

ORGANIZATIONAL REGULATIONS

Approved by the Board of Directors of Walter Meier AG on September 24, 2009

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1. GENERAL

1.1 PURPOSE OF THE REGULATIONS

These Organizational Regulations are based on Articles 716a and 716b OR as well as on Article 19 of the statutes of Walter Meier AG.

Other special provisions or recommendations regarding corporate governance (SIX, Swiss Code of Best Practice, etc.) are set out in Appendix 1. Financial areas of responsibility etc. are given in Appendix 2.

1.2 BASIC PRINCIPLES

The purpose of these regulations is to regulate only to the extent that is absolutely necessary. The two top priorities are proactive advancement of the entrepreneurial spirit and emphasis on action. All efforts are centered on clients along with pronounced innovation, all while making careful use of resources. In the final analysis, running a company only makes sense if it creates sustainable added value for its shareholders. An important factor in connection with all business operations is good ethics, which depend to a great extent on common sense and self-responsibility. The exchange of important information between supervisors and staff should be regarded as a matter of course. Ethical conduct is a sine qua non.

Honesty towards others and oneself is a key principle. Laws, internal guidelines and instructions must be strictly followed. The individual's conscience counts as well. No actions must be taken that go against it. In extreme cases of violation of one of the principles mentioned, the relevant circumstances should be reported directly to the Chairman of the Board of Directors, the Internal Audit or the Audit Committee in the sense of "whistle blowing" and, if necessary, anonymously.

2. MANAGEMENT BODIES

The bodies defined in the statutes of Walter Meier AG are:

- Annual shareholders' meeting
- Board of Directors
- Audit Committee

Bodies or officers defined in, or supplementary to, these Organizational Regulations are:

- Board of Directors (supplementary to the statutes)
- Chairman of the Board of Directors ("Chairman")
- Chief Executive Officer ("CEO")
- Group Management
- Members of Group Management
- Members of Extended Group Management
- Business Units
- General Managers of the Business Units
- Chief Financial Officer ("CFO")
- Internal Audit

There are other bodies that are not covered by these regulations. Specific regulations and instructions can be drawn up for Business Units and Support Departments.

2.1 BOARD OF DIRECTORS

The Board of Directors is self-constituting, and it also appoints any other committees. Please also refer to Articles 17 to 22 of the statutes. All Members of the Board of Directors have collective signatory rights, two signatures being required in each case.

2.1.1 GENERAL RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The non-transferable and irrevocable responsibilities laid down in Article 19 of the statutes are incumbent on the Board of Directors.

2.1.2 SPECIFIC RESPONSIBILITIES OF THE BOARD OF DIRECTORS

- Approval of the Organizational Regulations and the Mission Statement
- Approval of the strategy, medium-term planning and extended rolling forecast
- Receipt and evaluation of the quarterly financial reports as well as information regarding business activities, extraordinary business transactions and the status of major projects
- Monitoring of the Group's financial situation
- Decisions on fundamental matters or principles, for example management structure, financial policy such as concerns capital structure, dividend policy, accounting principles, financing policy and risk policy etc.
- Decisions about persons authorized to represent Walter Meier AG; collective signatory rights apply, with two signatures being required in each case
- Decisions regarding increases/decreases of bank credits as given in Appendix 2 and changes of credit facilities, credit contracts or banking relationships
- Decisions on the basic financial, legal, and organizational structure
- Approval of the remuneration of the Chairman, the CEO and the Members of Group Management
- Information on important aspects of the pension fund
- Decisions regarding business matters as given in Appendix 2
- Individual obligations can be fulfilled by committees

2.1.3 COMMITTEES

The Board of Directors may, as required, elect committees from among its members and assign them tasks and responsibilities in separate regulations. These committees report to the Board of Directors about their activities and results. The overall responsibility for tasks assigned to the committees, however, always remains with the Board of Directors.

2.2 CHAIRMAN OF THE BOARD OF DIRECTORS ("CHAIRMAN")

The Chairman prepares and chairs meetings of the Board of Directors. In his absence, the Vice-Chairman or another member of the Board of Directors acts as deputy. The Chairman is responsible for correctly convening and conducting such meetings and for notifying board members appropriately and in sufficient time.

