

MINUTES

**of the 94th Annual General Meeting of the Shareholders of ROCHE HOLDING LTD, Basel,
held at 10.30 a.m. on 6 March 2012 at the Convention Centre, Basel Trade Fair Complex,
Basel**

The Chairman of the Board, Dr Franz B. Humer, 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 Silvia Ayyoubi, Dr Alan Hippe, Dr Gottlieb Keller, Mr Daniel O'Day and Dr Pascal Soriot.

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 Paul Bulcke, Mr William M. Burns, Mr Lodewijk J. R. de Vink, Dr Christoph Franz, Dr DeAnne Julius, Dr Andreas Oeri, Mr Peter R. Voser and Prof. Beatrice Weder di Mauro.

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, 3 and 8 February 2012, 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 Ian Starkey 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. 689b of the Swiss Code of Obligations, was represented at the meeting by Mr Mark Schaffner.

The Chairman designated

as secretary: Mr René Kissling

as tellers: Mr Donald Sulzer, Credit Suisse, Zurich

Mr Werner Meier, UBS AG, Basel

Mr Peter Nussbaumer, Credit Suisse, Basel

Mr Urs Raeber, UBS AG, Zurich

Dr Beat Rauss, Univest AG, Basel

Mr Werner Rüegg, Bank Sarasin, Basel

Mr Anton Schaub, Basler Kantonalbank, Basel

Mr Vittorio Schiro, UBS AG, Zurich.

The Chairman designated Mr Donald Sulzer as head teller.

The Chairman stated that the minutes of the 2011 Annual General Meeting (AGM) were available on the internet and that next year's AGM was scheduled to take place on 5 March 2013.

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.

Having explained the electronic voting system, the Chairman conducted a test ballot and found that the system was operating correctly.

The Chairman commenced his address to the shareholders by summarising the events of 2011 before moving on to strategic matters, among them the planned acquisition of Illumina (see http://www.roche.com/about_roche/corporate_governance/annual_general_meetings.htm for the address by Chairman of the Board, Dr Franz B. Humer).

The Chairman then invited *Dr Severin Schwan*, CEO of the Roche Group, to speak. In his address, Dr Schwan discussed Roche's financial results for 2011 and the outlook for 2012, underlining the growing importance of the emerging markets, particularly China, for Roche. He used the example of

Erivedge, the first and only medicine on the market anywhere for patients with advanced basal cell carcinoma, a form of skin cancer, to illustrate how Roche is moving forward the development of new treatments and what this progress means for patients (see http://www.roche.com/about_roche/corporate_governance/annual_general_meetings.htm for the address by Chairman of the Corporate Executive Committee, Dr Severin Schwan).

Based on the attendance list, the Chairman then noted that 755 shareholders or their proxies were present, representing 139,852,787 shares or votes and thus 87.4% of the Company's total share capital. The aforementioned shares, each with a nominal value of CHF 1.00, were represented as follows:

- Shareholders:	65,622,560 shares
- Proxies for deposited shares:	72,417,900 shares
- Independent proxy:	1,812,327 shares

69,926,394 shares 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 2011 Annual Report, Annual Financial Statements, Consolidated Financial Statements and Remuneration Report

1.1 Approval of the 2011 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 180 [of the German version]. In response to a request for comment, Messrs Ian Starkey 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 152 [of the German version].

The Chairman invited the shareholders to discuss the report and the financial statements.

Mr Walter Grob from Berne took the floor and enquired whether, as in the past, a gift of a Roche calendar would be made to shareholders. He also enquired about the status of the closure of the Burgdorf site.

The Chairman thanked Mr Grob for his comments and informed him that Roche calendars are no longer being produced due to lack of demand. He also reminded Mr Grob of his request at the previous AGM that a German version of "Roche in Brief" be produced. A 2011 edition of this publication had now appeared and was available at the AGM. The Chairman then invited Dr Schwan to speak about the status of the closure of Roche's branch in Burgdorf.

Dr Schwan confirmed that the transfer from Burgdorf to Mannheim, a move that will take more than two years to complete, was proceeding according to schedule and that redundancy schemes had been agreed with the employee representative organisations. He also reminded the Meeting that not only were activities being transferred from Switzerland to Germany, but sites in other countries were being transferred to Switzerland, as a result of which new jobs were being created. He cited the transfer of activities from Graz to Rotkreuz as a case in point.

