

MINUTES

**of the 99th Annual General Meeting
of the Shareholders of ROCHE HOLDING LTD, Basel
held at 10.30 a.m. on 14 March 2017
at the Convention Centre, Basel Trade Fair Complex, Basel**

(Translated from the German Original)

The Chairman of the Board, Dr Christoph Franz, opened the meeting at 10.30 a.m. and took the chair.

The Chairman was joined on the podium by the following members of the Corporate Executive Committee: Dr Severin Schwan, Ms Cristina A. Wilbur, Mr Roland Diggelmann, Dr Alan Hippe, Dr Gottlieb Keller and Mr Daniel O'Day.

Also present from the Board of Directors were Mr André Hoffmann (Vice Chairman), Prof. Pius Baschera, Dr Claudia Süssmuth Dyckerhoff, Prof. Sir John I. Bell, Ms Julie Brown, Mr Paul Bulcke, Prof. Richard P. Lifton, Dr Andreas Oeri, Mr Bernard Poussot, Mr Peter R. Voser.

Ms Anita Hauser, nominated for election as a new member of the Board (item 5.17 on the agenda), was also present.

The Chairman stated that timely notice of the 2017 meeting had been given and made reference to the public notice of the meeting published on two dates, 17 and 20 February 2017, in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*) and to the announcement that had appeared in the daily newspapers and the financial press. He also noted that no requests had been received from shareholders to include additional items on the meeting agenda.

The Chairman then stated that Messrs Ian Starkey and Marc Ziegler were present on behalf of the Statutory Auditors, KPMG AG.

BDO AG, the firm elected at the Annual General Meeting of Shareholders on 1 March 2016 to serve as independent proxy, was represented at the meeting by Mr Marc Schaffner.

The Chairman designated:

As secretary: Mr René Kissling, Secretary to the Board Committees

As tellers:

- Mr Werner Meier, UBS AG, Basel
- Mr Andreas Glaus, Credit Suisse AG, Zurich
- Mr Peter Guntlin, UBS AG, Zurich
- Dr Philipp Jermann, Bâloise Holding AG, Basel
- Mr Stefan Kabella, Basler Kantonalbank, Basel
- Mr Roland Krummenacher, Basler Kantonalbank, Basel
- Mr Philippe G. Pillonel, UBS AG, Zurich
- Mr Marc Gruber, Univest AG, Basel

The Chairman designated Mr Werner Meier as head teller.

The Chairman stated that the minutes of the 2016 Annual General Meeting (AGM) were available on the internet and that next year's AGM was scheduled to take place on Tuesday, 13 March 2018.

He then called attention to the following procedural details:

- Only shares of those shareholders whose admission cards had been collected and recorded at the door would be registered as "present" and "represented".
- In accordance with the Articles of Incorporation, resolutions and elections voted on at the meeting would be carried as follows and were not subject to any quorum requirements:
 - o Resolutions of the General Meeting on items 1 and 3 would be passed by an absolute majority of votes represented.
 - o Approvals by the General Meeting regarding the Board of Directors' and Corporate Executive Committee's remuneration (items 2.1, 2.2, 6 and 7) and resolutions regarding the appropriation of available earnings, particularly votes to determine the dividend (item 4), would require an absolute majority of the votes cast, with abstentions from these votes not counting as votes cast.
 - o Elections (items 5.1-5.17, 8 and 9) would be carried by an absolute majority of the votes cast, with abstentions not counting as votes cast.
- Elections and other votes would be conducted electronically.

Having explained the electronic voting system, the Chairman conducted a test ballot.

In his address to the shareholders, the Chairman discussed Roche's principal task of focussing on the patient. He provided an overview of the financial results and key events in 2016 and gave a brief

outlook for the current year. Using concrete examples, he also examined in detail the question of safeguarding Roche's innovative capacity over the long term and the significance of ensuring that patients have access to the latest medicines and diagnostics. He concluded his address by informing the AGM of the change in the Board of Directors (address by Dr Christoph Franz, Chairman of the Board of the Board of Directors, see http://www.roche.com/about_roche/corporate_governance/annual_general_meetings.htm).

The Chairman then invited Dr Severin Schwan, CEO of the Roche Group, to speak.

