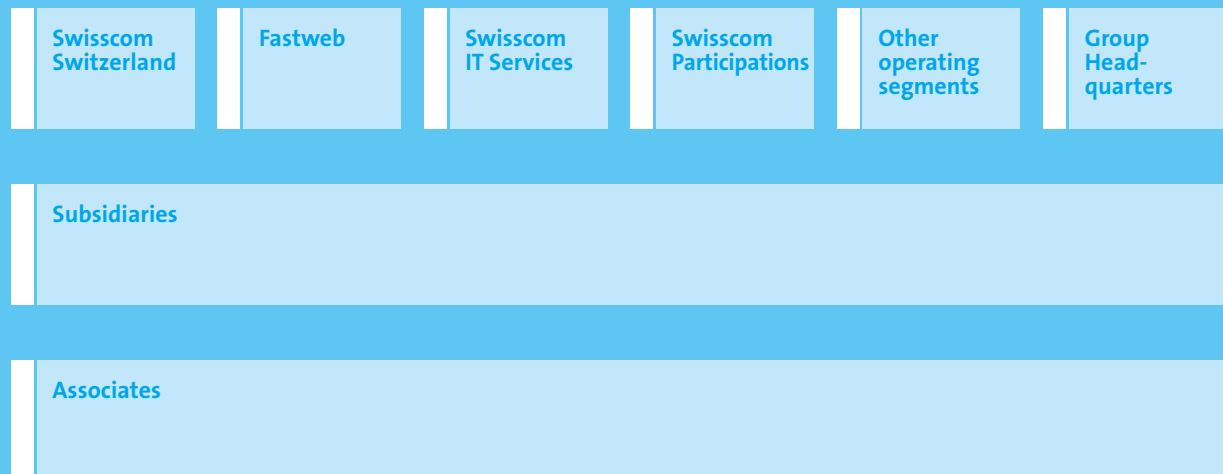


Corporate Governance and Remuneration Report

Swisscom is committed
to progressive
corporate governance
in every respect.

Company structure



Corporate Governance

Corporate governance is a fundamental component of Swisscom's corporate policy and is based on transparency and clearly defined responsibilities. Swisscom complies with the guidelines of the SIX Swiss Exchange and the provisions of the Swiss Code of Obligations and takes account of the recommendations of *economiesuisse* contained in the Swiss Code of Best Practice for Corporate Governance.

Principles

Transparency in financial reporting, as well as clearly assigned responsibilities governing interactions with shareholders, the Board of Directors, the Group Executive Board and Group companies, are the cornerstones of Swisscom's corporate governance policy.

As a company listed on the SIX Swiss Exchange, Swisscom complies with the provisions of the Directive on Information relating to Corporate Governance issued by the SIX Swiss Exchange, as well as Articles 663b^{bis} and 663c Paragraph 3 of the Swiss Code of Obligations. Swisscom also complies with the recommendations of the Swiss Code of Best Practice for Corporate Governance issued by *economiesuisse*, the umbrella organisation representing Swiss business.

Swisscom's principles and rules on Corporate Governance are set out primarily in the company's Articles of Incorporation, Organisational Rules and the Rules of Procedure of the Board of Directors' committees. These documents are regularly reviewed and revised as and when necessary.

Of particular importance is the Code of Conduct approved by the Board of Directors. It contains a declaration by Swisscom of its commitment to absolute integrity as well as compliance with the law and all other external and internal rules and regulations. Swisscom expects its employees to take responsibility for their actions, show consideration for people, society and the environment, comply with applicable rules, demonstrate integrity and report any violations of the Code of Conduct. The latest version of these documents can be viewed online on the Swisscom website, and revised or superseded versions can be accessed in the "Download Archive"

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1 Corporate structure and shareholders

1.1 Group structure

1.1.1 Operational Group structure

Swisscom Ltd is the holding company responsible for overall management of the Swisscom Group. It comprises four divisions: Group Finance & Controlling (from 2013 Group Business Steering), Group Strategy & Business Development (from 2013 Group Strategy & Innovation), Group Communications (from 2013 Group Communications & Responsibility) and Group Human Resources. Strategic and financial management of the autonomous Group companies, which are divided into three categories (strategic, important, other), is assured through the assignment of powers and responsibilities by the Board of Directors of Swisscom Ltd. Seats on the Board of Directors of the “strategic” company Fastweb S.p.A. are held by the CEO of Swisscom Ltd (as Chairman) together with the CFO (Chief Financial Officer) and CSO (Chief Strategy Officer) and other representatives of Swisscom Ltd. Seats on the Board of Directors of the “strategic” company Swisscom IT Services Ltd are held by the CFO of Swisscom Ltd (as Chairman) together with the CSO and other representatives of Swisscom; from 2013 the seats will be held by the CEO of Swisscom Ltd (as Chairman) together with the aforementioned persons and other representatives of Swisscom. In addition, the Boards of Directors of these two strategic companies are supplemented by external members. Until the end of 2012, the Board of Directors of the “strategic” company Swisscom (Switzerland) Ltd was identical to that of Swisscom Ltd. From 2013, Swisscom will be represented on the Board of Directors by the CEO (as Chairman) and the other Group Executive Board representatives, with the exception of the Head of Swisscom (Switzerland) Ltd. In the case of the “important” Group companies, the responsibilities of the Chairman of the Board are fulfilled by the CEO of a “strategic” Group company, the head of a Group division or another person appointed by the CEO. Other representatives of Swisscom are also members of the Board of Directors.

The Group structure is shown in the Management Commentary in the section on Group structure and organisation.

A list of Group companies, including company name, registered office, percentage of shares held, share capital and segment affiliation, is given in Note 41 to the consolidated financial statements. For the purposes of segment reporting in the consolidated financial statements, reporting is divided into the segments “Residential Customers”, “Small and Medium-Sized Enterprises”, “Corporate Business”, “Wholesale” and “Network & IT”, which are grouped together as “Swisscom Switzerland”, as well as “Fastweb” and “Other Operating Segments”, notably Swisscom IT Services, Swisscom Participations and Swisscom Hospitality Services. “Group Headquarters”, which includes inter alia the Group divisions Worklink AG and Swisscom Re Ltd, are reported separately.

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1.1.2 Listed companies

Swisscom Ltd, a company governed by Swiss law and headquartered in Ittigen (canton of Berne, Switzerland), is listed in the Main Standard of the SIX Swiss Exchange (Securities No. 874251; ISIN Code: CH0008742519; Ticker Symbol: SCMN). Trading in the United States is conducted over-the-counter (OTC) as a Level 1 programme (Symbol: SCMWY; ISIN No. CH0008742519; CUSIP for ADR: 871013108). At 31 December 2012, Swisscom Ltd had a stock market capitalisation of CHF 20,400 million. The shares of Fastweb S.p.A, headquartered in Milan, Italy, were delisted from the Borsa Italiana following the full takeover by Swisscom on 22 March 2011.

1.2 Disclosure notifications of significant shareholders

Information on significant shareholders must be made available if any disclosure notifications pursuant to Article 20 of the Federal Act on Stock Exchanges and Securities Trading are made during the financial year. There is a duty to disclose shareholdings where a person or group subject to the disclosure obligation reaches, exceeds or falls below 3, 5, 10, 15, 20, 25, 33^{1/3}, 50 or 66^{2/3} per cent of the voting rights of Swisscom Ltd.

There were no disclosure notifications in the year under review. Information on significant shareholders can be found in Note 8 to the financial statements of Swisscom Ltd.

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1.3 Cross-shareholdings

No cross-shareholdings exist between Swisscom Ltd and other public limited companies.

2 Capital structure

2.1 Capital

At 31 December 2012, the share capital of Swisscom Ltd amounted to CHF 51,801,943, divided into registered shares with a nominal value of CHF 1 per share.

2.2 Authorised and conditional capital

There is no authorised or conditional share capital.

2.3 Changes in capital

Changes in shareholders' equity of Swisscom Ltd in the stand-alone financial statements under commercial law in the years 2010 to 2012:

In CHF million	Share capital	Capital surplus reserves	Reserve for treasury shares	Retained earnings	Total equity
Balance at 1 January 2010	52	255	1	3,676	3,984
Net income	–	–	–	2,201	2,201
Dividends paid	–	–	–	(1,036)	(1,036)
Balance at 31 December 2010	52	255	1	4,841	5,149
Net income	–	–	–	474	474
Dividends paid	–	(234)	–	(854)	(1,088)
Proceeds from sale of treasury shares	–	–	(1)	1	–
Balance at 31 December 2011	52	21	–	4,462	4,535
Net income	–	–	–	1,749	1,749
Dividends paid	–	–	–	(1,140)	(1,140)
Balance at 31 December 2012	52	21	–	5,071	5,144

On 27 April 2010 the Annual General Meeting approved a dividend of CHF 20 per share. On 31 December 2010 capital contribution reserves of Swisscom Ltd amounted to CHF 487 million, of which CHF 255 million were reported under general reserves and CHF 232 million under retained earnings. On 20 April 2011 the Annual General Meeting approved the conversion of CHF 466 million of capital contribution reserves to free reserves and the payment of these together with other free reserves of CHF 622 million as a dividend. The dividend for the 2010 financial year was set at CHF 21 per share, with CHF 9 paid from capital contribution reserves and CHF 12 from free reserves. On 4 April 2012 the Annual General Meeting approved an ordinary dividend of CHF 22 per share.

2.4 Shares, participation certificates

Each registered share of Swisscom Ltd has a par value of CHF 1. Each share entitles the holder to one vote. Voting rights can only be exercised if the shareholder has been entered with voting rights in the share register of Swisscom Ltd. All registered shares with the exception of treasury shares held by Swisscom are eligible for a dividend. There are no preferential rights. For further details, see section 6 “Shareholders’ participation rights”.

