

Roche Group

Directive on Employees Engaging in External Commitments



This revised Roche Directive on Employees Engaging in External Commitments replaces the former version of the Directive on Employees Holding Board Membership and was approved by the Corporate Executive Committee on June 27, 2023 and will enter into force on 1st August, 2023.

1. Purpose and Scope

The primary work focus for an employee should be their work for Roche. Participation in external commitments should not interfere with an employee's ability to perform his or her job responsibilities and should not create a risk for Roche.

This Directive governs all external commitments not on behalf of Roche where an external commitment might significantly influence the decision-making in areas that are potentially in conflict with Roche's strategic interests (related to Roche's core business, as defined in section 2) or create a risk of disclosure of confidential proprietary information of Roche, including but not limited to:

- Any type of external commitment (board member, executive or non-executive officer, employee, consultant, etc.) in
 - a for-profit organisation
 - non-for-profit organisation
 - professional associations
- Engagement in a scientific advisory board

This includes any external commitment for which the employee will or will not receive, or expects to receive, a fee or other remuneration, compensation or incentive, beyond reimbursement for out of pocket expenses.

Depending on whether external commitments are related to or not-related to Roche's core business, different approval levels apply as outlined below in section 4.

Not in scope of this Directive are board memberships or external commitments on behalf of Roche, including but not limited to:

- Board memberships in a Roche subsidiary
- Employees asked by Roche to represent Roche in an external organisation
- Local governmental appointments and positions may present a conflict of interest, time and/or resources, but remain subject to local approval processes and Roche's Code of Conduct, and are not in scope of this Directive.

2. Roche's core business

Roche's core business focuses on the innovation of new medicines, diagnostics, diabetes management and establishing data-based insights that evolve the practice of healthcare. As part of their employment, Roche employees are bound to secrecy concerning Roche's business and manufacturing secrets throughout the period of their employment and afterwards. In all cases, we need to protect confidential and proprietary information. Any external commitment should not create a conflict of interest or risk the disclosure of confidential information. Roche's Code of Conduct applies at all times.

For the purpose of this Directive, Roche's core business includes but is not limited to all activities and fields where Roche collaborates with partners along the entire value chain of Roche's business, including R&D activities, manufacturing, products and services as well as Roche vendors, contractors, consultants or customers, or anyone seeking to become a vendor, contractor, consultant or customer. This includes but is not limited to companies or organisations involved in pharmaceutical, biotechnology, diagnostics or insights businesses, pharmaceutical, biotechnology or diagnostics manufacturing, non-for-profit health organisations, for- and non-for-profit hospitals/clinics, and patient-facing and patient advocacy organisations.

3. Potential sources of Conflict of Interest

A conflict of interest exists when an employee's personal interests are inconsistent with those of Roche and create conflicting loyalties. As Roche employees we must avoid situations where our personal interests conflict, or appear to conflict, with the interests of Roche. Therefore, all such external commitments require Roche's prior approval, except for external commitments in charitable organisations or non-for-profit organisations not relating to Roche's core business (see section 4.3).

3.1 Conflict of Personal/Third-Party Interest vs Roche's Interest

The employee's wish to serve on the board of a third party company, commercial entity, scientific advisory board or non-profit entity engaged in an area related to Roche's core business may have the potential for a conflict of interest. An employee could use their position, responsibilities or connection for inappropriate personal or family gain in situations where responsibilities to the company and the company's interests should come first. Another risk for Roche is the leak of confidential or proprietary information, even without immediate personal gain.

3.2 Conflict of Time and Resources

Any activity in external entities not on behalf of Roche should generally be done in the employee's own personal time and without the use of Roche resources, funds and tools. Even if an employee carries out a third party external commitment in their own time, such commitments may not unduly

take time and an employee must take care not to exceed any legal limits on total working time allowed per year (or any other specified time period). In case of several external commitments, approval is required for every single commitment and the approval decision may take into consideration existing external commitments. The total may not exceed 3 commitments (where only one can be a board membership role).

4. Approval process and reporting for external commitments

Where employees have an interest in engaging in an external commitment that may present a conflict of interest as outlined in section 3, they should always discuss it with their line manager before submitting a request for approval. The line manager may seek advice from a legal or compliance function, if needed. Further, employees have to respect local laws with respect to working time and sufficient rest periods when considering engaging in an external commitment.

The approval process can be found in the Appendix. Additional approval steps, as per local or functional needs, may apply.

