Roche Annual Bonus
Plan Rules
Local Addendum for Switzerland
1. Purpose

1.1. The Roche Annual Bonus (RAB) is a key component of Roche’s total compensation philosophy. The Roche Annual Bonus is based on competitiveness, pay for performance, fairness and cost-effective support of Roche’s financial and strategic objectives. Pay for performance includes individual, Unit, and overall Roche performance.

1.2. The RAB is designed to reward Participants who have contributed to Roche’s performance over the past Performance Year, to encourage retention, and to allow Participants to share in Roche’s success.

2. Eligibility

2.1. Any recommendation to include or exclude new groups or populations of Employees as Participants in the Plan must be reviewed and approved by the Group Head of Compensation and Performance Management.

2.2. Once groups or populations have been approved, local Affiliates shall determine the eligibility of each Employee to participate in the Plan.

2.3. Any Employee hired on or before December 31 of the Performance Year may be eligible to participate in the Plan.

2.4. Participants becoming International Assignees or moving as a local Roche hire to another Affiliate remain eligible under this Plan as long as they continue to meet the eligibility criteria.

2.4.1. See Section 6 for treatment of Participants who move as local Roche Employees to a different country or who move out of the Plan and continue to be Roche Employees after the move.

3. Annual Bonus Allocation Pool and Funding

3.1. The Annual Bonus Allocation Pool from which managers propose distribution amounts for bonuses is created by summing the total of the Annual Bonus Target Percent multiplied by the RAB Calculation Base of each RAB Participant functionally reporting into the manager.

3.2. Annual Bonus Funding is based on the Annual Bonus Allocation Pool times the achievement percent of the Unit Performance Multipliers and of the Roche Performance Multiplier. The funding for the Annual Bonus will not be known until the achievement of each Performance Multiplier has been reviewed, approved, and communicated by the Executive Committee and Remuneration Committee. The Remuneration Committee has final authority on all aspects of the achievements.

3\footnote{In effect on December 31 of the applicable Performance Year.}
4. Annual Bonus Payout Determination

4.1. Line managers propose a distribution amount for each Participant based on: the Participant’s Annual Bonus Target Percent times the Participant’s RAB Calculation Base, the Participant’s performance relative to expectations and to peers, and the amount, if any, of the Annual Bonus Allocation Pool.

4.2. The proposed amount for each Participant is multiplied by the appropriate achievement of the applicable Unit Performance Multiplier(s)\(^2\) and the achievement of the Roche Performance Multiplier to determine a payout amount. Management has the discretion to adjust this payout amount before it is approved and finalized for payment; this approved payment is the Annual Bonus Payout.

4.2.1. See Section 6 for treatment of Participants who move as local hires to a different country and are eligible to participate in the Plan in the post-move position.

4.3. In order to receive a payout under the Plan, Participants must:

4.3.1. Be eligible to participate in the Plan

4.3.2. Be employed by Roche as of the Effective Date of the Roche Annual Bonus

4.3.3. Be an Employee of Roche on December 31 of the Performance Year with continuous service between December 31 of the Performance Year and the Effective Date of the Roche Annual Bonus

4.4. Typically, payouts under this Plan are not permitted before the Executive Committee’s and Remuneration Committee’s communication of the Annual Bonus Funding and the Roche Chief Executive Officer has given approval for payouts to be made.

5. Key Contributor Bonus

5.1. The Plan includes a Key Contributor (KC) Bonus component to recognize extraordinary contributions of selected Participants during the Performance Year.

5.2. Typically, all Participants are eligible to be nominated and approved for a KC Bonus with the exception of any Participant or group of Participants as determined by the Executive Committee.

5.3. The Executive Committee determines and approves a percentage of the overall Annual Bonus Allocation Pool that will be used for the Key Contributor Bonus Allocation Pool.

5.4. Typically, the Head of the Unit Performance Multiplier or the Head at a level or two above the Unit, in conjunction with his/her Human Resources Business Partner/Manager, proposes distribution amounts for KC Bonuses based on contribution and budget.

5.5. Each proposed amount is multiplied by the appropriate achievement of the applicable Unit Performance Multiplier(s) and the achievement of the Roche Performance Multiplier to determine a KC Bonus amount.

5.6. Payouts of KC Bonuses under this Plan are not permitted before the Executive Committee’s and Remuneration Committee’s review, approval and communication of the Multiplier achievements and the Roche Chief Executive Officer has given approval for payouts to be made.

