

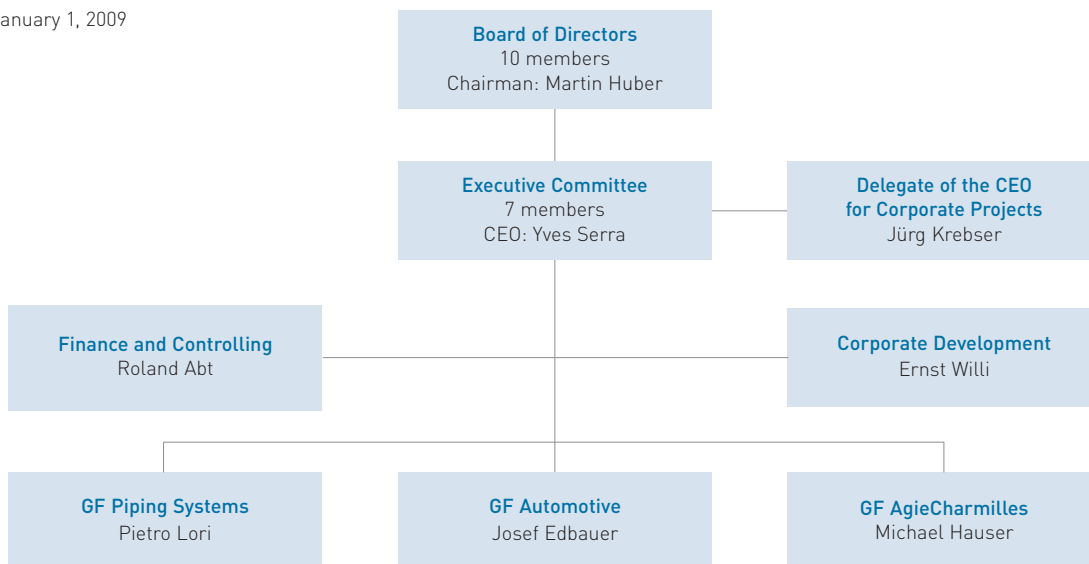
Corporate Governance

The Board of Directors and Executive Committee of Georg Fischer attach considerable importance to Corporate Governance. The Corporation is aware of its economic, ecological and social responsibility and thus continually strives to find a proper balance in the spectrum of interests on the part of shareholders, lenders, employees, customers, business partners and the general public. A high degree of transparency aids in strengthening the trust in the Corporation and its leadership. Georg Fischer Ltd is organized under Swiss law. It was one of the first companies to sign the "Swiss Code of Best Practice for Corporate Governance".

Contents. The present publication fulfils all obligations of the corresponding SIX Swiss Exchange directive on information relating to Corporate Governance in terms of content and order. Section 5 will be dealt with in the Compensation Report below. Georg Fischer opts to disclose all information and therefore answers all questions. The consolidated accounts of Georg Fischer comply with IFRS (International Financial Reporting Standards).

All figures apply to December 31, 2008, unless otherwise noted. Any changes occurring before the copy deadline on February 13, 2009, are listed at the end of this section. Any changes occurring after the copy deadline can be found on our website. Visit our "Corporate Governance" webpage for the very latest information. We also publish the Articles of Association of Georg Fischer Ltd, the internal Organization and Business Regulations, our mission statements and much more information online at www.georgfischer.com.

As at January 1, 2009



Corporate Structure and Shareholders

The operational structure of the Corporation is illustrated in the diagram on this page. Georg Fischer Ltd, the holding company of the Georg Fischer Corporation, is headquartered in Schaffhausen and is listed on the SIX Swiss Exchange (security number 175 230). Its share capital is CHF 102,522,450 (previous year: CHF 205,044,900), and its market capitalization was CHF 972 million (previous year: CHF 2,823 million) as at December 31, 2008.

Affiliated companies. An overview of all affiliated companies can be found in the financial section on pages 106 to 109.

Significant shareholders. According to a statement of BDS Beteiligungsgesellschaft AG, solely owned by Prof. Dr. Giorgio Behr, it held 6.36 percent of voting rights as of November 27, 2008 in Georg Fischer Ltd. The package consists of 211,000 shares, equivalent to 5.15 percent of share capital, and 50,000 options, equivalent to 1.21 percent of share capital.