For all external commitments, the Chief People Officer (CPO) and relevant CEC members will receive regular reports for their area of responsibility to monitor compliance with this Directive.

Roche's senior management will have transparency into approved and rejected external commitments and is encouraged to regularly review approved external commitments.

Likewise, Legal & Compliance will receive these reports and will assess with the relevant CEC member whether follow-up measures are needed.

4.1 External commitments relating to Roche's core business

Any external commitment relating to Roche's core business (see section 2) has a higher potential for a conflict of interest, therefore the following approvals are needed:

- For CEC Members: Chairman of the Board
- For Direct Reports of CEC members: Roche CEO
- For all other employees: Relevant CEC member and Chief People Officer

Examples:

Commercial entities:

- Companies who are in the same or related field: holding a board membership or acting as an advisor of a company that is involved in pharmaceutical, biotechnology or diagnostics businesses, pharma- or biotechnology or diagnostics manufacturing, or in the data analytics or insights business, e.g. acting as a scientific advisor for a small biotechnology company.

Roche vendors/contractors:

- Holding a board membership in a real estate company doing business in the field of office or laboratory buildings that is rented / can be rented by a company of the Roche group
- Technical advisor in a (clinical) software development, software consulting company that supplies goods or service that are leased/could be bought by a company of the Roche group
- Holding a board membership in a company that recruits patients for trials that could be sponsored by a company of the Roche group
- Holding a board membership in a contracted research organisation
- Holding a board membership in a company that conducts patient data analytics

Roche customers:

- Holding a board membership in a company that recruits patients
- Act as scientific advisor in a University/hospital

Non-profit entities which operate within/adjacent to Roche's core business:

- External commitment in a patient-facing or advocacy organisation

4.2 External commitments not relating to Roche's core business

External commitments not relating to Roche's core business have a lower potential for a conflict of interest. However, employees are required to seek line manager approval to evaluate a potential relation to Roche's core business and whether the activity conflicts with the employee's working hours at Roche.

Examples:

- Non-executive role in a for-profit organisation not related to Roche's core business (e.g. bakery, restaurant, hairdresser).
- Board member of a professional association (e.g. local chamber of commerce)

4.3 External commitments in charitable organisations or non-profit organisations not relating to Roche's core business

For external commitments in charitable organisations and non-profit organisations (e.g. sport clubs, charities) not relating to Roche's core business no approval is required unless there is, or could be, any conflicts when approval should be requested as above (see section 4.2).

Examples:

- Board membership in local sports club
- Commitment on local school board

5. Compensation

If employees as part of their external commitment not on behalf of Roche receive a fee or other type of remuneration, compensation or incentive, they can keep any fee or other type of remuneration, compensation or incentive providing that they pay any income tax, social security contributions or other insurances and taxes that are due on this income themselves.

6. Changes in circumstances of the external commitment

If, at any time after approval, circumstances change e.g. the time commitment increases or there is any other potential risk of a conflict, or the external commitment comes to an end, the employee should:

- abstain from any decision or discussion that involves or could create a possible conflict
- immediately inform his/her line manager
- initiate re-approval or documentation of termination of the external commitment

Employees who held external commitments relating to Roche's core business prior to this revised Directive coming into force, may continue to fulfil these commitments. They must, however, seek re-approval if circumstances change as above.

In all cases, if re-approval is not given, the employee must give up their external commitment and step down at the next available opportunity.

In case an external commitment comes to an end, the employee must submit the request as outlined in the Appendix to mark the external commitment as stopped.

7. Documentation

Employees are required to submit their request for approval for external commitments as outlined in the Appendix. For each request for external commitments submitted, information about the external commitment and approval decision will be documented in an employee's personnel record. Record retention is according to Roche's COREMAP retention rules.