In his address, Dr Schwan reported on the 2016 financial results and provided an outlook for the current fiscal year. He also informed the meeting in detail on the progress made in the product pipeline, in particular in the area of cancer immunotherapy.

(Address by Dr Severin Schwan, Chief Executive Officer, see http://www.roche.com/about_roche/corporate_governance/annual_general_meetings.htm).

Based on the **attendance list**, the Chairman then noted that **855** shareholders or their proxies were present, representing **138,023,536 shares or votes**. This is equivalent to **86.3%** of the Company's total share capital. The aforementioned shares, each with a nominal value of CHF 1.00, were represented as follows:

- Shareholders: **136,457,344** **shares**
- Independent proxy BDO AG: **1,566,192** **shares**

69,011,769 of the votes represented were required for an absolute majority.

It was additionally noted that no shares held by the Company or its subsidiaries were represented at the meeting.

The AGM then proceeded to the items of business listed in the published agenda.

Item 1: Approval of the Management Report, Annual Financial Statements and Consolidated Financial Statements for 2016

1.1 Approval of the Management Report, Annual Financial Statements and Consolidated Financial Statements for 2016

The Chairman stated that Roche's Annual Report, comprising the Management Report and two sets of financial statements, had been published and that it had been made available on schedule for inspection at the Company's registered offices. In addition, copies of the Report had been mailed to shareholders on request. The separately bound Finance Report, which forms part of the Annual Report, includes the report of the Statutory Auditor on the annual financial statements on page 167 (page 156 English version). In response to a request for comment, Messrs Ian Starkey and Marc Ziegler, representing the Statutory Auditor, had already informed the Chairman that they had nothing to add to their written report. The Finance Report also includes the report of the Statutory Auditor on the consolidated financial statements on page 135 (page 125 English version).

The Chairman invited the shareholders to discuss this item, the addresses or other items on the agenda.

The Chairman gave the floor to **Ms Veronika Hendry**, member of the managing committee of ACTARES, from Zurich. She emphasised that ACTARES was impressed by Roche's business success and by Dr Schwan's address and went on to outline the *three-point concept of sustainability in the context of social responsibility* with reference to the pharmaceutical industry. She praised Roche for its *careful use of resources and for the associated consequences for man, animals and the environment* and attested that Roche "has the edge". In terms of the *strict definition and enforcement of compliance rules*, Ms Hendry established that Roche is likewise at the forefront compared with other major companies. She moved on to the third point, which concerned *fair prices or donations in countries where access to medicines is much more difficult than in the industrial nations*. Ms Hendry pointed out that, given the lack of coverage of oncological preparations on the *Access to Medicine Index*, ACTARES understands why Roche is not participating in it. She added that ACTARES nonetheless felt that, in some cases, the index contained more precise details of positive activities undertaken by Roche than the Roche Annual Report.

Ms Hendry remarked that – despite its recurrent theme of ground breaking advances in medical science only being meaningful if they reach patients – the “*Access to healthcare*” chapter of the Roche Annual Report refers to 60 plans in place with proposals for overcoming access barriers, but does not explain them in further detail.

On the topic of interaction with patient organisations as a possible way to share experiences, Ms Hendry inquired about the form and content of the training given at a European Patients’ Academy to patients who would later be able to advise the governments of their countries on the approval of medicines. She also wanted to know the names of the countries whose governments these patients are being trained to advise and whether their role is restricted to Roche products or also included those of other manufacturers.

Ms Hendry mentioned the introduction of private insurance schemes – in particular covering cancer in China, India and Thailand, partly in collaboration with Swiss Re – as a means to make access to medicines easier. She asked specifically about the workings of this model and its prospects of success in developing countries with very rich inhabitants as well as extremely poor populations. She expressed her misgivings about the affordability of a cancer insurance, adding that she feared that cancer medicine prices would remain high for the entire country even if that state could not bear such elevated costs. In this connection, citing the example of demonstrations triggered by the death of a South African woman who was unable to afford Herceptin treatment in South Africa, Ms Hendry also compared the annual treatment costs with the pure production costs for the medicine. While acknowledging the complex nature of administering cancer medicines, she called on Roche to demonstrably make access to cancer drugs easier in poor countries and stressed Roche’s achievements in the area of diagnostics in the Sub-Saharan region.

