

# Cooperation Agreement

("Agreement")

between

Universität Zürich

Rämistrasse 71, 8006 Zürich

("UZH")

and

Eidgenössische Technische Hochschule Zürich

Rämistrasse 101, 8092 Zürich

("ETH Zürich", together with UZH "Universities")

on the one side

and

Swiss Finance Institute Stiftung

Limmatquai 122, 8001 Zürich

("Swiss Finance Institute")

on the other side

(individually each "Party", together the "Parties")

regarding

**Research and Doctoral Education in Banking & Finance**

## RECITALS

- (A) The Swiss Federal Government grants based on the law on research (*Forschungsgesetz*) subsidies to the National Centre of Competence in Research NCCR FINRISK, "Financial Valuation and Risk Management" ("NCCR FINRISK"). This program started in November 2001 and it is assumed that the Federal Government subsidises NCCR FINRISK for a period of 10 to 12 years, i.e. another 6 to 8 years from today on, and that thereafter the Swiss Federal Government probably subsidises subsequent National Centres of Competence in Research ("NCCR") in the field of Banking & Finance.
- (B) Finance is a young but increasingly important discipline that has evolved at the crossroads of economics, accounting, mathematics and statistics. It studies and addresses the ways in which individuals, businesses and organizations (such as banks and insurance companies, for instance) raise, allocate and use monetary resources over time, taking into account the risks entailed in their projects. Traditionally, finance research has been classified into two main categories: corporate finance and investments. But over the years, finance has branched out in several directions - for instance market microstructure, risk measurement and management, behavioural finance, law and finance, - that also borrow ideas and methods from many other disciplines. Thus, it is important to recognize that the richness in the evolution of modern finance is solidly grounded in its interdependence with other disciplines.
- (C) The Universities have with the creation of Risklab at ETH Zürich in 1994 and with the launching of the NCCR FINRISK at UZH (leading house) and ETH Zürich in 2001 built a strong reputation for research in quantitative finance and risk management. They have established in 2002 an international Master of Advanced Studies in Finance program which attracts very good students from all over the world. The Universities have joined forces with the establishment of the Competence Center Finance Zürich ("CCFZ"). CCFZ contributes substantially to mainstream finance research and teaching; for instance, corporate finance and asset pricing are both research topics embraced by UZH faculty, and contributions from ETH Zürich faculty have shaped the way that risk is being thought of, measured and managed worldwide. CCFZ intends to strive for continued international excellence while promoting with a large body of research a multi-disciplinary, interactive view of finance as research field.
- (D) The Universities are fully committed to cooperation in a national network of research in the field of Banking & Finance. As part thereof, the Universities participate in the NCCR FINRISK and are fully committed to promote and co-finance the continuation of NCCR FINRISK and subsequent similar programs.
- (E) The Swiss Finance Institute is a foundation in accordance with article 80 et seq. of the Swiss Civil Code domiciled in Zürich with the following purpose:

"To promote world-class research and education in Switzerland, by means of competitively awarded funding for university institutions and networks, which will enhance the advantages of Switzerland as a scientific and financial center, with results that are useful and relevant for teaching purposes and in practice."

The Swiss Finance Institute was founded and is financed by the Swiss Bankers Association (SwissBanking) and its member banks as well as other key players of the Swiss finance centre and pursues its purpose in cooperation with universities of Switzerland and the Swiss Federal Government. It is anticipated to merge the following foundations with the Swiss Finance Institute in order to adapt the structure in the field of research and education in Banking & Finance to today's need: Swiss Banking School – Stiftung, Zürich, Centre International FAME pour la Gestion de Patrimoine et l'Ingénierie Financière (FAME), Geneva and Stiftung Banking and Finance an der Universität Zürich, Zürich.

- (F) The Parties wish to cooperate on a long term basis with regards to research and doctoral education in the field of Banking & Finance by expanding and sponsoring an integrated centre of research ("Centre of Research").

**IT IS AGREED as follows:**

## **I. FUNDAMENTALS**

### **1. Objective**

The Parties strive for excellence and global recognition in research and doctoral education in the field of Banking & Finance; they foster world-quality fundamental and applied research and knowledge transfer activities.

Therefore, the Parties agree to cooperate on a non-exclusive basis in particular by

- building up and maintaining an integrated Centre of Research through co-financing of professorships of worldwide renown;
- strengthening the doctoral program in finance of universities having entered into a co-operation agreement with Swiss Finance Institute ("Partner Universities") and further enhancing its coordination with the Swiss-wide doctoral programs in finance offered by other universities;
- promoting and coordinating (by the Swiss Finance Institute) and actively participating in (by the Universities) a Swiss-wide network structure with other centres for research and doctoral education in the field of Banking & Finance.