Registered shares of Swisscom Ltd are not issued in certificate form, but instead are held as book-entry securities in the holdings of SIX SIS AG, up to a maximum limit determined by the federal government. Shareholders may at any time request confirmation of their shareholdings. However, they have no right to request the printing and delivery of certificates for their shares (registered shares with no right to printed certificates).

Swisscom Ltd has not issued any participation certificates.

2.5 Profit-sharing certificates

Swisscom Ltd has not issued any profit-sharing certificates.

2.6 Limitations on transferability and nominee registrations

Swisscom shares are freely transferable, and the voting rights of the shares registered in the share register in accordance with the Articles of Incorporation are not subject to any special restrictions. Swisscom has issued special regulations governing the registration of trustees and nominees in the share register. To facilitate tradability of the company’s shares on the stock exchange, the Articles of Incorporation allow the Board of Directors, by means of regulations or agreements, to permit the fiduciary entry of registered shares with voting rights which exceed the threshold of 5% by trustees, provided the trustees and nominees disclose their trustee capacity. In addition, they must be subject to supervision by a banking or financial market supervisory authority or otherwise provide the necessary assurance of acting for the account of one or more unrelated parties. They must also be able to provide evidence of the names, addresses and holdings of the beneficial owners of the shares. In accordance with this provision in the Articles of Incorporation, which can be revised with an absolute majority of the voting shares cast, the Board of Directors has issued regulations governing the entry of trustees and nominees in the Swisscom share register. The entry of trustees and nominees as shareholders with voting rights is subject to application and the conclusion of an agreement specifying the entry restrictions and disclosure obligations of the trustee or nominee. In particular, each trustee or nominee undertakes, within the limit of 5%, to request entry as a shareholder with voting rights for the account of an individual beneficial owner for no more than 0.5% of the registered share capital of Swisscom Ltd entered in the commercial register. No exceptions for the fiduciary entry of registered shares with voting rights above the aforementioned percentage restriction were granted in the 2012 financial year.

2.7 Debenture bonds, convertible bonds and options

Swisscom placed debenture bonds on the Swiss capital market for the first time in 2007. Details of the bonds (amount, interest rate, due date, term to maturity) are shown in the table below.

In CHF million, except where indicated

	Par value	Nominal interest rate	Payment	Expiring
Debenture bonds in CHF	550	3.50%	19 Juli 2007	19 Juli 2013
Debenture bonds in CHF	350	3.75%	19 Juli 2007	19 Juli 2017
Debenture bonds in CHF	350	3.25%	22 October 2007	22 October 2010
Debenture bonds in CHF	250 ¹	3.75%	22 October 2007	19 Juli 2017
Debenture bonds in CHF	500	4.00%	17 September 2008	17 September 2015
Debenture bonds in CHF	1,250	3.50%	8 April 2009	8 April 2014
Debenture bonds in CHF	1,500	3.25%	14 September 2009	14 September 2018
Debenture bonds in CHF	500	2.625%	31 August 2010	31 August 2022
Debenture bonds in CHF	250	0.75%	31 August 2010	31 August 2012
Debenture bonds in CHF	500	1.75%	10 July 2012	10 July 2014

¹ Increase

Investors are entitled to sell the bonds back to Swisscom if a shareholder other than the Swiss Confederation holds more than 50% of Swisscom's shares and at the same time Swisscom's rating falls below the lowest investment-grade level given by a recognised rating agency (BBB-/Baa3 or comparable level). Debenture bonds of CHF 350 million and 250 million were repaid on their due dates in 2010 and 2012 respectively.

The Swisscom Ltd equity participation scheme is described in Note 11 to the consolidated financial statements.

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3 Board of Directors

3.1 Members of the Board of Directors

The Board of Directors of Swisscom Ltd comprises nine members, none of whom holds or has held an executive role within the Swisscom Group in any of the three business years prior to the period under review. The Board members have no significant commercial links with Swisscom Ltd or the Swisscom Group. The Swiss Confederation, represented on the Board by Hans Werder, owns a majority stake in Swisscom. Customer and supplier relationships exist between the Swiss Confederation and Swisscom. Details of these are given in Note 37 to the consolidated financial statements.

In the year under review, Barbara Frei was elected to the Board of Directors at the Annual General Meeting on 4 April 2012. At the same time, Othmar Vock retired from the Board.

An overview of the composition of the Board of Directors at 31 December 2012, including the functions of each member within the Board, the year they were first elected and their remaining tenure, is given in the table below.

Name	Year of birth	Function	Initial year of office	Appointed until
Hansueli Loosli ^{1,2,3,4,5}	1955	Chairman	2009	2013
Barbara Frei ¹	1970	Member	2012	2014
Hugo Gerber ²	1955	Member, representative of the employees	2006	2014
Michel Gobet ¹	1954	Member, representative of the employees	2003	2013
Torsten G. Kreindl ^{3,6}	1963	Member	2003	2013
Catherine Mühleemann ¹	1966	Member	2006	2014
Richard Roy ^{2,7}	1955	Deputy Chairman	2003	2013
Theophil Schlatter ^{3,8}	1951	Member	2011	2013
Hans Werder ^{1,3,9}	1946	Member, representative of the Confederation	2011	2013

¹ Member of the Finance Committee.

² Member of the Audit Committee.

³ Member of the Compensation Committee (Hansueli Loosli without voting rights).

⁴ Since 21 April 2009 Member, since 1 September 2011 Chairman.

⁵ Chairman of Nomination Committee

⁶ Chairman of Finance Committee

⁷ Chairman of Remuneration Committee

⁸ Chairman of Audit Committee

⁹ Designated by the Swiss Confederation.

3.2 Education and training, professional activities and affiliations

Details of career and qualifications as well as other activities and affiliations such as mandates in important companies, organisations and foundations, and permanent functions in important interest groups are also provided below for each Board member.



Board of Directors
from left to right

Michel Gobet, Representative of the employees
Richard Roy, Deputy Chairman
Barbara Frei, Board of Directors
Hugo Gerber, Representative of the employees
Hansueli Loosli, Chairman
Torsten G. Kreindl, Board of Directors
Catherine Mühlemann, Board of Directors
Hans Werder, Representative of the Confederation
Theophil Schlatter, Board of Directors

Hansueli Loosli

Swiss citizen

Education: Commercial apprenticeship; Swiss Certified Accountant and Controller

Career history: 1982–1985 Controller, Deputy Director, Mövenpick Produktions AG, Adliswil; 1985–1992 latterly Managing Director, Waro AG, Volketswil; 1992–1996 Director of Non-Food Product Procurement, Coop Switzerland, Wangen; 1992–1997 Managing Director, Coop Zurich, Zurich; 1997–2000 Chairman of the Executive Committee and Coop Group Executive Committee, Coop Switzerland, Basel; January 2001–August 2011 Chief Executive Officer and Chairman of the Executive Committee, Coop Genossenschaft, Basel

Other mandates: Member of the Executive Committee, economiesuisse; Chairman of the Board of Directors, Coop Genossenschaft, Basel; Chairman of the Board of Directors, Transgourmet Holding AG, Basel; Chairman of the Board of Directors, Bell AG, Basel; Chairman of the Board of Directors, Coop Mineraloel AG, Allschwil

Barbara Frei

Swiss citizen

Education: Degree in mechanical engineering, ETH; doctorate (Dr. sc. techn.), ETH; Master of Business Administration, IMD Lausanne

Career history: Since 1998 various managerial positions in the ABB Group; 2008–2010 Country Manager, ABB s.r.o., Prague; since 2010 Country Manager, ABB S.p.A., Sesto San Giovanni and Regional Manager Mediterranean

Other mandates: Vice-Chairman, ABB SA Greece; Chairman of the Board of Directors, ABB SA France; Chairman of the Board of Directors, ABB Holding SA Turkey; member of the Board of Directors, ASEA Brown Boveri S.A. Spain

Hugo Gerber

Swiss citizen

Education: Diploma in postal services; IMAKA management programme; diploma in personnel and organisational development, Solothurn University of Applied Sciences, Northwestern Switzerland

Career history: 1986–1990 General Secretary ChPTT; 1991–1999 General Secretary VGCV; 2000–2003 General Secretary of the Transfair Union; 2003–2008 President of the Transfair Union; since 2009 independent consultant

Other mandates: Member of SUVA Board of Directors; member of the Publica federal pensions commission; RUAG Pension Fund Board of Trustees; member of the Management Committee, Swiss Travel Fund (Reka) Cooperative; member of the Board of Directors, Worklink AG; member of the Board of Directors, KPT Versicherungen AG

Michel Gobet

Swiss citizen

Education: Degree in history

Career history: General Secretary and Deputy General Secretary, PTT Union; since 1999 General Secretary of the Communication Union

Other mandates: Member of Union Network International; member of the UNI Europa ICTS Steering Group; member of the Board of Directors, Swiss Post

Torsten G. Kreindl

Austrian citizen

Education: Doctorate in industrial engineering (Dr. techn.)

