M I N U T E S

of the 100th Annual General Meeting
of the Shareholders of ROCHE HOLDING LTD, Basel
held at 10.30 a.m. on 13 March 2018
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, Mr Daniel O'Day.

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

The Chairman stated that timely notice of the 2018 meeting had been given and made reference to the public notice of the meeting published on two dates, 16 and 19 February 2018, 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, together with Mr Mark Baillache, the new lead auditor as of the 2018 financial year.

BDO AG, the firm elected at the Annual General Meeting of Shareholders on 14 March 2017 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 Kevin Weber, Univest AG, Basel

The Chairman designated Mr Werner Meier as head teller.

The Chairman stated that the minutes of the 2017 Annual General Meeting (AGM) were available on the internet and that next year's AGM was scheduled to take place on *Tuesday, 5 March 2019*.

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:
  - Resolutions of the General Meeting on items 1 and 3 would be passed by an absolute majority of votes *represented*.
  - 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.
  - 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.
- The results of the individual ballots on items of business would be announced individually.
- The elections for items 5.1 – 5.17 would be conducted individually, with the results of items 5.1 and 5.2 announced immediately afterwards, and the results of items 5.3 – 5.13 and 5.14

– 5.17 combined into two separate blocks of votes and announced by the head teller at the end of each block.

- Elections and other votes would be conducted electronically.
- References to page numbers refer to the relevant German-language versions.

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

In his address to the shareholders, the Chairman stated that since the end of 2015 regulatory authorities had granted a large number of approvals for six new medicines, and that remarkable progress had been made in implementing the personalised healthcare strategy. He also summarised the key results for the 2017 financial year and mentioned the proposed dividend for 2017. In his outlook for the next few years, he discussed in particular the transitional phase for compensating losses caused by biosimilars, and referred to advances in personalised healthcare and the increasing significance of partnerships in connection with the digitalisation of health data. The Chairman made reference to the change in the Enlarged Corporate Executive Committee before touching on Roche's special corporate culture with its focus on innovation, supported by the long-term approach of the Oeri and Hoffmann owner families. He thanked the owner families for their support, and the Corporate Executive Committee and all employees for their hard work and commitment.

(*Address by Dr Christoph Franz, Chairman of the Board of Directors, see* https://www.roche.com/dam/jcr:fe77394f-5005-4170-acfe-c2fef87a7287/de/agm18_cf_d.pdf).

The Chairman then invited Dr Severin Schwan, CEO of the Roche Group, to speak.
In his address, Dr Schwan discussed the 2017 financial result and provided an outlook for the current fiscal year. He reported to the AGM on the progress made in the product pipeline, citing Hemlibra – a medicine which gives new hope to haemophilia patients and their families – as an example of success in "new" therapeutic areas.

(*Address by Dr Severin Schwan, Chairman of the Corporate Executive Committee, see* https://www.roche.com/dam/jcr:2f47990d-0a21-4e16-99b9-b46182f3c260/de/agm18_sas_d.pdf).

The Chairman then offered to take questions from the floor on the agenda items and the addresses before announcing the attendance figures and considering the agenda items individually.

The Chairman gave the floor to ***Ms Veronika Hendry, President of ACTARES***, from Zurich.
Ms Hendry began by expressing ACTARES members' respect for the reports made in the addresses and by saying that Roche was a very important and well-positioned company. However, she also said that it should be possible to turn something good into something even better.
She explained that ACTARES makes voting recommendations to its members and represents them at general meetings of shareholders, and that in the current year ACTARES had received no replies to a letter containing questions about access to Roche medicines.
Ms Hendry went on to speak about best practice in relation to remuneration, especially as regards amount and composition; about preventing possible conflicts of interest between the Board of Directors, management and business success; and about the clarity with which remuneration is stated in the Annual Report. She mentioned in particular the remuneration paid to the Chairman of the Board of Directors and asked for her criticism to be understood as encouragement to make the structure and transparency of the remuneration rather easier to understand. Ms Hendry criticised the amount of remuneration, with the Chairman's remuneration of CHF 5.7 million exceeding that of his colleagues in the SMI peer group by a third. She described this as exorbitant, even on an international comparison – taking account of the different tasks of a board chairman in other countries.
She criticised the amount of CHF 1.7 million described as "additional remuneration", which she said was very high for a non-executive member of the Board of Directors. Ms Hendry questioned the amount of remuneration paid to the Chairman of the Board of Directors, which is approximately 17.5 times that of the other members, with reference to the number of meetings listed in the Annual Report, and expressed a wish to know more about the activities of the "top man" at Roche. Given that the Chairman also sits on two other boards of directors, she said she could see no reason for this amount of remuneration in comparison with the workload. In her second point, Ms Hendry criticised the fact that the Chairman of the Board's bonus is linked to business performance. She said that the resulting link between the interests of the Chairman of the Board and those of the management was not in line with best practice. Another concern she expressed was in relation to the independence of the Chairman and the double role of Dr Schwan as CEO and also as a member of the Roche Board of Directors. Ms Hendry's third criticism concerned the details of the value of the Chairman's bonus, which was stated at a reduced market value of CHF 558,390 instead of the full market value of CHF 1 million because it was paid in the form of shares blocked for 10 years. While Ms Hendry expressly acknowledged that the reduced value had been correctly stated in the Annual Report, she nevertheless wished that the

