

## MINUTES

of the 92nd Annual General Meeting of the  
Shareholders of ROCHE HOLDING LTD, Basel, held at  
10.30 a.m. on 2 March 2010 at the Convention Centre,  
Basel Trade Fair Complex, Basel

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Roche Chairman of the Board, Dr Franz B. Humer, called the meeting to order 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, Mr Pascal Soriot, Mr Daniel O'Day, Dr Erich Hunziker, Dr Gottlieb Keller and Ms Silvia Ayyoubi.

Also present from the Board of Directors were: Prof. Bruno Gehrig (Vice Chairman), Mr André Hoffmann (Vice Chairman), Prof. Pius Baschera, Prof. Sir John I. Bell, Mr Peter Brabeck-Letmathe, Mr Lodewijk J. R. de Vink, Mr Walter Frey, Dr Andreas Oeri, Dr DeAnne Julius, Dr Wolfgang Rutenstorfer, Prof. Horst Teltschik and Prof. Beatrice Weder di Mauro.

Dr Arthur D. Levinson and Mr William M. Burns, both nominated for election as new members of the Board (agenda item 4), were also present.

The Chairman stated that timely notice of the meeting had been given and made reference to the public notice of the meeting published on two dates, 5 and 8 February 2010, in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsblatt*) and to the announcement that had appeared in the daily newspapers and the financial press. The Chairman also noted that no requests had been received from shareholders to include additional items on the meeting agenda. The Chairman then stated that Messrs John Morris and François Rouiller were present on behalf of the Statutory Auditor, KPMG AG. BDO AG, the firm designated by Roche to serve as independent proxy pursuant to Art. 689c of the Swiss Code of Obligations, was represented at the meeting by Mr Mark Schaffner.

The Chairman designated

as secretary: Mr René Kissling, Secretary to Roche's Corporate Executive Committee

as tellers: Mr Donald Sulzer, Managing Director, Investment Banking Switzerland, Credit Suisse, Zurich

Mr Peter Nussbaumer, Managing Director and Senior Advisor/Head of Private Banking, Credit Suisse, Basel Branch

Mr Dieter Bloch, Senior Executive, Head of Institutional Banking, Basler Kantonalbank, Basel

Mr Werner Meier, Managing Director, Global Wealth Management & Business Banking, UBS AG, Basel

Mr Urs Raeber, Executive Director, UBS Investment Bank, Zurich

Dr Beat Rauss, solicitor/CEO, Univest AG, Basel

Mr Werner Rüegg, Head Private Banking, Bank Sarasin, Basel Branch

Mr Vittorio Schiro, Managing Director, Head Distribution UBS Equity Derivatives, Zurich

The Chairman designated Mr Donald Sulzer as head teller.

The Chairman stated that the minutes of the 2009 Annual General Meeting (AGM) were available on the Internet and that the next year's AGM was scheduled to take place on Tuesday, 1 March 2011.

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'.
- Resolutions and elections voted on at the meeting would be carried by an absolute majority of the votes represented and were not subject to any quorum requirements.
- Elections and other votes would be conducted electronically.

The Chairman commenced his address by emphasising that despite the global financial and economic downturn, Roche had performed strongly in 2009, with both the Pharmaceuticals and the Diagnostics Division again reinforcing their strong market positions. It had been a very successful year, he said, both commercially and in terms of advancing the Group's pipeline, and Roche had achieved all of its strategic targets.

He then spoke about the steady increase in Roche's payout ratio and the Board of Directors' proposal to increase the dividend by 20% to 6.00 Swiss francs per share and non-voting equity security. If approved, this would be the company's 23rd dividend increase in as many years.

The Chairman discussed the key principles informing Roche's remuneration policy and the different components making up remuneration, and noted that there would be an advisory vote at the meeting on the 2009 remuneration report. He emphasised that the remuneration of the Corporate Executive Committee and other senior Roche managers was guided by transparent performance criteria and was determined by a Remuneration Committee composed entirely of independent members of the Board of Directors and led by Vice-Chairman Prof. Bruno Gehrig. The Chairman mentioned specific changes in the Group's remuneration practices, notably the introduction of blocked non-voting equity securities as a component of bonus payments. He additionally informed the meeting of the Remuneration Committee's decision to reduce his base salary and limit his total remuneration in 2010.

The Chairman then addressed the ongoing public debate over the remuneration policies of major Swiss corporations. While noting that that this was primarily a public policy matter, he stressed three things which he considered vital to Swiss companies' continued ability to compete.

