

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



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## 1

# Applicability

- The present Roche General Terms and Conditions (ARB) have been drafted in accordance with the Agreement on Principle between the Roche Employees' Association (AVR) and the Management of Roche in negotiations with the AVR and are valid for the following Roche affiliates, including their branches in Switzerland:
  - F. Hoffmann-La Roche Ltd
  - Roche Pharma (Switzerland) Ltd
  - Roche Glycart Ltd
  - Roche Diagnostics International Ltd
  - Roche Diabetes Care (Switzerland) Ltd
  - Roche Diagnostics (Switzerland) Ltd
- These participating Roche affiliates are collectively referred to as "Roche".

## 2

# 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 define different and supplementary conditions for senior managers (e.g. members of Basel senior management [*Direktion*]) is reserved.
- The ARB constitute an integral part of the EAV.
- Individual written terms shall prevail over the ARB in the event of any contradiction.
- Swiss law shall apply, supplementing individual provisions agreed in writing and the ARB.
- This document is a translation of the original German "Allgemeine Roche-Bedingungen (ARB)", the latter being the definitive version.

## 3

# 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.
- Roche shall ensure basic and continued training in the interest of employees' long-term further development.
- Employees shall be entitled to meet with their line manager to obtain regular feedback on their performance and for a year-end appraisal interview with their line manager to review the achievement of goals, set new goals and discuss opportunities and measures to promote employee development. Employees shall be given appropriate guidance beforehand. The results of the performance and development planning discussions as well as the year-end reviews shall be recorded.
- The employer shall recognise individual performance and contributions to the success of Roche.

## 4

# Basic Obligations of Employees

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

## Special Rights of Employees

- Roche shall take suitable measures to ensure that the safety, health and personal rights of its employees are protected within Roche.
- Men and women are treated equally at Roche.
- Roche shall ensure the protection of employees' personal data (see References to Other Documents 2).
- Roche does not tolerate discrimination against employees in the workplace on grounds of gender, race, age, skin colour, religion, civil status, sexual preference, ethnic origin or physical or mental disability or any other form of discrimination prohibited by prevailing law or regulations.

## Special Obligations of Employees

- **Secrecy:** Employees shall be bound to secrecy concerning Roche'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 Roche has not itself in any way placed in the public domain, namely in Annual Reports, media releases, other information to the public, presentations and publications by authorised employees or patent specifications. Publications and presentations about inventions, research results or other business secrets belonging to Roche shall require Roche'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 1 and 3).
- **Bribery and unfair advantage:** Employees shall not unlawfully influence public officials or private parties in connection with business transactions (see References to Other Documents 1 and 3).
- **Conflicts of interest:** Should a conflict arise between private interests and those of Roche, employees shall immediately inform their line manager so that an appropriate solution can be reached in the specific individual case (see Reference to Other Documents 2).
- **Competing practice:** Employees undertake to comply with the provisions of competition law (see Reference to Other Documents 4).
- **Safety, Health and Environmental Protection (SHE):** Employees undertake to comply with the SHE regulations in force at Roche. These shall particularly include provisions concerning proper action in the event of incidents.
- **Electronic Communication Tools:** Employees undertake to comply with the applicable rules of conduct (see References to Other Documents 5 and 6). Roche does not tolerate abuse of Roche communication tools.
- **Insider Information:** Employees undertake to uphold the secrecy of confidential facts obtained during the performance of their duties at Roche (whether deliberately or accidentally), the divulgence of which may have an appreciable influence on the share price of the Roche Group and/or of potential cooperation partners or transactional counterparties, and neither to buy, sell nor otherwise trade in equity securities of Roche and/or of other exchange-listed companies affected by the insider information nor to make investment recommendations (see Reference to Other Documents 15).
- **Cooperation with Investigations:** Employees undertake to cooperate fully with investigators during investigations and to ensure that exonerating evidence of compliance and conduct in conformity with regulations can be presented.

## Results of Work and Inventions

- Unless otherwise prescribed below, all results of work shall belong to Roche.
- Inventions and results of work in the realm of intellectual property which employees originate or to the creation of which they contribute shall belong to Roche, regardless of their 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, Roche shall have exclusive title to the commercial exploitation of such results and to any modification of them.
- Employees shall inform Roche as soon as they identify a copyright-protectable invention or result of their work.
- Regardless of protectability, Roche has the right to acquire full or partial title to inventions that 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 Roche 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 Code of Obligations (SCO).
- Employees undertake, both during and after their employment, to support Roche in patenting any inventions to which they have contributed.

