



## **Roche Group Insider Directive**

### 1. **Definition of Insider Information**

The knowledge of Roche board members, management, officers, employees and advisors about non-public facts gained in connection with the performance of their Roche functions, whether gained intendedly or by coincidence, the disclosure of which is suitable to have a material impact on the share price of Roche and/or the (potential) cooperation or transaction partner(s) constitutes Roche insider information. Such insider information may in particular exist during the work on projects such as mergers, acquisitions, divestitures, capital increase, capital markets transactions, important licence or other collaborations, major clinical trials etc. (see section 4 below) and before regular publication of Roche group results (annual, half-year and quarterly results; see section 5 below). More detailed examples of insider information are set forth in Appendix 1 hereto.

### 2. **Purpose**

Swiss, European, US and many other laws and regulations prohibit the disclosure and/or the use of insider information in securities trading for personal or third parties' gain or avoidance of loss as a criminal offence and/or an administrative laws misdemeanour. As a company listed at the SIX Swiss Exchange Roche is subject to insider laws.

Roche is committed to comply with all applicable laws and regulations. The purpose of this directive is to inform about and ensure world-wide compliance with insider laws and regulations. Roche also aims not to unnecessarily restrict the trading freedom of the persons concerned. The principles of this directive will be applied in accordance with the concrete circumstances.

The listed Roche group members Chugai Pharmaceutical Co. Ltd. ("Chugai") and Foundation Medicine, Inc. ("FMI") have their own insider regulations, which are based on the laws and regulations applying to them and in substance fully commensurate with this Roche directive. Independent advisors and (potential) cooperation or transaction partners are themselves solely responsible for the correct handling of insider information.

### 3. **Insider Rules**

Insiders, i.e. persons in possession of Roche insider information, must comply with the following rules:

- (a) **Confidentiality obligation:** Insider information must be kept strictly confidential and not disclosed to any non-insider within or outside Roche (including family members).
- (b) **Trading prohibition:** Insiders must not buy, sell or otherwise trade in equity securities (shares, non-voting equity securities (*Genussscheine*; NES), options or similar instruments and derivatives based thereon) of Roche and/or other listed companies involved.

- (c) **No trading recommendations:** Trading recommendations to non-insiders are also unlawful. Non-insiders trading based on insider information ('tippees') may also be subject to criminal sanctions.

4. **Projects**

When a project reaches a share price sensitive stage, the competent project manager in consultation with the Group Legal Department (or other legal department(s) within the Roche Group designated by the Group Legal Department) will put into effect the specific insider obligations and draw up the insider list. Based on the concrete circumstances, in particular which company's or companies' equity securities prices are affected, the trading prohibition will apply to Roche's and/or the other involved company's/ies' equity securities. Depending on the development of the project the trading prohibition may be continued, suspended, re-activated or terminated by decision of the project manager in consultation with the Group Legal Department. All insiders shall be informed promptly about the activation, suspension, re-activation and termination of the specific insider rules, in particular the trading prohibition. The confidentiality obligation shall at all events remain in effect permanently (unless, until and to the extent the project has been made public).

The project manager in consultation with the Group Legal Department will decide about the expansion of the insider circle, promptly update the insider list and inform all insiders.

All project insider lists shall be filed with and the Group Legal Department will keep a list of all insider projects in the Roche group (except Chugai and FMI) with their status. The Roche Group Legal Department shall supervise compliance with the insider rules and periodically review the status of all insider project lists.

For other special confidential projects, which are not share price sensitive for any company involved, no insider rules apply and no insider lists must be used. However, other special confidentiality lists may be used as appropriate.

5. **Regular Publicity, Black-out Periods**

Persons who regularly deal with insider information must sign a general insider declaration. Persons involved in the preparation of regular publicity events (in particular annual and half-year reports and media conferences, quarterly results announcements) or having otherwise access to such Roche share price sensitive information are in addition subject to so called abstract "black-out periods". During these black-out periods before regular publicity events, the trading prohibition and the confidentiality obligation applies absolutely, i.e. irrespective if the relevant information is share price-sensitive or not. The black-out periods will be fixed annually based on the regular publication dates, and the insiders concerned will be informed about them in advance.