Ms Hendry also questioned Roche’s handling of criticism and its response in connection with a study published in 2016 by Public Eye in which an Egyptian participant (pictured and named) in a clinical trial reported critically about her experiences. Ms Hendry asked about Roche’s role generally in this case regarding the withdrawal of consent and the petition successfully filed by the patient with a Swiss court to ban Public Eye from continuing to publish her picture and her name. With reference to the responses received earlier from Roche, ACTARES had three demands in particular: ACTARES requested more information in the Annual Report to back up references to the topic of “*Access to healthcare*”; appropriate and constructive handling of criticism from non-governmental organisations; and documentable implementation that ground breaking advances in medical science are only meaningful when they reach patients.

The Chairman thanked Ms Hendry for her detailed comments on the topic already taken up by him in his introductory address. He also thanked her for her positive statements regarding Roche's use of resources and its efforts to enforce compliance rules worldwide.

On the topic of prices and regarding more information about access, the Chairman stressed that the current Annual Report contained significantly more such data than previous editions. He pointed out, though, that especially since this information is country-specific, it would go beyond the scope of the Annual Report to outline the plan developed by Roche for each individual country. The Chairman commented that Roche would continue every year to publish examples of its current endeavours to meet the challenges of improving access to medicines in general as well as specific access to healthcare in these countries.

With regard to the training provided to patient organisations by the Patients' Academy, the Chairman emphasised that the point of these educational measures is not to promote medicines produced by Roche or its competitors, but to help make patient organisations more effective as a body, for instance when communicating with government agencies or formulating concerns, etc. He said the aim is to enable patients in patient organisations to fulfil their role and be able to effectively put across their experiences and concerns.

The Chairman discussed the need for full-coverage health insurance, without which cancer treatment would not be an option for many people – including in Switzerland. He explained that this is why Roche (also during discussions with the governments of various countries) is even pushing for insurance systems to be created.

The Chairman mentioned Roche's collaborative venture with Swiss Re in China to set up a cancer care insurance plan, which has to date been taken out by more than 20 million people. He said that this system of risk sharing allows insureds who develop cancer to be treated with state-of-the-art, highly innovative medicines for comparatively low premiums.

The Chairman then addressed the situation in South Africa and underscored that Roche medicines – as is the case in all other countries – are to be made accessible to all patients, including in the public healthcare segment and not only in the private self-funded healthcare sector. Despite a personal discussion between the Chairman and the South African health minister on access to Herceptin in South Africa and despite adopting a pricing system based on purchasing power (factoring in local spending power and lower prices in developing countries),

no agreement was reached with the South African government. Citing further very constructive discussions between Roche and the authorities in South Africa at the beginning of March, the Chairman stressed his confidence that a solid agreement that would primarily benefit patients could shortly be achieved.

In conclusion, the Chairman commented on the recent media publication referred to above based on a report in “Public Eye” on clinical trials conducted with a patient in Egypt. He began by emphasising that all clinical trials carried out by Roche worldwide – with no distinctions made between developed and developing nations – are in compliance with equally stringent internationally recognised standards of quality and safety. The Chairman voiced his assumption that, in future, even more patients will be participating in multinational clinical trials, i.e. even more clinical trials will be carried out in developing and emerging nations. He added that this is especially likely since Roche aims to make medicines more accessible to patients in these countries, plus the fact that – from a regulatory standpoint – most countries stipulate clinical trials as a requirement for granting approval for medicines.

The Chairman stressed that the importance of each individual case was the reason why in Egypt the investigating physician was asked to provide clarification. The latter confirmed that the side effects described in the patient history – as reported by “Public Eye” and in the media – were not observed in the patient during the trial. After being contacted by the investigating physician, the patient said she was happy for Roche to contact her personally. Roche personnel from Basel and Egypt, the attending physician, a nurse and an interpreter were all present at the ensuing meeting. In the course of this meeting, Roche learned from the patient that the published patient history was false and that during the clinical trial with the Roche medicine PERJETA she had not suffered the side effects described by “Public Eye” and that these had been caused by a previous cancer treatment. The patient reported that, on the contrary, she had responded very well to the Roche medicine used in the clinical trial and was essentially tumour-free after a few treatment cycles.