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

Mr Struchen queried the figure of 21 million patients worldwide who, according to the Chairman's address, had been treated with medicines from Roche in 2011. He felt that this figure was too low. He supported the approval of the Annual Report and the proposed 3% dividend increase to CHF 6.80, but expressed his displeasure at the Roche share's performance and asked the Chairman about possible ways of increasing its value.

The Chairman thanked Mr Struchen for his comments and told him that the figure of 21 million referred mainly to patients who had been treated with innovative cancer medicines. Moving on to ways of increasing the value of the Roche share, the Chairman emphasised that performance is the only factor that counts and that the company would not pursue measures intended to boost the share price in the short term to the detriment of Roche's long-term objectives. Finally, he stressed that a 3% dividend increase in the current economic climate can be considered a very good performance in comparison with many other shares.

Mr Peter Früh representing Actares, the association of shareholders for a sustainable economy, was asked to take the floor. Mr Früh was positive about the principles published by Roche in recent reports. He was pleased that Roche had been named the world's most sustainable healthcare company in the Dow Jones Sustainability Index and that it had won the Öbu prize

awarded by the Swiss Association for Ecological Business Management for its Sustainability Report. Mr Früh emphasised that Actares had also been delighted that no more patients in China had been recruited into organ transplantation trials in which Roche was involved and that the trials which had been the subject of criticism had been terminated.

Mr Früh then criticised the fact that an increasing number of clinical trials are being outsourced to external service providers known as Clinical Research Organisations (CROs), and emphasised that clinical trials are fundamental both to the development, approval, supply and marketing of medicines and to the core business of the pharmaceutical industry.

He asked why this pivotal activity is increasingly being outsourced, thus surrendering control of a very sensitive area in terms of enforcing the highest standards of protection for the patients participating in trials and also in terms of ensuring "clean" results for the all-important approval process. Mr Früh also asked how the application of uniform standards is ensured worldwide and whether the aim was not primarily to save money and time by taking advantage of different local regulatory requirements, pay levels etc. at the expense of a greater risk to quality and reputation. He asked what proportion of clinical trials are currently outsourced to CROs, what proportion the company plans to outsource in the future and to which countries, and how Roche ensures that trials are carried out correctly and in compliance with internal standards.

Mr Früh finally mentioned that the reported remuneration for the Chairman and the CEO appeared to him to be too high, and that in his view, the cash remuneration paid to the Chairman in respect of the company's performance was at odds with the Best Practice Standards of Good Corporate Governance. For this reason Actares was recommending that the Remuneration Report should not be approved.

The Chairman thanked Mr Früh for his comments and for his objective acknowledgement that the data in the Annual Report had been presented more transparently. These data had, moreover, also been checked by the external auditors.

Responding to the criticism of the increasing outsourcing of clinical trials, the Chairman replied that the study design and clinical trial protocol remain the responsibility of Roche, since the protocols are submitted to the regulatory authorities and have to be approved by them. The number and size of trials fluctuate greatly, and outsourcing enables Roche, with its internal basic expertise, to manage fluctuations that exceed its own capacity.

The Chairman mentioned that the proportion of clinical trials outsourced to CROs varies between approximately 30 and 60% of the total and that about 60% of all trials worldwide are conducted in the United States, Europe and Japan. Approximately 40% of clinical trials take place in less-developed countries, but are mainly conducted by doctors trained in America and Europe in

hospitals operating to the highest international standards. Doctors and CROs are also trained by Roche and audited regularly. In addition, the European and American regulatory authorities carry out audits in these countries independently of Roche.

The Chairman reiterated the importance of clinical trials for Roche and the huge amount of work involved in them to guarantee quality, safety and uniform standards worldwide, irrespective of whether a trial is carried out by Roche itself or by a CRO.