Career history: Chemie Holding AG; W. L. Gore & Associates Inc.; member of the Management Board, Booz Allen & Hamilton, Germany; 1996–1999 CEO, Broadband Cable Business, Deutsche Telekom, and CEO, MSG Media Services; 1999–2005 partner, Copan Inc.; since 2005 partner, Grazia Group Equity GmbH, Stuttgart, Germany

Other mandates: Consultant to Pictet Funds, Geneva; member of the Board of Directors, XConnect Networks, London, UK; since May 2012 member of the Board of Directors, Starboard Storage Systems Inc., Boulder, Colorado, USA

Catherine Mühlemann

Swiss citizen

Education: Lic. phil I; Swiss Certified PR Consultant

Career history: 1994–1997 Head of Media Research, Swiss Television DRS; 1997–1999 programme researcher SF1 and SF2, 1999–2001 programme director TV3; 2001–2003 Managing Director, MTV Central; 2003–2005 Managing Director, MTV Central & Emerging Markets; 2005–2008 Managing Director, MTV Central & Emerging Markets and Viva Media AG (Viacom); since 2008 partner, Andmann Media Holding GmbH, Baar

Other mandates: Member of the Supervisory Board, Messe Berlin; member of the Supervisory Board, Kabel Deutschland; member of the Board, Switzerland Tourism; member of the Advisory Board, Luxodo

Richard Roy

German citizen

Education: Degree in engineering (university of applied sciences)

Career history: 1991–1995 member of the Executive Board, Hewlett Packard GmbH; 1995–1997 member of the Management Board and Executive Vice-President, Siemens Nixdorf Informationssysteme AG; 1997–2001 CEO, Microsoft GmbH, Germany; 2001–2002 Senior Vice-President, Corporate Strategy, Microsoft EMEA, Paris, France; since 2002 independent management consultant

Other mandates: Member of the Supervisory Board, Update Software AG, Vienna; until October 2012 member of the Board of Directors, Qnamic AG, Högendorf

Theophil Schlatter

Swiss citizen

Education: Degree in business administration (lic. oec. HSG); qualified Public Accountant

Career history: 1979–1985 public accountant, STG Coopers & Lybrand; 1985–1991 controller, Holcim Management und Beratung AG; 1991–1995 CFO and member of the Executive Committee, Sihl Papier AG; 1995–1997 Head of Finance/Administration and member of the Executive Committee, Holcim (Switzerland) Ltd; 1997–March 2011 CFO and member of the Group Executive Board, Holcim Ltd

Other mandates: Member of the Board of Directors, Implenia AG; Chairman of the Board of Directors, PEKAM AG; member of the Board of Directors, Schweizerische Cement-Industrie-Aktiengesellschaft

Hans Werder

Swiss citizen

Education: Dr. rer. soc.; lic. iur.

Career history: 1987–1996 General Secretary, Berne Directorate of Public Works, Transport and Energy (BVE); 1996–2010 General Secretary, Federal Department of the Environment, Transport, Energy and Communications (DETEC)

Other mandate: Member of the Board of Directors, BLS AG

3.4 Composition, election and term of office

With the exception of the representative of the Swiss Confederation, the Board of Directors of Swisscom Ltd is elected by shareholders at the Annual General Meeting. It currently comprises nine members. However, under the terms of the Articles of Incorporation it may comprise between seven and nine members and, if necessary, the number can be increased temporarily. The members are elected individually for a term of two years. Members may retire or be discharged prior to expiry of that term. The maximum term of office for members elected by the Annual General Meeting is twelve years. Members who reach the age of 70 retire from the Board as of the date of the next Annual General Meeting.

Under the Articles of Incorporation of Swisscom Ltd, the Swiss Confederation is entitled to appoint two representatives to the Board of Directors of Swisscom Ltd. Hans Werder is currently the sole representative. The maximum term of office or age limit for the federal representative is determined by the Federal Council. Under the terms of the Telecommunications Enterprise Act (TEA), employees must be granted appropriate representation on the Board of Directors of Swisscom Ltd. The Articles of Incorporation also state that the Board of Directors must include two employee representatives. These are currently Hugo Gerber and Michel Gobet.

3.5 Internal organisation

The Board of Directors convenes as often as business requires. In the 2012 financial year it met every one to two months for a total of ten meetings lasting an average of seven hours. It also held one teleconference. The Board of Directors conducted a training course at the beginning of 2012. During the year various members attended selected lectures and seminars. Wherever possible, the Board of Directors also attends the Swisscom Group's annual management meeting. The Board of Directors and the Audit Committee also conduct self-assessments, usually once a year.

The Board of Directors is convened by the Chairman. If he is not available, the meeting is convened by the Deputy Chairman. The CEO, CFO and CSO of Swisscom Ltd are regularly invited to the meetings of the Board of Directors. The Chairman sets the agenda. Any Board member may request the inclusion of further items on the agenda. Board members receive documents prior to the meeting to allow them to prepare for the items on the agenda. The Board of Directors may invite members of the Group Executive Board, senior employees of Swisscom Ltd, auditors or other experts to attend its meetings in order to ensure appropriate reporting to members of the Board. Furthermore, the Chairman of the Board of Directors and the CEO report to each meeting of the Board of Directors on particular events, on the general course of business and major business transactions, as well as on any corrective measures that have been implemented. On average 99% of members were present at the meetings of the Board of Directors.

The Board of Directors has three standing committees and one ad-hoc committee tasked with carrying out detailed examinations of matters of importance. The committees consist of between four and five members. Each member of the Board of Directors also sits on at least one of the standing committees. The Chairman is a member of all three standing committees; these are chaired by other Board members. The latter brief the Board of Directors ahead of the committee meetings. All members of the Board of Directors also receive copies of all Finance and Audit Committee meeting minutes. The duties and responsibilities of the Board of Directors are defined in the Organisational Regulations, those of the standing committees in the relevant committee regulations. The latest version of these documents can be viewed online on the Swisscom website, and revised or superseded versions can be accessed in the "Download Archive".

 See
[www.swisscom.ch/
basicprinciples](http://www.swisscom.ch/basicprinciples)

3.6 Committees of the Board of Directors

The composition, tasks and powers of the Board of Directors' committees as at 31 December 2012 are described below. Information is also provided on the frequency of the respective committee meetings, the usual duration of the meeting and the attendance quorum.

Finance Committee

This Committee is chaired by Torsten G. Kreindl; the other members are Barbara Frei, Michel Gobet, Hansueli Loosli, Catherine Mühlemann and Hans Werder. The CEO, CFO and the CSO usually attend meetings of the Finance Committee. Depending on the agenda, other members of the Group Executive Board or project managers are also called upon to attend the meetings. The Committee met five times in the 2012 financial year. On average the meetings lasted four hours and 97% of members were present. No teleconferences were held. The Committee prepares information for the attention of the Board of Directors on transaction-related matters, for example, in connection with setting up or dissolving important Group companies, acquiring or disposing of significant shareholdings, or entering into or terminating strategic alliances. The Committee also acts in an advisory capacity on matters relating to major investments and divestments. The Finance Committee has the ultimate decision-making authority when it comes to approving rules of procedure and directives in the areas of mergers and acquisitions and corporate venturing.

Audit Committee

This Committee is chaired by Theophil Schlatter; the other members are Hugo Gerber, Hansueli Loosli and Richard Roy. The CEO, CFO, Head of Group Accounting & Reporting, Head of Group Internal Audit and the external auditors also attend the Audit Committee meetings. Depending on the agenda, other management members are called upon to attend. The Committee met five times in the 2012 financial year. 95% of members were present at the meetings, which lasted on average six hours. No teleconferences were held in the year under review. All members are independent, i.e. they neither work nor have worked for Swisscom in an executive capacity, nor do they have any significant commercial links with Swisscom Ltd or the Swisscom Group. Theophil Schlatter is considered a financial expert. The Audit Committee handles all financial management business (for

example, accounting, financial controlling, financial planning and financing), assurance (risk management, the internal control system, compliance and the internal audit) and the external audit. It also handles matters dealt with by the Board of Directors that call for specific financial expertise (payout policy, for example). The Committee is therefore the Board of Directors' most important controlling instrument and is responsible for monitoring the Group-wide assurance functions. It comments on business matters which lie within the decision-making authority of the Board of Directors and has the final say on those business matters for which it has the corresponding competence. Details of the Committee's activities are set out in the Audit Committee rules of procedure. The latest version of these documents can be viewed online on the Swisscom website, and revised or superseded versions can be accessed in the "Download Archive".

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[www.swisscom.ch/
basicprinciples](http://www.swisscom.ch/basicprinciples)

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Compensation Committee

For information on the Compensation Committee, refer to the section "Remuneration Report".

Nomination Committee

This Committee is formed on an ad-hoc basis for the purpose of preparing the groundwork for electing new members to the Board of Directors and the Group Executive Board. The Committee is presided over by the Chairman and the composition is determined on a case-by-case basis. The Committee carries out its work based on a specific requirements profile defined by the Board of Directors and presents suitable candidates to the Board of Directors. The Board of Directors elects the members of the Group Executive Board and submits the proposal for presentation to the Annual General Meeting for the election and approval of members of the Board of Directors. The Committee met once in the 2012 financial year. All members were present at the meeting, which lasted two hours.

3.7 Assignment of powers of authority

The Telecommunications Enterprise Act (TEA) makes reference to the Swiss Code of Obligations in respect of the non-transferable and irrevocable duties of the Board of Directors of Swisscom Ltd. Pursuant to Article 716a of the Code of Obligations, the Board of Directors is responsible first and foremost for the overall management and supervision of persons entrusted with managing the company's operations. It decides on the appointment and removal of members of the Group Executive Board of Swisscom Ltd. It also determines the strategic, organisational, financial planning and accounting guidelines, taking into account the four-year targets set by the Federal Council in accordance with the provisions of the Telecommunications Enterprise Act (TEA) and the will of the Federal Council in its role as principal shareholder.

See
[www.swisscom.ch/
targets_2010-2013](http://www.swisscom.ch/targets_2010-2013)

The Board of Directors has delegated day-to-day business management to the CEO in accordance with the TEA, the Articles of Incorporation and the Organisational Regulations. In addition to its statutory duties, the Board of Directors decides on business transactions of major importance to the Group, such as the acquisition or disposal of companies with a financial exposure in excess of CHF 20 million, or investments or divestments with a financial exposure in excess of CHF 50 million. The division of powers between the Board of Directors and the CEO is set out in Annex 2 to the Organisational Regulations (see function table in Rules of Procedure and Accountability). The latest version of these documents can be viewed online on the Swisscom website, and revised or superseded versions can be accessed in the "Download Archive".