Specifically, the Chairman is responsible for:

- Supervision of the CEO

- Formulation of the Mission Statement, the Organizational Regulations, annual report, annual financial statement etc., in cooperation with the CEO and for the attention of the Board of Directors
- Preparing and conducting the annual shareholders' meeting
- Approval of outside board memberships held by Members of Group Management and Extended Group Management
- Approval of information to shareholders and public bulletins that could affect share prices (ad hoc media releases)
- Decision and applications in connection with business transactions pursuant to Appendix 2

2.3 CHIEF EXECUTIVE OFFICER ("CEO")

The power to appoint and remove the CEO lies with the Board of Directors at the request of the Chairman. The CEO is responsible for the executive management of the Group.

Specifically:

- The CEO bears the main responsibility for the long-term success and hence for significantly increasing shareholder value
- The CEO reports to the Chairman by means of written reports as well as reports on extraordinary and significant business transactions, on an ongoing basis
- The CEO reports directly to the Board of Directors during board meetings
- The CEO is specifically responsible for formulating and enforcing the Mission Statement, strategy and medium-term planning
- The CEO determines the public presentation of Walter Meier in agreement with the Chairman
- The CEO ensures professional risk management and appropriate finance and controlling measures throughout the Group
- Representation of the interests of Group Management to the Chairman
- Decision and applications in connection with business transactions pursuant to Appendix 2

2.4 GROUP MANAGEMENT

The Board of Directors determines the most senior management structure at the request of the CEO.

The CEO chairs the meetings, which as a rule are held at least once a month. In the event that the CEO is absent, his deputy or another member of Group Management convenes and chairs the meeting.

Every member has the right to request meetings of Group Management and to propose matters for consideration. The records of decisions are copied to the Chairman for information.

Important matters must be submitted with a written report and proposal. Group Management is responsible for:

- The mutual exchange of information
- Coordination among the members' areas of responsibility
- The implementation and coordination of managerial instruments

- Revision of Group strategy and the strategies for Business Units and Support Departments (at least once per year)
- The drawing up of a medium-term plan for the Board of Directors (every three years)

2.5 MEMBERS OF GROUP MANAGEMENT

The power to appoint and remove Members of Group Management lies with the Board of Directors at the request of the CEO.

Members of Group Management are responsible for the Business Units or Support Departments allocated to them and perform a key function in the management of them. Members of Group Management report to the CEO.

Members of Group Management attend meetings of Group Management.

Individual Members of Group Management have the following responsibilities in respect of the Business Units for which they are responsible:

- Organization, management and control of the business of the area of responsibility
- Supervision of the General Managers directly responsible to them
- Implementation of medium-term planning in the Business Units allocated to them
- Informing the CEO, the Chairman and Group Management regarding business activities, important individual projects, and extraordinary transactions in their own area of responsibility
- Approval and assurance of the implementation of the management instruments at the business-unit level
- Regulation and assurance of an efficient structure and efficient working methods of the Business Units
- Implementation of the managerial policy and approval of the selection of senior managers of the Business Units
- Decisions and applications in connection with business transactions pursuant to Appendix 2

The responsibilities of individual Members of Group Management with regard to the Support Departments assigned to them are as follows:

- Implementation of the strategy in the Support Department for which they are responsible
- The management and authority to issue instructions in areas of special expertise in the area of responsibility
- Decisions and applications in connection with business transactions pursuant to Appendix 2

2.6 MEMBERS OF EXTENDED GROUP MANAGEMENT

The power to appoint and remove Members of the Extended Group Management lies with the CEO and is conducted in consultation with the Chairman.

Members of Extended Group Management attend Group Management meetings only at the invitation of the CEO. With the exception of this, they are subject to the same requirements and responsibilities as regular Group Management.

2.7 BUSINESS UNITS

The Business Units are defined as in the organization chart (Appendix 3). Each forms a single entity in terms of management and business operations.

The authority of corporate bodies of a legal entity within a Business Unit (annual shareholders' meeting, company meeting, Board of Directors, etc.) is limited to legal obligations that cannot be delegated. The appointment of Members of the Board of Directors within the Business Units is carried out by the CEO at the request of the relevant Member of Group Management, with notification to the Chairman.

Group Management regulates the signatory powers of the management bodies of the Business Units. Collective signatory rights apply exclusively, with two signatures being required in each case.

2.8 GENERAL MANAGERS OF THE BUSINESS UNITS

The power to appoint and remove General Managers lies with the responsible Member of Group Management and is conducted in consultation with the CEO. The General Manager bears immediate responsibility for the short, medium, and long-term success of the Business Unit. He manages this and assumes responsibility for all matters that affect the Business Unit as a whole or are otherwise of particular importance.