- In examining ways to give shareholders more power, one had to be careful not to strengthen shareholders at the expense of the board of directors, as this could undermine the board's ability to exercise its governance and oversight role in relation to management.
- Excessive regulation was not the answer existing problems. Any changes in the legal framework should be anchored in stock corporation law, not constitutional law. The Chairman cautioned that it was illusory to think that one could legislate abuses and distortions out of existence. Managers' and directors' personal integrity mattered as much as the letter of the law.
- Finally, he argued that every company should be free to introduce one-year term limits for its directors if that is what the shareholders wanted. But he cautioned against Switzerland's adopting a go-it-alone legislative regime that would put Swiss companies at a disadvantage versus foreign competitors in these difficult economic times.

Referring to the increased pressure on healthcare costs, the Chairman underscored Roche's combined strengths in diagnostics and therapeutics and expressed confidence that a better understanding of the biology of disease would enable treatments and tests to be tailored more specifically to particular patient subpopulations. He stated that Roche would continue to pursue

its strategy of focussed innovation in an effort to create long-term value for all its stakeholders — patients, health professionals, employees and shareholders.

In conclusion, the Chairman touched on the jobs Roche had created in Switzerland and worldwide and spoke about the changes on the Executive Committee and Board of Directors.

The Chairman then invited Dr Severin Schwan, CEO of the Roche Group, to speak about Roche's key operating results for 2009, the successful completion of the Genentech integration and the outlook for 2010.

Dr Schwan began by reporting on the Group's 2009 operating results. He noted the Group's strong double-digit sales growth for the year — the Pharmaceuticals and Diagnostics Divisions both gained market share, growing roughly twice as fast as their respective markets — and the double-digit increases in operating profit and Core Earnings per Share. He commented on the flu pandemic, TAMIFLU and the resulting challenges for Roche. For the first time the Dow Jones Sustainability Indexes had selected Roche as the Super Sector Leader in healthcare, ranking Roche as the industry's most sustainable company worldwide, he said. Dr Schwan then summarised the outlook for 2010.

In the second part of his address Dr Schwan spoke in detail about the Genentech integration, providing a status report on integration activities and discussing the significance of the deal for the Roche Group. He specifically mentioned the positive attitude among Genentech employees about the merged company and their commitment to its success. He described bringing Genentech fully into the Group as a milestone in advancing the Group's long-term strategy of innovation. Dr Schwan stated that the Roche Group had one of the richest research and development pipelines in the industry. Out of a total of 59 new molecular entities, ten, he said, were already in late-stage development — a percentage unmatched by any other company in the industry. He noted that 30 additional indications for marketed medicines like AVASTIN and MABTHERA/RITUXAN were also in late-stage development and reaffirmed the importance for Roche of advancing personalised healthcare through the close interplay between its Pharmaceuticals and Diagnostics Divisions. Targeted medicines and tests that contribute to better clinical decision-making offer clinical and health economic benefits which make them attractive not only to patients, but to regulators and payers as well. They thus hold enormous potential and offer tremendous opportunities for Roche.

Dr Schwan then spoke in detail about a new approach to treating malignant melanoma. This was one of ten projects in late-stage development, he said, and could become a powerful example of the possibilities of personalised medicine. With its sharp strategic focus and strengths as the

world's biggest biotechnology company, Roche was ideally equipped to advance personalised healthcare and positioned for continued success, even in today's increasingly harsh market environment, Mr Schwan said.

Mr Schwan concluded his address by reiterating Roche's competitive advantages and opportunities, which the Group would capitalise on for the benefit of patients, employees and shareholders.

Based on the attendance list, the Chairman then noted that 698 shareholders or their proxies were present, representing 143,055,648 shares or votes and thus 89.4% of the Company's total share capital. The aforementioned shares, each with a nominal value of CHF 1.00, were represented as follows:

- Shareholders: 60,340,339 shares
- Proxies for deposited shares: 81,341,896 shares
- Independent proxy: 1,373,413 shares

71,527,825 votes 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.

**Agenda item 1: Approval of the 2009 Annual Report, Annual Financial Statements, Consolidated Financial Statements and Remuneration Report**

**1.1 Approval of the 2009 Annual Report, Annual Financial Statements and Consolidated Financial Statements**

The Chairman stated that Roche's Annual Report, comprising a business 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 and at banks holding deposited shares. 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 page 149. In response to a request for comment, Messrs John Morris and François Rouiller, 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 126. The Chairman invited the shareholders to discuss the report and the financial statements.

