

Roche General Terms and Conditions (ARB) concerning Individual Contracts of Employment (EAV)

The present General Terms and Conditions have been drafted in accordance with the Agreement in Principle between the Roche Employees Association and the Management of F. Hoffmann-La Roche Ltd in negotiations with the Roche Employees Association.



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Purpose and Scope

- The present Roche General Terms and Conditions (ARB) are intended to give Roche employees who have accepted employment with Roche for an indefinite period on individual contracts of employment (EAV) a summary of the provisions relating to the employment. The right to set different and supplementary conditions for senior managers is reserved.
- In the event of contradiction, individual contract terms shall prevail over the Roche General Terms and Conditions.
- The Roche General Terms and Conditions shall form an integral part of the individual contract of employment.
- Swiss law shall apply, supplementing individual contract terms and the Roche General Terms and Conditions.
- The *Roche Corporate Principles* (see References to Other Documents, 1) shall serve as a guide to the nature and form of the employment for all concerned.
- This document is a translation of the original German "Allgemeine Roche-Bedingungen (ARB)", the latter being the definitive version.

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Basic Rights of Employees

- As an employer, Roche wishes to offer its employees attractive positions and to enable them to develop their talents and skills.
- The Company shall ensure training and continued training in the interest of employees' long-term further development.
- Employees shall be entitled to a midyear and yearend reviews to set objectives and to review the achievement of objectives, the scope for further development and support measures. Employees shall be given appropriate guidance beforehand. The results of the performance and development planning discussions, as well as the midyear and yearend reviews, are then recorded.
- The employer shall recognize individual performance and contributions to the success of Roche.

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Basic Obligations of Employees

- Roche is convinced that its success depends on the collective abilities and performance of committed people. Accordingly, Roche, as an employer, expects employees to be committed to the good of the Company.
- Roche strives for top performance in all areas of its activity. To achieve this, the Company not only expects professional competence from employees, but flexibility, determination and a willingness to undergo training and continued training.
- Roche expects employees to question plans that contradict *The Roche Corporate Principles*, to communicate openly, and to make rational efforts to create added value for the Company.

Special Rights of Employees

- Roche shall take suitable measures to ensure protection of the health, safety and personal rights of employees within the Company.
- Men and women are treated equally at Roche.
- Roche shall ensure the protection of employees' personal data (see References to Other Documents, 2).
- Roche shall not tolerate discrimination against employees or infringements of their personal rights, particularly sexual harassment at work (see References to Other Documents, 14).

Special Obligations of Employees

- **Secrecy obligation:** employees shall be bound to secrecy concerning the Company's business and manufacturing secrets throughout the period of their employment and afterwards. They shall in no way use such information for themselves or render it usable by third parties. Business and manufacturing secrets shall denote whatever the Company has not itself in any way placed in the public domain, say by means of Annual Reports, media releases, other information to the public, presentations and publications by authorized employees or patent specifications. Publications and presentations about inventions, research results and other business secrets belonging to the Company shall require the Company's prior written consent.
- **Unjustified personal enrichment:** employees shall not accept or obtain promises of gifts or favours other than of token significance in connection with their business activity. In case of doubt, employees should notify their line manager and obtain their consent (see References to Other Documents, 3).
- **Bribery and granting of unlawful advantage:** employees shall not unlawfully influence representatives of authorities in connection with business transactions (see References to Other Documents, 3).
- **Conflicts of interests:** if a conflict arises between private interests and those of the Company, employees shall immediately inform their line managers so that an appropriate solution can be reached in the specific individual case (see References to Other Documents, 3).
- **Competing practice:** employees undertake to comply with the provisions of competition law. For further information on this, please see the brochure *Competing Practice – a Guide to Competition Law* (see References to Other Documents, 4).
- **Health, Safety and Environmental Protection (SGU):** employees undertake to comply with the Health, Safety and Environmental Protection regulations in force at Roche. These shall particularly include provisions concerning proper action in the event of incidents.
- **Electronic communications tools:** employees undertake to comply with the applicable code of conduct (see References to Other Documents, 5 and 6). Roche shall not tolerate abuse of electronic communications tools.