Specific responsibilities of the General Managers are:

- Organization, management and control of day-to-day business
- Ensuring meaningful accounting, financial controlling and reporting
- Immediate notification to Group Management of extraordinary events and urgent matters
- Formulation and presentation of medium-term planning and its implementation to Group Management for approval
- Reporting according to Group Management instructions
- Decisions and applications in connection with business transactions pursuant to Appendix 2

2.8.1 AUTHORITY OF THE PRESIDENTS

Major changes in the business, personnel, and financial policy must be submitted to Group Management for approval by the CEO. Changes regarded as major are listed in the following subsections:

2.8.1.1 GENERAL

- Acquisition, establishment, sale, transfer, or closure of business activities and operating facilities
- Acquisition or sale of investments in other enterprises, the company itself or parts thereof
- Appointments to and changes in corporate bodies of Business Units. Voting in such bodies as far as it concerns decisions of major economic importance
- Relocation of the Business Units
- Conclusion, amendment, and termination of know-how, licensing and cooperation contracts; major changes to the production program or product range
- Acquisition, encumbrance and sale of real estate, and granting or withdrawal of rights on land

2.8.1.2 PERSONNEL POLICY

- Appointment, employment, and dismissal of members of senior management
- Determining the principles of the compensation policy
- Introducing or changing a pension scheme

2.8.1.3 FINANCIAL POLICY

Responsibility is set out in Appendix 2

2.9 CHIEF FINANCIAL OFFICER ("CFO")

The CFO is a member of Group Management. The CFO is responsible for the Group's financial, controlling, treasury and pension functions. The CFO has authority to issue instructions in areas of special expertise.

Specific responsibilities of the CFO are:

- Organization, management and control of risk management, the accounting of financial planning and controlling, the treasury, financial controlling and reporting
- Organization and management of the controlling for subordinate Support Departments
- Coordination and preparation of medium-term planning
- Production of a quarterly report regarding the Group's financial situation for the CEO and the Board of Directors
- Preparation and production of the financial report (as part of the annual report)
- Immediate notification of the CEO and Group Management of extraordinary events and urgent matters occurring in the CFO's area of responsibility
- Decisions and applications in connection with business transactions pursuant to Appendix 2

2.10 INTERNAL AUDIT

The Board of Directors or, if it is available, the Audit Committee determines whether the Internal Audit is conducted "internally" or "externally." The Audit Committee determines the corresponding tasks.

The appointment and dismissal of the Internal Audit is the task of the Audit Committee in consultation with the Board of Directors.

As a rule, the Internal Audit is awarded its mandate through the Audit Committee. The tasks and responsibilities of the Internal Audit are specified in a separate directive.

3. MANAGEMENT INSTRUMENTS

3.1 MISSION STATEMENT

A Mission Statement is formulated and adjusted to changes as necessary.

3.2 PLANNING SYSTEMS

3.2.1 STRATEGY

The strategy is revised, documented and approved by the Board of Directors every three years as a basis for medium-term planning. In addition, the strategic focus is reviewed annually and presented to the Board of Directors.

3.2.2 MEDIUM-TERM PLANNING

Medium-term planning and the measures resulting therefrom are the most important management instruments and are revised, documented and approved by the Board of Directors every three years.

3.2.3 ROLLING FORECAST

A rolling forecast encompasses the income statement, balance sheet and cash flow statement. The purpose of a rolling forecast is to assess short-term business development in order to plan capacities, including financing.

A rolling forecast is prepared by the General Manager on a quarterly basis and consolidated at Group level.

In the third quarter, an extended rolling forecast is prepared in addition to the continuous rolling forecast; it also contains a plan of investments and personnel. The extended rolling forecast is documented and approved by the Board of Directors.

3.3 REPORTING

Each Business Unit submits financial statements and rolling forecasts according to the reporting structure, system and deadlines laid down by Group Management. Furthermore, the General Manager reports monthly to the responsible supervisor, with copy for information to Group Management and the Chairman, regarding:

- The most significant variances to the previous year's period and variances to the plan
- The most important business occurrences, both positive and negative
- Significant changes in the area of risk management

The reporting content, form, and deadlines are determined by Group Management.

4. MANAGEMENT STRUCTURE

The management structure is set out in the organization chart in Appendix 3. All representations of the structure used in public relations and in reporting must correspond to this organization chart.

The organization chart shows:

- The division into organizational units
- The managerial reporting relationships between those units

The CEO is responsible for the preparation and periodic revision of this organization chart.