See
[www.swisscom.ch/
basicprinciples](http://www.swisscom.ch/basicprinciples)

3.8 Information instruments of the Board of Directors vis-à-vis the Group Executive Board

The Chairman of the Board of Directors and the CEO meet once or twice a month to discuss fundamental issues concerning Swisscom Ltd and its Group companies. The CEO also reports in detail at each ordinary meeting of the Board of Directors on the general course of business, major events and any measures taken. The Board of Directors also receives a monthly report on all key performance indicators of the Group and all segments containing important Group companies. In addition, every quarter the Board of Directors receives detailed information on the course of business and on the financial position, results of operations, cash flows and risk position of the Group and the segments. It also receives projections for the income statement, cash flow statement and balance sheet for the current financial year. Internal financial reporting is carried out in accordance with the same accounting principles and standards as external reporting. Reporting also includes key non-financial information for controlling and steering purposes. Each member of the Board of

Directors is entitled to request information on any matters relating to the Group at any time, provided this does not conflict with any abstention provisions or confidentiality obligations. The Board of Directors is also informed immediately of any events of an exceptional nature.

The Board of Directors examines risk management, the internal control system (ICS) and compliance management in detail once a year, on the basis of a written and oral report. The Audit Committee examines risk management in detail four times a year, on the basis of a report which includes all significant ICS and compliance risks. The Committee approves the integrated strategic audit plan and examines the Internal Audit reports at least four times a year. In urgent cases the Chairman of the Audit Committee is informed without delay about any significant new risks. He is also informed in a timely manner if there is a significant change in assessed compliance or ICS risks or if serious breaches in compliance (including violation of rules that are designed to ensure reliable financial reporting) are detected or currently being examined.

3.9 Controlling instruments of the Board of Directors vis-à-vis the Group Executive Board

The Board of Directors is responsible for establishing and monitoring the Group-wide assurance functions of risk management, the internal control system, compliance and internal audit.

3.9.1 Risk management

Swisscom's approach to risk management complies with established risk management standards, most notably COSO II and ISO 31000. The aim of Swisscom's Group-wide enterprise risk management (ERM) is to protect the company's enterprise value, establish and operate an appropriate and recognised Group-wide risk management system, ensure purposeful, comprehensive reporting at different levels, provide appropriate documentation, and uphold a corporate culture that fosters risk awareness and effective risk management. Risk management covers risks in the areas of strategy, operations, compliance and financial reporting.

The Board of Directors delegates responsibility for implementing the ERM system to the CEO of Swisscom Ltd. Risk Management reports directly to the CFO. It coordinates all organisational units charged with risk management tasks and systematically manages them as required for reporting purposes.

The main risks to which Swisscom Ltd and its Group companies are exposed are identified in a comprehensive risk analysis. Each risk is assigned a risk owner. To enable the early identification, assessment and management of risks and their inclusion in strategic planning, the central Risk Management unit collaborates closely with the Strategy department and other departments concerned. The risks are assessed according to their probability of occurrence and their qualitative and quantitative effects in the event of occurrence, and managed on the basis of a risk strategy. The risks are evaluated in terms of their impact on the key performance indicators reported by Swisscom. The risk profile is reviewed and updated quarterly. The Audit Committee and the Group Executive Board are informed about significant risks, their potential effects and the status of corrective measures on a quarterly basis, and the Board of Directors on an annual basis. The risk factors are described in the Risks section of the Management Commentary.

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3.9.2 Internal control system

Swisscom operates an internal control system in order to ensure reliable and comprehensive Group-wide financial reporting and to safeguard against misreporting (irregularities or errors) of business transactions. On the basis of the internationally recognised COSO II framework, the internal control system guarantees the necessary procedures and instruments to ensure the timely identification and assessment of risks related to financial accounting, and to control such risks by initiating appropriate measures. Internal rules and instruments such as the Code of Conduct, the Accounting Manual or the whistle-blowing platform support this goal. The internal control system involves all key responsible units and bodies, in particular the Audit Committee. Swisscom sees the internal control system as an ongoing task and an opportunity to continually improve the underlying processes. A report on the internal control system is drawn up quarterly for the Audit Committee and once a year for the Board of Directors.

3.9.3 Compliance management

Based on guidelines issued by the Board of Directors, Swisscom operates a central compliance system aimed at ensuring compliance with legal requirements and other external regulations with comparable legal implications. The Board of Directors receives a full Group-wide compliance risk assessment report once a year. The Audit Committee receives a quarterly report on significant compliance risks.

3.9.4 Internal auditing

In addition to risk and compliance management, internal auditing is an important part of the Swisscom Group's corporate governance and is carried out by the Internal Audit unit. Internal Audit supports the Swisscom Board of Directors and the Audit Committee in carrying out their statutory and regulatory supervisory and controlling obligations. It highlights for management potential areas where business processes can be improved, documents audit findings and monitors any measures implemented.

Internal Audit is responsible for planning and performing audits throughout the Group in compliance with guidelines promulgated by the profession. It conducts an objective audit and evaluation of the suitability, efficiency and effectiveness, in particular of the governance and control processes, operational processes and the assurance functions of risk management, the internal control system and compliance, in all organisational units in the Swisscom Group.

Internal Audit possesses maximum independence. It is under the control of the Chairman of the Board of Directors and reports to the Audit Committee. At its meetings, the Audit Committee is briefed on audit findings and the status of any corrective measures implemented. In addition to ordinary reporting, Internal Audit informs the Audit Committee of any irregularities which come to its attention.

Internal Audit liaises closely and exchanges information with the external auditors. The external auditors have unrestricted access to the audit reports and audit documents of Internal Audit. Audit planning is closely coordinated with the external auditors. The integrated strategic audit, which includes the coordinated annual plan of both the internal and the external auditors, is prepared annually on the basis of a risk analysis, and presented to the Audit Committee for approval. Independently of this audit, ad-hoc audits can be commissioned based on information received on the whistle-blowing platform operated by Internal Audit. The reporting procedure approved by the Audit Committee ensures the anonymous and confidential receipt and handling of complaints relating to external reporting, financial reporting and assurance function issues. The Chairman of the Board of Directors and the Chairman of the Audit Committee are informed of notifications received and a report is drawn up at least once a year for the Audit Committee.

4 Group Executive Board

4.1 Members of the Group Executive Board

In accordance with the Articles of Incorporation, the Group Executive Board must comprise one or more members who may not simultaneously be members of the Board of Directors. Temporary membership of the Board of Directors is only permitted in exceptional cases. Accordingly, the Board of Directors has delegated responsibility for overall executive management of Swisscom Ltd to the CEO. The CEO is entitled to delegate his powers to subordinates, in the first instance to other members of the Group Executive Board.

The members of the Group Executive Board are appointed by the Board of Directors. The Group Executive Board comprises the CEO of Swisscom Ltd, the heads of the Group divisions, the heads of the divisions of Swisscom (Switzerland) Ltd and the CEO of Swisscom IT Services Ltd.

Daniel Ritz, Chief Strategy Officer (CSO), left the company at the end of January 2012. His successor, Jürgen Galler, took up his duties in September 2012. Eros Fregonas, former CEO of Swisscom IT Services Ltd, left the company at the end of April 2012. He was succeeded by Andreas König in October 2012. Swisscom will simplify its management structure and streamlined the Group Executive Board as of 1 January 2013. From 2013 the Group Executive Board comprises the following members: Carsten Schloter as CEO, Mario Rossi as CFO, Jürgen Galler as CSO, Hans C. Werner as Chief Personnel Officer (CPO), Urs Schaeppi (Head of Swisscom (Switzerland) Ltd) and Andreas König (CEO of Swisscom IT Services).

An overview of the composition of the Group Executive Board at 31 December 2012, including the year of appointment of each member and their function within the Group, is given below.

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Name	Year of birth	Function	Appointed as of
Carsten Schloter ¹	1963	CEO of Swisscom Ltd	January 2006
Ueli Dietiker ²	1953	CFO and Deputy CEO of Swisscom AG	April 2002
Jürgen Galler	1966	CSO of Swisscom Ltd	September 2012
Kathrin Amacker-Amann	1962	CCO of Swisscom Ltd	October 2010
Hans C. Werner	1960	CPO of Swisscom AG	September 2011
Christian Petit	1963	Head of Residential Customers of Swisscom (Switzerland) Ltd	August 2007
Roger Wüthrich-Hasenböhler	1961	Head of Small and Medium-Sized Enterprises of Swisscom (Switzerland) Ltd	January 2011
Urs Schaeppi ¹	1960	Head of Corporate Business of Swisscom (Switzerland) Ltd	August 2007
Heinz Herren ¹	1962	Head of Network & IT of Swisscom (Switzerland) Ltd	January 2011
Andreas König	1965	CEO of Swisscom IT Services Ltd	October 2012

¹ Prior to current function member of the Group Executive Board: Carsten Schloter since 2000; Urs Schaeppi since 2006; Heinz Herren since August 2007.

² From March 2006 to December 2007 CEO Swisscom Fixnet Ltd.

4.2 Education, professional activities and affiliations

Details of career and qualifications as well as other activities and affiliations such as mandates in important companies, organisations and foundations, and permanent functions in important interest groups are provided below for each member of the Group Executive Board.

4.3 Management agreements

Neither Swisscom Ltd nor any of the Group companies included in the scope of consolidation have entered into management agreements with third parties.