Appendix

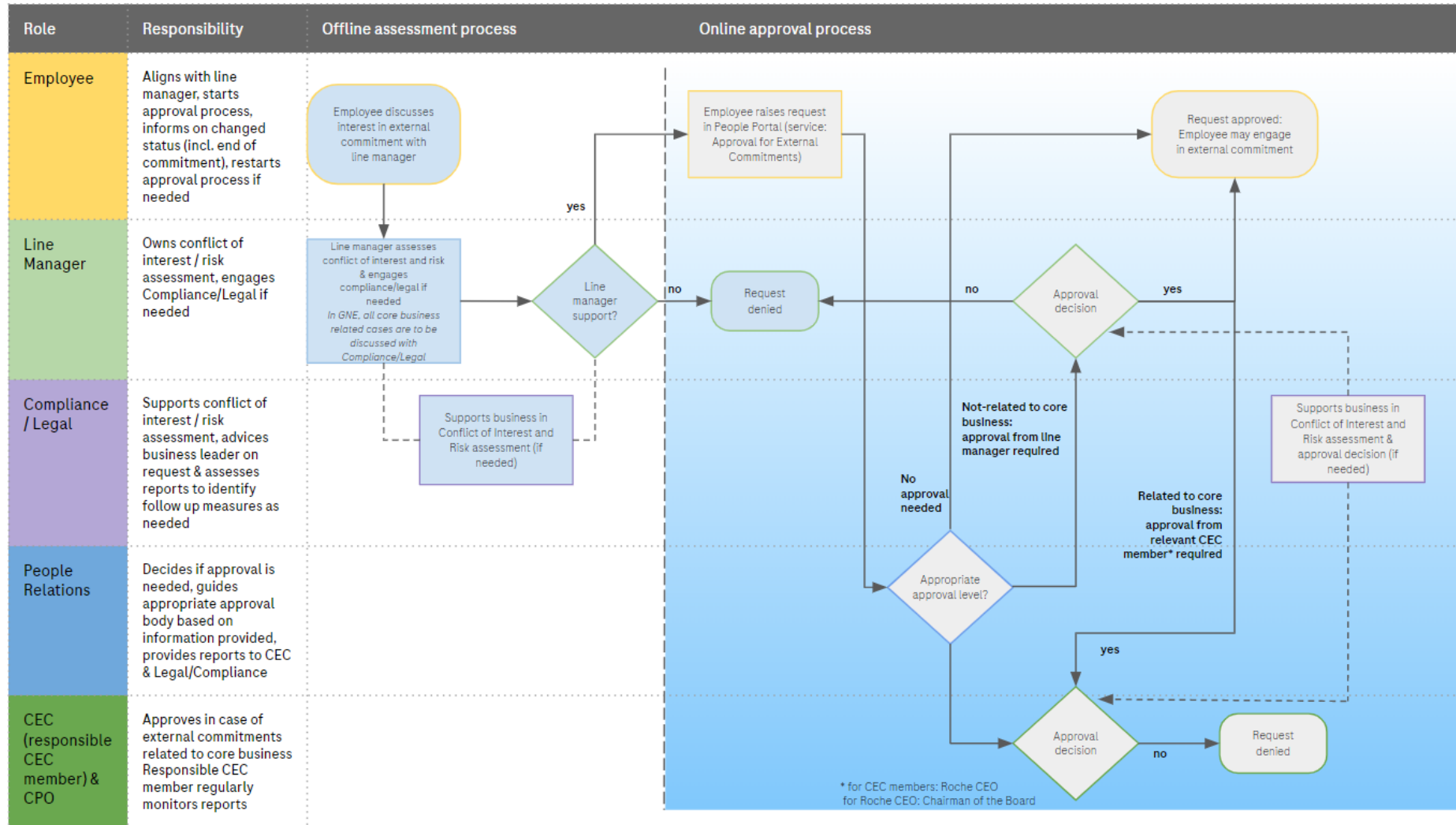
Levels of Approval

The directive outlines certain approval levels for certain types of external commitments. Below you find a summary of the required approval levels.

Type of External Commitment	CEC Members	Direct Reports to CEC Members	All other employees
Related to Roche's Core Business	Chairman of the Board	Roche CEO	Relevant CEC Member and Chief People Officer
Not related to Roche's Core Business	Line Manager		
In charitable organisations or non-profit organisations not related to Roche's Core Business	No approval required*		

**if commitment does not conflict with employment time, resources, and interests of Roche*

Approval Process



NOTES

Version:	5.0
Effective:	1st August 2023
Document Owner:	Group People & Culture
Document Location:	People Portal Link, gSite Link
Associated Documentation:	Roche Group Code of Conduct
Author	Sandra Klemm and Daniela Rochira
Contributor	Diverse stakeholders of P&C, Legal and Compliance functions globally
Approval	CEC
Use of the document	Roche globally
Document History	5.0 Changes: Scope: external commitments (broader than only board) Simplify: on behalf of Roche excluded from approval Lean approval with distinction core vs. non-core business
New examples added	Intro: digital workflow & reporting capabilities