The Chairman emphasised that – today, four years later – the patient is still tumour-free and could not understand at all why her name was mentioned in a published report aimed at creating the opposite impression. Roche is delighted that the patient is doing well, and that Roche contributed to that.

The Chairman then invited **Mr Hermann Struchen** from Zurich to speak.

Mr Struchen began by congratulating Roche on the excellent business result for 2016 and inquired about the Open House and the tour of the new Roche high-rise that had been touched on years ago. While he also expressly welcomed the fact that the dividend had been increased every year for 30 years, he noted that the present year-on-year dividend increase of 10 centimes represented a rise of around 1%, which he felt was on the modest side measured against profits, prompting him to say he would explicitly welcome a further dividend increase next year.

The Chairman thanked Mr Struchen for attending the AGM this year too. He confirmed that the subject of an Open House had been brought up and that, at the time, it had been put off until after the opening of Building 1. He pointed out that it is possible to sign up online for a tour. The Chairman went on to say that while no special tour had been organised for Roche shareholders to date, they can also avail themselves of the existing registration option. He did add that there would, however, be an opportunity for a tour by Roche's 125th anniversary at the latest. In response to a reply from Mr Struchen, the Chairman invited him to contact his office to arrange a date for a tour.

The Chairman gave the floor to **Mr Willi Tschopp** from Effretikon.

In the context of sponsoring and donations, Mr Tschopp's first question addressed the matter of support provided by Roche to Zoological Gardens Basel AG. His second question called for information on expenses for the audit mandate and additional expenses outside KPMG AG's audit mandate.

The Chairman thanked Mr Tschopp for his questions and – referring to obligations in connection with the Tinguely Museum – stated that Roche is not a significant donor to Basel Zoo. He confirmed that Roche had not supported the latter in the previous year. In response to a query from Mr Tschopp, **Dr Hippe and the Chairman** confirmed that said sponsoring and donation figures contained in the Annual Report are not listed individually according to recipient. **Dr Hippe** proceeded to answer the questions regarding auditing expenses. Referring to page 120 of the 2016 Annual Report, he stated that in 2016 a total of CHF 28.5 million was paid to KPMG AG, CHF 21.5 million of which were for direct auditing services, and CHF 7 million for additional services.

The Chairman invited **Mr Walter Grob** from Berne to speak.

Speaking as a Roche shareholder and customer, Mr Grob asked the Chairman for details of the cost of a *Lucentis* injection to save his eyesight, since there is, unfortunately, no prospect of a cure, but merely of stopping the disease. He inquired about generics, advances made in research, and expiry of patent protection for *Lucentis*. He also asked if there would be a “super dividend” to mark the 100th Roche AGM in 2018.

The Chairman thanked Mr Grob for his comments and stressed that Roche would do its utmost to fittingly mark the 100th AGM. He then went on to say that the *Lucentis* market launch represented a genuine breakthrough as it was the first medicine to stop or significantly delay wet age-related macular degeneration, a slowly progressive disease that can lead to loss of eye sight. He reported that Roche is making every effort and has a huge interest in replacing today’s excellent medicine by an even better one. The Chairman confirmed that relevant projects are in the research phase, but added that it is still too early to assess their prospects of success. He remarked that there are as yet no generics for *Lucentis* and, depending on the country, the patent will be expiring in staggered intervals around 2023/2024. Commenting that by then it is likely that generics will be available on the market, he said that Roche is hoping to be able to bring a better medicine to the market beforehand, but that it is too soon to say with any certainty whether this will happen.

The Chairman invited **Mr Rolf Lüthi** from Meilen to speak.

Mr Lüthi asked for details (name of medicine, indication, and patient groups affected) of the five therapy breakthrough designations referred to by Dr Schwan in his presentation and mentioned on the cover of the Annual Report but not elaborated on elsewhere in it.

The Chairman thanked Mr Lüthi and requested Dr Schwan to provide details on the five therapy breakthrough designations.