There are no shareholder agreements or cross-holdings with other companies.

Capital Structure

Capital and share information. Fully paid-in share capital amounts to CHF 102,522,450 (previous year: CHF 205,044,900). It is divided into registered shares with a par value of CHF 25 (previous year: CHF 50). Each share has one vote at the General Meeting of Shareholders. Further information concerning the share capital and changes in capital for the past five years can be found in the financial section on pages 44 to 46. No participation or profit sharing certificates exist.

Restrictions on transferability. Registration in the company's share register as a shareholder with voting rights or beneficiary with voting rights is subject to the approval of the Board of Directors. Approval of registration is subject to the following rules: A natural person or legal entity may directly or indirectly accumulate no more than 5 percent of registered share capital. Persons who are bound by capital or voting rights, by consolidated management or in another similar manner, or who have come to an agreement for the purpose of circumventing this rule, shall be deemed as one person. Applications for registrations that exceed the threshold of five percent are refused. No such applications were received during the year under review.

Nominee registrations. Persons who hold shares for third parties (referred to as nominees) are only entered in the share register with voting rights if the nominee declares his willingness to disclose the names, addresses and shareholdings of those persons on whose behalf he holds the shares. The same registration limitations apply mutatis mutandis to nominees as to individual shareholders. Applications for registrations that exceed the threshold of five percent are refused. No such applications were received during the year under review.

Cancellation or amendment of restrictions. Cancellation or easing of the restrictions on the transferability of registered shares requires a resolution of the General Meeting of Shareholders

Board Committees

As at January 1, 2009

Audit Committee	Compensation Committee	Nomination Committee
Rudolf Huber, Chairman	Martin Huber, Chairman	Martin Huber, Chairman
Gerold Bühler	Flavio Cotti	Roman Boutellier
Ulrich Graf	Ulrich Graf	Gertrud Höhler
Kurt E. Stirnemann		Bruno Hug

Board of Directors

Name

Position, year of birth, nationality
Educational background

First term as Board member

Termination of current term

Professional background, career

Further professional activities and functions

Committees

Corporate Governance



Martin Huber

Chairman of the Board, 1941 (Switzerland)
Dipl.-Ing. ETH (Zurich), lic. iur. University of Zurich

Board member since 1992;
Chairman of the Board since 2003
2009

Assistant at ETH's Institute of Telecommunications (1966–1967); clerk at the cantonal court of Schaffhausen (1970–1972); various positions at Mettler Instrumente AG (1972–1981), appointed to the Executive Board in 1976; various positions for the Georg Fischer Corporation in Switzerland and the USA (1981–2003), including Head of Georg Fischer Piping Systems (1984–1992), President and CEO and Delegate to the Board (1992–2003).

Member of the Executive Committee of Swissmem;
member of the Board of Directors of economiesuisse

Chairman of the Compensation and
Nomination Committees

Independent member



Bruno Hug

Vice Chairman of the Board, 1941 (Switzerland)
Lic. oec. HSG, lic. iur. University of Geneva

Board member since 1992;
Vice Chairman of the Board since 2004
2010

Various positions at the Union Bank of Switzerland (now UBS) in New York, Basel, Geneva and Zurich (1971–1998), ultimately as Executive Vice President and as a member of the Expanded Executive Board; Chairman of the Senate of the University of Fribourg (1999–2005); business lawyer in Geneva (since 1998), Président Directoire Sogélym-Steiner France.

Chairman of Bank Synthesis; Vice Chairman of Groupe Schenk; member of the Boards of Directors of Chopard S.A., H&M Hennes & Mauritz and Karl Steiner AG.

Member of the Nomination Committee

Independent member

passed by at least two-thirds of the shares represented and an absolute majority of the par-value of the shares represented.

Convertible bonds and options. There are no outstanding convertible bonds and no options issued by Georg Fischer.

Board of Directors

Independence. All members of the Board of Directors are non-executive. There are no significant business relationships between the members of the Board or the companies or organizations they represent and Georg Fischer Ltd or a subsidiary company.

Election and term of office. Members of the Board of Directors are elected individually by the Annual General Meeting and normally for a term of four years. Each year the General Meeting of Shareholders will elect or re-elect around a quarter of the Board members. Particular emphasis is placed on experience as a

businessman, relevant expertise or international ties when selecting Board members. The Board of Directors aims for a proper balance of competence and knowledge, taking into account the main operative focus of the Corporation, its international orientation and the requirements for financial statements of companies listed on the stock exchange.

