

The Board of Directors is convened by the Chairman and meets as often as business requires. If the Chairman is unavailable, the meeting is convened by the Vice Chairman. The CEO, the CFO and the Head of Group Strategy & Board Services regularly attend 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, auditors or other internal and external experts to attend its meetings on specific issues 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 measures that have been implemented.

The duties, responsibilities and *modus operandi* of the Board of Directors as well as its conduct with respect to conflicts of interest are defined in the Organisational Rules, those of the standing committees in the relevant committee regulations. The aforementioned rules and regulations can be accessed on the Swisscom website under “Basic principles”.

The Board of Directors supports the further development and ongoing education of Board members. The Board of Directors and the committees conduct self-assessments, usually once a year and most recently in January 2015. A one-day mandatory training course was held at the beginning of 2015. Each quarter, the members of the Board of Directors also have the opportunity to explore in-depth the upcoming challenges facing the Group and business divisions as part of so-called company experience days. The majority of members of the Board of Directors regularly take advantage of these opportunities. In addition, various members of the Board of Directors attended selected presentations and seminars during the year. New members are given a task-specific introduction to their new activity. Wherever possible, the Board of Directors attends the Swisscom Group’s annual management meeting.

The following table gives an overview of the Board of Directors’ meetings, conference calls and circular resolutions held in 2015.

	Meetings ¹	Conference calls	Circular resolutions
Total	10	1	2
Average duration (in hours)	9:00	0:50	–
Participation:			
Hansueli Loosli, Chairman	10	1	2
Frank Esser	10	1	2
Barbara Frei	10	1	2
Hugo Gerber	10	1	2
Michel Gobet	9	1	2
Torsten Kreindl	9	1	2
Catherine Mühlemann	10	1	2
Theophil Schlatter	10	1	2
Hans Werder	10	1	2

¹ Four meetings were held over two days.

4.5 Committees of the Board of Directors

The Board of Directors has three standing committees (Audit, Finance and Compensation) and one ad-hoc committee (Nomination) tasked with carrying out detailed examinations of matters of importance. The committees usually consist of three to six members. Each member of the Board of Directors also sits on at least one of the standing committees. Subject to being appointed to the Compensation Committee (without voting rights), the Chairman of the Board of Directors is a member of all standing committees; they all are chaired by other Board members, however. The latter brief the Board of Directors on the committee meetings held. All members of the Board of Directors also receive copies of all Finance and Audit Committee meeting minutes.

Finance Committee

On behalf of the Board of Directors, the Finance Committee prepares information on transaction business, for example, in connection with establishing or dissolving significant 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 & Acquisitions and Corporate Venturing. Details of the Committee's activities are set out in the Finance Committee Rules of Procedure, which can be accessed on the Swisscom website under "Basic principles".

The Finance Committee is convened by the Chairman or at the request of a Committee member as often as business requires. The CEO, the CFO and the Head of Group Strategy and Board Services usually attend meetings of the Finance Committee. Depending on the agenda, other members of the Group Executive Board, the Management Boards of the strategic Group companies or project managers are also called upon to attend the meetings.

The following table gives an overview of the Finance Committee's composition, meetings, conference calls and circular resolutions held or taken in 2015.

	Meetings	Conference calls	Circular resolutions
Total	2	—	—
Average duration (in hours)	3:20	—	—
Participation:			
Torsten Kreindl, Chariman	2	—	—
Frank Esser	2	—	—
Michel Gobet	2	—	—
Hansueli Loosli	2	—	—
Catherine Mühlemann	2	—	—

Audit Committee

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 (the dividend 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 formulates positions 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, which can be accessed on the Swisscom website under "Basic principles".

The Chairman of the Audit Committee, Theophil Schlatter, is a financial expert. The majority of members are experienced in the fields of finance and accounting. The members of the Committee neither work nor have worked for Swisscom in an executive capacity, nor do they maintain any significant commercial links with Swisscom Ltd or the Swisscom Group. Customer and supplier relationships exist between the Swiss Confederation and Swisscom. Details of these are given in Note 37 to the consolidated financial statements.

The Audit Committee is convened by the Chairman or at the request of a Committee member as often as business requires, but at least four times a year. The CEO, CFO, Head of Strategy & Board Services, Head of Accounting, Head of Internal Audit and the external auditors attend the Audit Committee meetings. Depending on the agenda, other Swisscom management members are called upon to attend. The Audit Committee is also authorised to involve independent third parties such as lawyers, public accountants and tax experts.

The following table gives an overview of the Audit Committee's composition, meetings, conference calls and circular resolutions held or taken in 2015.

	Meetings	Conference calls	Circular resolutions
Total	5	1	–
Average duration (in hours)	4:40	0:35	–
Participation:			
Theophil Schlatter, Chairman	5	1	–
Hugo Gerber	5	1	–
Hansueli Loosli	5	1	–
Hans Werder	5	–	–

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Compensation Committee

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

Nomination Committee

The Nomination Committee is formed on an ad-hoc basis for the purpose of, where necessary, 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 or decides upon the motion to be submitted to the Annual General Meeting for the election and approval of members of the Board of Directors. No Nomination Committee meetings were held in the 2015 financial year.

4.6 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. The Board of Directors 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 Swiss Confederation in its role as principal shareholder.

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 Rules. 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 Rules (see function table in Rules of Procedure and Accountability). Annex 2 can be accessed on the Swisscom website under “Basic principles”.

See
[www.swisscom.ch/
targets_2014-2017](http://www.swisscom.ch/targets_2014-2017)

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