

Regulations on the employment relationship of members of the Governing Board of the Swiss National Bank (SNB) and their deputies (Regulations on the Governing Board)

of 14 May 2004 (as at 01 January 2013)

1. General provisions

1.1 Subject

¹ These regulations govern the employment relationship of members of the Governing Board and their deputies, who together make up the Enlarged Governing Board.

² The employment relationship is governed by public law.

1.2 Supplementary provisions to these regulations

¹ For any questions relating to the employment relationship of members of the Enlarged Governing Board that are not dealt with in these regulations, the following additional regulations apply: the General Terms of Employment, the Compensation Regulations and the Salary Regulations of the SNB as well as the rules of the tenth title of the Swiss Code of Obligations (employment contract).

² In addition, the SNB Code of Conduct is binding for the members of the Enlarged Governing Board.

2. Eligibility, exclusion and incompatibility

2.1 Eligibility

Persons with an impeccable reputation and a recognised knowledge of monetary, banking and financial issues can be elected as members of the Enlarged Governing Board. They must, moreover, hold Swiss citizenship and be resident in Switzerland (art. 44 NBA).

2.2 Screening of candidates

¹ Prior to nominating a person for the Enlarged Governing Board, the SNB verifies the integrity of the candidate.

² The screening is aimed at ensuring that members of the Enlarged Governing Board have complete freedom to act and make decisions. To this end, any

dependencies and conflicts of interest must be disclosed. This screening thus serves to protect the integrity and independence of the SNB.

³ The screening is carried out before the Bank Council makes its decision on which candidate it intends to propose to the Federal Council. The candidate must give prior written consent to the screening.

⁴ As part of the screening, security-relevant information on the conduct of the candidate's personal life is collected. Such information includes, in particular, close personal relationships and family situation, any prior convictions, financial situation, memberships in associations or mandates which could lead to a conflict of interest with the SNB or endanger its reputation.

2.3 Personal incompatibility

¹ The following persons must not be members of the Enlarged Governing Board at the same time:

- a. spouses, registered partners or cohabiting partners;
- b. spouses of siblings or registered partners of siblings or cohabiting partners of siblings;
- c. relatives or persons related by marriage in the direct line.

² There must be no relationship within the meaning of section 1 between a member of the Enlarged Governing Board and an employee reporting directly to him/her.

2.4 Functional incompatibility and secondary employment

¹ Members of the Enlarged Governing Board must neither be members of the Federal Assembly nor the Federal Council, nor any federal court. They may not hold a corresponding cantonal office.

² Members of the Enlarged Governing Board must not have any other paid or unpaid employment.

³ The Governing Board may delegate a member of the Enlarged Governing Board to the board of directors or supervisory board of a company or organisation if the Swiss National Bank has a stake or any other interest in such entity.

⁴ The Bank Council may, upon the proposal of the Governing Board, permit a member of the Enlarged Governing Board to take on a teaching assignment at a university or institute of higher learning if this is in the interest of the SNB.

⁵ Once a year, the Governing Board reports to the Compensation Committee of the Bank Council on the mandates and secondary employment of the members of the Enlarged Governing Board pursuant to paras. 3 and 4 above, as well as the remuneration they receive for these activities.

3. Establishment of the employment relationship

3.1 Appointment

¹ The employment relationship between the SNB and members of the Enlarged Governing Board is established through the appointment by the Swiss Federal Council. The member of the Enlarged Governing Board is sent an excerpt from the relevant Federal Council meeting.

² No employment contract is prepared.

³ If a member of the Enlarged Governing Board was employed by the SNB under private law prior to his/her appointment, this employment relationship is considered terminated upon taking up the new office.

3.2 Term of office

¹ The term of office of members of Enlarged Governing Board is six years, with the possibility of being reappointed.

² If a member of the Enlarged Governing Board is replaced during the current term of office, the appointment of a substitute member shall be valid until the end of the term of office.

4. Termination of employment relationship

4.1 Principle

¹ The employment relationship of members of the Enlarged Governing Board ends upon resignation, retirement, non-reappointment or removal from office.

² In the case of removal from office, the employment relationship is considered terminated at the time the Federal Council approves the removal from office at the proposal of the Bank Council. In the case of resignation or retirement, it is terminated upon expiration of the period of notice; in the case of non-reappointment, it ends after expiry of the term of office.

4.2 Resignation

4.2.1 Period of notice

¹ A member of the Enlarged Governing Board may terminate the employment relationship during the term of office by giving six months' notice with effect from the end of the month.

² The Bank Council may, in agreement with the Governing Board, allow an early termination of the employment relationship.

4.2.2 Form

The resignation must be given in writing and submitted to the President of the Bank Council. The latter informs the Bank Council, the Governing Board and the Head of the Federal Department of Finance (FDF).