Dr Schwan conveyed his thanks for the request and said he welcomed the idea of being able to go into this topic in somewhat more detail in the Annual Report as well, although this particular information is presented in other forums, in particular at medical congresses and investor and media events. He underlined that, in the last year alone, Roche obtained five therapy breakthrough designations, which is an extraordinary achievement and, to the best of his knowledge, something no other company has accomplished to date. He explained that a therapy breakthrough

designation is assigned by the US Food and Drug Administration (FDA) whenever a new drug under development shows a lot of promise and there is a very substantial medical need for the given indication, i.e. there are as yet no effective medicines available. This results in an approval dossier being fast-tracked to get a drug to patients earlier. Dr Schwan stressed that this system of differentiated processing would also be desirable in other parts of the world, including Europe, to be able to make innovative drugs available to patients as rapidly as possible. He cited the example of *TECENTRIQ*, which was already available to patients in the US, while one year later in Europe – including Switzerland – approval discussions are still ongoing.

In response to the concrete question posed, Dr Schwan outlined the five drugs awarded therapy breakthrough status in 2016 as follows:

1. *RITUXAN*, used to treat a very specific rare disease (*Pemphigus vulgaris*).
2. *ACTEMRA*, used to treat a severe autoimmune disease (giant cell arteritis).
3. *ALECENSA*, indicated for treatment of a very specific acute form of lung cancer, where this drug is showing significant promise and has in the meantime been approved in the US.
4. *OCREVUS*, the anti-multiple sclerosis (MS) drug mentioned by the CEO in his address. Dr Schwan is expecting approval to be granted next month in the US. Roche has already been given therapy breakthrough status for very specific forms of MS where there are no treatment options available at all and nothing new has been brought to the market in 30 years.
5. *VENETOCLAX*, for a specific form of AML (acute myeloid leukaemia) as well as for use in another form of leukaemia, i.e. *VENETOCLAX in combination with RITUXAN* for the indication of CLL (chronic lymphocytic leukaemia), another very severe form of blood cancer.

Dr Schwan closed his remarks by pointing out that Roche had been awarded a total of 14 such therapy breakthrough designations.

The Chairman thanked Mr Lüthi again for his suggestion of featuring this topic somewhat more prominently in the Annual Report as well.

The Chairman then asked **Mr Hans-Ulrich Schröder** from Arlesheim to speak.

Mr Schröder congratulated Dr Schwan, the Corporate Executive Committee and all employees for another outstanding result in the 2016 financial year and highlighted the 30-year track record of a continually increasing dividend. He reminded the AGM that it does not go without saying that

Basel is home to two of the largest global corporations, which together produce almost 40% of Swiss exports and contribute to the region's wealth.

He affirmatively emphasised the company's very long-term, far-sighted and judicious management with its remarkable degree of personnel constancy, supported by a shareholder pool of the founding families, and went on to thank and praise the Hoffmann and Oeri families for their exemplary and commendable patronage. This, Mr Schröder stated, is a major factor behind Basel's rich arts scene and Roche's appeal as a place of work from a cultural perspective. He also stressed Roche's promising product pipeline. Mr Schröder moved on to express his concern about the general conditions crucial to Roche's development going forward. The secure conditions that make Switzerland a haven of calm founded on political stability and legal certainty had, he said, been shaken somewhat by various initiatives. Making an emphatic appeal to fight any questionable initiatives, Mr Schröder insisted that Roche, as a highly specialised company, needs to be able to attract specialists to Basel. He expressed his confidence that Roche – provided general conditions are steered back onto the right track – can expect to see dividends continually increase over the next 30 years too.

Mr Schröder concluded by wishing the Corporate Executive Committee, the Board of Directors and all employees every good fortune in their decisions.

The Chairman thanked Mr Schröder for his remarks and asked **Mr Riccardo Pacifico** from Neuchâtel to speak.

Mr Pacifico voiced his regret that the proceedings of the AGM were not being translated into at least one other Swiss national language and not just into English.

He welcomed Roche's independence rules and the fact that the presentation focussed mainly on research rather than on finances. He wished, however, to note that a large share of the profits in CHF is derived from currency translation gains, and requested a breakdown detailing the share of the different currencies in sales and cash flow. He also inquired as to the measures being taken to hedge against currency fluctuations.

The Chairman thanked Mr Pacifico and promised to look into the question of providing a translation into another Swiss national language. The Chairman gave the floor to Dr Hippe to discuss the various currencies and hedging.