full value had been reported for reasons of transparency, in which case the Chairman's remuneration would amount to a total of CHF 6.2 million rather than CHF 5.7 million.

She therefore ended by recommending the shareholders to reject all the agenda items relating to the remuneration of the Chairman and also those relating to the members of the Remuneration Committee.

The Chairman thanked Ms Hendry for her many questions and for her detailed comments on the remuneration of the Board of Directors and the Chairman.
He then referred to the letter from ACTARES that was apparently left unanswered. The Chairman stated that a letter from ACTARES dated 31 January 2018 containing numerous questions had been answered in detail in a letter from Roche dated 15 February 2018. He said that a reply was being drafted to a second letter to Roche dated 7 March, which requested a response by the start of April, and stated that since the deadline had not yet expired, the reply would be sent to ACTARES in due course. With reference to the content of his activities, the Chairman explained that the amount of remuneration is primarily due to the fact that the Chairman is a full-time member of the Board of Directors even though his is a non-executive role. He added that the CHF 1.7 million reported as "additional remuneration" was mainly for payments relating to his pension and retirement contributions. In addition, he stated that his other two board of directors' mandates were as non-executive members in both the other companies. With reference to the amount of variable remuneration, the Chairman said that this represented 10% of the total remuneration, and that there was a clear emphasis on the fixed remuneration, which does not depend on the business result.
As regards transparency, the Chairman replied that all the information, including blocking periods and discount rates, had been stated transparently in the Annual Report for many years without alteration. He referred to Roche's share blocking period of ten years, which is longer than that of any of its industry peers, as a reason for the discount rate compared with shares that can be traded immediately. This uniquely long share blocking period compared not only with all other listed companies in Switzerland, but also with companies worldwide – according to professionals – underlined the very long-term approach of those at the head of the company, he added. The latter work on a time frame of approximately 10 years, he explained, which is how long the company needs in order to develop a medicine, for example. Next, the Chairman explained the consistent remuneration in the form of shares rather than options, which are valued (not only in the case of Roche but also for all companies) in terms of their current value and maturity dates,

and pointed out that other companies have a different way of stating the value of long-term remuneration blocked for only two or three years, which explains the declared value and associated discount for ten-year blocking.

The Chairman then invited ***Mr Riccardo Pacifico*** from Neuchâtel to take the floor.
Mr Pacifico addressed the Chairman in French and began by expressing his thanks to Roche for introducing French-German interpretation, as suggested by him at the last AGM. He was also grateful for the previously communicated information on the course of business in 2017, and the outlook for the future. Mr Pacifico referred to a statement made by Mr Schwan in recent weeks regarding realistic expectations for the future and asked why this statement was necessary, given that Roche's financial statements were not at all bad. He also referred to Roche's capital structure as regards shareholders and holders of non-voting equity securities, with special reference to the imbalance between the number of non-voting equity securities and the number of shares. He said he was in favour of family ownership rather than individual ownership overseen by managers instead of the family, and praised the continuing family tradition as an excellent example. Nevertheless, he wondered what rights the holders of non-voting equity securities would have compared with shareholders in the event of a share buyback or a merger with another company – improbable as this might seem.