4.3 Retirement

4.3.1 Members of the Governing Board

¹ Members of the Governing Board retire from office with effect from the end of the month in which they reach the age of 65.

² Members of the Governing Board may retire at the earliest at the end of the month in which they reach the age of 60. The President of the Bank Council must be notified of the retirement in writing at least six months in advance.

³ In exceptional circumstances, the Bank Council may allow a member of the Governing Board to stay in office until he/she reaches the age of 68.

4.3.2 Deputies

For the Governing Board members' deputies, section 8.3 of the General Terms of Employment apply, with the exception of section 8.3.4 (partial retirement).

4.4 Removal from office

4.4.1 Principles

¹ A member of the Enlarged Governing Board can be removed from office by the Federal Council following a proposal by the Bank Council during his/her term of office, if said person no longer fulfils the requirements for exercising this office or has committed a grave offence (art. 45 NBA).

² With regard to the procedure for removal from office, the provisions of the Federal Act on Administrative Procedure of 20 December 1968 are applicable.

4.4.2 Investigation Committee of the Bank Council

The Bank Council appoints an investigation committee consisting of three members and headed by the President of the Bank Council. The investigation committee conducts the necessary investigations and submits a request, stating the reasons, to the Bank Council for the attention of the Federal Council.

4.4.3 Precautionary measures

In urgent cases, the President of the Bank Council may, as a precautionary measure, suspend a member of the Enlarged Governing Board from his/her duties. The President immediately informs the Bank Council, the Governing Board and the Head of the Federal Department of Finance.

4.5 Restrictions following termination of the employment relationship

4.5.1 Activities for financial intermediaries

¹ Members of the Enlarged Governing Board may not carry out any paid or unpaid activity for:

- a. a financial intermediary in Switzerland or abroad for a period of six months following termination of the employment relationship;

- b. for a Swiss bank considered systemically important pursuant to the Federal Act of 8 November 1934 on Banks and Savings Banks (Banking Act), for a period of twelve months following termination of the employment relationship.

² The Bank Council may grant exceptions or concessions provided that they do not lead to a conflict of interest with the SNB or endanger its reputation.

4.5.2 Activities for other companies

¹ Members of the Enlarged Governing Board may work for companies other than financial intermediaries immediately after termination of the employment relationship.

² If the position is taken up within six months from the termination of the employment relationship, the approval of the Bank Council is required.

³ The Bank Council gives its approval provided that a conflict of interest with the SNB or a danger to its reputation can be ruled out.

4.6 Remuneration

¹ The restrictions after the employment relationship has been terminated will be compensated by a remuneration amounting to six monthly salaries (including any prorated market allowance, excluding representation allowance).

² The following payments are to be offset against this remuneration:

- a. any pension benefits paid out by the SNB pension fund and
- b. any earnings from approved activities in accordance with section 4.5.2.

³ If the employment relationship ends due to non-reappointment or removal from office, the Bank Council may give the member of the Enlarged Governing Board severance pay amounting to a maximum of one year's salary. When determining the amount of severance pay, the Bank Council takes into account the circumstances surrounding the non-reappointment or removal from office, the length of the employment relationship and the professional and personal situation of the member of the Enlarged Governing Board.

⁴ Para. 3 applies mutatis mutandis if a member of the Enlarged Governing Board ends the employment relationship by giving notice in order to protect the interests of the SNB or in order to avoid a procedure for removal from office.

4.7 Protection of confidentiality, loyalty

Members of the Enlarged Governing Board shall observe official and professional secrecy even after termination of the employment relationship.

4.8 Returning data storage devices and property of the SNB

Upon termination of the employment relationship, members of the Enlarged Governing Board are obliged to voluntarily surrender to the SNB all data storage devices, documentation and equipment received without being asked to do so.

7.2 Other leave

In addition to paid short-term leave (section 4.4.1 General Terms of Employment), the Bank Council may, in justified cases, grant a member of the Enlarged Governing Board other paid or unpaid leave.

8. Rules of conduct

¹ The Bank Council issues regulations on the conduct of members of the Enlarged Governing Board, where this is necessary to protect the good reputation, integrity and standing of the SNB.

² In particular, it may impose restrictions upon private financial investments and financial transactions by members of the Enlarged Governing Board and require them to disclose their assets.

³ In the event of any infringements against these rules of conduct, the Bank Council may:

- a. Issue reprimands and warnings;
- b. Order that salary payments be discontinued for a period of two months, at the most;
- c. Impose the sanctions set out in the regulations.

⁴ A serious infringement against the rules of conduct may constitute a grave offence as specified in art. 45 para. 1 NBA.

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