## Working Hours, Vacation, Maternity, Paternity and Other Leave

- Annualised working hours regulations generally apply at Roche.
- Roche shall allow and support part-time work within the constraints of operating requirements.
- The provisions of the locally applicable Working Time and Absence Regulations shall apply (see Reference to Other Documents 7), particularly to vacation and other leave.
- Female employees shall be entitled to 18 weeks' paid maternity leave, of which they may elect to take up to four weeks before the birth of the child without a doctor's certificate.
- Male employees shall be entitled to six workdays' paid paternity leave at the birth of their own children.
- Business trips shall be subject to the regulations in force at the respective site.

## Commitments Internal and External to Employment at Roche

- **Second jobs:** Employees shall not hold second jobs without Roche's prior written authorisation.
- Assumption of a mandate as a member of the Board of Directors or the Management Board of a company is subject to the approval of Roche in application of the Roche Directive on Employees Holding Board Memberships.
- **Public office:** Roche supports employees who wish to assume public office or duties (e.g. in politics, the military and civil defence). However, before assuming public office, employees are required to notify Roche of their intention. The prospective duties of office must be compatible with an employee's duties to Roche, otherwise Roche may withhold its consent or make its consent subject to conditions and restrictions.
- **Remuneration for external presentations:** Roche employees may neither ask for nor accept remuneration of any kind for external lectures, speeches, panel discussions or similar activities in connection with their professional activity for Roche. This provision does not apply to the reimbursement of out-of-pocket expenses, to the sort of gifts normally presented to speakers nor to remuneration for an authorised second job.

## 10

# Remuneration for Work

### 10.1

#### 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 in Swiss francs direct to bank resp. postal giro accounts in Switzerland or in neighbouring countries (as cashless transactions).
- Payment of salary during military service is governed by an appropriate regulation (see References to Other Documents 8).

### 10.2

#### Social Allowances

- Employees shall be entitled to a child allowance until such time as the child reaches the age limit set by the canton (16 or 18 years of age). The child allowance shall be paid with the monthly salary instalment. Employees' eligibility is determined by the Familienausgleichskasse (family allowances fund).
- Employees shall be entitled to a child training allowance from such time as the child reaches the age set by the canton (16 or 18 years of age) to the end of the child's education, but not beyond age 25. The child training allowance shall be paid with the 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 monthly salary instalment.

### 10.3

#### Extra Payments for Exceptional Performance

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

## 11

# Insurance/Incapacity to Work

### 11.1

#### **Old Age Pension and Survivors'/Invalidity Insurance/Income Compensation (AHV, IV, EO)**

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

### 11.2

#### **Unemployment Insurance (ALV)**

- 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.

### 11.3

#### **Roche Pension Funds**

- The rights and obligations of employees with regard to the Roche Pension Funds shall be as contained in the relevant regulations (see Reference to Other Documents 9).
- The specific details of Pension Fund benefits shall be as contained in the insurance certificate issued to employees by the Pension Funds office.

### 11.4

#### **Other Insurance**

- Detailed information on existing accident, sickness and life insurance can be found in the insurance information (see Reference to Other Documents 10).
- Roche shall pay the premiums for occupational and non-occupational accident insurance and for life assurance.

