was below the market standard.
- Furthermore, in 2011, one position on the Group Executive Board was only filled from April onwards. The overall effect therefore only became apparent in 2012.

The detailed breakdown of remunerations can be found in the Annual Report in the Notes to the Financial Statements of Geberit AG.

There were no requests to speak on this agenda item. The result of the consultative vote on the remuneration system and the remunerations for 2012 is as follows:

Valid votes:	22,257,674
Absolute majority:	11,128,838
Votes in favor:	11,626,493
Votes against:	10,631,181
Abstentions:	705,760
Votes not submitted:	5,368

The proposal of the Board of Directors with respect to agenda item 1.2 is thereby approved.

## **Agenda item 2: Resolution on the appropriation of available earnings and distribution from capital contribution reserves as well as a dividend**

The Board of Directors proposes a distribution in two tranches to the General Meeting. A first tranche of CHF 2.80 per share shall be effected as a distribution out of the reserves from previous capital contributions. As a result of the tax reform which came into effect at the beginning of 2011, Geberit AG may effect a distribution to shareholders out of the reserves from previous capital contributions without deduction of Swiss withholding tax of 35%. A distribution of this kind is free of income tax for shareholders with a fiscal domicile in Switzerland who hold the shares as private assets. A second tranche of CHF 3.80 per share shall be effected as an ordinary dividend, which is subject to withholding tax. The total proposed distribution therefore amounts to CHF 6.60 per share, which corresponds to an increase of 4.8% compared with the prior year. The proposal of the Board of Directors on the appropriation of available earnings and allocation of capital contribution reserves from legal reserves to free reserves for the purpose of distribution and a dividend by Geberit AG is detailed in the invitation to the General Meeting and the Annual Report.

The Board of Directors proposes the appropriation of available earnings and allocation of capital contribution reserves from legal reserves to free reserves for the purpose of distribution and a dividend as follows:

▪ Net income for the year 2012	CHF 299,990,789
▪ Balance brought forward	CHF 1,684,725
▪ Withdrawal from legal capital contribution reserves	CHF 105,835,596
▪ Total available earnings	CHF 407,511,110

to be appropriated as follows:

▪ Transfer to free reserves	CHF 150,000,000
▪ Distribution of CHF 2.80 per share out of capital contribution reserves	CHF 105,835,596
▪ Proposed dividend of CHF 3.80 per share	CHF 143,634,023
▪ Balance to be carried forward	CHF 8,041,491
▪ Total appropriation of available earnings	CHF 407,511,110

The exact wording of the proposal with the updated amounts is shown on the screen. The reading out of the proposal is therefore dispensed with.

If the proposal is approved, the distribution from capital contribution reserves will be made without deduction of withholding tax and the dividend will be paid less 35% withholding tax on April 11, 2013. The auditors confirm in their report that this proposal regarding the appropriation of earnings is in accordance with the law and the Articles of Incorporation.

There were no requests to speak on this agenda item. The result of the vote on the proposal of the Board of Directors with respect to this agenda item is as follows:

Valid votes:	22,907,343
Absolute majority:	11,453,672
Votes in favor:	22,897,768
Votes against:	9,575
Abstentions:	56,693
Votes not submitted:	4,816

The proposal of the Board of Directors with respect to agenda item 2 is thereby approved.

### **Agenda item 3: Formal approval of the actions of the Board of Directors**

According to the proposal, the actions of the members of the Board of Directors are to be formally approved for the year 2012.

The chairman points out that, in compliance with the law, persons who have participated in any manner in the management of the Company's business are not permitted to exercise their voting right.

There were no requests to speak on this agenda item. The vote on the formal approval of the actions of the Board of Directors shall be carried out for the Board of Directors as a whole ("en masse"). The result of the vote on the proposal concerning the formal approval of the actions of the Board of Directors is as follows:

Valid votes:	22,376,316
Absolute majority:	11,188,159
Votes in favor:	22,152,204
Votes against:	224,112
Abstentions:	89,912
Votes not submitted:	4,014

The proposal of the Board of Directors with respect to agenda item 3 is thereby approved.

#### **Agenda item 4: Elections to the Board of Directors**

As per the Articles of Incorporation, the members of the Board of Directors shall be appointed for a maximum of three years and their term shall be determined in the election. The term of office of members of the Board of Directors ends in the Annual General Meeting following their 70th birthday. The term of office of Robert F. Spoerry is set to expire at today's General Meeting. He is standing for re-election for a further term of office.

Furthermore, Susanne Ruoff is stepping down from the Board of Directors at today's General Meeting due to her appointment as the new CEO of Swiss Post. The chairman expresses his great appreciation and thanks her for the great contribution she made as a member of the Board of Directors.

The chairman advises that the members of the Board of Directors are elected on an individual and staggered basis.

##### **Agenda item 4.1: Re-election of Robert F. Spoerry**

The Board of Directors proposes the re-election of Robert F. Spoerry for the maximum term of office stipulated in the Articles of Incorporation. According to the current Articles of Incorporation, the maximum term of office is three years.