The term of office of newly elected members is determined at the time of election, with consideration given to the staggered renewal of the Board. Members whose terms expire may be re-elected immediately. Members of the Board must resign their mandate at the Annual General Meeting following their 70th birthday.

2008. At the 112th Annual General Meeting on March 19, 2008, Flavio Cotti and Rudolf Huber were each re-elected. Since Flavio Cotti will reach the age limit for Directors by the Annual General Meeting in 2010, he was re-elected for a term of two years. Rudolf Huber was re-elected for a term of four years. The Board of Directors, which in accordance with § 16.1 of the Articles of Association is comprised of seven to ten members, has ten members.



Roman Boutellier

Member of the Board of Directors, 1950 (Switzerland)
Dr. sc. math. ETH (Zurich)

Board member since 1999

2009

Kern AG (as of 1987, Leica AG) (1981–1987); member of the executive management of Leica AG (1987–1993); Professor of Business Management at the University of St. Gallen (1993–1998); CEO and Delegate to the Board of Directors of SIG Holding AG (1999–2004); Professor of Innovation and Technology Management at the ETH in Zurich (since 2004) and Vice President Human Resources and Infrastructure ETH Zurich (since 2008).

Board member of Ammann Group Holding AG; member of the bank council of the Cantonal Bank of Appenzell; member of the board of trustees of Vontobel Foundation.

Member of the Nomination Committee

Independent member



Gerold Bührer

Member of the Board of Directors, 1948 (Switzerland)
Lic. oec. publ. University of Zurich

Board member since 2001

2011

Various positions at the Union Bank of Switzerland (today UBS) (1973–1990), ultimately as a member of the executive management of the bank's investment company; member of the Executive Committee of Georg Fischer Ltd (1991–2000); member of the Swiss Parliament (1991–2007), business consultant (since 2000).

President of economiesuisse, member of the Bank Council of the Swiss National Bank, Vice Chairman of the Board of Directors of Swiss Life, member of the Boards of Bank Sal. Oppenheimer (Switzerland), Cellere AG and Züblin Immobilien Holding AG.

Member of the Audit Committee

Independent member



Flavio Cotti

Member of the Board of Directors, 1939 (Switzerland)
Lic. iur. University of Fribourg (Switzerland)

Board member since 2000

2010

Lawyer and notary in Locarno (1965–1975); member of the cantonal government in Ticino (1975–1983) and of the Swiss Parliament (1983–1986); Federal Councillor (1987–1999), President of the Swiss Confederation (1991, 1998).

Member of the Board of Directors of Società Elettrica Sopracenerina SA; member of the board of trustees of Jacobs Foundation.

Member of the Compensation Committee

Independent member

Internal organizational structure. The Board of Directors constitutes itself by electing a Chairman and a Vice Chairman from among itself on an annual basis. Members of the committees are elected in the same manner. The Board of Directors constituted itself the day of the Annual General Meeting, March 19, 2008, as follows: Martin Huber Chairman (hitherto) and Bruno Hug Vice Chairman (hitherto).

Areas of responsibility. The members of the three Board Committees are listed on page 48. The Board Committees provide preliminary consultation to the Board of Directors and do not make any definitive decisions (except the Compensation Committee). They discuss the issues assigned to them and make proposals to the Board of Directors as a whole. The President and CEO attends the meetings of the Board Committees, but is not entitled to vote. Minutes of the committee meetings are sent to all members of the Board of Directors. The chairmen of the individual committees also make a verbal report at the next meeting of the Board of Directors and submit any proposals.

Work methods of the Board of Directors. Decisions are made by the Board of Directors as a body. Members of the Executive Committee also participate in Board meetings for agenda items relating to the company's business. They are not entitled to vote, however. Invitations to Board meetings list all of the issues that the Board of Directors, a Board Committee or the CEO wish to discuss. All participants of a Board meeting receive written material on the proposals in advance.

The Board of Directors meets at least four times a year under the leadership of its Chairman. During the year under review, it met seven times: the annual strategy meeting lasted two days, three meetings lasted half a day and four lasted less; two of them were held in form of a phone conference. In addition, the entire Board visited two relevant suppliers of Georg Fischer. The three Board Committees held a total of 15 meetings. The appointments for the regular meetings are generally set well in advance in order that all members can attend personally. In 2008 the attendance rate was 100 percent.