Turning to the question of remuneration, the Chairman replied that his own remuneration and that of the CEO and the Corporate Executive Committee is determined by the Remuneration Committee of the Board of Directors on the basis of international comparisons and market studies, and for this reason the remuneration is around the same level as that paid internationally for these positions at comparable companies. Since the Chairman had given up the dual function of CEO/Chairman, his total remuneration had diminished by approximately 40%, and declined by more than 10% in 2011. He also pointed out that approximately 2/3 of the total remuneration paid to Dr Schwan and the Corporate Executive Committee is made up of variable components that are always stated in the Annual Report as if they had been paid out in full. The Chairman emphasised that the salary actually paid to Dr Schwan in the past two years was, in fact, only half of the figure published in the Annual Report because the options cannot largely be exercised at the moment as they are basically worthless and because the long-term PSP plan had not been paid out for the past three periods.

He concluded by emphasising that the remunerations paid by Roche are just above the middle of the range and can in no way be considered excessive.

As there were no further questions, the Chairman called for a vote to approve the Annual Report, the Financial Statements and the Consolidated Financial Statements for 2011.

The AGM approved the Annual Report, the Financial Statements and the Consolidated Financial Statements for 2011 by a vote of 138,117,792 in favour, 4,664 opposed and 1,808,641 abstentions.
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1.2 Approval of the Remuneration Report

The Chairman stated that the Remuneration Report could be found on pages 138 to 148 [of the German version] of the Annual Report. The Remuneration Report describes the principles governing the remuneration paid to the Board of Directors and the Corporate Executive Committee and reports the amounts paid to both bodies in 2011. He explained that the vote was advisory in nature and gave shareholders an opportunity to voice their views on the Remuneration Report.

As there were no questions, the Chairman called for a vote to approve the Remuneration Report.

The AGM approved the Remuneration Report by a vote of 137,857,617 in favour, 157,108 opposed and 1,916,372 abstentions.

Agenda item 2: **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.

There were no requests to speak.

The AGM ratified the actions of the Board of Directors by a vote of 116,908,246 in favour, 95,708 opposed and 38,788 abstentions. With 117,042,742 shares entitled to vote on this item, 58,521,372 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 179 [of the German version] of the Finance Report volume of Roche's 2011 Annual Report [of the German version]:

Available earnings:

Net profit for 2011	CHF 8,647,901,921
Balance brought forward from previous year	<u>CHF 436,741,030</u>
Total available earnings	CHF 9,084,642,951

Appropriation of available earnings:

Distribution of a dividend of CHF 6.80 gross per share and non-voting equity security	CHF 5,865,426,360
Transfer to free reserve	<u>CHF 1,293,450,000</u>
Total appropriation of available earnings	CHF 7,158,876,360
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To be carried forward on this account	CHF 1,925,766,591

There were no requests to speak on this agenda item.

The motion was passed by the AGM by a vote of 139,883,647 in favour, 3,718 opposed and 43,632 abstentions.

The Chairman informed the AGM that the dividend would be payable, free of charges, from Tuesday 13 March 2012, on presentation of coupon # 11 at any Swiss branch of UBS AG or Credit Suisse.

Agenda item 4: Election of Directors

The AGM marked the end of the terms of office of *Prof. Sir John Bell*, *Mr André Hoffmann* and the *Chairman* as members of the Board of Directors. All were standing for re-election to the Board for a term of two 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.

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 *Prof. Sir John Bell* to the Board for a further two-year term of office ending at the AGM in 2014, by a vote of 139,873,746 in favour, 7,690 opposed and 49,561 abstentions.

In the second vote, the AGM elected *Mr André Hoffmann* to the Board for a further two-year term of office ending at the AGM in 2014, by a vote of 139,868,637 in favour, 17,786 opposed and 44,570 abstentions.

Mr André Hoffmann then took the chair while the AGM voted on the Chairman's re-election. Before the vote was taken, Mr Hoffmann praised the Chairman's tremendous experience, entrepreneurial vision and impressive leadership capabilities.

In the third vote, the AGM elected *Dr Franz B. Humer* to the Board for a further two-year term of office ending at the AGM in 2014, by a vote of 139,878,128 in favour, 11,861 opposed and 39,695 abstentions.

Mr Hoffmann congratulated Dr Humer on his re-election and handed the chair back to him. The Chairman congratulated the Directors on their re-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 2012.

The 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 2012 by a vote of 139,852,997 in favour, 17,345 opposed and 54,040 abstentions.

There being no further requests to speak, the Chairman thanked the shareholders for attending and closed the meeting at 12.00 noon.

The Chairman:
Sig. Dr Franz B. Humer

The Secretary:
sig. René Kissling