Mr *Patrick Durisch*, Health Programme Coordinator for the Berne Declaration, Lausanne, took the floor. He called on Roche to immediately terminate the CellCept trials it was currently conducting in China, alleging that they were unethical. Mr Durisch mentioned the Public Eye Swiss and Public Eye People's Awards — the 'shame prizes' awarded to Roche in January, on the sidelines of the World Economic Forum, by Berne Declaration and Greenpeace experts and by Internet poll, respectively. Since 2008, he said, Roche had been conducting clinical trials in a number of Chinese hospitals — currently two trials were underway with an enrolment of about 300 patients — despite the fact that more than 90% of transplanted organs in China reportedly come from executed prisoners. He described this as running counter to international efforts to end unethical transplantation practices in China and as inconsistent with Roche's own corporate principles. He said that China still lacked a transparent, trustworthy organ donation system conforming to international standards and argued that Roche had an obligation to determine the origin of organs used in its trials, adding that this was in line with WHO guidelines on transparency in organ procurement and could be done without in any way violating the anonymity or privacy of volunteer donors. Mr Durisch additionally questioned the medical value and necessity of the Roche trials, voicing the suspicion that they were being conducted for marketing purposes only. He asked Roche to accept the two Public Eye Awards at today's AGM.

*The Chairman* thanked Mr Durisch for his remarks, adding that they touched on an important ethical and moral issue of broad concern. He declined to accept the Public Eye Awards, explaining that Roche only accepted awards which it had earned. The Chairman then yielded the floor to Dr Schwan, who responded to Mr Durisch in greater detail.

*Dr Schwan* stated that CellCept was a medicine which had saved and continued to save thousands of patients' lives by preventing post-transplant organ rejection. Withdrawing the medicine from the market in any country would be morally unthinkable, he said, as this would jeopardise human lives. He noted that, in all countries, independent institutions handled organ procurement and donor information was confidential. Roche had no way of directly influencing this process, he said. Dr Schwan disputed the contention that 90% of the organs transplanted in China came from convicts. Official statements citing this figure related to the proportion of live versus deceased donors, he said, adding that naturally certain organs could only come from deceased donors. In the case of kidney transplants, Dr Schwan said, 60% of donated organs in China last year came from live donors.

Dr Schwan then commented on the trials in question. When CellCept was initially approved, none of the supporting trials had been conducted in China and none involved Chinese patients — in large part because of the aforementioned lack of a legal framework. Under the

transplantation law in force in China since 2007 organ recipients must be Chinese, a requirement which has brought transplant tourism in China to a complete halt.

Roche was studying the optimal CellCept dosage for Chinese patients, whose responses to CellCept may differ from those of Western patients owing to ethnic factors or differences in constitution, Mr Schwan said. The focus of the trials was on safety and efficacy in Chinese patients. Dr Schwan dismissed as totally untrue the allegation that the studies were being conducted for marketing purposes. He also stated that the trial centres had been approved by the authorities and that Roche closely monitored compliance with contractual obligations, including compliance with WHO standards.

*Mr Durisch* responded that the exact percentage of organs from executed convicts was beside the point.

The Chairman thanked *Mr Durisch* for his remarks and declared his support for continued dialogue among experts.

*Mr Peter Früh* then took the floor on behalf of ACTARES, Shareholders for Sustainable Business. Mr Früh began by saying that because of systematically excessive remuneration at Roche, ACTARES would not approve the Remuneration Report or ratify the Board's actions.

He then turned to his main concern, the CellCept studies in China, a topic already raised by ACTARES at the 2008 AGM. Referring to the previous speaker, he reminded the meeting that in 2008 Roche had responded to similar concerns by pointing to the new Chinese transplant legislation and to Roche's ongoing dialogue with Chinese officials. Mr Früh appealed to the Chairman to involve himself in the dialogue with China and push for a halt to the use of prisoners' organs in transplant medicine. Mr Früh then asked the following questions:

- Is Roche prepared to fully and strictly abide by established international rules, such as those promulgated by the Transplantation Society?
- What has Roche done so far to repair its tarnished image?
- What does Roche intend to do differently in future to prevent the reputation risk from increasing in magnitude?

*The Chairman* thanked Mr Früh for his remarks and referred to Dr Schwan's detailed response to the previous speaker. The Chairman went on to say that China, like all emerging countries, was in the process of strengthening all aspects of its legal system and that China's healthcare system was also undergoing enormous change. As one of the leading healthcare companies in China, Roche should, whenever possible, play an advisory role and promote healthcare policies

informed by Western standards of ethical behaviour. He said progress would require patient dialogue and could not be achieved through pressure. He said Roche was participating in this dialogue and would continue to do so.