Group Executive Board
from left to right

Urs Schaeppi, Head of Corporate Business of Swisscom (Switzerland) Ltd
Hans C. Werner, CPO of Swisscom Ltd
Ueli Dietiker, CFO of Swisscom Ltd
Jürgen Galler, CSO of Swisscom Ltd
Carsten Schloter, CEO Swisscom Ltd
Christian Petit, Head of Residential Customers of Swisscom (Switzerland) Ltd
Heinz Herren, Head of Network & IT of Swisscom (Switzerland) Ltd
Andreas König, CEO Swisscom IT Services Ltd
Kathrin Amacker, CCO of Swisscom Ltd
Roger Wüthrich-Hasenböhler, Head of Small and Medium-Sized Enterprises of Swisscom (Switzerland) Ltd

Carsten Schloter

German citizen

Education: Degree in business administration

Career history: 1985–1992 various positions at Mercedes-Benz France SA; 1992–1994 member of the Management Board, debitel France SA; 1995–1999 various positions at debitel Germany; 1999 member of the Management Board, debitel AG; 2000–2001 Head of Public Com and Head of Mobil Com, Swisscom; 2001–January 2006 CEO of Swisscom Mobile Ltd; since January 2006 CEO, Swisscom Ltd, and since January 2008 CEO, Swisscom (Switzerland) Ltd; April 2010–November 2010 acting CEO, Fastweb S.p.A.

Since March 2000 member of the Swisscom Group Executive Board

Other mandates: Member of the Executive Board, Association Suisse des Télécommunications (asut), Berne; member of the Executive Board, Swiss-American Chamber of Commerce, Zurich; member of the ITU Telecom Board, Geneva

Ueli Dietiker

Swiss citizen

Education: Certified public accountant

Career history: 1972–1988 ATAG Ernst & Young; 1988–1994 various positions at Motor Columbus AG, latterly as CFO; 1995–December 1998 CFO, Cablecom Holding AG; January 1999–June 2001 CEO, Cablecom Holding AG; September 2001–March 2002 Head of Strategic Growth and Related Businesses, Swisscom Ltd; July 2003–June 2004 Head of Group Human Resources, Swisscom Ltd; April 2002–March 2006 CFO of Swisscom Ltd; March 2006–December 2007 CEO, Swisscom Fixnet Ltd; since August 2007 CFO and since April 2002 Deputy CEO, Swisscom Ltd; September 2010–August 2011 acting Chief Personnel Officer (CPO), Swisscom Ltd; May 2012–September 2012 acting CEO, Swisscom IT Services Ltd

April 2002–December 2012 member of the Swisscom Group Executive Board

Other mandates: Member of the Board of Directors, Zuckermühle Rapperswil AG; member of the Board of Directors and Chairman of the Audit Committee, Sanitas Krankenkassen; member of the Board of Directors and Chairman of the Audit Committee, Wincare Krankenkassen; member of the Board of Directors, BKW AG; until December 2012 member of the Board of Directors, jobs.ch AG; member of the Board of Directors, Belgacom International Carrier Services S.A., Brussels; Vice-Chairman of the Board of Directors, CT Cinetrade AG; Chairman of the Board of Trustees, comPlan

Jürgen Galler

Italian citizen

Education: Dr rer. soc. oec., University of Saarland, Saarbrücken; Mag. rer. soc. oec., Johannes Kepler University, Linz, Austria

Career history: September 1992–November 1996 research associate, Institute for Business Information Technology, University of Saarland; December 1996–February 2000 various positions at IDS Scheer Korea and Japan, latterly as CEO; March 2000–September 2005 various positions at Lycos-Bertelsmann GmbH, latterly as Vice-President, Lycos Communication & Community Products and Managing Director, Lycos Madrid, Spain and Gütersloh, Germany; October 2005–June 2007 CTO and Head of Product Management, Spotigo GmbH, Madrid, Spain; July 2007–June 2009 Director, Product Management for Europe, Middle East & Africa, Google Inc.; July 2009–August 2012 Director, Product Management and Engineering for Europe, Middle East & Africa, YouTube, Google Inc., Zurich, Switzerland; since September 2012 Chief Strategy Officer (CSO), Swisscom Ltd

Since September 2012 member of the Swisscom Group Executive Board

Kathrin Amacker-Amann

Swiss citizen

Education: Swiss certified pharmacist, PhD II

Career history: 1990–1994 Project Manager, Pharmaceutical Production, Ciba-Geigy; 1995–1999 Project Manager, Pharmaceutical Development, Ciba-Geigy/Novartis; 2000–2003 Project Manager, Pharmaceutical Clinical Production, Novartis; 2003–2010 Human Resources Management, Novartis Switzerland; since October 2010 Chief Communication Officer (CCO), Swisscom Ltd

October 2010 –December 2012 member of the Swisscom Group Executive Board

Other mandates: Member of the Board of Trustees, Merian Iselin Stiftung, Basel; until March 2012 member of the Board of Trustees, Basel-Karlsruhe Forum, Basel; member of the Board of Trustees, World Demographic and Ageing Forum, St. Gallen; member of the Board of Trustees, ETH Zurich Foundation; member of the Board of Trustees, Swiss Foundation for the Protection of Children

Hans C. Werner

Swiss citizen

Education: PhD in business administration, Dr oec.

Career history: 1997–1999 Rector, Kantonsschule Büelrain; 1999–2000 Head of Technical Training and Business Training; 2001 Divisional Operation Officer, Reinsurance & Risk Division, Swiss Re; 2002–2003 Head of HR Corporate Centre and HR Shared Services, Swiss Re; 2003–2007 Head of Global Human Resources, Swiss Re; 2007–2009 Head of HR and Training, Schindler Aufzüge AG; 2010–2011 HR Vice President Europe North and East, Schindler; since September 2011 Chief Personnel Officer (CPO), Swisscom Ltd

Since September 2011 member of the Swisscom Group Executive Board

Christian Petit

French citizen

Education: MBA ESSEC Cergy-Pontoise

Career history: 1993–1999 debitel France; 2000–2003 Head of Operations, Swisscom Mobile Ltd; 2003–2006 Head of Product Marketing, Swisscom Mobile Ltd; 2006–June 2007 CEO, Hospitality Services Plus SA; since August 2007 Head of Residential Customers, Swisscom (Switzerland) Ltd August 2007–December 2012 member of the Swisscom Group Executive Board

Other mandate: Member of the Board of Directors, CT Cinetrade AG

Roger Wüthrich-Hasenböhler

Swiss citizen

Education: Degree in electronic engineering (HTL), Executive MBA HSG

Career history: 2000–2005 Head of Business Customer Sales, Swisscom Mobile Ltd; 2006–2007 Head of Marketing and Sales, Swisscom Solutions Ltd; 2008–2010 Head of Marketing and Sales, Swisscom Corporate Business, and CEO, Webcall GmbH; since January 2011 Head of Small and Medium-Sized Enterprises, Swisscom (Switzerland) Ltd

January 2011–December 2012 member of the Swisscom Group Executive Board

Other mandates: Member of the Board of Directors, Raiffeisenbank am Ricken Genossenschaft; since June 2012 member of the Board of Directors, Genossenschaft basecamp4hightech (bc4ht); since January 2012 member of the Foundation Board, BlueLion Foundation

Urs Schaeppi

Swiss citizen

Education: Degree in engineering (Dipl. Ing. ETH) and business administration (lic. oec. HSG)

Career history: 1987–1991 Iveco Motorenforschungs AG; 1991–1994 Head of Marketing, Electronics Production, Ascom AG; 1994–1998 plant manager, Biberist paper factory; 1998–2006 Head of Commercial Business and member of the Executive Board, Swisscom Mobile Ltd; 2006–2007 CEO, Swisscom Solutions Ltd; since August 2007 Head of Corporate Business, Swisscom (Switzerland) Ltd Since March 2006 member of the Swisscom Group Executive Board

Other mandate: Member of the Board of Directors, BV Group, Berne

Heinz Herren

Swiss citizen

Education: Degree in electronic engineering (HTL)

Career history: 1986–1988 Hasler AG; 1988–1991 XMIT AG; 1991–1993 Ascom Telematik AG; 1993–1994 Bedag Informatik; 1994–2000 3Com Corporation; 2000 Inalp Networks Inc.; 2001–2005 Head of Wholesale Marketing, Swisscom Fixnet; 2005–2007 Head of Small and Medium-Sized Enterprises, Swisscom Fixnet; 2007–2010 Head of Small and Medium-Sized Enterprises, Swisscom (Switzerland) Ltd; since January 2011 Head of Network & IT, Swisscom (Switzerland) Ltd August 2007–December 2012 member of the Swisscom Group Executive Board

Andreas König

Austrian citizen

Education: Degree in mechanical engineering (Dipl. Ing. ETH)

Career history: 1989–1990 MacNeal-Schwendler; 1990–1996 Silicon Graphics, 1996–October 2012 various positions at NetApp, including as Vice President, Central and Eastern Europe from 2001–2004; 2004–2007 Vice President, Sales, EMEA; 2007–September 2012 Senior Vice President and General Manager EMEA; since October 2012 CEO, Swisscom IT Services Ltd

Since October 2012 member of the Swisscom Group Executive Board

5 Remuneration, shareholdings and loans

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All information on the remuneration of the Board of Directors and the Group Executive Board of Swisscom Ltd is provided in the separate Remuneration Report.

6 Shareholders' participation rights

6.1 Voting rights and representation restrictions

Each registered share entitles the holder to one vote. Voting rights can only be exercised if the shareholder has been entered with voting rights in the share register of Swisscom Ltd. The Board of Directors may refuse to recognise an acquirer of shares as a shareholder or beneficial holder with voting rights if the latter's total holding, when the new shares are added to any voting shares already registered in its name, would then exceed the limit of 5% of all registered shares entered in the commercial register. The acquirer is entered in the register as a shareholder or beneficial holder without voting rights for the remaining shares. This restriction on voting rights also applies to registered shares acquired through the exercise of subscription, option or conversion rights. A Group clause applies to the calculation of the percentage restriction.