External consultants are called on for their services involving specific topics. Further information is provided in the section on the three Board Committees.

Board of Directors

Name
Position, year of birth, nationality
Educational background



Ulrich Graf
Member of the Board of Directors, 1945 (Switzerland)
Dipl. EL.-Ing. ETH (Zurich)

First term as Board member
Termination of current term

Board member since 1998
2010

Professional background, career

Various positions at the Kaba Group (1976–2006), ultimately as President and CEO and Delegate to the Board of Kaba Holding AG (1990–2006).

Further professional activities and functions

Chairman of the Boards of Directors of Kaba Holding AG, Dätwyler AG, Griesser Holding AG and of Fr. Sauter AG; member of the Board of Directors of Feller AG, member of the supervisory board of Dekra e.V. and member of the board of trustees of REGA.

Committees

Member of the Audit and Compensation Committees

Corporate Governance

Independent member



Gertrud Höhler
Member of the Board of Directors, 1941 (Germany)
Dr. phil. University of Mannheim (Germany)

Board member since 1999
2011

Professor of Literature and German at the University of Paderborn in Germany (1976–1995); personal assistant to the Chairman of the Board of Deutsche Bank (1987–1990), economic and political consultant and author of authoritative books on corporate development and management (since 1978).

Member of the Boards of Directors of Ciba AG and of Bâloise AG.

Member of the Nomination Committee

Independent member

Evaluation. The Board of Directors reviews its performance and that of its members annually within the framework of a self assessment. In the year under review, as part of this assessment, it monitored in particular current issues of Corporate Governance and their fulfilment by Georg Fischer. Professor Peter Böckli (Switzerland) was invited to the assessment as special guest and keynote speaker. The Board of Directors incorporates the conclusions of this assessment into its annual planning for 2009.

Audit Committee. The Audit Committee is comprised of four Board members. The Audit Committee supports the Board of Directors in monitoring the accounting and financial reporting, supervises internal and external audits, assesses the efficiency of the internal control system, including risk management, and the compliance with statutory provisions, acknowledges the closing financial statements, endorses the sensitivity analysis of the pension trust funds of Georg Fischer Ltd and issues its opinions on transactions concerning equity and liabilities at Georg Fischer Ltd. The Audit Committee also decides whether or not the consolidated financial statements and those of Georg Fischer Ltd can be recommended to the Board of Directors for presentation to the Annual General Meeting.

As a rule, the Chairman of the Board, the President and CEO, the CFO, the chief internal auditor and a representative of the external auditors also attend the meetings. At the request of the Audit Committee and in agreement with the CEO, the external auditor also provides information on current questions relating to the financial statements and financial aspects. During the financial year just ended, the Audit Committee held eight meetings, four of which lasted half a day, four less.

Compensation Committee. The Compensation Committee is comprised of three Board members. It supports the Board of Directors in determining compensation policy for the highest corporate level and, on request, uses knowledge of external compensation specialists as regards market data from comparable companies in Switzerland to this effect. It proposes to the Board of Directors the total amount of compensation to be paid to the Executive Committee and the Chief Executive Officer and decides on the remuneration of the other members of the Executive Committee upon a proposal of the Chief Executive Officer. The Compensation Committee held three meetings during the last financial year, each of which lasted one hour.



Rudolf Huber

Member of the Board of Directors, 1955 (CH)
Dr. oec. publ. University of Zurich

Board member since 2006
2012

Various positions in the financial sector of industrial firms in Switzerland (1985–1992); CFO of Geberit AG (1992–2004); business consultant (since 2005); part-time lecturer at the Hochschule für Wirtschaft in Lucerne and lecturer at the University of St. Gallen.

Member of Board of Directors of Forbo Holding AG, Looser Holding AG, Swiss Prime Site AG and the non-listed companies Hoerbiger Holding AG, Wicor Holding AG and Zur Rose AG; President of CFO Forums Switzerland.