Dr A. Hippe pointed out that page 29 (page 27 English version) of the 2016 Finance Report provides details of the impact of foreign currencies on operating results as well as information on Roche's sensitivity to the main currencies relevant to it: USD, EUR and JPY. He went on to comment that around 40% of Roche's business is conducted in USD and referred to the table on the same page showing the impact of a change in the average exchange rate of the main currencies versus the CHF. A change of 1% in the USD exchange rate, for instance, impacts sales by CHF 223 million and core operating profit by CHF 93 million. Dr Hippe explained that transactional risks – unlike currency translation risks – are hedged.

The Chairman thanked Dr Hippe for his remarks.

As there were no further questions, the Chairman expressed his thanks and proceeded to the votes on Management Report, Annual Financial Statements and Consolidated Financial Statements for 2016.

The AGM approved the Management Report, the Annual Financial Statements and the Consolidated Financial Statements for 2016 by a vote of 137,881,539 in favour (99.90% of the votes represented), 7,527 opposed and 131,960 abstentions.

Item 2: Approval of the total amount of bonuses for the Corporate Executive Committee and the total bonus amount for the Chairman of the Board for 2016

2.1 Approval of the total amount of bonuses for the Corporate Executive Committee for 2016

Referring to the 2016 Annual Report (page 146 [for the total amount], page 141 [for the CEO in the form of shares blocked for 10 years] and page 142 [for the Corporate Executive Committee]), the Chairman invited shareholders' comments on the approval of a total of CHF 11,891,950 in bonuses (excluding mandatory employer's contributions to AHV/IV/ALV) for the Corporate Executive Committee for 2016.

Since no requests were made to speak, the Chairman then called for a vote to approve the total amount of bonuses for the Corporate Executive Committee for 2016.

The AGM approved a total of CHF 11,891,950 (excluding mandatory employer's contributions to AHV/IV/ALV) in bonuses for the Corporate Executive Committee for 2016 by 137,687,467 votes in favour (99.79% of the votes cast) and 293,157 opposed.

2.2 Approval of the total bonus amount for the Chairman of the Board for 2016

For this item, the Chairman handed the chair to Mr André Hoffmann, Vice-Chairman of the Board of Directors and Chairman of the Remuneration Committee.

Referring to the 2016 Annual Report, he discussed the remuneration stipulated for the Chairman of the Board of Directors and underlined his own support for the payment of the proposed bonus in recognition of Dr Christoph Franz's significant personal contribution to the Company's overall success in 2016.

Citing pages 136 and 137 of the 2016 Annual Report, Mr André Hoffmann then called for a vote to approve the total bonus amount of CHF 558,390 in the form of shares blocked for 10 years (excluding mandatory employer's contributions to AHV/IV/ALV) for the Chairman of the Board of Directors, Dr Christoph Franz, for 2016.

The AGM approved the total bonus for the Chairman of the Board of Directors for 2016 in the amount of CHF 558,390 by 137,407,310 votes in favour (99.61% of the votes cast) and 532,931 opposed.

Item 3: Ratification of the Board of Directors' actions

The Chairman stated that the Board of Directors and other persons who had been involved in directing or managing the Company's affairs were not entitled to vote on this item. He invited shareholders' comments on ratification of the Directors' actions.

As there were no questions, the Chairman called for a vote to ratify the Board of Directors' actions.

The AGM ratified the actions of the Board of Directors by a vote of 114,890,216 (99.86% of the votes represented) in favour, 14,436 opposed and 150,421 abstentions. With 115,055,073 shares entitled to vote on this item, 57,527,537 votes were required for an absolute majority.

Item 4: Vote on the appropriation of available earnings

The Chairman moved that the AGM approve the following proposal for the appropriation of available earnings, as published on page 166 (page 155 English version) of the Finance Report volume of Roche's 2016 Annual Report:

Available earnings:

Net profit for 2016	CHF 7,067,441,443
Balance brought forward from previous year	CHF 883,553,951
Total available earnings	CHF 7,950,995,394

Appropriation of available earnings:

Distribution of a dividend of CHF 8.20 gross per share and non-voting equity security	CHF 7,073,014,140
Transfer to free reserve	CHF -
Total appropriation of available earnings	CHF 7,073,014,140
To be carried forward on this account	CHF 877,981,254

The Chairman invited **Mr Walter Grob** from Berne to speak.

Mr Grob inquired once again about details of the 100th AGM anniversary dividend referred to earlier.