The Chairman thanked Mr Pacifico for his remarks and questions. He said that the new German-French interpretation was indeed the result of Mr Pacifico's suggestion last year. The Chairman went into some detail about the movement of the share price in 2017, taking account of the dividend payment. He attributed the slightly below-average movement in the SMI to the shareholders' awareness since autumn 2017 of impending yet long foreseen patent expiries and said that this predictability also applied to successful products whose patents have started to expire at different times, depending on the country – a situation expected to continue for two or three years. Despite possible concerns, the Chairman once again expressed confidence that declining sales could be compensated in the future by new competition and new, highly innovative medicines. He emphasised that the share price movement would always depend in the long term on whether Roche was capable of actually transforming innovative ideas, both in diagnostics and in pharmaceuticals, into highly attractive, differentiated new products to a sufficient extent. In respect of the share structure, the Chairman highlighted the stakes of the owner families, which paid in over 50% of Roche's share capital. This strong role and support, he said, enabled the Board of Directors and the Corporate Executive Committee to ensure the successful development of the company over the long term. He also reiterated what had been said in previous years, namely that there are no plans to convert non-voting securities into shares with voting rights. Apart from the right to vote at the AGM, holders of non-voting equity securities have almost identical rights to those of shareholders, including the right to a dividend that has risen every single year for the past 31 years.

The Chairman then invited ***Mr Peter Wild*** from Worb (Canton of Berne) to take the floor.
He objected that the Corporate Executive Committee's bonuses were insufficiently aligned with business performance, and stressed with reference to the Remuneration Report that the bonuses for 2017 received by all members of the Corporate Executive Committee apart from the CEO had increased by CHF 100,000 per head, on the same basis as in 2016. Mr Wild said he did not regard this as appropriate, given the divisions' decline in operating profit margins, the contraction of the net income margin under IFRS rules, and taking account of the goodwill impairment rather than the "core" earnings. He complained that it was not apparent that the bonuses were individually set, and described it as worrying that variable remuneration payments depended on the "embellished" core earnings figure while the goodwill impairment, in particular, was not taken into account. He said that this invited those responsible to accept the risk of inflated prices when buying a company, and that the relevant managers would not have to take responsibility for impairments if expectations were not met later on. Mr Wild added that describing impairments and depreciation as purely accounting processes was playing them down, and that doing so – without taking account of other factors – leads to a reduction in equity and impacts negatively on the balance sheet, which could not be in the shareholders' interests. Finally, he said that in terms of net income, amortisation and depreciation of intangible assets came to CHF 3.8 billion last year, which is why he advocated amending the remuneration guidelines and taking due account of extraordinary financial elements when calculating individual bonuses.

The Chairman thanked Mr Wild for his remarks on the evolution of the bonuses paid to the Corporate Executive Committee and in particular on the relationship between the bonus payments and the evolution of the IFRS result. He replied that at Roche, emphasis was and would continue to be placed on not representing or calculating the evolution of remuneration in the business areas using a mathematical formula. He stressed that while economic indicators were very important, they constituted only one component for setting variable remuneration. Other additional objectives were just as important, especially those which are of at least equal importance to Roche in the longer term, such as milestones in the development of new products.

He made reference to the success achieved in 2017 in compensating for substantial changes caused by increasing competition from top medicines. In addition, he explained that last year's strong business performance was reflected in a financial metric – i.e. the cash flow figures – that is independent of the IFRS result or core earnings. He pointed out that free operating cash flow rose by 27% to CHF 17.8 billion, and free cash flow went up by 47% to CHF 13.4 billion, enabling Roche to reduce its net debt by nearly 50%. The Chairman said that while positive developments in core earnings and negative developments in the IFRS result were important, they were just two aspects of a whole set of figures indicating Roche's economic development. He discussed the goodwill impairments that Roche had to write down last year on investment and acquisition decisions made in the past. The Chairman emphasised that similar impairments would occur in the future as they had in the past, because of high-risk investments. Roche would have to continue to make acquisitions of this kind, which are typical of the pharmaceutical sector, in order to remain successful. He went on to say that the IFRS result would continue to fluctuate very strongly depending on any impairments that might be necessary. In view of the overall picture and previous statements, the Chairman said he judged the proposed evolution of the bonus payments for the Corporate Executive Committee to be fully justified and necessary from the point of view of the Board of Directors.

The Chairman gave the floor to ***Ms Veronika Hendry,*** President of ACTARES, once again. Further to her first point, Ms Hendry explained that Dr Franz must have been given inaccurate information regarding the correspondence between ACTARES and Roche, and she attempted to place the various letters addressed to Roche in the correct order. She clarified that the letter she referred to in her first point was a letter containing questions for Roche as a group, and that it did not concern the letter from the specialist pharmaceuticals group or the letter with the survey about the corporate responsibility initiative.
The Chairman thanked Ms Hendry for redelivering the letter to which she referred.

