

Roche ADR backgrounder

Roche equity securities

Symbol	Security	No. of securities	Trading/Listing	CUSIP/ISIN
RHHBY	US security (ADR)	Note a)	OTCQX	771195104
ROG	Non-voting equity security	702,562,700	SIX Swiss Exchange	CH0012032048
RO	Voting share	160,000,000	SIX Swiss Exchange	CH0012032113

Note a) The number of ADRs in issue varies depending on demand and conversion into and out of the underlying non-voting equity security (NES).

What are ADRs?

American Depositary Receipts (ADRs) are dollar-denominated securities which represent ownership of equity in non-US companies. ADRs trade, clear and settle like any US shares and are held in US custody.

Benefits of ADRs

- ADRs allow US investors to trade locally in non-US companies;
- Dividends are paid in US dollars and the dividend tax re-claim process is taken care of by the depository bank, typically reducing dividend tax to the US level (with the actual tax rate depending on the investor's individual circumstances);
- Global custodian safekeeping fees are eliminated when holding ADRs which usually make holding ADRs less expensive.

Overview of Roche's ADR program

Roche's ADR is on OTCQX International Premier under the symbol RHHBY. Currently, eight (8) ADRs represent one (1) underlying non-voting equity security. The Roche ADR facility was initiated in 1992 when one (1) ADR represented one hundredth (1/100) of one underlying non-voting equity security. The current ADR ratio is a result of several splits and ratio changes.

Are ADRs unique to Roche?

No. There are thousands of other non-US companies that have ADRs trading on US secondary markets, including well-known global issuers. For a list of companies with ADR programs, please go to www.adr.com.

What is the role of Roche's depository bank?

As Roche's depository bank, J.P. Morgan issues and cancels Roche's ADRs, serves as transfer agent, maintains the register of ADR holders, helps reclaim Swiss withholding taxes on cash dividends for ADR holders, and distributes dollar-denominated dividends to ADR holders.

How liquid are Roche ADRs?

In 2019, the average daily trading volume in Roche ADRs was 1,227,495 ADRs. It should be noted that the supply of Roche ADRs is not limited to their US trading. Through J.P. Morgan, Roche's depository bank, registered broker-dealers can have ADRs issued or cancelled when an investor wishes to acquire or dispose of them. Accordingly, ADR liquidity is generally equivalent to that of the underlying securities traded in the issuer's home market. Sometimes issuance and cancellation can be advantageous to trading ADRs in the US market.

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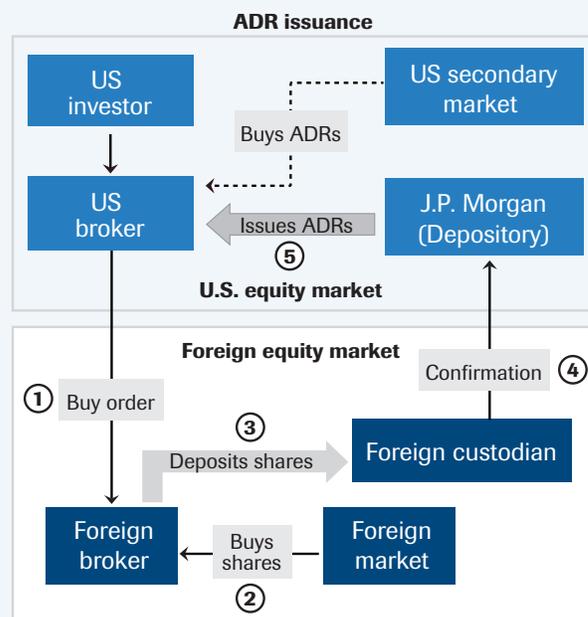
How can I buy and sell Roche ADRs?

Institutional and individual investors can trade Roche ADRs - or have them issued or canceled - through a US registered broker-dealer.

How does issuance and cancellation work?

In brief, a US broker orders, on behalf of an investor, the shares of a non-US company (see step 1 in the diagram). These shares are purchased by the broker's overseas office via another broker located in the foreign market (step 2). The shares are then located in this market (step 3). After receiving confirmation from the custodian (step 4), the depository bank issues to the US broker ADRs that represent the deposited shares (step 5). These ADRs are then held with the investor's US broker or custodian. For information about issuances and cancellations please contact:

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