


MEETING DATE	Tue, 16 Mar 2021 10:30 am	TYPE	AGM	ISSUE DATE	Tue, 09 Mar 2021
MEETING LOCATION	Roche Holding Ltd, Grenzacherstrasse 124, 4058 Basel on 16 March 2021.				
CURRENT INDICES	FTSE EuroFirst				
SECTOR	Pharmaceuticals				
FYE	31 Dec 2020				

	PROPOSALS	ADVICE
1	<p>Approve Financial Statements and Annual Report</p> <p>Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. Triodos supports this resolution</p>	For
2.1	<p>Approve the total amount of bonuses for the Corporate Executive Committee.</p> <p>It is proposed to approve a total of CHF 10,041,950 in bonuses for the Corporate Executive Committee. There are a number of concerns about the remuneration structure at the company. Firstly, the Chair of the Board is a recipient of additional remuneration, other than Non-Executive fees, in the form of a share-based bonus. The Chair is also a member of the Remuneration Committee and the company has not disclosed performance conditions, quantified targets or the corresponding level of achievement. There are concerns that the remuneration structure may allow for overpaying against underperformance. Triodos opposes this resolution.</p>	Oppose
2.2	<p>Approval of the total amount of bonuses for the Chair of the Board of Directors for 2020</p> <p>The Board of Directors proposes the approval of the total bonus amount of CHF 837,585 (in form of shares blocked for 10 years) for the Chair of the Board of Directors for 2019. A number of concerns have been noted. Firstly, the Chair of the Board is a recipient of additional remuneration, other than Non-Executive fees, in the form of a share-based bonus. Though it is welcomed that the shares are blocked for 10 years, which is considered to be sufficiently long term, it is considered that Non-Executive Directors should not receive variable, performance related remuneration. The Chair is also member of the Remuneration Committee, which means that the chair may have influence on the proposal for his own bonus. Triodos opposes this resolution.</p>	Oppose
3	<p>Discharge the Board</p> <p>Standard proposal. No serious governance concerns have been identified. Support is recommended.</p>	For
4	<p>Approve the Dividend</p> <p>The Board proposes a dividend of CHF 9.10 per share. The dividend is covered by earnings. Acceptable proposal. Triodos supports this resolution.</p>	For
5.1	<p>Elect Christoph Franz - Chair (Non Executive)</p> <p>Chair (Non Executive). Considered independent as this director's tenure is under twelve years, which meets guidelines. Triodos supports this resolution.</p>	For
5.2	<p>Re-elect Christoph Franz as a member of the Remuneration Committee</p> <p>Non-Executive Chair, candidate to the Remuneration Committee on this resolution. The Chair is not considered independent as the Chair receives remuneration from the company, in addition to non-executive fees. It is considered that the Remuneration Committee should consist exclusively of independent members.</p>	Oppose

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| 5.3 | Re-Elect André Hoffmann - Vice Chair (Non Executive)
Non-Executive Vice Chair. The director is not considered independent as he is a representative of the founding family and controlling shareholder. He is also not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the board. A vote in favour is therefore recommended. | For |
| 5.4 | Re-Elect Julie Brown - Non-Executive Director
Independent Non-Executive Director. | For |
| 5.5 | Re-Elect Paul Bulcke - Non-Executive Director
Non-Executive Director. Considered independent. Triodos supports this resolution. | For |
| 5.6 | Re-Elect Hans Clevers - Non-Executive Director
Independent Non-Executive Director. | For |
| 5.7 | Elect Jörg Duschmalé - Non-Executive Director
Non-Executive Director. Not considered independent as the director has close family ties with a significant shareholder: Maja Oeri. The director is a representative of the current shareholder group with pooled voting right. There is sufficient independent representation on the Board. Triodos supports this resolution. | For |
| 5.8 | Re-Elect Patrick Frost - Non-Executive Director
Independent Non-Executive Director. | For |
| 5.9 | Re-Elect Anita Hauser - Non-Executive Director
Independent Non-Executive Director. | For |
| 5.10 | Re-Elect Richard P. Lifton - Non-Executive Director
Independent Non-Executive Director. | For |
| 5.11 | Re-Elect Bernard Poussot - Non-Executive Director
Independent Non-Executive Director. | For |
| 5.12 | Re-Elect Severin Schwan - Chief Executive
Chief Executive. | For |
| 5.13 | Re-Elect Claudia Süssmuth Dyckerhoff - Non-Executive Director
Independent Non-Executive Director. | For |
| 5.14 | Re-Elect André Hoffmann as a member of the Remuneration Committee
Non-Executive Vice Chair, candidate to the Remuneration Committee on this resolution. Not considered independent as Mr. Hoffman is a representative of the founding family and controlling shareholder, he also has a tenure of over twelve years. It is considered that the Remuneration Committee should consist exclusively of independent members. Opposition is recommended. | Oppose |
| 5.15 | Re-elect Richard P. Lifton as a member of the Remuneration Committee
Independent Non-Executive Director, candidate to the Remuneration Committee on this resolution. Support is recommended. | For |
| 5.16 | Re-elect Bernard Poussot as a member of the Remuneration Committee
Independent Non-Executive Director, candidate to the Remuneration Committee on this resolution. Support is recommended. | For |
| 6 | Approve Fees Payable to the Board of Directors
It is proposed to approve of a maximum total of CHF 10,000,000 in remuneration for the Board of Directors until the 2022 ordinary Annual General Meeting, excluding the bonus for the Chairman of the Board of Directors for the financial year 2021 which will be proposed for approval at the 2022 Annual General Meeting. No increase has been proposed and support is recommended. | For |

- 7 Approve Remuneration of Executive Committee in the Amount of CHF 36,000,000** **Oppose**
- It is proposed to approve the prospective remuneration for the members of the Executive Management of the company which mean that the proposed amount will not be the actual amount to be paid but only the total remuneration cap. The voting outcome of this resolution will be bidding for the company.
- It is proposed to fix the remuneration of members of the Executive Committee until next AGM at CHF 36,000,000 (CHF 37,000,000 proposed at the last AGM). This proposal includes fixed and variable remuneration components.
- Variable remuneration does not seem to be consistently capped and as such there are excessiveness concerns as the total potential variable remuneration may exceed 200% of the salary. In addition, the company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which may lead to overpayment against underperformance. There are concerns over the composition of the remuneration committee, currently, two non-independent directors and the Board chair serve as members. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed.
- Triodos opposes this resolution.
- 8 Appoint Independent Proxy** **For**
- Testaris AG proposed as the independent proxy to act on behalf of shareholder voting, for one-year term. The named proxy has no other commercial relationship with the company. A vote in favour is recommended.
- 9 Appoint the Auditors** **Oppose**
- KPMG proposed. Non-audit fees represented 15.15% of audit fees during the year under review and 12.34% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years and there are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.
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