\(^2\) Including all applicable for the Participant during the Performance Year and weighted based on Participant’s time spent in each Unit.
6. Transfer Advance Payment

6.1. The plan includes a Transfer Advance Payment (TAP) component to recognize a Participant’s eligible time in the Plan before the Participant moves to a different country as a local Roche employee or moves to a non-Plan eligible position and continues to be a Roche employee.

For Participants who are eligible for the RAB after their move, the TAP is an advance payment against any RAB payout for the applicable Performance Year. See 6.4.1 for details.

6.2. Participants in the following two situations are eligible to receive a TAP:

6.2.1. A Participant who moves to a Roche Affiliate in a different country and who is employed under the post-move Roche Affiliate’s local employment policy terms and conditions; i.e. the employee is a local hire, and
   a) Is eligible to participate in the Plan on the last day of Roche employment in his/her pre-move country, and is eligible to participate in the Plan in his/her post-move position; and
   b) Has no break in service between leaving the pre-move country Roche Affiliate and starting work in the post-move country Roche Affiliate.

6.2.2. A Participant who moves out of the Plan under the local employment policy terms and conditions of the same or a different Roche Affiliate; and
   a) Is eligible to participate in the Plan on the last day of Roche employment in his/her pre-move position but ineligible to participate in the Plan in his/her post-move position; and
   b) Has no break in service between leaving his/her pre-move position and starting his/her post-move position.

6.3. All TAP eligible Participants noted in 6.2 are subject to the same payment determination as follows:

6.3.1. Pre-move Human Resources Business Partner (HRBP) calculates 100% TAP target by multiplying the Participant’s TAP Calculation Base times his/her Annual Bonus Target as of the last day pre-move during the applicable Performance Year or as of December 31 of the applicable Performance Year if move occurs after the end of the Performance Year.

6.3.2. Line manager proposes an amount up to 100% TAP target and obtains one-over-one management approval plus any other required approvals.

6.3.3. Pre-move HRBP ensures the approved TAP amount is paid; the TAP is typically paid with other last payments to the Participant prior to the move.

6.4. When an Employee who received a TAP is still a Roche Employee on the post-move Affiliate’s Effective Date of the Roche Annual Bonus, with no break in Roche service since receiving the TAP, the TAP will be applied as follows:

6.4.1. For a Participant who was eligible under 6.2.1, any TAP(s) applicable to the Annual Bonus Performance Year will be subtracted from the Participant’s Annual Bonus Payout. Specifically, if the result of the Participant’s Annual Bonus Payout minus the TAP(s) is:
   a) Greater than zero, the Participant will receive an Adjusted Annual Bonus Payout or
   b) Equal to or less than zero, no further adjustments will be made.

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3 Unless the Participant is an International Assignee Long Term who will become a local Roche employee in the assignment host country; in this specific move situation, Participant is not TAP eligible.
6.4.2. For an Employee who was eligible under 6.2.2 and is still employed with Roche on the post-move Affiliate’s Effective Date of the Roche Annual Bonus, with no break in service since receiving the TAP, the TAP will be multiplied times the Unit Performance Multiplier(s) which were applicable when the Employee was a Participant and the Roche Performance Multiplier. If this amount is:
   a) Greater than the TAP(s) already received, the employee will receive another payment equal to this amount minus the TAP(s) already received or
   b) Equal to or less than the TAP(s) already received, no further actions will be taken.

6.5. The TAP does not impact payouts of the KC Bonus.

7. Management Discretion

7.1. Neither the establishment of the Plan, nor payment of any benefits, nor any action of Roche or of the Executive Committee shall be held or construed to confer upon any Participant any legal right to continue to participate in the Plan, regardless of the length of time the Participant has been receiving payments under the Plan.

7.2. Neither the establishment of the Plan, nor the payment of an Annual Bonus or KC Bonus shall confer any legal right to receive future payouts or confer any legal right to any particular formula or methodology for making payments under this Plan.

7.3. The Plan is discretionary and intended to share the successes of Roche with Participants who have contributed to its successes.

7.4. No Participant is guaranteed a payout under this Plan.

8. Employee Rights, Plan Administration and Other Miscellaneous Provisions

8.1. No Right of Continued Employment
Neither the establishment of the Plan, nor the eligibility to participate in the Plan, nor the payment of any benefit, nor any action of Roche or of the Executive Committee shall be held or construed to confer upon any Participant any legal right to continue to be employed by Roche, regardless of the length of time the Participant has been receiving payments under the Plan.