The Chairman then invited ***Mr Manfred Bauer*** from Villingen-Schwenningen (Germany) to take the floor. Mr Bauer said that he was very largely in agreement with the Chairman's statements. He expressed his satisfaction with the dividend payment and the confidence expressed, and thanked everyone, especially the workforce, who had contributed to strengthening and maintaining Roche's good reputation. He mentioned the political environment of Switzerland and Europe within and in relation to the existing power blocs, and expressed his hopes for positive developments. He praised Roche for its highly effective, safe medicines, and expressed special

gratitude to its entire research team. Mr Bauer also highlighted the environmentally-friendly disposal of waste products and underlined the leading role played by Roche in cancer medicine and its importance in the field of diagnostics. He encouraged Roche to increase its efforts to make its expertise as accessible as possible to doctors in a more targeted way, and to collaborate with them supportively, so that treatment opportunities can be driven forward with the aim of transforming cancer into a chronic disease. Next, Mr Bauer spoke about patient safety, with special reference to accuracy and tamper protection, against a backdrop of looming compensation claims relating to medicines that have been tampered with.
Finally, he asked Dr Schwan whether it would be possible to diagnose mutated forms of cancer using blood screening, and thanked everyone for their attention.

The Chairman thanked Mr Bauer for his supportive comments and emphasised the importance of medicine safety, with reference to medicine development and undesirable side effects in patients – the main reason why medicines are withdrawn. He went on to discuss the problem of counterfeit medicines, which has led Roche to invest significantly in the prevention of counterfeiting in recent years; safety has been improved by means of various anti-counterfeiting features on medicine packaging, such as 3D labels. In addition, he explained that Roche can trace every single batch and every single pack worldwide, while also having to ensure that counterfeit packaging can be distinguished from original packaging as easily as possible. The Chairman again stated, as also mentioned in his address, that against a backdrop of 1000 parallel clinical trials currently underway in the field of oncology, the individual oncologist must be simply overwhelmed with information about treatment or appropriate clinical trials when dealing with an actual patient. He explained that Roche is working on this precise problem, and is collaborating with the NAVIFY Tumor Board and through its majority stake in Foundation Medicine to attempt to support doctors providing treatment. The doctor receives information not only about the type of mutation, but also about the availability of medicines and the possibility of existing clinical trials if no medicine is available.
The Chairman asked Dr Schwan to respond to Mr Bauer's question.

Dr Schwan thanked Mr Bauer for the question about whether it will be possible to diagnose cancer from a blood test in the future. He explained that at present, diagnoses often have to be made by means of biopsies, which are very time-consuming and may also produce insufficient tissue to detect the cancer. That is indeed why Roche is endeavouring to detect cancer in the blood, since cancer emits substances into the body that end up in the blood. Dr Schwan said that

Roche is very proud to have succeeded in detecting a type of lung cancer in this way. Roche has launched a diagnostic test for the EGFR mutation which has been approved by the FDA. Finally, Dr Schwan emphasised that this is an important area of research for Roche, before handing over to the Chairman.

The Chairman thanked Dr Schwan and established that there were no further questions, before announcing the attendance figures and moving on to the actual agenda.

Based on the **attendance list**, the Chairman then noted that **880 shareholders or their proxies** were present, representing **138,268,917 shares or votes**. This is equivalent to **86.42%** of the Company's total share capital. The aforementioned shares, each with a nominal value of CHF 1.00, were represented as follows:

- Shareholders:	**136,669,775**	**shares**
- Independent proxy BDO AG:	**1,599,142**	**shares**

69,134,459 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 2017

1.1 Approval of the Management Report, Annual Financial Statements and Consolidated Financial Statements for 2017

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 171 (page 160 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 138 (page 128 English version).

Following the questions asked at the beginning of the meeting, the Chairman gave the shareholders a further opportunity to express their views on this item.

As there were no questions, the Chairman expressed his thanks and proceeded to the votes on the Management Report, Annual Financial Statements and Consolidated Financial Statements for 2017.

The AGM approved the Management Report, the Annual Financial Statements and the Consolidated Financial Statements for 2017 by a vote of 137,957,561 in favour (99.78% of the votes represented), 143,476 opposed and 163,239 abstentions.