The 5% voting right restriction does not apply to the Swiss Confederation which, under the terms of the Telecommunications Enterprise Act (TEA), holds the capital and voting majority.

The Board of Directors may recognise an acquirer of shares with more than 5% of all registered shares as a shareholder or beneficial holder with voting rights, in particular in the following exceptional cases:

- > Where shares are acquired as a result of a merger or business combination
- > Where shares are acquired as a result of a non-cash contribution or an exchange of shares
- > Where shares are acquired with a view to establishing a long-term partnership or strategic alliance

In addition to the percentage restriction on voting rights, the Board of Directors may refuse to recognise and enter as a shareholder or beneficial holder with voting rights any acquirer of shares who fails to expressly declare upon request that it has acquired the shares in its own name and for its own account or as beneficial holder. Should an acquirer of shares refuse to make such a declaration, it will be entered as a shareholder without voting rights.

In addition, where an entry has been made on the basis of false statements by the acquirer, the Board of Directors may, after consulting the party concerned, delete their share register entry as a shareholder with voting rights and enter it as a shareholder without voting rights. The acquirer must be notified of the deletion immediately.

The statutory restrictions on voting rights may be lifted by resolution by the Annual General Meeting, for which an absolute majority of valid votes cast would be required.

6.2 Statutory quorum requirements

The Annual General Meeting of Shareholders of Swisscom Ltd adopts its resolutions and holds its elections by absolute majority of valid votes cast. In addition to the specific quorum requirements under the Swiss Code of Obligations, the Articles of Incorporation require a two-thirds majority of the voting shares represented in the following cases:

- > Introduction of restrictions on voting rights
- > Conversion of registered shares to bearer shares and vice versa
- > Change in the Articles of Incorporation concerning special quorums for resolutions

6.3 Convocation of the Annual General Meeting

The Board of Directors must convene the Annual General Meeting at least 20 days prior to the date of the meeting by means of an announcement in the Swiss Commercial Gazette. The meeting can also be convened by registered or unregistered letter to all registered shareholders.

6.4 Agenda items

Shareholders representing shares with a par value of at least CHF 40,000 may request that an item be placed on the agenda. This request must be submitted in writing to the Board of Directors at least 45 days prior to the Annual General Meeting, stating the agenda item and the proposal.

6.5 Representation at the Annual General Meeting

Shareholders may be represented at the Annual General Meeting by another shareholder with voting rights who has a written power of attorney. Shareholders may also be represented by the corporate proxy, an independent voting proxy, or a custody proxy (bank). Partnerships and legal entities may be represented by authorised signatories, while minors and wards may be represented by their legal representative even if said persons are not shareholders. Shareholders who send a proxy may issue instructions for each agenda item and also for motions not included in the invitation, stating whether they wish to vote for or against a motion or abstain. The corporate proxy only represents shareholders who approve the motions of the Board of Directors. Powers of attorney with instructions to vote otherwise are passed on to the independent voting proxy, who approves the motions of the Board of Directors unless express instructions to the contrary are given.

6.6 Registrations in the share register

Shareholders entered in the share register with voting rights are entitled to vote at the Annual General Meeting. As in previous years, the share register was not closed before the Annual General Meeting for fiscal 2011 held on 4 April 2012. Shareholders registered in the share register with voting rights by 4 p.m. on 30 March 2012 were entitled to vote.

7 Change of control and defensive measures

7.1 Duty to make an offer

Under the terms of the Telecommunications Enterprise Act (TEA), the Swiss Confederation must hold the majority of the capital and voting rights in Swisscom Ltd. This requirement is also set out in the Articles of Incorporation. There is no duty to submit a takeover bid as defined in the Federal Act on Stock Exchanges and Securities Trading, since this would contradict the TEA.

7.2 Clause on change of control

Details of the clauses on change of control are given in the section “Remuneration Report”.

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page 145

8 Statutory auditors

8.1 Duration and term of office of the auditor in charge

The statutory auditors are appointed annually by the Annual General Meeting. KPMG AG, Gümli-Gen-Berne, has acted as the statutory auditors of Swisscom Ltd and the Group companies (with the exception of Fastweb, which is audited by PriceWaterhouseCoopers S.p.A.) since 1 January 2004. Rolf Hauenstein of KPMG AG is responsible for the mandate as auditor-in-charge. KPMG AG is a licensed, state-supervised auditing firm.

8.2 Unapproved services

The Audit Committee considers the following services in particular to be incompatible with the independence of the auditors:

- > Services giving rise to the risk that the auditors will audit their own work
- > Bookkeeping and other services in connection with accounting or the financial statements
- > Valuation and estimation services, fairness opinions or expert reports on the valuation of non-cash contributions
- > Actuarial services
- > Management tasks and personnel services
- > Financial services
- > Outsourcing of internal auditing
- > Development and introduction of financial information systems

The Audit Committee reserves the right to exclude other services:

- > Non-audit services, notably legal advice, may only be provided in parallel if they do not jeopardise the independence of the auditors. Tax consultancy services are only permitted if this does not lead to a self-audit. In particular, the auditors may not advise or assist with the preparation of complex international structures for the purposes of tax optimisation, which is to be assessed by the external auditors.

8.3 Audit fees

Fees for auditing services provided by KPMG AG in 2012 amounted to CHF 3.26 million (prior year: CHF 4.15 million). Fees for additional audit-related services amounted to CHF 0.09 million (prior year: CHF 0.29 million). PricewaterhouseCoopers S.p.A. as auditors for Fastweb received remuneration of CHF 0.79 million in 2012 (prior year: CHF 0.79 million).

8.4 Supplementary fees

Supplementary fees of KPMG AG for non-audit services such as tax and other advisory services (other services) amounted to CHF 0.89 million (prior year: CHF 0.44 million).

8.5 Supervision and controlling instruments vis-à-vis the auditors

The Audit Committee verifies the qualifications, performance and independence of the statutory auditors on behalf of the Board of Directors, approves the integrated strategic audit plan, which includes the annual audit plan of both the internal and external auditors, and proposes the appointment and discharge of auditors to be appointed or discharged by the Annual General Meeting. It also defines the criteria for the annual approval of fees. The CFO reports quarterly and the auditors annually on current mandates being performed by the auditors, broken down into audit services, audit-related services and non-audit services. He is also responsible for observing the statutory rotation principle for the auditor-in-charge. The statutory auditors, represented by the auditor-in-charge and his representative, usually attend all Audit Committee meetings. They report to the Committee in detail on the performance and results of their work, in particular regarding the final annual audit. They submit a written report to the Board of Directors and the Audit Committee on the implementation and results of the final annual audit, as well as on their findings with regard to accounting and the internal control system. The Chairman of the Audit Committee also liaises closely with the auditor-in-charge and regularly reports to the Board of Directors.

9 Information policy

Swisscom pursues an open, active information policy vis-à-vis the general public and the financial markets. It publishes comprehensive, consistent and transparent financial information on a quarterly basis.

Swisscom therefore meets investors regularly throughout the year, presents its financial results at analysts' meetings and road shows, attends selected conferences for financial analysts and investors, and keeps its shareholders regularly informed about its business through press releases and shareholder letters.

9.1 The results for the 2013 financial year will be published on the following dates:

- > Interim Report: 2 May 2013
- > Interim Report: 7 August 2013
- > Interim Report: 7 November 2013
- > Annual Report: February 2014

9.2 The Annual General Meeting will be held on:

- > 4 April 2013

 See
[www.swisscom.ch/
financialreports](http://www.swisscom.ch/financialreports)

The Interim Reports and the Annual Report are available on the Swisscom website under Investor Relations, or may be ordered directly from Swisscom. All press releases, presentations and the latest financial calendar are also available on the Swisscom website under Investor Relations.

 See
[www.swisscom.ch/
adhoc/en](http://www.swisscom.ch/adhoc/en)

Push and pull links for the distribution of ad-hoc communications can also be found on the Swisscom website.

 See
[www.swisscom.com/
generalmeeting](http://www.swisscom.com/generalmeeting)

A recording of the Annual General Meeting of 4 April 2012 is available as a webcast on the Swisscom website.

Remuneration Report

Remuneration paid to the Board of Directors and the Group Executive Board is tied to the generation of sustainable returns and therefore creates an incentive to achieve long-term corporate success as well as added value for shareholders.

Introduction

This Remuneration Report provides a summary of the remuneration system and compensation paid to members of the Board of Directors and Group Executive Board (Executive Board as defined in Article 4 of the Articles of Incorporation) of Swisscom Ltd and will be put to a consultative vote at the Annual General Meeting on 4 April 2013.

The Remuneration Report is based on Article 5 of the Corporate Governance Directive issued by the SIX Swiss Exchange. Swisscom also complies with the recommendations of the Swiss Code of Best Practice for Corporate Governance issued by *economiesuisse*, the umbrella organisation representing Swiss business. Information and comments on remuneration and shareholdings pursuant to Article 663b^{bis} and Article 663c Para. 3 of the Swiss Code of Obligations can also be found in the financial statements of Swisscom Ltd.

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page 223

Remuneration principles

The remuneration principles applicable to the Board of Directors and the Group Executive Board are systematic, transparent and geared to the long term. Salaries of all Swisscom Group employees are determined by four factors: position, individual performance, company performance and the labour market. This approach takes into consideration the interests of employees, investors and the company.

Swisscom offers competitive salaries in order to attract and retain on a long-term basis highly skilled and motivated specialist staff and managers. The variable performance-related component is an additional management instrument aimed at achieving overarching goals. It serves to motivate employees, including management, to contribute to the company's long-term success. The Management Incentive Plan, which is binding on all members of the Board of Directors and the Group Executive Board, also ensures direct financial participation in the medium-term performance of Swisscom's shares. In addition to the details provided in this section, further information on the Management Incentive Plan can be found in Note 11 to the consolidated financial statements.