8.2. Administration

8.2.1. Unless otherwise provided in the Plan, the Executive Committee administers the Plan and has full power to construe and interpret the Plan, establish and amend rules and regulations for its administration, and perform all other actions relating to the Plan, that it believes reasonable and proper including the delegation of administrative responsibilities.

8.2.2. Each Affiliate of Roche Holding AG will be responsible for administrating the Plan according to the Plan rules.

8.3. Duration and Amendment

8.3.1. The provisions of this Plan have been established for all Affiliates and takes effect as of the date on which the Affiliate begins participation in the RAB. This Plan remains in effect until the Executive Committee decides, in its sole discretion, to terminate the Plan. The Executive Committee may also at any time terminate provisions of the Plan or terminate certain definitions or eligibility requirements of the Plan, without terminating the Plan in its entirety.
8.3.2. The Executive Committee may amend or suspend the Plan, or any provision of the Plan, at any time, in its sole discretion.

8.3.3. Termination, amendment or suspension of the Plan shall be at the discretion of the Executive Committee; any such action will be communicated to Participants through the appropriate communication channels.

8.3.4. Notwithstanding the provisions of this paragraph, an Affiliate may establish a Local Addendum to clarify or adjust the terms of the Plan in order to comply with the laws of the jurisdiction(s) in which the Affiliate operates. Each Local Addendum must be reviewed and approved by the Group Head of Compensation and Performance Management in order to be adopted as part of this Plan. In case of conflict between the terms of the Plan and the terms of the Local Addendum, the terms of the Plan will control unless applying the terms of the Plan will result in a violation of local law.

8.3.5. The Plan, including any applicable Local Addendum, contains the entire understanding and agreement with respect to any Employee’s eligibility to participate in the Plan or receive payment of an Annual Bonus, and supersedes any other plan, agreement or representation, whether written or oral, express or implied.

8.4. Applicable Law and Choice of Venue
8.4.1. This Plan and any related document shall be governed by and construed in accordance with the laws of Switzerland, ignoring principles of conflict of laws and subject to the limitations of compulsorily applicable local employment law rules.

8.4.2. Disputes arising under or in connection with this Plan shall be resolved by the competent ordinary courts.

8.5. Approval
The Plan has been approved by the Executive Committee, and initially made effective as of January 1, 2011. The Executive Committee has approved amendments to the Plan effective as of January 1, 2015 beginning with prospective payments linked to the 2015 Performance Year.

9. Definitions
The following terms shall have the meaning described below when used in the Plan:

'Adjusted Annual Bonus Payout' The gross amount of money (exclusive of any required deductions, such as taxes, if required) that a Participant receives after any Transfer Advance Payment(s) is subtracted from the approved and finalized Annual Bonus Payout. It does not include the amount of the Key Contributor (KC) Bonus, if any.

'Affiliate' Any foreign or domestic corporation owned, in whole or in part, directly or indirectly, by Roche Holding AG.

'Annualized Base Pay' The fixed amount of money an Employee would receive over the equivalent of a calendar year with a Full Time Equivalency of 100%.
‘Annual Bonus Allocation Pool’ The amount of money available for Annual Bonuses prior to any multiplier impact; the currency exchange rate used to create the pool will be the one used in the Common Human Resources Information Solution (CHRIS) for the Roche annual compensation round.

‘Annual Bonus Funding’ The amount that Roche approves to finance the Plan each year, excluding the KC Bonus.

‘Annual Bonus Payout’ The gross amount of money (exclusive of any required deductions, such as taxes, if required) that, once approved, a Participant who did not receive any Transfer Advance Payment(s) for the Performance Year receives as a bonus; it does not include the amount of the Key Contributor (KC) Bonus, if any.

‘Annual Bonus Target Percent’ The portion of a Participant’s RAB Calculation Base that is contributed to the Annual Bonus Allocation Pool; also, for the Transfer Advance Payment calculation, the portion of the Participant’s TAP Calculation Base that reflects a 100% TAP.

‘Effective Date of the Roche Annual Bonus’ A specific day, month, and year determined by each Affiliate denoting the date when the Annual Bonus Payout is recorded in the Human Resources system of record, in preparation for payment within the next local payroll cycle or on the payment date itself. See the applicable Local Addendum for details.

‘Employee’ An Employee of Roche.

‘Executive Committee’ The Corporate Executive Committee of Roche Holding AG.