Elaborating on his previous response, **the Chairman** stated that he was not devoting any thought to an anniversary bonus, but instead to Roche achieving the kind of result in 2017 that will give absolutely no cause to think twice about such a question.

As there were no further questions, the Chairman called for a vote to approve the motion on the appropriation of available earnings.

The AGM approved the motion on the appropriation of available earnings by a vote of 137,939,677 in favour (100% of the votes cast) and 5,647 opposed.

The Chairman informed the AGM that the dividend would be payable, free of charges, to a safekeeping or other bank account, from Monday, 20 March 2017, on presentation of coupon # 16 at any Swiss branch of UBS AG.

Item 5 Board of Directors elections, election of the members of the Board of Directors, the Chairman of the Board of Directors and the members of the Remuneration Committee

The Chairman prefaced the votes by declaring that current Director Prof. Pius Baschera had announced his resignation from the Board with effect from the day of the Meeting. On behalf of the Board of Directors, the Chairman thanked Prof. Baschera for his service.

The Chairman then went on to explain that, in accordance with the Articles of Incorporation, the Chairman of the Board of Directors, all Directors and also the members of the Remuneration Committee were each to be elected for a term of office of one year. He added that, with the exception of the departing Director, all current Directors had declared in writing to the AGM that they would serve if elected. The Chairman moved on behalf of the Board of Directors that the AGM elect all proposed Directors. He also moved that the AGM elect Ms Anita Hauser, who had been nominated for election as a new member of the Board.

He subsequently invited shareholders' comments on the election. There were no requests to speak.

Mr André Hoffmann then took the chair while the AGM voted on the Chairman's re-election as well as his re-election as a member of the Remuneration Committee.

Item 5.1

In the first vote, the AGM elected **Dr Christoph Franz** to the Board of Directors as Chairman for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,857,503 (99.98%** of the votes cast) in favour and **25,203** opposed.

Item 5.2

In the second vote, the AGM elected **Dr Christoph Franz** to the Remuneration Committee for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,646,771 (99.83%** of the votes cast) in favour and **232,047** opposed.

Mr Hoffmann congratulated Dr Christoph Franz on his re-election and handed the chair back to him.

The Chairman then put forward the names of each of the proposed Directors for a separate vote.

Item 5.3

In the third vote, the AGM elected **Mr André Hoffmann** to the Board of Directors for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,719,951 (99.88%** of the votes cast) in favour and **169,932** opposed.

Item 5.4

In the fourth vote, the AGM elected **Mr André Hoffmann** to the Remuneration Committee for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,586,268 (99.75%** of the votes cast) in favour and **340,043** opposed.

Item 5.5

In the fifth vote, the AGM elected **Prof. Sir John Bell** to the Board of Directors for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,772,318 (99.92%** of the votes cast) in favour and **111,957** opposed.

Item 5.6

In the sixth vote, the AGM elected **Ms Julie Brown** to the Board of Directors for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,927,574 (99.98%** of the votes cast) in favour and **20,824** opposed.

Item 5.7

In the seventh vote, the AGM elected **Mr Paul Bulcke** to the Board of Directors for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,844,027 (99.93%** of the votes cast) in favour and **100,839** opposed.

Item 5.8

In the eighth vote, the AGM elected **Prof. Richard P. Lifton** to the Board of Directors for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,926,367 (99.99%** of the votes cast) in favour and **18,987** opposed.

Item 5.9

In the ninth vote, the AGM elected **Prof. Richard P. Lifton** to the Remuneration Committee for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137'737'921 (99.86%** of the votes cast) in favour and **199,549** opposed.

Item 5.10

In the tenth vote, the AGM elected **Dr Andreas Oeri** to the Board of Directors for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,780,226 (99.87%** of the votes cast) in favour and **173,130** opposed.

Item 5.11

In the eleventh vote, the AGM elected **Mr Bernard Poussot** to the Board of Directors for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,925,148 (99.99%** of the votes cast) in favour and **7,954** opposed.

Item 5.12

In the twelfth vote, the AGM elected **Mr Bernard Poussot** to the Remuneration Committee for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,665,018 (99.85%** of the votes cast) in favour and **200,866** opposed.

Item 5.13

In the thirteenth vote, the AGM elected **Dr Severin Schwan** to the Board of Directors for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,738,080 (99.85%** of the votes cast) in favour and **210,578** opposed.