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page 178

Decision-making powers

Division of tasks between the Board of Directors and the Compensation Committee

The Board of Directors approves the personnel and remuneration policy for the entire Group, as well as the general terms and conditions of employment for members of the Group Executive Board. It also defines the remuneration for each member of the Board of Directors and the CEO as well as the total remuneration for the Group Executive Board. The Compensation Committee handles business matters of the Board of Directors concerning remuneration, submits proposals to the Board of Directors in this context, and decides on the business which falls within its remit. While for the members of the Board of Directors no abstention obligation exists concerning the setting of their remuneration, the CEO and the other members of the Group Executive Board are not entitled to attend meetings at which discussions take place or decisions are made with regard to their remuneration. The decision-making powers are defined in the Organisational Regulations of the Board of Directors and the regulations for the Compensation Committee. The latest versions of these documents can be accessed on the Swisscom website. Revised or superseded documents can also be viewed there in the “Download Archive”.

 See
[www.swisscom.ch/
basicprinciples](http://www.swisscom.ch/basicprinciples)

The following table shows the division of tasks between the Board of Directors and the Compensation Committee.

Subject	Compensation Committee	Board of Directors
Personnel and remuneration policy	–	A ¹
General terms and conditions of the Group Executive Board	P ²	A
Guidelines of variable performance-related compensation to the Group Executive Board	P	A
Equity participation schemes of the entire Group	P	A
Concept of Compensation to members of the Board of Directors	P	A
Compensation of the Board of Directors	P	A
Incentive targets	P	A
Compensation of the CEO of Swisscom Ltd	P	A
Total remuneration to the Board of Directors	P	A
Compensation to members of the Group Executive Board (excl. CEO)	A ³	–

¹ A stands for approval.

² P stands for proposal.

³ In the context of the Board of Directors defined total remuneration.

Composition and functioning of the Compensation Committee

The Compensation Committee is chaired by the Deputy Chairman of the Board of Directors, Richard Roy. The other members are the chairmen of the Finance Committee (Torsten G. Kreindl) and the Audit Committee (Theophil Schlatter) as well as the representative of the Swiss Confederation, Hans Werder. As Chairman of the Board of Directors, Hansueli Loosli attends committee meetings but has no voting rights.

The Committee met four times in the 2012 financial year. All members were present at the meetings, each of which lasted approximately two hours. No teleconferences were held. The CEO and CPO (Chief Personnel Officer) attend the meetings in an advisory capacity, unless the agenda items exclusively concern the Board of Directors or the CEO and CPO themselves, in which case the CEO and CPO are not present. Minutes are kept of the meetings. The Chairman reports orally on the activities of the Compensation Committee at the next meeting of the Board of Directors.

Remuneration paid to the Board of Directors

Principles

The remuneration reflects the level of responsibility and scope of activities performed by each member of the Board of Directors. The remuneration is reviewed every December for the following year to ensure it is still appropriate. In December 2011 the Board of Directors opted not to adjust its remuneration for the 2012 financial year. This decision was based on the following benchmarks: the study on remuneration for the 30 listed companies in the Swiss Leader Index (SLI) for the 2010 business year, which was conducted by Towers Watson, a consulting firm which is active worldwide in the field of top management remuneration, and the publicly accessible study by ethos on management compensation at the 48 largest exchange-listed companies in Switzerland (SMI and SMIM) in the 2010 business year.

Remuneration

The remuneration plan provides for a basic salary plus individual allowances and meeting attendance fees. No variable performance-related components are paid out. The Chairman is paid a basic emolument of CHF 385,000 net and the other members of the Board of Directors CHF 120,000 net each. Each member of the Finance and Audit Committees is entitled to remuneration of CHF 10,000 net, while each member of the Compensation Committee receives an equivalent individual functional allowance. In addition, the Vice-Chairman and the Chairman of the Finance and Compensation Committees are each entitled to an allowance in an amount of CHF 20,000 net. The Chairman of the Audit Committee receives CHF 50,000 net. The representative of the Swiss Confederation receives CHF 40,000 net for the special duties related to his function. Meeting attendance fees are also paid (CHF 1,250 net for a whole day and of CHF 750 net for a half-day). Out-of-pocket expenses are reimbursed on the basis of actual costs incurred. No significant non-cash benefits are paid.

The members of the Board of Directors are required to draw 25% of their basic remuneration including individual allowances in the form of shares. Swisscom then increases the amount to be invested by 50%. Remuneration (excluding meeting attendance fees) therefore comprises two-thirds cash and one third shares. The amount of the share purchase obligation can vary in the case of members who join, leave or take over or give up a function during the year. The shares allocated based on their tax value, rounded up to whole numbers of shares, and are subject to a three-year blocking period. In future, the members of the Board of Directors will also undertake to maintain a minimum shareholding of an annual emolument (basic emolument plus an individual allowance). This must be implemented within four years after election to the Board of Directors. The shares which are allocated in April of each reporting year are recorded at market value as of the acquisition date, if purchased (usually three weeks before allocation), or at the market value on the date of allocation, if treasury shares are allocated. In April 2012, 1,927 shares were allocated to the members of the Board of Directors (prior year: 1,895 shares) with a tax value of CHF 310 per share (prior year: CHF 346). The market value was CHF 361 per share (prior year: CHF 412).

Total remuneration paid to the individual members of the Board of Directors for the financial years 2012 and 2011 is presented in the tables below, broken down into individual components. As regards the disclosure of non-cash benefits and expenses, these are dealt with from a tax point of view. Accordingly, neither non-cash benefits nor expenses are included in reported compensation. Remuneration is lower year-on-year, due mainly to the fact that in the previous year the number of Board members was increased for a period of four months.

2012, in CHF thousand	Base salary and functional allowances			Total 2012
	Cash compensation	Share-based remuneration	Meeting attendance fees	
Hansueli Loosli	330	195	38	563
Barbara Frei ¹	69	59	23	151
Hugo Gerber ²	104	61	24	189
Michel Gobet	104	61	26	191
Torsten G. Kreindl	128	75	32	235
Catherine Mühlemann	104	61	25	190
Richard Roy	144	85	26	255
Theophil Schlatter	136	61	31	228
Othmar Vock ³	50	4	7	61
Hans Werder	142	84	32	258
Total compensation to members of the Board of Directors	1,311	746	264	2,321

¹ Elected as of 4 April 2012.

² In addition, a cash compensation (inclusive meeting attendance fees) of CHF 9,500 was paid as member of the Board of Directors of Worklink AG.

³ Resigned as of 4 April 2012.

2011, in CHF thousand	Base salary and functional allowances			Total 2011
	Cash compensation	Share-based remuneration	Meeting attendance fees	
Hansueli Loosli ¹	206	61	40	307
Hugo Gerber ²	104	61	30	195
Michel Gobet	104	61	32	197
Torsten G. Kreindl	128	76	33	237
Catherine Mühlemann	104	61	32	197
Felix Rosenberg ³	47	18	12	77
Richard Roy	144	85	32	261
Anton Scherrer ⁴	182	194	65	441
Theophil Schlatter ⁵	69	48	32	149
Othmar Vock	150	89	32	271
Hans Werder ⁶	95	66	35	196
Total compensation to members of the Board of Directors	1,333	820	375	2,528

¹ The pro-rata cash compensation was paid to Coop for the period up to 31 August 2011.

² In addition, a cash compensation (inclusive meeting attendance fees) of CHF 9,500 was paid as member of the Board of Directors of Worklink AG.

³ Resigned as of 20 April 2011.

⁴ Resigned as of 31 August 2011.

⁵ Elected as of 20 April 2011.

⁶ Designated as of 20 April 2011 by the Swiss Confederation.

Remuneration paid to the Group Executive Board

Principles

In keeping with Swisscom's general remuneration policy, remuneration paid to the Group Executive Board consists of a fixed basic salary in cash and a variable performance-related component in cash and shares as well as fringe and additional benefits (in particular company car) and retirement benefits. The Board of Directors may also at its own discretion reward exceptional individual performance in the form of a bonus in cash or shares. In the case of one member of the Group Executive Board, part of the fixed remuneration takes the form of shares which, like the variable performance-related share of profits, are paid out in April of the year following the reporting year. The shares are allocated on the basis of their tax value, rounded up to whole numbers of shares, and are subject to a three-year blocking period.

As a rule, the Compensation Committee reviews individual remuneration paid to members of the Group Executive Board every three years of employment. Besides individual performance, the amount of the remuneration depends on the market rate for the position and the function, with the latter carrying greater weight. Relevant benchmarks are used. The following three comparative studies carried out by the renowned consultancy firms Towers Watson and Aon Hewitt are all based on data available in 2011 and were used by Swisscom as benchmarks: The "Top Executive Remuneration" study by Towers Watson covers 23 companies in various sectors, with headquarters in Switzerland. More than half are represented in the SMI and have average revenues of CHF 8 billion and an average workforce of 14,000 (FTEs). The "Swiss Headquarters Executive Total Compensation Measurement Study" by Aon Hewitt covers 98 Swiss companies and international groups in all sectors, with global or regional headquarters in Switzerland, average revenues of CHF 3.3 billion and an average workforce of 8,900. The international "European Executive Survey", also produced by Aon Hewitt, covers 33 European groups, mainly telecommunications companies, with average revenues of CHF 34 billion and an average workforce of 78,000 (FTEs). Due to their numerous reference companies, these studies provide the basis for a representative comparison. In the evaluation of these studies, Swisscom took into account factors such as sector, revenue, number of employees and location. During the reporting year the remuneration of one Group Executive Board member was adjusted to reflect these benchmarks and to bring the salary into line with the market.