‘Full Time Equivalency (FTE)’ The ratio of the number of hours the Employee is regularly scheduled to work divided by the number of work hours in the standard work week as defined by the Employee’s work location. For example, an Employee who is regularly scheduled to work 20 hours per week during a standard 40-hour work week will have an FTE of 50% or 0.50. The Full Time Equivalency cannot exceed 100%. In Roche’s Common Human Resources Information Solution (CHRIS), an Employee’s FTE is captured in the Capacity Utilisation Level data field.

‘Group Head of Compensation and Performance Management’ The manager or acting manager responsible for the management of overall compensation plans for the Roche Group.

‘International Assignee’ An Employee who is asked by Roche to work outside of his/her home country for a period of time and who is subject to the terms and conditions of the company’s international assignment policies and programs.

‘International Assignee Long Term’ An Employee who is asked by Roche to work outside of his/her home country for longer than a year period and who is subject to the terms and conditions of the company’s international assignment policies and programs.

‘Key Contributor (KC) Bonus’ The gross amount of money (exclusive of any required deductions, such as taxes, if required) paid to a selected Participant to recognize extraordinary performance in the prior year.

‘Leaves of Absence’ Authorized time taken away from work for a specific purpose; for example, the Leave could be paid or unpaid, statutory or non-statutory.

‘Local Addendum’ The document established by an Affiliate and approved by the Group Head of Compensation and Performance Management to clarify or adjust the terms of the Plan in order to comply with local laws of the jurisdiction(s) in which the Affiliate operates.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td>‘Other Wages’</td>
<td>Legally required or other specified wage types approved to be included in the Participant’s RAB Calculation Base and/or TAP Calculation Base.</td>
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<td>‘Participant’</td>
<td>An Employee eligible to participate in the Plan.</td>
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<tr>
<td>‘Performance Year’</td>
<td>The 12-month period from January 1 through December 31 during which each Employee’s performance is assessed and considered in making awards under the Plan.</td>
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<tr>
<td>‘Plan’</td>
<td>This Roche Annual Bonus Plan</td>
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<td>‘RAB Calculation Base’</td>
<td>The Participant’s Annualized Base Pay on December 31 of the Performance Year, adjusted to account for one or more of the following during the period of the Performance Year for which the Employee was a Participant, as applicable:</td>
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|                                 | (i) period of time the employee was a Participant,  
|                                 | (ii) the average Full Time Equivalency if less than 100%,  
|                                 | (iii) the number of days of any unpaid Leaves of Absence, and  
|                                 | (iv) any locally-required Other Wages.                                                                                                                                                                    |
| ‘Remuneration Committee’        | Shall mean the Roche Remuneration Committee.                                                                                                                                                               |
| ‘Roche’                         | The group of companies consisting of Roche Holding AG and all of its Affiliates.                                                                                                                          |
| ‘Roche Performance Multiplier’  | The performance achievement factor which affects the Annual Bonus Funding relative to Roche’s overall success.                                                                                              |
| ‘TAP Calculation Base’          | If the Participant’s move is after the end of the applicable Performance Year then same as the RAB Calculation Base or  
|                                 | if the Participant’s move is before the end of the applicable Performance Year then Participant’s Annualized Base Pay on the day before the move, adjusted to account for one or more of the following during the period of the Performance Year for which the Employee was a Participant, as applicable:  |
|                                 | (i) period of time the employee was a Participant  
|                                 | (ii) the average Full Time Equivalency if less than 100%,  
|                                 | (iii) the number of days of any unpaid Leaves of Absence, and  
|                                 | (iv) any locally-required Other Wages.                                                                                                                                                                    |
| ‘Transfer Advance Payment (TAP)’| The gross amount of money (exclusive of any required deductions, such as taxes, if required) paid to a Participant who is moving to a different country as a local Roche employee or who is moving out of the Plan yet continuing to be a Roche employee. The payment recognizes the Participant’s eligible time in the Plan before the move. |
| ‘Unit’                          | A Roche division, function, business area, or Affiliate.                                                                                                                                                   |
| ‘Unit Performance Multiplier’   | The performance achievement factor that affects the Annual Bonus Funding relative to the overall success of the Unit into which the Participant reports.                                                                 |
Roche Annual Bonus
Local Addendum for Switzerland
Version May 2015

A. Purpose and Validity
This Local Addendum complements the rules relating to the Roche Annual Bonus Plan (referred to further in this document as ‘the Plan’) and specifies the application of the Plan in Switzerland as well as any specific local regulations.

Additional provisions concerning bonus percentages for each functional class, and other components of compensation, e.g. special bonuses and gifts-in-kind, are defined and published separately and are not affected by the provisions of the Plan or this Local Addendum.