There were no requests to speak on this agenda item. The result of the election of Robert F. Spoerry to the Board of Directors is as follows:

Valid votes:	22,887,545
Absolute majority:	11,443,773
Votes in favor:	21,376,635
Votes against:	1,510,910
Abstentions:	76,794
Votes not submitted:	4,513

Robert F. Spoerry is thereby confirmed as a member of the Board of Directors for a further term of office of three years.

##### **Agenda item 4.2: Election of Felix R. Ehrat**

The Board of Directors proposes the election of Felix R. Ehrat for a term of office of three years.

Due to other commitments that could not be postponed, Felix R. Ehrat is unfortunately unable to attend the General Meeting and sends his apologies.

Felix R. Ehrat, who holds a doctorate in law, has been Group General Counsel of Novartis since October 2011 and a member of the Executive Committee since January 1, 2012. He 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 with Baer & Karrer Ltd. in Zurich in 1987, became Partner in 1992 and advanced to Senior Partner and Executive Chairman of the Board of Directors of the firm. Felix R. Ehrat is chairman of Globalance Bank AG, Zurich, member of the Board of Directors of Mueller-Moehl Group, Zurich, and board member of several organizations and foundations in the cultural field. The Board of Directors is convinced that, in Felix R. Ehrat, it has found an important new member for the Board of Directors. Alongside his wide-ranging legal knowledge, Felix R. Ehrat brings great leadership skills and practical experience of working for large listed companies to the Geberit Board of Directors. From the point of view of the Board of Directors, his excellent reputation and broad legal expertise in an international environment make him a suitable candidate, capable of playing a significant role in shaping the future success of the Geberit Group.

There were no requests to speak on this agenda item. The result of the election of Felix R. Ehrat to the Board of Directors is as follows:

Valid votes:	21,410,948
Absolute majority:	10,705,475
Votes in favor:	21,164,792
Votes against:	246,156
Abstentions:	1,550,936
Votes not submitted:	6,618

Felix R. Ehrat is thereby elected to the Board of Directors for a term of office of three years.

Concluding agenda item 4, the chairman explains that, in accordance with the Articles of Incorporation, the Board of Directors constitutes itself and that it will therefore re-form after the General Meeting.

#### **Agenda item 5: Appointment of the auditors**

As per the Articles of Incorporation, the auditors are elected for one year at a time. According to the proposal, PricewaterhouseCoopers AG is to be re-elected as auditors for the year 2013. The chairman explains that PricewaterhouseCoopers AG has made itself available for a further term of office. Lead auditor René Rausenberger has been in charge of the auditing mandate for the past five years.

There were no requests to speak on this agenda item. The result of the vote on the proposal concerning the appointment of the auditors is as follows:

Valid votes:	22,756,959
Absolute majority:	11,378,480
Votes in favor:	21,287,984
Votes against:	1,468,975
Abstentions:	205,837
Votes not submitted:	5,706

PricewaterhouseCoopers AG is thereby re-elected as auditors for 2013.

The chairman congratulates PricewaterhouseCoopers AG on its re-election and thanks René Rausenberger and his team for the good cooperation.

#### **Agenda item 6: Reduction in capital**

Geberit AG repurchased 1,022,578 shares in 2012 in the course of the share buyback program launched in January 2011 and concluded prematurely on December 19, 2012. These shares are now to be canceled in the course of the proposed capital reduction. The exact wording of the proposal with the proposed amendment to the Articles of Incorporation is detailed in the invitation and shown on the screen. The reading out of the proposal is dispensed with.

The chairman requests the notary Manfred John to notarize the resolution on this agenda item.

The Audit Report of the Auditors, which is required by law for reasons related to creditor protection, was available for inspection at the Company's headquarters together with the Annual Report 2012, the Financial Statements and the Consolidated Financial Statements as well as the Auditors' Reports.

If the proposal is approved, it is anticipated that the capital reduction will take place at the end of June 2013 with entry in the Commercial Register after the expiration of a period of two months commencing with the publication of the third of three notices to creditors in the Swiss Official Gazette of Commerce.

There were no requests to speak on this agenda item. The result of the vote on the proposal regarding capital reduction is as follows:

Valid votes:	22,874,702
Absolute majority:	11,437,352
Votes in favor:	22,859,377
Votes against:	15,325
Abstentions:	85,009
Votes not submitted:	8,741

The proposal of the Board of Directors with respect to agenda item 6 is thereby approved.

At the end of agenda item 6, the chairman asks the notary Manfred John whether the legal requirements as to form have been observed and whether he as a notary can duly carry out the notarization, which he answers in the affirmative.

#### **V. Conclusion of the General Meeting**

The chairman notes that all of the announced agenda items have been duly addressed. He expresses his sincere thanks and appreciation to all Geberit employees and to those involved in the preparation and execution of this year's General Meeting for their dedication and professionalism.

The chairman advises that the next Annual General Meeting will be held on Thursday, April 3, 2014. He then declares the 14<sup>th</sup> Annual General Meeting of Geberit AG closed.

**Conclusion of the General Meeting:** 5:45 p.m.

Chairman



Albert M. Baehny

Secretary



Roman Sidler

Enclosure:

Copies of the slides used by Albert M. Baehny and Roland Iff in their commentaries (Business year 2012, Outlook 2013) (only available in German)