<u>Item 2</u>: Approval of the total amount of bonuses for the Corporate Executive Committee and the total bonus amount for the Chairman of the Board for 2017

2.1 Approval of the total amount of bonuses for the Corporate Executive Committee for 2017

Referring to the 2017 Annual Report (page 141 [for the total amount], page 137 [for the CEO in the form of shares blocked for 10 years] and page 138 [for the Corporate Executive Committee]), the Chairman invited shareholders' comments on the approval of a total of CHF 11,591,950 (excluding mandatory employer's contributions to AHV/IV/ALV) in bonuses for the Corporate Executive Committee for 2017.

Since no requests were made to speak on item 2, the Chairman then called for a vote to approve the total amount of bonuses for the Corporate Executive Committee for 2017.

The AGM approved a total of CHF 11,591,950 (excluding mandatory employer's contributions to AHV/IV/ALV) in bonuses for the Corporate Executive Committee for 2017 by 137,696,137 votes in favour (99.62% of the votes cast) and 527,302 opposed.

2.2 Approval of the total bonus amount for the Chairman of the Board for 2017

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 2017 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 2017.

Citing page 133 of the 2017 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 2017.

The AGM approved the total bonus for the Chairman of the Board of Directors for 2017 in the amount of CHF 558,390 by 137,549,101 votes in favour (99.51% of the votes cast) and 672,626 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 114,974,978 (99.85% of the votes represented) in favour, 13,645 opposed and 159,773 abstentions. With 115,148,396 shares entitled to vote on this item, 57,574,199 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 170 of the Finance Report volume of Roche's 2017 Annual Report:

Available earnings:		
Net profit for 2017	CHF	7,200,102,551
Balance brought forward from previous year	CHF	877,981,254
Total available earnings	CHF	8,078,083,805
Appropriation of available earnings:		
Distribution of a dividend of CHF 8.30 gross per share and non-voting equity security	CHF	7,159,270,410
Transfer to free reserve	CHF	-
Total appropriation of available earnings	CHF	7,159,270,410
To be carried forward on this account	CHF	918,813,395

As there were no 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 138,176,532 in favour (100.00% of the votes cast) and 5,398 opposed.

The Chairman informed the AGM that the dividend would be payable, free of charges, to a safekeeping or other bank account, *from Monday, 19 March 2018*, on presentation of *coupon # 17* 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 explained 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 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 and re-elect the current members of the Remuneration Committee.

He reminded the meeting – as established at the start – that the elections would be conducted individually, with the results of items 5.1 and 5.2 announced immediately afterwards, and the results of items 5.3 – 5.13 and 5.14 – 5.17 combined into two separate blocks of votes and announced by the head teller at the end of each block.

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 2019 by a vote of **137,969,752** (**99.89%** of the votes cast) in favour and **149,497** 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 2019 by a vote of **137,769,026** (**99.75%** of the votes cast) in favour and **351,946** opposed.

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

The Chairman then conducted the elections to the Board of Directors separately in accordance with the proposals of the Board of Directors, with the results being announced by the head teller at the end of each block:

<u>Item 5.3</u>

In the third vote, the AGM elected **Mr André Hoffmann** <u>to the Board of Directors</u> for a term of office of one year ending at the ordinary AGM in 2019 by a vote of **137,993,123** (**99.86%** of the votes cast) in favour and **190,129** opposed.

<u>Item 5.4</u>

In the fourth vote, the AGM elected **Prof. Sir John Bell** <u>to the Board of Directors</u> for a term of office of one year ending at the ordinary AGM in 2019 by a vote of **137,280,548** (**99.91%** of the votes cast) in favour and **127,496** opposed.

<u>Item 5.5</u>

In the fifth vote, the AGM elected **Ms Julie Brown** <u>to the Board of Directors</u> for a term of office of one year ending at the ordinary AGM in 2019 by a vote of **138,153,268** (**99.99%** of the votes cast) in favour and **10,752** opposed.

<u>Item 5.6</u>

In the sixth vote, the AGM elected **Mr Paul Bulcke** <u>to the Board of Directors</u> for a term of office of one year ending at the ordinary AGM in 2019 by a vote of **138,136,290** (**99.97%**) in favour and **38,573** opposed.