B. Applicability

B.1. Affiliates
The Local Addendum applies to all Swiss employees of the following Swiss Affiliates who are eligible for the Roche Annual Bonus without any restrictions:
- F. Hoffmann La-Roche Ltd, Basel (FHLR), Company Code 1201
- Roche Glycart Ltd, Schlieren, Company Code 1417
- Roche Diagnostics International Ltd, Risch (RDI), Company Code 5780
- Roche Pharma (Switzerland) Ltd, Reinach (RPS), Company Code 1208
- Roche Diagnostics (Switzerland) Ltd, Risch (RDS), Company Code 6054 (including Roche Diagnostics International Ltd, Basel Branch, Company Code 6905)

B.2. Employees
The Local Addendum applies to all employees in Switzerland who are eligible for the Roche Annual Bonus. These employees are on permanent individual contracts of employment with the above-mentioned affiliates.

The following groups of employees are not generally eligible for the Roche Annual Bonus:
- Employees subject to a collective bargaining agreement (GAV)
- Employees paid by the hour
- Employees with a temporary working contract
- Apprentices, interns, postdocs and PhD students
- Employees in pre-retirement
- Employees on a sales incentive plan

Exceptions to the above must be specified in the individual contracts of employment and will only be granted upon approval by the Head of Human Resources in the relevant affiliate.

C. Effective Date for the Roche Annual Bonus
The effective date for the Roche Annual Bonus in the above-mentioned Swiss affiliates is April 1 each year.

D. Calculation Base
The calculation base for the Roche Annual Bonus is as defined in the Plan. Specifically, the bonus is calculated on the basis of the contractually agreed annualized base pay on December 31 of the year in question.

No other salary items, such as allowances and lump-sum expenses, are to be taken into account in the calculation base. Days on which replacement benefits are paid, e.g. daily maternity allowances, military service or accident insurance schemes and disability insurance benefits, are included in the calculation base unless there is an individual agreement to the contrary.
E. Voluntary Leavers during the Performance Year

In Switzerland, participants in the Plan voluntarily leaving Roche prior to December 31 will receive a substitute payment for the current performance year upon departure. This substitute payment will be based on the employee’s overall performance up to a maximum of 100% of the target amount. This is calculated on the basis of the salary in the month of departure and the agreed target bonus (%). The substitute payment will be prorated to the number of days during which the employee was eligible for the Roche Annual Bonus in the performance year, and adjusted to reflect average Full Time Equivalency (FTE) and any unpaid leave of absence. The performance multipliers are not part of the substitute payment calculation. Any Transfer Advance Payment (TAP) which has already been paid by any Roche legal entity, within or outside Switzerland, for the current performance year will be deducted.

F. Voluntary Leavers after December 31 and before the Roche Annual Bonus Effective Date (April 1)

F.1. Employees still in the plan

Participants in the Plan voluntarily leaving Roche after December 31 and before the Roche Annual Bonus effective date (April 1) will remain eligible for the Roche Annual Bonus according to the Plan for the previous performance year. Any Transfer Advance Payment (TAP) which has already been paid by any Roche legal entity, within or outside Switzerland, for the previous performance year will be deducted.

Payment of the Roche Annual Bonus for the previous performance year will be effected on the Roche Annual Bonus payment date for the affiliate.

Participants in the Plan voluntarily leaving Roche may also receive a substitute payment for the current performance year (see Section E).

F.2. Employees who have already left the Plan

Former participants in the Plan voluntarily leaving Roche after December 31 and before the Roche Annual Bonus effective date (April 1) but who already left the Roche Annual Bonus Plan before the end of the previous year will be eligible for a Top-up Payment linked to the TAP already paid in the previous performance year.

Top-up Payments for the previous performance year will be effected on the Roche Annual Bonus payment date for the affiliate.

G. Involuntary Leavers

In cases where an employee’s contract is terminated by Roche, the company may decide to reduce or not pay a bonus and/or a substitute payment.

If a contract is terminated as a result of restructuring, the provisions of local severance practice will apply.

H. Additional Provisions

Impact on Pension Fund

Details regarding the impact of bonus payments on pensions can be found in the relevant pension rules and plan.

The Local Addendum shall be effective on May 1, 2015 and replaces the version of October 2011.

* Employees transferring from one Roche legal entity to another, within or outside Switzerland, are not considered voluntary leavers. Such employees need to contact their Human Resources Business Partner to obtain information about the Human Resources-related impact of the transfer.