Responding to the question about Roche's image, the Chairman stressed how seriously Roche takes its responsibilities to society and referred to the pertinent sections of the latest annual report. He noted that in 2009 Roche was ranked as the world's most sustainable healthcare company on the Dow Jones Sustainability Indexes. He said this recognition was based on a comprehensive independent review of business, social and environmental performance.

*Dr Hans Ulrich Gally of Basel* then took the floor. Dr Gally addressed the topic of influenza and TAMIFLU, particularly the question whether TAMIFLU prevents flu complications. He referred to a meta-analysis by the Cochrane Institute indicating that TAMIFLU does not reduce the risk of complications. He criticised Roche for its apparent failure to meet scientific standards in its disclosure of clinical trial data, despite its own aforementioned guidelines for clinical trials. The broad deployment of TAMIFLU, primarily at taxpayers' expense, would appear to be justified only if the medicine was able to prevent serious damage to health, he said. Dr Gally cautioned that loss of reputation was one of the greatest dangers threatening pharmaceutical companies and asked what Roche intended to do to strengthen its clinical trial activities and ensure that its clinical trial policies were perceived as credible and effective. Dr Gally went on to praise the deployment of TAMIFLU in developing countries while stressing the paramount importance of supplying and deploying the drugs on the WHO's list of essential medicines. Referring to the need for medicines to fight infectious and tropical diseases in developing countries, he asked whether, given the company's substantial profits, Roche didn't have a moral obligation to play a more active role in supplying medicines to developing countries and in conducting research into tropical diseases.

*The Chairman* thanked Dr Gally for his remarks. Before inviting Dr Schwan to respond to Dr Gally's remarks on TAMIFLU, the Chairman spoke about Roche's efforts in the fight against HIV/AIDS and the activities of a Roche-sponsored foundation in Africa. He reported in detail about the medical services provided by the Phelophepa Health Train in South Africa. He also noted that Roche, in collaboration with the Atomic Energy Commission, had begun setting up radiology units in African countries in order to facilitate early cancer detection there. The Chairman concluded by referring shareholders to the summary overview of Roche activities to improve access to healthcare, on page 99 of the Annual Report.

On the subject of swine flu and TAMIFLU, *Dr Schwan* began by noting that, according to WHO statistics, the swine flu claimed over 14,000 lives in 2009, and he cautioned against downplaying

the seriousness of the swine flu and the threat a future variant of the virus could pose. Citing published studies, he stated that, if taken early enough after symptoms started, TAMIFLU could hasten recovery and reduce mortality, particularly in high-risk patients. Commenting on the meta-analysis mentioned by Dr Gally, Dr Schwan noted that it was very controversial. As far as the efficacy of TAMIFLU was concerned, he pointed out that it had been confirmed by the US Centers for Disease Control and Prevention and by the WHO. He also reminded the meeting that Roche had provided the WHO with 11 million packs of TAMIFLU free of charge, particularly in order to expand access to the medicine in developing countries.

In closing, *the Chairman* stressed that Roche actively supported policies on the publication of clinical data developed in conjunction with international organisations. Responding to a follow-up query from Dr Gally, the Chairman said that Roche could not release data on individual patients to the institute in question.

*Mr Hermann Struchen of Zurich* then took the floor. Mr Struchen congratulated Roche on its excellent results for 2009 and applauded the proposed dividend increase. He stated that he did not like either the old or the new proposal for the Roche office tower and asked whether Roche really intended to go ahead with construction of this new building. He also asked whether Roche could pay people's tram fare to next year's AGM.

*The Chairman* thanked Mr Struchen for his words of praise. He gave a progress report on the office tower project, noting that there was no arguing about taste. The Chairman said that Roche would not pay people's tram fare to the next AGM.

As there were no further questions, the Chairman called for a vote to approve the Business Report, the Financial Statements and the Consolidated Financial Statements for 2009.

The AGM approved the Business Report, Financial Statements and Consolidated Financial Statements for 2009 by a vote of 142,911,511 in favour, 12,169 opposed and 127,398 abstentions.
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## **1.2 Approval of the Remuneration Report**

The Chairman stated that the Remuneration Report could be found on pages 75 to 85 of the Business Report. The Remuneration Report describes the principles governing the remuneration paid to the Board of Directors and Corporate Executive Committee and reports the amounts paid to the members of both bodies in 2009. He explained that the vote was advisory in nature and gave shareholders an opportunity to voice their views on the Remuneration Report.

