

**Pension Fund of
F. Hoffmann-La Roche Ltd**

Pension Plan
Pension Insurance Scheme, Capital Savings Plan
and Voluntary Savings Scheme

Effective from 1 January 2019

Translated from the original German, which is the sole legally binding version of these Rules.

All references to persons apply to both genders, even where a word or expression imports the masculine gender only.

This pension plan is an integral part of the Pension Rules of the Pension Fund of F. Hoffmann-La Roche Ltd of 1 January 2018 and takes precedence over the Rules in case of inconsistencies.

Structure of the pension plan

The pension plan comprises:

- Pension Insurance Scheme
- Capital Savings Plan, consisting of savings, bonus and shift elements
- Voluntary Savings Scheme
- BVG retirement capital for showing evidence of statutory minimum benefits.

For the Voluntary Savings Scheme, the provisions of the Pension Rules on the Capital Savings Plan shall apply by extension.

Accordingly, individual accounts shall be maintained for each Insured and all balances stated in the personal insurance certificate.

The foundation shall maintain a control account (BVG retirement capital) for each Insured, in order to ensure that all statutory minimum benefits are guaranteed.

1. Compulsory insurance

Every Employee assigned by the Employer shall be admitted to the Plan on 1 January following his 17th birthday, provided the Employee is receiving an annual wage or salary from the Employer which is subject to compulsory contributions to the Swiss Federal Old Age and Survivors' Insurance Scheme (AHV) and his wage or salary exceeds $\frac{6}{8}$ ths of the maximum AHV retirement pension.

Employees who have been admitted to the Plan are referred to herein as 'Insureds'.

2. Insured income

2.1 Pension Insurance Scheme, savings element of the Capital Savings Plan and Voluntary Savings Scheme

Insured income shall equal total income, as per Art. 14 of the Pension Rules, and shall be equivalent to no more than four times the maximum AHV retirement pension. This serves as the basis for contributions, credits and make-up contribution tables.

2.2 Bonus element of the Capital Savings Plan

The bonus payments made subject to the provisions of the Capital Savings Plan (Bonus) by the Employer serve as the basis for contributions and Bonus credits.

2.3 Shift premium of the Capital Savings Plan

Annual shift premiums for the previous year of a minimum of CHF 2,500 serve as the basis for contributions and shift credits.

3. Contributions

Contributions shall be paid into the Pension Fund monthly for the Pension Insurance Scheme and the savings element, as well as the shift premium, of the Capital Savings Plan, and for the Voluntary Savings Scheme.

Contributions to the bonus payment shall be transferred in a one-off amount in the month of payment.

Contributions by Insureds and the Employer which are not required to fund retirement credits constitute expenditures for the purposes of funding liabilities for death and disability benefits, covering the costs of administering the Pension Fund, contributing to the Pension Guarantee Scheme (*Sicherheitsfonds*) and adjusting current pensions for inflation pursuant to Art. 33 BVG. Insureds are not entitled to this portion of their and the Employer's contributions on termination of employment.

Where the existing insured income continues to be insured after a reduction in salary, the Insured pays the Employer's contributions on the voluntarily insured income in addition to the Insured's contributions (Art. 33a BVG).

3.1 Pension Insurance Scheme contributions

Age	Individual employee contribution in % of insured income	Collective employer contribution in % of insured income
18–19	0.25	0.25
20–65	4.70	9.20
65*–70	3.70	3.70

* As of normal retirement age

The contributions by Insureds which are not required to fund retirement credits shall equal 1.1% of the insured income up until age 65.

3.2 Capital Savings Plan (Saving) contributions

Age	Employee contribution in % of insured income	Employer contribution in % of insured income
18–29	—	—
30–44	1.20	1.60
45–54	1.40	1.60
55–70	1.60	1.60

3.3 Capital Savings Plan (Bonus) contributions (one-off deduction upon payment of bonus)

Age	Employee contribution in % of bonus paid	Employer contribution in % of bonus paid
18–70	3.40	3.40

3.4 Capital Savings Plan (Shift premium from previous year) contributions

Age	Employee contribution in % of shift premium paid in previous year	Employer contribution in % of shift premium paid in previous year
18–70	3.40	3.40

3.5 Voluntary Savings Scheme contributions (Plan Basic, Medium and High)

Insureds aged 20 to 65 can choose from the following three plans on a monthly basis:

Plan Basic: 0%

Plan Medium: 1.125%

Plan High: 2.250%

The chosen contribution calculated as a percentage of the insured income as per Art. 2.1 is valid from the month after the choice of contribution is made.

4. Retirement credits

4.1 Retirement credits, Pension Insurance Scheme

Retirement credits funded from contributions shall be credited to the personal retirement account balance of Insureds.

Age	Retirement credits in % of insured income p.a
18–19	—
20–34	8.20
35–44	10.40
45–54	12.90
55–65	15.90
65*–70	7.40

*As of normal retirement age

4.2 Capital Savings Plan (Savings) credits

Credits are made to the personal Capital Savings Plan account.

Age	Retirement credit in % of insured income p.a.
18–29	—
30–44	2.80
45–54	3.00
55–70	3.20

4.3 Capital Savings Plan (Bonus) credit (one-off credit upon payment of bonus)

Credits are made to the personal Capital Savings Plan account.

Age	Retirement credit in % of bonus payment
18–70	6.80

4.4 Capital Savings Plan (Shift) from previous year

Credits are made to the personal Capital Savings Plan account.