The black-out period insider list is administered by the Group Legal Department in cooperation with the functions and departments concerned (CO/CS/Board secretary

for Roche Holding Board members, CEC-members and CO). It is updated periodically and regularly reviewed by the Group Legal Department to supervise compliance with the present directive.

In addition to the above global insider black-out periods, all Roche employees who are resident in the U. S., including U. S. citizens, Green Card holders, and “resident aliens”, are subject to U. S. black-out periods in order to comply with U. S. federal and state security laws. Terminated employees and retirees who fall into one of these categories are also subject to these black-out periods.

Trading of Roche equity securities, options or similar instruments based thereon will for insiders subject to black-out periods participating in Roche-administered share, option or similar instruments programs, to the extent technically reasonably feasible, be blocked automatically during black-out periods.

Insiders subject to black-out periods are recommended to inform their professional asset managers about the black-out periods in order to exclude transactions through them during these periods.

## 6. **Organisational and Compliance Measures**

Everybody dealing with insider information is obliged to take all practical measures to secure confidentiality and non-use of insider information, including without limitation:

- The insider circle must be kept as small as possible based on strict application of the “need to know”-principle and through organisational separation and establishment of separation walls between different functions (such as M&A and partnering/licensing/business development departments on the one hand and financial trading functions on the other hand). The insider circle must not be expanded without prior written approval of the competent project manager (or line manager for regular publicity/black-out periods) or the responsible lawyer. The realisation phase, during which the insider circle may have to be extended significantly through the involvement of further employees, external advisors and auxiliary personnel (e.g. communication functions, printers etc.) should be kept as short as possible.
- All Roche insiders must sign the pertaining insider declaration.
- Confidential communication methods, such as closed envelopes with “Personal/Confidential” statements, confidential fax machines, confidential and encrypted emails, shall be used as much as possible.
- Electronic files shall only be saved on special drives or in folders which cannot be accessed by unauthorised persons. Passwords (which alone may, however, not give adequate protection) and encryption shall be used as much as possible.

For insider project and regular publicity/black-out period specific organisational and compliance measures see sections 4 and 5 above.

In the event of any questions or uncertainties concerning the application and content of the insider rules the Group Legal Department should be contacted.

7. **Sanctions**

Violations of the insider laws and regulations may constitute an offence against criminal law and/or Swiss Stock Exchange supervisory regulations under penalty of imprisonment and/or fines for the acting individual(s) and/or Roche. Violations of this Roche Group Insider Directive may also constitute a breach of the employment contract and/or entail disciplinary sanctions against employees.

8. **Effectiveness**

This revised Roche Group Insider Directive has been approved by the Corporate Executive Committee on 9 September 2015 and enters into force for the entire Roche group world-wide (except for Chugai and FMI, who have their own regulations) with immediate effect. With the effectiveness of this revised Roche Group Insider Directive the Roche Group Insider Directive of 15 September 2009, last revised on 11 November 2013 is replaced and superseded.

## Appendix 1: Examples of Insider Information

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- Issuance of new equity securities (e.g. capital increase, allotment of options)
- Capital reductions, share buyback programmes
- Other significant changes in the capital structure, such as share splitting, exchange of non-voting equity securities (*Genussscheine*; NES) for shares, conversion of bearer shares into registered shares, etc.
- Significant changes in the Board of Directors or Corporate Executive Committee
- Material change in the company's earning situation, such as unforeseen and remarkable earnings growth or losses or events which are likely to result in such a change in the earning situation (e.g. major product liability case, very high restructuring charges etc.)
- Merger, acquisition, divestiture, spin-off or discontinuation of a significant business segment
- Far-reaching reorganisation of the company
- Conclusion or dissolution of a major strategic alliance
- development or acquisition of products or technologies with a high market value
- Important licence or other collaborations
- Results of major clinical trials
- Significant change in the market position of the company.