There were no requests to speak, so the Chairman called for a vote to approve the Remuneration Report.

The AGM approved the Remuneration Report by a vote of 141,170,114 in favour, 1,845,062 opposed and 35,752 abstentions.

### **Agenda item 2: Ratification of the Board of Directors' Actions**

The Chairman stated that the Directors and other persons who had been involved in directing or managing the Company's affairs were not entitled to vote on this item.

The Chairman invited shareholders' comments and questions on ratification of the Directors' actions. There were no requests to speak.

The AGM ratified the actions of the Board of Directors by a vote of 120,042,167 in favour, 19,929 opposed and 29,510 abstentions. With 120,091,606 shares entitled to vote on this item, 60,045,804 votes were required for an absolute majority.

### **Agenda item 3: 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 148 of the Finance Report volume of Roche's 2009 Annual Report:

#### Available earnings

Net profit for 2009	CHF 5,385,342,397
Balance brought forward from previous year	<u>CHF 590,269</u>
Total available earnings	CHF 5,385,932,666

#### Appropriation of available earnings

Distribution of a dividend of CHF 6.00 gross per share and non-voting equity security	CHF 5,175,376,200
Total appropriation of available earnings	<u>CHF 5,175,376,200</u>
To be carried forward on this account	CHF 210,556,466

There were no requests to speak on this agenda item.

The motion was passed by the AGM by a vote of 143,007,964 in favour, 18,518 opposed and 24,376 abstentions.

The Chairman informed the AGM that the dividend would be payable, free of charges, from Tuesday, 9 March 2010, on presentation of coupon # 9 at any Swiss branch of UBS AG or Credit Suisse.

#### **Agenda item 4: Election of Directors**

The Chairman announced that Mr Peter Brabeck-Lethmathe and Prof. Horst Teltschick, whose terms on the Board ended at today's AGM, had declined to stand for re-election to the Board. He thanked both outgoing Directors for their significant contributions to Roche's success during their years on the Board.

The AGM also marked the end of Dr DeAnne Julius's and Prof. Beatrice Weder di Mauro's terms as members of the Board of Directors. Both Directors were standing for re-election to the Board for a term of three years, as provided in the company's articles of incorporation, and had declared in writing that they would serve if re-elected. The Chairman moved on behalf of the Board of Directors that the aforementioned Directors be re-elected.

The Chairman additionally introduced Dr Arthur D. Levinson and Mr William M. Burns, both nominated for election as new members of the Board. Both men, the Chairman said, had declared in writing that, if elected, they would accept a three year term on the Board, as provided in the company's articles of incorporation.

He then gave the shareholders an opportunity to comment on the election. There were no requests to speak.

The Chairman then put forward the names of each of the Board's nominees for a separate vote by electronic ballot.

In the first vote the AGM elected Dr DeAnne Julius to the Board for a further three-year term, ending at the AGM in 2013, by a vote of 142,997,274 in favour, 2,425 opposed and 41,776 abstentions.

In the second vote, the AGM elected Prof. Beatrice Weder di Mauro to the Board for a further three-year term, ending at the AGM in 2013, by a vote of 142,998,788 in favour, 4,508 opposed and 38,179 abstentions.

In the third vote, the AGM elected Dr Arthur D. Levinson to the Board for a three-year term, ending at the AGM in 2013, by a vote of 143,003,536 in favour, 3,386 opposed and 34,350 abstentions.

In the fourth vote, the AGM elected Mr William M. Burns to the Board for a three-year term, ending at the AGM in 2013, by a vote of 143,005,026 in favour, 5,176 opposed and 30,940 abstentions.

The Chairman congratulated all four Directors on their election.

**Agenda item 5: Election of the Statutory Auditor**

The Chairman stated that the AGM was required to vote annually to elect a Statutory Auditor for the current fiscal year. The Board of Directors moved that the AGM elect KPMG AG as Statutory Auditor for fiscal 2010. This company had previously stated in writing that it would serve in this capacity if elected.

The Chairman gave the shareholders an opportunity to comment on the election. There were no requests to speak.

The AGM elected KPMG AG as Statutory Auditor for fiscal 2010 by a vote of 142,996,657 in favour, 3,998 opposed and 40,450 abstentions.

There being no further requests to speak, the Chairman thanked the shareholders for attending and closed the meeting at 12.27 p.m.

The Chairman:

Signed: Dr Franz B. Humer

The Secretary:

Signed: René Kissling