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Results of Work and Inventions

- Unless otherwise prescribed below, all results of work shall belong to the Company.
- Inventions and results of work in the field of intellectual property which employees originate or to the creation of which they contribute shall belong to the Company regardless of protectability, provided they arise from the performance of employees' contractual obligations.
- If employees produce copyright-protectable results in the course of their duties and in fulfilment of their contractual obligations, the Company shall have exclusive title to the commercial exploitation of such results and to any modification of the products.
- Employees shall inform the Company as soon as they identify a copyright-protectable invention or result of their work.
- Regardless of protectability, the Company has the right to acquire full or partial title to inventions which employees create or to which they contribute in the course of their duties but outside the scope of their contractual obligations. Employees shall immediately inform the Company in writing as soon as they identify an invention as such. Any acquisition of such an invention shall take place in accordance with Article 332 of the Swiss Federal Law of Obligations.
- Employees undertake, both during and after their employment, to support the Company in patenting any inventions to which they have contributed.

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Working Hours, Holydays, Maternity, Paternity and Other Leave

- Annual working hours regulations apply at Roche.
- Roche shall allow and support part-time working within the constraints of operating requirements.
- The provisions of the *Working Time and Absence Regulations* shall apply (see References to Other Documents, 7).
- The *Working Time and Absence Regulations* shall apply to holidays and other leave (see References to Other Documents, 7).
- Female employees shall be entitled to eighteen (18) weeks' paid maternity leave, of which they may take a maximum of four (4) without a doctor's certificate before the birth, if desired.
- Employees are entitled to six (6) days paternity leave for the birth of their child.
- The provisions of the *Travel Regulations* as well as the *Working Time and Absence Regulations* shall apply to business travel.

Commitments Outside Roche

- **Second jobs:** employees shall not hold second jobs without the Company's prior written authorization.
- **Holding public office:** Roche supports employees who wish to assume public office or duties (e.g. in politics, the military or civil defence). However, before accepting public office, employees are required to notify the Company of their intention. The prospective duties of office must be compatible with an employee's duties to the Company. If the prospective duties of office are determined to be incompatible with an employee's work or will seriously interfere with it, the Company may withhold its consent or make its consent subject to conditions and restrictions.

Remuneration for Work

Annual Salary

Employees shall be entitled to an annual salary.

Such annual salary shall be paid in 12 instalments as follows:

- 12 basic monthly salary instalments: the basic monthly salary shall be paid twelve times per calendar year.
- Salary payments shall be transferred direct to bank or postal giro accounts in Switzerland (as cashless transactions).
- Payment of salary during military service is governed by an appropriate regulation (see References to Other Documents, 8).

Welfare Allowances

- Employees shall be entitled to a child allowance (until the child reaches age 16). The child allowance shall be paid with the basic monthly instalment. Employees' eligibility is determined by the Familienausgleichskasse (family allowances fund).
- Employees shall be entitled to a child training allowance (from age 16 to the end of the training though not beyond age 25). The training allowance shall be paid with the basic monthly salary instalment. Employees' eligibility is determined by the Familienausgleichskasse (family allowances fund).
- Employees shall be entitled to a family allowance payable for as long as they are entitled to at least one child or child training allowance. The family allowance shall be paid with the basic monthly salary instalment.

Extra Payments for Exceptional Performance

- Extra payments may be made to employees on an individual basis for exceptional performance.

Employee Profit-Sharing (MGB) Foundation

- Employee profit-sharing claims shall be based on the corresponding regulations (see References to Other Documents, 9).

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Insurance

10.1

Old-Age Pension and Survivors'/Invalidity Insurance

- Employees must pay old-age pension and survivors'/invalidity insurance (AHV/IV) contributions in accordance with statutory requirements on their 12 monthly salary.
- Roche shall pay the same old-age pension and survivors'/invalidity insurance contribution as the employee.

10.2

Unemployment Insurance

- Employees shall pay unemployment insurance (ALV) contributions in accordance with statutory requirements on their 12 monthly salary payments, and on any extra payments.
- Roche shall pay the same unemployment insurance contribution as the employee.