### 11.5

#### **Continued Payment of Salary During Protracted Incapacity for Work**

- In the event of temporary inability to work (as defined by Article 324a SCO) as the result of illness or an accident, and excepting accidents not covered by SUVA, Roche will continue to pay the employee's full salary for up to 720 days within 900. The amount of the earnings replacement benefit is equal to the monthly salary instalment including shift, child and education allowances, less any benefits from disability insurance and/or SUVA that must be credited towards the monthly base salary. If and to the extent that disability insurance and/or SUVA pays a daily allowance or pension at the same time, Roche reserves the right to offset the benefits against the earnings replacement benefit or demand the refund of the appropriate amount of previously paid salary replacement benefits within the context of the social insurance ruling. Roche is to be notified immediately of any benefits that were paid or are to be paid in the future directly to the employee under the salary replacement scheme, and any such payments shall be ceded to Roche or offset.
- In calculating the 720 days, multiple incidents of incapacity to work following illness or accident based on different diagnoses shall be added together. Days of partial incapacity to work count as full days for purposes of calculating the duration of the benefit payments.
- Roche reserves the right to obtain a second opinion from an internal or external independent medical examiner at any time in case of doubt concerning the incapacity to work. If the employee refuses to be examined by an independent medical examiner appointed by Roche, the continuation of pay will be reduced or cancelled altogether.
- Roche supports permanent employees experiencing protracted incapacity to work by providing comprehensive care and case management, the aim of which is to reintegrate employees into the workplace as soon as possible. In return, employees shall undertake all actions conducive to understanding the illness and its consequences or to recovery from the illness. If the employee withdraws from or refuses any reasonable treatment or reintegration into the workplace or another associated measure that promises a substantial improvement in their ability to resume their work or take up a new form of employment, or if the employee fails to contribute reasonably at his or her own initiative to this aim, the earnings replacement benefit may be temporarily or permanently reduced or denied.

## 12 Termination of Employment

### 12.1 Termination without Notice

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

### 12.2 Periods of Notice

- Notice periods shall be as follows:
  - In the 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

### 12.3 Procedure before Notice of Termination by Employer

- Saving clause 12.4 below, in cases of misconduct or inadequate performance, notice of termination shall be preceded by a probationary period during which the employee shall have the opportunity to improve his or her conduct or performance. The probationary period and the conduct required of the employee shall be recorded in writing by the employee's line manager with the involvement of a representative of Human Resources.

### 12.4 Immediate Termination of Employment/Termination of Employment on Grounds of Non-Compliance

- Either party may terminate the employment without notice at any time in accordance with Article 337 of the SCO when good cause makes continued employment unreasonable for either party.
- In cases of failure to comply with the Roche Group Code of Conduct (including its reference documents), Roche reserves the right to give ordinary notice of termination directly without granting a probationary period, or in case of serious violations to terminate the contract of employment with the employee with immediate effect. Roche reserves the right to apply further measures and sanctions, namely subsequently barring the employee from rehiring within the Roche Group.

### 12.5 Form of Notice

- Notice of termination of employment shall be delivered in person or by registered letter.

### 12.6 Return Obligation

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

## 13 Restraint of Competition

- Within the scope of the statutory provisions and for a specified time after the end of their employment, Roche 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 such restraint of competition shall be conclusively settled by Roche with the employees at the end of their employment according to the circumstances, which shall be assessed at that time.

**14****Representation of Interests**

- The *Roche Employees' Association (AVR)* represents the interests of employees with individual contracts of employment in relations with Roche management (see Reference to Other Documents 11). Employees may approach the AVR with appropriate concerns at any time.
- The Committee for Occupational Health and Industrial Environmental Protection (KGU), if such a committee exists at the site, shall deal with matters of industrial environmental and health protection. Employees may approach the KGU with appropriate concerns at any time (see Reference to Other Documents 12).

**15****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.

**16****Substitution of the Former General Terms and Conditions and Validity of the New ARB**

- Roche reserves the right, upon consultation with the AVR in accordance with the Agreement on Principles, to amend or supplement the present General Terms and Conditions (ARB) at any time.
- The present ARB shall replace the former ARB and shall enter into force from 1 January 2019 for all Roche employees with individual contracts of employment in Switzerland.

**17****References to Other Documents**

1. Roche Group Code of Conduct
2. Directive on the Protection of Personal Data
3. Conduct in Business Transactions – Business Integrity Guidelines
4. Competing Practice – A Guide to Competition Law
5. Directive on the Use of Electronic Communication Tools
6. Roche E-Mail Directive
7. Working Time and Absence Regulations
8. Regulations on Payment of Salaries during Military Service
9. Pension Fund Rules
10. Insurance Information
11. Agreement on Principles between the Roche Employee Association (AVR) and the Management of F. Hoffmann-La Roche Ltd as well as the Affiliation Agreements of the Roche Sites in Switzerland
12. Regulations Governing the Committee on Occupational Health and Industrial Environmental Protection
13. Abuse of Power in the Workplace
14. Further Regulations in Force at the Site
15. Roche Insider Directive



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