<u>Item 5.7</u>

In the seventh vote, the AGM elected **Ms Anita Hauser** <u>to the Board of Directors</u> for a term of office of one year ending at the ordinary AGM in 2019 by a vote of **138,154,532** (**99.99%** of the votes cast) in favour and **18,865** opposed.

<u>Item 5.8</u>

In the eighth vote, the AGM elected **Prof. Richard P. Lifton** <u>to the Board of Directors</u> for a term of office of one year ending at the ordinary AGM in 2019 by a vote of **138,166,773** (**99.99%** of the votes cast) in favour and **10,443** opposed.

Item 5.9

In the ninth 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 2019 by a vote of **138,037,297** (**99.99%** of the votes cast) in favour and **11,817** opposed.

Item 5.10

In the tenth 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 2019 by a vote of **138,162,370** (**99.99%** of the votes cast) in favour and **10,037** opposed.

Item 5.11

In the eleventh 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 2019 by a vote of **137,846,406** (**99.77%** of the votes cast) in favour and **323,566** opposed.

Item 5.12

In the twelfth 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 2019 by a vote of **138,148,502** (**99.98%** of the votes cast) in favour and **26,200** opposed.

Item 5.13

In the thirteenth 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 2019 by a vote of **137,886,038** (**99.79%** of the votes cast) in favour and **288,169** opposed.

Following the re-election of all Directors, the Chairman moved that the current members of the Remuneration Committee be re-elected separately in accordance with the proposals of the Board of Directors, with the results once again being announced by the head teller at the end of each block:

<u>Item 5.14</u>

In the fourteenth vote, the AGM elected **Mr André Hoffmann** <u>to the Remuneration Committee</u> for a term of office of one year ending at the ordinary AGM in 2019 by a vote of **137,692,674** (**99.64%** of the votes cast) in favour and **495,593** opposed.

<u>Item 5.15</u>

In the fifteenth vote, the AGM elected **Prof. Richard P. Lifton** <u>to the Remuneration Committee</u> for a term of office of one year ending at the ordinary AGM in 2019 by a vote of **137,832,118** (**99.75%** of the votes cast) in favour and **344,442** opposed.

<u>Item 5.16</u>

In the sixteenth vote, the AGM elected **Mr Bernard Poussot** <u>to the Remuneration Committee</u> for a term of office of one year ending at the ordinary AGM in 2019 by a vote of **136,070,527** (**99.75%** of the votes cast) in favour and **344,211** opposed.

<u>Item 5.17</u>

In the seventeenth vote, the AGM elected **Mr Peter R. Voser** <u>to the Remuneration Committee</u> for a term of office of one year ending at the ordinary AGM in 2019 by a vote of **137,706,125** (**99.66%** of the votes cast) in favour and **476,457** opposed.

The Chairman congratulated all the Directors and members of the Remuneration Committee on their re-election.

<u>Item 6</u>: Approval of the total amount of future remuneration for the Board of Directors

Referring to page 134 of the 2017 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 for the period until the 2019 Ordinary Annual General Meeting, excluding the bonus for the Chairman of the Board of Directors for the 2018 financial year, which will be submitted to the 2019 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 2019 Ordinary Annual General Meeting.

The AGM approved a maximum total of CHF 10,000,000 (excluding mandatory employer's contributions to AHV/IV/ALV) in remuneration for the Board of Directors for the period until the 2019 ordinary Annual General Meeting by a vote of 137,637,258 (99.62% of the votes cast) in favour and 525,390 opposed.

<u>Item 7</u>: Approval of the total amount of future remuneration for the Corporate Executive Committee

Referring to the 2017 Annual Report, page 142, 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 2019 Ordinary Annual General Meeting, excluding bonuses for the 2018 financial year, which will be submitted to the 2019 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 legally required employer's contributions to AHV/IV/ALV) in remuneration for the Corporate Executive Committee for the period until the 2019 ordinary Annual General Meeting by a vote of 137,668,084 (99.64% of the votes cast) in favour and 501,859 opposed.

<u>Item 8:</u> 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 2019 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 2019 ordinary Annual General Meeting by a vote of 138,158,070 in favour (99.99% of the votes cast) and 18,651 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 2018 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 2018 financial year by a vote of 137,993,565 votes in favour (99.87% of the votes cast) and 175,361 opposed.

There being no requests to speak, the Chairman thanked the shareholders for attending and closed the meeting at 12.47 p.m.

The Chairman: The Secretary:

Sig. Dr Christoph Franz Sig. René Kissling