10.3

Roche Pension Funds

- The rights and obligations of employees with regard to the Roche pension funds (PK) shall be as contained in the relevant regulations (see References to Other Documents, 10).
- The specific details of pension fund benefits shall be as contained in the certificate of insurance issued to employees by the pension funds office.

10.4

Other Insurance

- The *Insurance Information* provides detailed information about the existing accident, sickness and life insurance (see References to Other Documents, 11).
- The Company shall pay the premiums for occupational and non-occupational insurance and for life assurance.

10.5

Continued Payment of Salary in Case of Longer-Term Incapacity for Work

- In the event of temporary inability to work (as defined by Art. 324a SCO) as the result of illness or an accident, and excepting accidents not covered by SUVA, the company will continue to pay the employee's full salary for 720 days within 900.

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Termination of Employment

11.1

Termination without Notice

- Employment shall cease on the date of retirement on grounds of old age or invalidity.

11.2

Probationary Period and Periods of Notice

- There is no probationary period. The following periods of notice shall be required:
In first year of service: 1 month to end of month
Thereafter to age 45: 3 months to end of month
Thereafter: 6 months to end of month

11.3

Procedure before Notice of Termination by Employer

- Saving clause 11.4 below, in cases of misconduct or inadequate performance, notice shall be preceded by a probationary period during which the employee shall have the opportunity of improving his or her conduct or performance.
- The probationary period and the conduct required of the employee shall be set forth in writing by the employee's line manager with the involvement of a representative of the Human Resources department.

11.4

Immediate Termination of Employment

- Either party may terminate the employment without notice at any time in accordance with Article 337 of the Swiss Federal Law of Obligations when there is good cause making continued employment unreasonable for either party.

11.5

Form of Notice

- Notice of termination of employment shall be given by registered letter.

11.6

Return Obligation

- At the end of their employment, employees shall return to the Company all written matter, notes and other documents and data carriers connected with their work at Roche.

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Restraint of Competition

- Within the scope of the statutory provisions and for a specified time after the end of their employment, the Company may prohibit employees from working for a competing firm in specific subject areas to which they had access during their work for Roche or in which they worked in other ways.
- The duration and practicalities of any restraint of competition shall be settled by the Company with the employees at the end of their employment according to the circumstances, which shall be assessed at the time.

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Representation of Interests

- The *Roche Employees Association* (REA) represents the interests of employees on individual contracts of employment in relations with Roche management (see References to Other Documents, 12). Employees may approach the Roche Employees Association with appropriate concerns at any time.
- The Committee for Occupational Health and Industrial Environmental Protection (KGU) shall deal with matters of industrial environmental and health protection. Employees may approach the Committee for Occupational Health and Industrial Environmental Protection with appropriate concerns at any time (see References to Other Documents, 13).

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Jurisdiction

- The parties shall endeavour to settle disputes arising from the employment amicably.
- Disputes which cannot be settled amicably shall be resolved by the competent ordinary courts.

Substitution of the Former General Terms and Conditions and Validity of the New Roche General Terms and Conditions

- The Company reserves the right to amend or supplement the present General Terms and Conditions by involving the Roche Employees Association as set forth in the Agreement in Principle between the Roche Employees Association and the Roche Management.
- The present General Terms and Conditions shall replace the former General Terms and Conditions and shall enter into force from 1 January 2010 for all Roche employees on individual contracts of employment.

References to Other Documents

1. The Roche Corporate Principles
2. Directive on the Protection of Personal Data
3. Directive on Business Integrity
4. Competing Practice – a Guide to Competition Law
5. Instruction on «Use of Electronic Communications Tools»
6. Roche E-Mail Directive
7. Working Time and Absence Regulations
8. Regulations Concerning Payment of Salary During Military Service
9. Employee Profit-Sharing Regulations
10. Pension Funds Regulations
11. Insurance Information
12. Agreement in Principle between the Roche Employees Association and the Management of F. Hoffmann-La Roche Ltd
13. Regulations Governing the Committee on Occupational Health and Industrial Environmental Protection
14. Abuse of power in the workplace

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