Chairman of the Audit Committee

Independent member



Kurt E. Stirnemann

Member of the Board, 1943 (Switzerland)
Dr. sc. techn. ETH (Zurich)

Board member since 2003
2011

Assistant (1969–1971) and lecturer (1973–1977) at the ETH in Zurich; various positions at Rieter (1977–1990), ultimately as Managing Director of Maschinenfabrik Rieter AG and as deputy member of the Executive Committee of Rieter Holding AG; President and CEO of Agie AG (1990–1996); member of the Executive Committee of Georg Fischer as well as CEO and Delegate to the Board of Directors of the Agie Charmilles Group (1996–2003); President and CEO of Georg Fischer Ltd and Delegate to the Board (2003–2008).

Board member Feintool AG

Member of the Audit Committee

Non-executive member



Zhiqiang Zhang

Member of the Board of Directors, 1961 (China)
Bachelor of Sciences from Northern Jiatong University, Beijing (China); MBA from Queen's University, Kingston (Canada)

Board member since 2005
2009

Various positions at Siemens in various countries, including the USA, Germany and China (1987–2006), CEO of Nokia Siemens Networks, Greater China Region (since 2007).

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Independent member

Nomination Committee. The Nomination Committee is comprised of four Board members. It supports the Board of Directors with succession planning for the Board itself and the Executive Committee and assists in the selection of candidates for appointment to the Board of Directors or Executive Committee. The Nomination Committee is informed annually on senior management succession planning for the two highest operating management levels. During the last financial year, the Nomination Committee held four meetings, which lasted between one and two hours.

Areas of responsibility. The Board of Directors has ultimate responsibility for supervising and monitoring the management of Georg Fischer Ltd. It appoints and oversees the Executive Committee and is responsible for determining the Corporation's strategic direction, the design of accounting, the financial controlling and financial planning. It delegates operational management to the CEO, who is supported by the Executive Committee in this task.

Apart from the tasks which cannot be delegated, the Board of Directors passes resolutions on matters such as:

- investments in or sales of property, plant and equipment exceeding CHF 5 million;
- amendments made to the Corporation's legal structure (establishment of corporate subsidiaries, acquisitions, joint ventures, the liquidation of companies, etc.);
- bank loans exceeding CHF 100 million or those which include cross default or similar clauses;
- guarantees, sureties or letters of comfort exceeding CHF 100 million;
- the assignment of power of attorney to lawsuits and settlements involving amounts in dispute exceeding CHF 5 million.

The responsibilities of the Board of Directors and the Executive Committee and cooperation between them are laid down in the Organization and Business Regulations.

Executive Committee

Name
Position
year of birth, nationality

Educational background

Member of the Executive Committee

Professional background, career

Further professional activities
and functions



Yves Serra
President and CEO of Georg Fischer Ltd
1953 (France)

Engineering degree from Ecole Centrale de Paris (France) and a M. Sc. in construction engineering from the University of Wisconsin-Madison (USA)

Since 2003, CEO since 2008

Deputy commercial attaché at the French Embassy in Manila (1977–1979); customer service engineer for Alstom in France and South Africa (1979–1982); various positions at Sulzer in France and Japan (1982–1992); various positions for the Georg Fischer Corporation (since 1992), Managing Director of Charmilles Technologies Japan and Regional Head of Sales Asia (1992–1996), Head of Charmilles (1996–2003), Head of GF Piping Systems (2003–2008); President and CEO of Georg Fischer Ltd (since March 2008).

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Roland Abt
CFO
1957 (Switzerland)

Dr. oec. HSG (St. Gallen)

Since 2004

Head of Finance for a corporate group in the areas of data processing and real estate (1985–1987); various positions at the Eternit Group (1987–1996) in Switzerland and Venezuela, ultimately as Division Manager of their asbestos cement manufacturing activities; various positions for the Georg Fischer Corporation (since 1996), including CFO of the Agie Charmilles Group (1997–2004) and CFO of the Georg Fischer Corporation (since 2004).

Member of the Admission Board of SIX Swiss Exchange



Josef Edbauer
Head of GF Automotive
1957 (Germany)

Dipl.-Ing. (FH) University of Konstanz (Germany)

Since November 2008

Various positions at Georg Fischer Automotive (since 1982), including Head Engineering and Maintenance at George Fischer (Lincoln) Ltd., Lincoln UK (1985–1989), Managing Director Georg Fischer Automobilguss GmbH, Singen (Germany) (1999–2005); member of the Group Management and Head Iron Casting Technology Unit at GF Automotive (2005–2008); Head of GF Automotive (since November 2008).