5. FINAL PROVISIONS

These Organizational Regulations and Appendices 1 - 3 replace the version of December 10, 2007. They were approved and put into effect at the meeting of the Board of Directors on September 24, 2009.

6. APPENDICES

Appendix 1: Rules on compliance with the reporting requirements of the SIX
Appendix 2: Areas of responsibility
Appendix 3: Organization chart

Insider information and the duty to disclose management transactions

1. Insider information

This includes important and confidential information that has the potential to affect Walter Meier's share price such as, among others, financial figures, mergers, takeovers, spin-offs, restructuring, changes in the capital structure, bids, significant fluctuations in profits, profit slumps, profit warnings and restructurings. It loses this potential when published.

2. Potential insiders

These are corporate bodies dealt with in the Organizational Regulations, their ancillary workers, persons closely affiliated with the corporate bodies as well as all other employees of Walter Meier, who are directly or indirectly in possession of insider information. They decide themselves which information constitutes insider information.

3. Prohibition of insider trades

As a listed company, Walter Meier must observe the rules of the SIX. In Switzerland (Article 161 of the Swiss Criminal Code) and in other countries, insider trades are prohibited by law in order to prevent insiders from receiving preferential treatment.

4. Moratorium

This period basically starts with the receipt of insider information and ends with its publication. During this time no Walter Meier shares may be bought or sold.

5. Abuse of insider information

Any breach of these regulations is deemed a serious disciplinary offence that may result in dismissal without notice, claims for damages and penal action.

6. Duty to disclose management transactions

Members of the Board of Directors and Group Management must disclose to the Group Treasurer all transactions in Walter Meier shares that directly or indirectly affect their assets within two trading days of a transaction being concluded. Purchases and sales must be disclosed as gross amounts.

Walter Meier reports the transactions to the SIX in accordance with Articles 74a and 81 of the Listing Rules and the Directive on Disclosure of Management Transactions.

7. Ad-hoc publicity

If third parties wrongly obtain insider information, according to the SIX Ad-hoc Publicity Directive this information must be made public.

Subject	Area of responsibility (Countervalue in thousands of CHF)					
	Board of Directors	Chairman	CEO	CFO	Members of Group Management ¹⁾	General Manager [1/2] ²⁾
1. Conclusion of rental, leasing and other agreements that bind the company for a period exceeding one year (annual rate x years)	> 10 000	<= 10 000	<= 1000	<= 250	<= 250	<= 50/100
2. Conclusion of service agreements involving a total cost per project of	n/a	> 500	<= 500	<= 150	<= 150	<= 50/100
3. Granting loans or securities (sureties, guarantees etc.) in each case of	> 5000	<= 5000	<= 2000	<= 250	<= 250	<= 50/100
4. Granting loans to Business Units (total amount per calendar year) ³⁾	> 20 000	<= 20 000	<= 10 000	<= 5000	---	---
5. Agreements on insurance, guarantee or goodwill settlements in each case of	n/a	> 1000	<= 1000	<= 250	<= 250	<= 50/100
6. The conduct of litigation or official proceedings as well as the conclusion of settlements that are of fundamental importance to the company and in which the disputed amount in each case totals	> 5000	<= 5000	<= 1000	<= 250	<= 250	<= 50/100
7. Changes to foreign representatives and distribution agencies with annual net sales in each case of	n/a	> 10 000	<= 10 000	n/a	<= 2500	<= 1000

¹⁾ Including Members of Extended Group Management

³⁾ 1 = Limit for Business Units with annual net sales <= CHF 50 million

2 = Limit for Business Units with annual net sales > CHF 50 million

Subject	Area of responsibility (Countervalue in thousands of CHF)					
	Board of Directors	Chairman	CEO	CFO	Members of Group Management ¹⁾	General Manager [1/2] ²⁾

²⁾ Without granting loans for dividend payments or loan interest charges

8. Individual investments and disinvestments (including the acquisition or disinvestment of companies)	> 5000	<= 5000	<= 2000	<= 250	<= 250	<= 50/100
9. Increase/reduction of credit agreements (loans) with banks	> 20 000	<= 20 000	<= 5000	<= 1000	---	---
10. Conclusion of goods- and currency-hedging transactions over a period of up to 12 months (total volumes)	n/a	> 50 000	<= 50 000	<= 10 000	---	Annual requirement
11. Conclusion of goods- and currency-hedging transactions over a period > 12 months (total volumes)	n/a	> 25 000	<= 25 000	<= 5000	---	---
12. Conclusion of interest-hedging transactions (loan volume)	n/a	> 50 000	<= 50 000	<= 10 000	---	---