Targets for the variable performance-related component

The targets underlying the variable performance-related component are reviewed annually in December for the coming year by the Board of Directors following a proposal submitted by the Compensation Committee. The relevant targets set for the reporting year are based on the Swisscom Group's budget figures for 2012.

Three target levels are defined: "Group (excluding Fastweb)", "Customers" and "Segments". All members of the Group Executive Board are measured against Group targets (excluding Fastweb) and customer targets and, depending on their function, against targets of other segments for which they are responsible. Group targets consist of financial targets, while customer targets are measured by improvements in customer interaction/satisfaction in the customer group for which the Group Executive Board member is responsible. Additional targets tailored to the relevant position of each Group Executive Board member consist of financial and non-financial targets.

The following table illustrates the target structure valid for Group Executive Board members in the year under review, showing the three target levels, individual targets and the respective weighting.

Target levels	Weighting of targets level	Objectives	Weighting of targets
Group (excluding Fastweb)	30–40%	Net revenue	9–12%
		EBITDA margin	9–12%
		Operating free cash flow	12–16%
Customers	30%	Improvement of the customer interaction and customer satisfaction, respectively	30%
Segments	30–40%	Net revenue	0–20%
		Operating free cash flow	0–20%
		Targets of segments	0–40%
Total	100%	Total	100%

Swisscom's target structure aims to strike a balance between financial performance and market performance, taking into account the specific area of responsibility of the individual Group Executive Board member.

Depending on their function, Group Executive Board members receive a variable performance-related component of between 40% and 117% of their fixed basic salary if they meet their targets. The amount of the performance-related component paid out depends on the extent to which the targets set by the Compensation Committee are achieved. When defining these targets, the level of achievement (from overachievement to underachievement) is defined as a basis for calculating the target value. Special factors can also be taken into account such as an unscheduled acquisition or divestment. If targets are exceeded, additional remuneration up to a maximum of double the variable performance-related component may be paid.

Payment of the variable performance-related component

The variable performance-related component is determined in the following year once the consolidated financial statements become available, on the basis of the targets fixed in the year under review, and is paid in April of the following year. Members of the Group Executive Board receive 75% of the variable performance-related component in cash and 25% in shares, with the exception of one member who receives 64% in cash 36% in shares. During the period under review no bonuses for outstanding individual performance were awarded. The shares are allocated on the basis of the tax value, rounded up to whole numbers of shares, and are subject to a three-year blocking period. The share-based compensation for the reporting period is increased by a factor of 1.19 to reflect the difference between the market value and the tax value. The market value is determined as of the acquisition date of the shares in case of their purchase (usually three weeks prior to allocation) or, if treasury shares are allocated, as of the date of allocation. Shares for the year under review will be allocated in April 2013. A total of 3,170 shares with a tax value of CHF 310 per share and a market value of CHF 361 per share were allocated to members of the Group Executive Board in April 2012 for the 2011 financial year. In April 2011, a total of 3,128 shares with a tax value of CHF 346 per share and a market value of CHF 412 per share were allocated for the 2010 financial year.

Achievement of targets

Group targets (excluding Fastweb) were achieved in the year under review and in some cases were slightly exceeded. Customer targets in the individual segments were largely achieved and in some cases exceeded. Fastweb's targets were largely achieved. The other targets of the segments were also largely achieved and in some cases exceeded.

Total remuneration

As regards the disclosure of non-cash benefits and expenses, these are dealt with from a tax point of view. The disclosed fringe benefits therefore only include a share in a company car. Reported pension benefits (amounts which give rise to pension entitlements or increase pension benefits) encompass all savings, guarantee and risk contributions paid by the employer to pension plans. The following table shows total remuneration paid to the members of the Group Executive Board for fiscal years 2012 and 2011, broken down into individual components and including the highest amount paid to one member. Any remuneration paid to those stepping down from the Group Executive Board includes the respective maximum remuneration up to the end of the notice period in the year under review or previous year. Two members of the Group Executive Board stepped down in the year under review. Subsequent to stepping down, one member of the Group Executive Board received remuneration during the year under review for advisory services provided as support for the interim solution. No additional remuneration was paid and hence no termination benefits are reported. One member of the Group Executive Board received compensation as reparation for deferred entitlements to share and option plans which were forfeited as a result of joining Swisscom. In the year under review the ratio of the basic salary (total CHF 4.353 million) to the variable performance-related bonus (total CHF 4.318 million) was 50.2% to 49.8%. The total remuneration paid to the CEO rose by 16.6%. The increase in remuneration paid to the CEO and the other members of the Group Executive Board is mainly due to higher target achievement.

In CHF thousand	Total Group Executive Board 2012	Total Group Executive Board 2011	Thereof Carsten Schloter 2012	Thereof Carsten Schloter 2011
Fixed base salary paid in cash	4,353	4,594	830	830
Variable earnings-related compensation paid in cash	3,092	2,641	635	442
Non-cash compensation	108	87	8	17
Share-based payments fixed ¹	35	–	–	–
Share-based payments variable ²	1,191	1,168	252	175
Benefits paid following retirement from Group Executive Board	–	–	–	–
Retirement benefits ³	1,064	922	106	106
Benefits paid to former Members of the Group Executive Board ⁴	80	–	–	–
Severance payments	–	–	–	–
Total compensation to members of the Group Executive Board	9,923	9,412	1,831	1,570

¹ The shares are blocked for three years and may not be sold. Should the employee end his employment contract prior to 2017, the remaining blocked shares revert to Swisscom.

² The shares are blocked for three years.

³ During the reporting period CHF 170,000 was paid to one Group Executive Board member for retirement benefits as compensation for forfeited entitlements to share and option plans. He was awarded a total amount of CHF 500,000 spread over 2012–2014.

⁴ In 2012, CHF 80,000 was paid to one retired Group Executive Board member for advisory services in respect of support for the interim solution.

Planned adjustments to remuneration system as per 2013

The remuneration system for the Group Executive Board was revisited in the year under review. In order to strengthen the focus on the long-term performance of Swisscom, members of the Group Executive Board will in future be obliged to hold a minimum number of Swisscom shares. The minimum shareholding to be held by the CEO shall be equivalent to two years' basic salary. The remaining members shall maintain a shareholding equivalent to one year's basic salary. The shareholding must be acquired within a four-year period. To this end, Group Executive Board member have the opportunity to draw a higher proportion of the variable performance-related component of their salary in shares. The variable performance-related component is now capped at 130% (previously 200%).

Clause on change of control

The employment contracts of the members of the Group Executive Board do not contain a clause relating to change of control. The contracts can be terminated subject to a twelve-month notice period. No termination benefits are payable in addition to the salary payable for a maximum of twelve months.

Additional remuneration

The members of the Group Executive Board are not entitled to separate remuneration if they hold any Board of Director mandates either within or outside the Swisscom Group. With the exception of Hugo Gerber, who received remuneration for his mandate as a member of the Board of Directors of the Swisscom Group company Worklink AG, no other members of the Board of Directors or the Group Executive Board received any additional remuneration for mandates performed for Swisscom Ltd or any of its subsidiaries.

Remuneration for former members of the Board of Directors or Group Executive Board

With the exception of compensation paid to one member of the Group Executive Board after stepping down, for advisory services provided as support for the interim solution, no remuneration was paid to former members of the Board of Directors or the Group Executive Board in the year under review. Nor was any remuneration paid to persons closely related to members of the Board of Directors or the Group Executive Board. Information on the meaning of “closely related persons” can be found in Note 13 to the financial statements of Swisscom Ltd.

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Loans and credits granted

In the 2012 financial year, Swisscom Ltd provided no guarantees, loans, advances or credit facilities of any kind either to former or current members of the Board of Directors or Group Executive Board or to persons closely related to them. Nor are there any receivables of any kind outstanding.

Shareholdings of the members of the Board of Directors and the Group Executive Board

Blocked and non-blocked shares held by members of the Board of Directors and the Group Executive Board or persons closely related to them as at 31 December 2012 and 2011 are listed in the table below:

Number	31.12.2012	31.12.2011
Hansueli Loosli ¹	915	412
Barbara Frei ²	151	–
Hugo Gerber	888	730
Michel Gobet	1,255	1,097
Torsten G. Kreindl	899	705
Catherine Mühlemann	878	720
Richard Roy	1,087	869
Theophil Schlatter ³	518	360
Othmar Vock ⁴	–	1,058
Hans Werder ⁵	506	288
Total shares of the members of the Board of Directors	7,097	6,239
Carsten Schloter (CEO)	5,328	4,852
Ueli Dietiker	3,447	3,132
Jürgen Galler ⁶	–	–
Daniel Ritz ⁷	–	1,007
Kathrin Amacker-Amann	178	68
Hans C. Werner ⁸	49	–
Christian Petit	1,734	1,346
Roger Wüthrich-Hasenböhler ⁹	481	351
Urs Schaeppi	1,441	1,081
Heinz Herren	1,097	750
Andreas König ¹⁰	–	–
Eros Fregonas ¹¹	–	1,936
Total shares of the members of the Group Executive Board	13,755	14,523

¹ Elected as of 21 April 2009 as member and as of 1 September 2011 as Chairman.

² Elected as of 4 April 2012.

³ Elected as of 20 April 2011.

⁴ Resigned as of 4 April 2012.

⁵ Designated as of 20 April 2011 by the Swiss Confederation.

⁶ Joined as of 17 September 2012.

⁷ Resigned as of 31 January 2012.

⁸ Joined as of 1 September 2011.

⁹ Member of the Executive Board as of 1 January 2011.

¹⁰ Joined as of 1 October 2012.

¹¹ Resigned as of 30 April 2012.

The voting rights of any person subject to the disclosure obligation do not exceed 0.1% of the share capital.