Age	Retirement credit in % of shift premium from previous year p.a. Monthly credit in each case $\frac{1}{12}$ th
18–70	6.80

4.5 Voluntary Savings Scheme credits (Plan Basic, Medium and High)

For Insureds aged 20 to 65 who make Voluntary Savings Scheme contributions, these credits as a percentage of insured income will be made to a personal Voluntary Savings account.

Plan Basic: 0%

Plan Medium: 1.125%

Plan High: 2.250%

5. Plan benefits

The Plan benefits comprise:

- retirement benefits,
- disability benefits and
- death benefits

The level of normal benefits is stated in the personal insurance certificate.

5.1 Retirement benefits

Retirement pension or lump-sum retirement benefit

At the time of retirement, the Insured may withdraw

- the retirement account balance and
 - balance in the Capital Savings Plan and
 - balance in the Voluntary Savings Scheme
- in cash or have them converted into a life-long pension, or a combination of the two.

Conversion rates for pension benefits

The available retirement balance at the time of retirement is converted as follows, the conversion rate being interpolated for fractions of years (balance at time of retirement × conversion rate = life-long annual old-age pension):

Age	Conversion rate in % of the available retirement account balance for the Pension Insurance Scheme, Capital Savings Plan and Voluntary Savings Scheme
70	5.75
69	5.60
68	5.45
67	5.30
66	5.15
65	5.00
64	4.85
63	4.70
62	4.55
61	4.40
60	4.25

Child benefits for retirees

Insureds who are entitled to a retirement pension shall be eligible to receive additional benefits for each child that would qualify for an orphan's pension in the event of the Insured's death. The other provisions concerning orphans' pensions shall apply by extension.

The amount of the child benefit for retirees shall be equivalent to the statutory *BVG* child allowance.

5.2 Disability benefits from the Pension Insurance Scheme

Disability pension

Entitlement to a disability pension is granted under Art. 32 of the Pension Rules. A full disability pension shall equal 5.00% of the lump-sum retirement benefit that would have been payable at the normal retirement age of 65, calculated using a base interest rate of 2.75%.

Child benefits for disability pensioners

Insureds who are entitled to a disability pension shall be eligible to receive additional benefits for each child that would qualify for an orphan's pension in the event of the Insured's death. The other provisions concerning orphans' pensions shall apply by extension.

The amount of the child benefit for disability pensioners shall be equivalent to the statutory *BVG* disabled person's child allowance.

Exemption from contributions

From the date of entitlement, Insureds qualifying for a disability pension from the Pension Fund shall be exempted from paying contributions, the extent of the exemption being determined by the degree of disablement. Such exemption shall be granted for as long as the disability persists or until the Insured reaches normal retirement age, whichever period is shorter.

5.3 Capital Savings Plan and Voluntary Savings account balances in the event of disability

Disability lump-sum

Insureds who are entitled to a full disability pension shall be eligible to have the individual balances available from the Capital Savings Plan and Voluntary Savings Scheme paid in the form of a lump-sum. In the case of partial disability, the balance shall continue to attract interest and be accumulated on a prorata basis.

5.4 Death benefits from the Pension Insurance Scheme

Surviving spouse's pension/pension for registered partner

Entitlement to a spouse's pension or pension for a registered partner is granted under Art. 36 of the Pension Rules. It amounts to 60% of the insured or current disability or retirement pension.

Pension for domestic partner

Entitlement to a domestic partner's pension is granted under Art. 37 of the Pension Rules. It amounts to 60% of the insured or current disability or retirement pension.

Orphan's pension

Entitlement to an orphan's pension is granted under Art. 39 of the Pension Rules. It amounts to 20% of the insured or current disability or retirement pension.

5.5 Capital Savings Plan and Voluntary Savings account balances in the event of death

Lump-sum death benefits

A lump-sum death benefit shall be payable when an Insured dies before reaching normal retirement age. Entitlement is granted under Art. 40 of the Pension Rules. The amount of lump-sum death benefit shall equal the available individual balances in the Capital Savings Plan and Voluntary Savings Scheme account.

6. Conversion rates for the purchase of an annuity from another Roche pension plan

Age	Conversion rate in % of the available retirement account balance (interpolated monthly)
70	5.45
69	5.30
68	5.15
67	5.00
66	4.85
65	4.70
64	4.55
63	4.40
62	4.25
61	4.10
60	3.95

The conversion rate for the purchase of an annuity may be reviewed by the Board of Trustees at any time subject to compliance with its contractual duty of notification.

7. Maximum possible make-up payment to the Pension Insurance Scheme, Capital Savings Plan and Voluntary Savings Scheme

Where, in accordance with the pension plan in question, there is scope for make-up payments and/or scope for or an obligation to make statutory repayment of early withdrawals or divorce settlements, the Insured may make them on admission to the Scheme or at a later date provided he complies with the legal requirements and limitations applicable to make-up payments. The scope for make-up payments is recalculated on 1 January of each year or when the insured income is adjusted.

Insureds wishing to clarify whether the self-funded portion of their contribution is deductible from taxable income must consult their tax authority.

Age	Make-up payment in % of insured income Total
20	0.00
21	10.45
22	20.90
23	31.35
24	41.80
25	52.25
26	62.70
27	73.15
28	83.60
29	94.05
30	104.50
31	117.75
32	131.00
33	144.25
34	157.50
35	170.75
36	186.20
37	201.65
38	217.10
39	232.55
40	248.00
41	263.45
42	278.90
43	294.35
44	309.80
45	325.25
46	343.40
47	361.55
48	379.70
49	397.85
50	416.00
51	434.15
52	452.30
53	470.45
54	488.60
55	506.75
56	528.10
57	549.45
58	570.80
59	592.15
60	613.50
61	634.85
62	656.20
63	677.55
64	698.90
65	726.23