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Information and control instruments. The internal Management Information System (MIS) contains all key figures of the Corporate Groups. In addition, the general managers of the operating companies comment on selected topics such as the market, financials, technology/production, personnel and outlook on a monthly basis. These reports are presented to the line managers, the CEO and the CFO. The MIS forms the basis for the monthly report, a written copy of which is given to every Board member. These monthly reports contain, together with a detailed commentary, current information concerning the course of business and accounts of the Corporation, the Corporate Groups and subsidiaries.

The Board of Directors also receives projections of the annual financial statements twice a year, and the results of medium-term planning for the next three years once a year. The Executive Committee presents and comments on the course of business and brings forth all important matters at the Board meetings. Once a year, the Board of Directors has a two-day meeting behind closed doors to concentrate exclusively on the strategies of the Corporate Groups and the Corporation as a whole.

The Chairman of the Board of Directors attends the annual conference of the Corporation's top managers and the Executive Committee's two-day planning meeting. The Chairman of the Board of Directors and the CEO inform and consult each other regularly on all business matters that are of fundamental importance or have far-reaching ramifications. The Chairman of the Board of Directors visits Corporate Subsidiaries on a regular basis to see for himself their operations and how they are implementing the Corporation's strategies. In 2008 he visited Corporate Subsidiaries in Europe, Asia and North America, in some cases together with the Vice Chairman.

Internal Audit. Internal Audit reports to the Chairman of the Audit Committee, and to the CFO functionally and administratively. Based on the risk-oriented audit plan approved by the Audit Committee, corporate subsidiaries are audited either annually or every two to three years, depending on the risk assessment. During the year under review, 40 internal audits were carried out. The written report is reviewed intensively with the management of the company concerned, copies are given to the line managers, external auditor, the Executive Committee, the Chairmen of the



Michael Hauser
Head of GF AgieCharmilles
1961 (Germany)

Studies of mechanical engineering and business administration at Munich Technical University (Germany) and University of Mannheim (Germany), BA of University of Mannheim (Germany).

Since August 2008

Various positions in different companies of the machine tool industry in Germany, Italy (1988–1996); Chairman of the Standard Milling Machines business unit and member of Group Management of the Mikron Technology Group (1996–2000); member of Group Management of Agie Charmilles Holding Ltd (now: GF AgieCharmilles) (since 2000), first as Head of the Mikron division (2000–2004) and then as Head of the Technology Unit Milling and of Marketing and Sales Support (2004–2008); Head of GF AgieCharmilles (since August 2008).

President of Swissmem's "Machine tool and manufacturing technology" group and member of the Board of Cecimo, the European Committee for Cooperation of the Machine Tool Industries.



Jürg Krebsler
Delegate of the CEO for Corporate Projects
1948 (Switzerland)

Dr. sc. techn. ETH (Zurich)

Since 1994

Researcher on the scientific staff of the Institute of Communication Technology at the ETH in Zurich (1976–1980), various positions at BBC (today ABB) (1980–1990), latterly as Head of Development in a joint venture between BBC and Ascom; various positions for the Georg Fischer Corporation in Switzerland and the USA (since 1990), including Head of GF Piping Systems (1994–2003), CEO and Delegate to the Board of Agie Charmilles Holding AG (today GF AgieCharmilles) (2003–2008) and Delegate of the CEO for Corporate Projects (since August 2008).

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Pietro Lori
Head of GF Piping Systems
1956 (Italy)

Studied mechanical engineering, degree of Dr. Ing. Politecnico di Milano (Italy).

Since March 2008

Various positions in different companies in Italy and United States (1982–1988) and GF Piping Systems (since 1988), including Managing Director of GF Piping Systems Italy (1994–1998), Head of Southern Europe at GF Piping Systems, (1999–2001), member of the Group Management of GF Piping Systems (since 2002), latterly Vice President Division Europe and Emerging Markets (2003–2008), Head of GF Piping Systems (since March 2008).

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Ernst Willi
Head of Corporate Development
1946 (Switzerland)

Dr. phil. I University of Zurich

Since 1995

Lecturer at Bishop's Stortford College (1969–1970); teacher at the Kantonsschule Aarau (1970–1973); English teacher at the Kantonsschule Rämibühl in Zurich (1973–1991); various positions for the Georg Fischer Corporation (since 1991), General Secretary (1991–1995) and Head of Corporate Development (since 1993).