Item 5.14

In the fourteenth vote, the AGM elected **Dr Claudia Süssmuth Dyckerhoff** to the Board of Directors for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,860,606 (99.94%** of the votes cast) in favour and **82,600** opposed.

Item 5.15

In the fifteenth vote, the AGM elected **Mr Peter R. Voser** to the Board of Directors for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,817,590 (99.91%** of the votes cast) in favour and **126,309** opposed.

Item 5.16

In the sixteenth vote, the AGM elected **Mr Peter R. Voser** to the Remuneration Committee for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,568,290 (99.79%** of the votes cast) in favour and **293,842** opposed.

Item 5.17

In the seventeenth vote, the AGM elected **Ms Anita Hauser** to the Board of Directors for a term of office of one year ending at the ordinary AGM in 2018 by a vote of **137,824,526 (99.92%** of the votes cast) in favour and **116,346** opposed.

The Chairman congratulated the Directors on their election to the Board.

Item 6: Approval of the total amount of future remuneration for the Board of Directors

Referring to the 2016 Annual Report, the Chairman invited shareholders' comments on the approval of a maximum total of CHF 10,000,000 (excluding mandatory employer's contributions to AHV/IV/ALV) in remuneration for the Board of Directors until the 2018 Ordinary Annual General Meeting, excluding the bonus for the Chairman of the Board of Directors for the 2017 financial year, which will be submitted to the 2018 Annual General Meeting for approval.

There being no requests to speak, the Chairman called for a vote to approve the total amount of remuneration for the Board of Directors for the period until the 2018 Ordinary Annual General Meeting.

The AGM approved a maximum total of CHF 10,000,000 (excluding mandatory employer's contributions to AHV/IV/ALV) for the period until the 2018 Ordinary Annual General Meeting by a vote of 137,492,450 (99.73% of the votes cast) in favour and 370,881 opposed.

Item 7: Approval of the total amount of future remuneration for the Corporate Executive Committee

Referring to the 2016 Annual Report, the Chairman invited shareholders' comments on the approval of a maximum total of CHF 41,000,000 (excluding mandatory employer's contributions to AHV/IV/ALV) in remuneration for the Corporate Executive Committee for the period until the 2018 Ordinary Annual General Meeting, excluding bonuses for the 2017 financial year, which will be submitted to the 2018 Annual General Meeting for approval.

There being no questions, the Chairman called for a vote to approve the total amount of remuneration for the Corporate Executive Committee.

The AGM approved a maximum total of CHF 41,000,000 (excluding mandatory employer's contributions to AHV/IV/ALV) in remuneration for the Corporate Executive Committee for the period until the 2018 Ordinary Annual General Meeting by a vote of 137,468,001 (99.72% of the votes cast) in favour and 388,387 opposed.

Item 8: Election of the independent proxy

The Chairman noted that, in accordance with the Articles of Incorporation, the AGM was required to vote annually to elect an independent proxy.

The Board of Directors moved that the AGM elect BDO AG as independent proxy for the current financial year until the close of the 2018 Ordinary Annual General Meeting of Shareholders.

BDO AG had previously stated in writing that it would serve in this capacity if elected.

The Chairman invited shareholders' comments on the election. There were no requests to speak.

The AGM elected BDO AG as independent proxy for the current financial year until the close of the 2018 Ordinary Annual General Meeting by a vote of 137,879,100 in favour (99.95% of the votes cast) and 64,123 opposed.

Item 9: Election of the Statutory Auditors

The Chairman noted that the AGM was required to vote annually to elect Statutory Auditors for the current financial year.

The Board of Directors proposed that the AGM elect KPMG AG as Statutory Auditors for the 2017 financial year. KPMG AG had previously stated in writing that it would serve in this capacity if elected.

The Chairman invited shareholders' comments on the election. There were no requests to speak.

The AGM elected KPMG AG as Statutory Auditors for the 2017 financial year by a vote of 137,858,698 votes in favour (99.98% of the votes cast) and 23,298 opposed.

There being no requests to speak, the Chairman thanked the shareholders for attending and closed the meeting at 12.58 p.m.

The Chairman:

The Secretary:

Sig. Dr Christoph Franz

Sig. René Kissling