¹⁾ Including Members of Extended Group Management

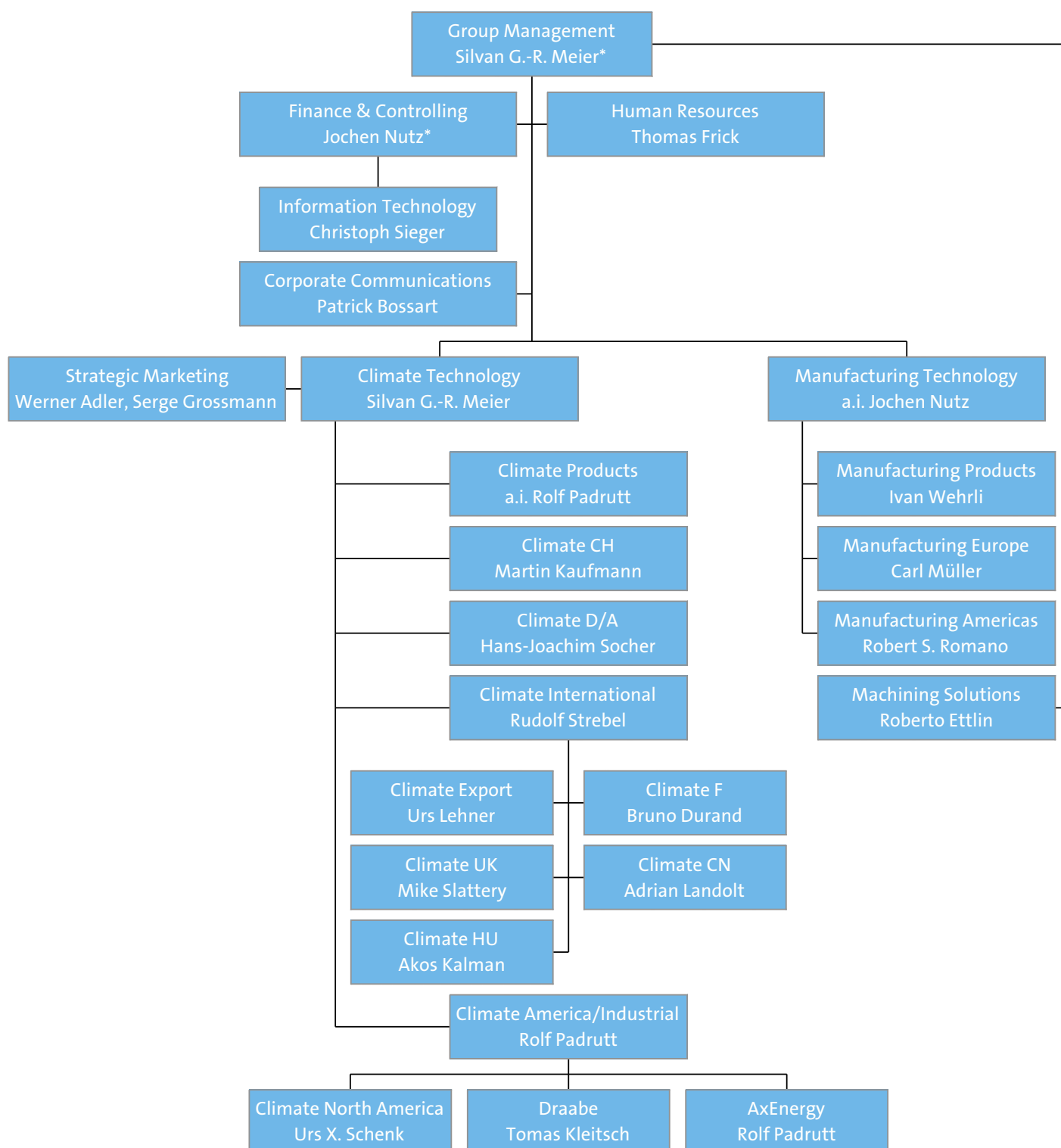
²⁾ 1 = Limit for Business Units with annual net sales <= CHF 50 million

2 = Limit for Business Units with annual net sales > CHF 50 million

Group Organization

From October 14, 2009

**walter
MEIER**



*Member of Group
Management