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Board and the Audit Committee. Audit reports with significant findings are presented to and discussed with the Audit Committee. Internal Audit also ensures that all discrepancies arising in internal and external audits are dealt with and submits a corresponding report to the Executive Committee and the Audit Committee. The head of Internal Audit prepares an annual report, which is discussed by the Executive Committee and the Audit Committee. He also serves as the secretary of the Audit Committee.

Corporate Compliance. The Compliance Officer, who reports to the President and CEO, is particularly responsible for preventive measures, training the Corporate Groups and providing information and consultation to the Corporate Subsidiaries to ensure that the Corporate Subsidiaries comply with the law, internal rules and the Corporation's principles of business ethics in their business activity.

In 2008, more than 1,000 employees participated in an e-learning programme on competition and antitrust laws. Besides this, the Compliance Officer instructed employees at various internal training sessions. Furthermore, the Compliance Officer conducted three compliance audits and reported on his activity to the Executive Committee and the Board of Directors.

Risk Management. The Board of Directors and Executive Committee attach considerable importance to careful handling of strategic, financial and operating risks and therefore expanded corporate risk management during the past business year. The head of the Corporate Risk Management & Taxes Service Division is the Chief Risk Officer (CRO). In this function, the CRO reports directly to the President and CEO and is supported in this task by Risk Officers from the three Corporate Groups. Together with specialists in Corporate Risk Management, they form the Corporate Risk Council, which is headed by the CRO and which met four times during the past business year.

The handling of financial risks is explained in the financial section on pages 85 to 88 and of operational risk on pages 13 to 14.

Executive Committee

The President of the Executive Committee and CEO is responsible for the direction of the Corporation. In this duty he is supported by the other members of the Executive Committee. Under the leadership of the CEO, the Executive Committee deals with all Corporation-related issues, takes decisions within the scope of its authority and submits proposals to the Board of Directors. The heads of the Corporate Groups and corporate units are responsible for formulating and achieving their corporate goals and for managing their areas autonomously. No management responsibility is delegated to third parties at the Executive Committee level (management contracts).

2008. On March 20, 2008 Yves Serra took over from Kurt E. Stirnemann as President and CEO. At the same time he was replaced by Pietro Lori as Head of GF Piping Systems. As of August 1, 2008 Jürg Krebsler handed over the presidency of GF AgieCharmilles to Michael Hauser. As Delegate of the CEO for Corporate Projects, he remains a member of the Executive Committee. On November 1, 2008 Ferdinand Stutz handed over the presidency of GF Automotive to Josef Edbauer and retired as member of the Executive Committee. As per end of year, the Executive Committee is composed by Yves Serra, CEO; Pietro Lori, GF Piping Systems; Josef Edbauer, GF Automotive; Michael Hauser, GF AgieCharmilles; Roland Abt, CFO; Ernst Willi, Corporate Development and Jürg Krebsler, Delegate of the CEO for Corporate Projects.

Shareholders' Rights

As at December 31, 2008, Georg Fischer Ltd had 15,347 (previous year: 12,308) shareholders with voting rights, most of whom reside in Switzerland. To maintain this broad base, the Articles of Association provide for the statutory restrictions summarized hereinafter.

Restriction on voting rights. The total number of votes exercised by one person for his own shares and shares for which he votes by proxy may not exceed 5 percent of the votes of the company's total share capital. Persons or legal entities bound by capital or voting rights or by joint management or otherwise or acting in concert for the purpose of circumventing this provision are regarded as one person. The Board of Directors may approve exceptions to this rule. It decides on a case-by-case basis. No such applications were received during the year under review.

The restriction of voting rights under § 4.10 of the Articles of Association may be revoked only by a resolution of the General Meeting of Shareholders, passed by a two-thirds majority of shares represented and an absolute majority of the par value of shares represented.

Proxy voting. A shareholder may, on the basis of a written power of attorney, be represented at the General Meeting of Shareholders by another shareholder entitled to vote, a member of a governing body, the independent proxy, or a proxy holder of deposited shares. Partnerships may be represented by a partner or authorized signatory, legal entities by a person authorized by law or the articles of association, married persons by their spouse, wards by their legal guardians and minors by their legal representative, regardless of whether such representatives are shareholders or not.

