
Corporate Governance

Geberit practices clear decision-making processes and a policy of transparent information, including in particular as regards Corporate Governance. This ensures that the company is managed with a long-term orientation and that the interests of shareholders are safeguarded.

An extensive illustration of the Corporate Governance in accordance with the corresponding guidelines of the Swiss Stock Exchange (SWX) is included in the annual report. At this point, we shall therefore restrict ourselves to selected aspects concerning responsible, sustainable corporate management.

Clear rules on management and control mechanisms

The Board of Directors determines the strategic objectives and the general funds for achieving these, and decides on major business transactions. The Board of Directors is made up of six members, none of which is involved in operative management. As of 31.12.2006, Günter F. Kelm was Chairman and Kurt E. Feller Vice Chairman. The Board of Directors has formed two committees. The Personnel Committee prepares proposals concerning human resources decisions, remuneration models as well as concerning the annual remuneration of the Board of Directors and Group Management, and submits these to the full Board of Directors. The committee is made up of three members of the Board of Directors, with the Vice Chairman as Chairman. The Audit Committee is the uppermost supervision body for internal and external audits, and monitors financial reporting. All members of the Board of Directors belong to this committee. The Vice Chairman is the Chairman of the Committee.

The remuneration of the Board of Directors is paid in the form of shares and set out in transparent form in the annual report. In order to encourage a long-term orientation of decisions of the Board of Directors, these shares are blocked for two years. The Board of Directors receives a discount on the share price dependent on the success of the company; this discount corresponds to that of the employees within the framework of the employee programs. The period of office of a member of the Board of Directors is three years, the statutory age limit is 70. Reelection is on an individual basis and is staggered. There are no cross interests – i.e. reciprocal seats on boards of directors.

Participatory rights of the shareholders

Persons entered in the share register of Geberit AG as a shareholder with a voting right are entitled to vote. Treasury shares do not entitle the holder to vote.