Statutory quora. As stipulated in § 12 of the Articles of Association the following resolutions of the General Meeting of Shareholders require a majority greater than that laid down by law. At least two-thirds of the shares represented and an absolute majority of the par value of shares represented must be in favour of:

- the easing or revocation of restrictions on the transferability of shares,
- the introduction, expansion, easing or revocation of restrictions on voting rights,
- the conversion of registered shares into bearer shares,
- the removal from office of a quarter or more of the members of the Board of Directors,
- amendments to § 16.1 of the Articles of Association concerning the election and term of office of members of the Board of Directors,
- the removal of limitations in the Articles of Association regarding the resolutions passed by the General Meeting of Shareholders, in particular those contained in § 12.

Convocation of the General Meeting of Shareholders. No regulations which deviate from those laid down by law exist.

Agenda. Shareholders representing a minimum of 0.3 percent of the share capital may request that an item be added to the agenda. The application must be submitted in writing no later than 60 days before the meeting and must specify the item to be discussed and the shareholder's proposal.

Entries in the share register. The deadline for entering shareholders in the share register with regard to attendance at the General Meeting of Shareholders is around ten days before the date of the General Meeting of Shareholders. It is stated in the invitation.

Change of Control and Defence Measures

The Articles of Association of Georg Fischer Ltd do not contain any regulation with regard to "opting-out" or "opting-up". For one year subsequent to the effective date of a change of control, the term of notice of termination agreed upon by contract is doubled for the members of the Executive Committee (from 12 to 24 months), as well as for several other members of senior management (from 6 to 12 months). Furthermore, a change of control will result in the cancellation of all existing disposal limitations for shares allocated according to the share plan.

In the event of a change of control, bondholders and banks have the right to demand the immediate repayment of bond issues and loans before they are due.

Auditors

Mandate. KPMG AG of Zurich became the external auditors of Georg Fischer Ltd in 1985. The chief auditor, Philipp Hallauer, has held that position since the 2003 Annual General Meeting. The chief auditor is changed every seven years.

Audit fees. In 2008, the Corporation paid KPMG AG a total of approximately CHF 2.12 million (previous year: CHF 2.07 million) for services relating to the audit of the 2008 annual financial statements of Georg Fischer Ltd, the Corporation as a whole and the corporate subsidiaries audited by KPMG worldwide. Globally, KPMG AG received fees of approximately CHF 0.4 million (previous year: CHF 1.17 million) for other services to the Corporation such as consultancy on corporate, IT, tax and legal matters.

Supervisory and control instruments. The Audit Committee reviews and evaluates the effectiveness and independence of external auditors annually. For the evaluation, the members of the Audit Committee use first of all their knowledge and experience which they have acquired as a result of similar functions at other companies. They also rely on documents developed by external auditors, such as the management letter, as well as their verbal and written statements concerning individual aspects and pertinent questions relating to the financial statement and the audit.

Internal Audit also issues an annual list of all services rendered by external auditors for the Corporation and their costs, which is discussed by the Executive Committee and the Audit Committee. In the presence of internal and external auditing, the Audit Committee also evaluates potential for improvement regarding collaboration, the processing of assignments and any interfaces or overlapping of internal and external auditing. A representative of the auditors attends the meetings of the Audit Committee.

Information Policy

Georg Fischer has a policy of communicating proactively, openly and promptly with all stakeholders. All communication measures are based on a commitment to uphold the company's credibility. Whenever possible and permissible, employees are notified first of issues that affect them. Open communication at all levels is an important element of management responsibility.

The shareholders of Georg Fischer Ltd receive regular information about all major business developments through the Annual Report, the mid-year report and through press releases. Events which may have an impact on the share price are published routinely (ad hoc publicity).

Important dates to note in 2009 are:

February 24, 2009: Publication of year-end results 2008

March 18, 2009: Annual General Meeting

July 17, 2009: Publication of mid-year report 2009

These dates, as well as any changes, and all press releases can be found at

www.georgfischer.com under "Media".

Interested persons can subscribe to the free e-mail service to receive all press releases via e-mail. Responsibility for communication and information lies primarily with the Communications and Investor Relations Departments.

Changes after the balance sheet date

None.