The Parties agree that the benefits of research and doctoral education will be optimized by close cooperation and that such cooperation is in the best interest of the Swiss scientific and finance centres. Therefore, the Centre of Research shall be highly integrated. Research and doctoral education in the field of Banking & Finance shall, furthermore, be closely coordinated on a Swiss-wide level in an extensive research and doctoral education network; the Swiss Finance Institute shall facilitate such coordination through its sponsorships in accordance with this Agreement and similar cooperation agreements with Partner Universities.

The sponsoring by the Swiss Finance Institute is linked with the existence and continuation of the NCCR FINRISK and with the full commitment of the Universities to support, advance and co-finance NCCR FINRISK and subsequent similar programs.

### **2. Centre of Research**

#### **2.1. Fundamental Commitment**

Within their legal framework, the Universities shall in close cooperation and together with each other invest substantial financial and other resources in the Centre of Research. The Centre of Research shall be named "Swiss Finance Institute Zürich".

UZH shall manage the Centre of Research and shall be responsible for the coordination with ETH Zürich.

The Parties will agree at a later stage on further rules and procedures (*Organisationsreglement*) governing the cooperation between Swiss Finance Institute and the Centre of Research according to this Agreement.

Nothing in this Agreement shall limit the independence of academic research and education.

## 2.2. Structure of the Centre of Research

In order to reach the critical size requirement and the overall goals of this Agreement,

- the Universities agree not to decrease the current number of 11 professorships (7 at UZH, 4 at ETH Zürich) currently devoted to the discipline of Banking & Finance and related disciplines and qualifying for this Agreement (Annex C);
- the Universities commit as follows to the creation of new full-time professorships in the area of Banking & Finance and related disciplines with reserve that quality and financing is assured:
 

Faculty of Economics of UZH:	<ul style="list-style-type: none"> <li>- At least 4 professorships within the next four years.</li> <li>- At least 6 professorships within the next eight years.</li> </ul>
Department of Mathematics of ETH Zürich:	<ul style="list-style-type: none"> <li>- At least 2 professorships within the next four years.</li> <li>- At least 4 professorships within the next eight years.</li> </ul>
- the Universities agree that in application of this Agreement all professors holding a "Swiss Finance Institute Senior Chair" or a "Swiss Finance Institute Junior Chair" (together "Swiss Finance Institute Chairs") (Annex D) will be subject to a scientific review by the Swiss Finance Institute Scientific Council ("Scientific Council").

As a consequence of these commitments, the Centre of Research by 2011 should count no less than 21 professors actively doing research in Banking & Finance, of which no less than 10 will qualify for Swiss Finance Institute Chairs. All professors holding a Swiss Finance Institute Chair and all professors supported by the Swiss Finance Institute are members of the Swiss Finance Institute Faculty ("SFI Faculty").

Furthermore, the Centre of Research shall include full-time professorships in research fields complementary to finance (fields that are important to Banking & Finance, but are likely to apply a different methodology, e.g. law, ethics, psychology etc.).

The Centre of Research shall have a doctoral program in Banking & Finance. To qualify for support by the Swiss Finance Institute and thus participate in the Swiss Finance Institute PhD Program ("PhD Program"), the doctoral program must be coordinated with other selected Swiss universities and meet the quality requirements stated in Article 1/2.3. If the doctoral program qualifies for support, there shall be approximately 2 to 4 doctoral students per Swiss Finance Institute Senior Chair, but not less than a total of 10 doctoral students admitted through a standardized admission process to the PhD Program ("PhD Candidates").

## 2.3. Fundamental Quality Requirements

The Centre of Research shall meet the quality requirements of the highest standards. Such fundamental requirements shall be adopted by the Swiss Finance Institute Foundation Board ("Foundation Board") based on the recommendations of the Scientific Council and of the Universities.

As a preliminary guideline it is agreed that the quality requirements for Swiss Finance Institute Chairs shall correspond to the qualifications required to get an offer for a corresponding position at one of the top finance departments at universities in the world.

## 2.4. Research Areas

The research areas of the Centre of Research shall be jointly defined by the Universities and the Scientific Council.

## 2.5. Head of Centre of Research

The Centre of Research shall appoint a professor (selected as soon as practically possible from the ones holding a Swiss Finance Institute Senior Chair) as head of the Centre of Research, acting as "primus inter pares" mainly for coordination purposes.

### 3. Close Cooperation among Universities and Network

The Universities agree to closely cooperate and actively participate in a network for research and doctoral education with other selected Swiss universities and schools of technology, in particular with regards to the appointment of professors, the designation of research areas, the participation in NCCR FINRISK and the doctoral program in order to optimize the benefits for Switzerland of the constitution of a scientific centre with a qualified focus in the field of Banking & Finance.

The Swiss Finance Institute in turn agrees to establish clear procedures for admission of new Partner Universities and to apply to all Partner Universities the same criteria to recognize quality and academic credentials.

### 4. Interactivity and Know-how Exchange between Practice and Academia

The Universities fully commit to interactivity and know-how exchange between practice and academia of their research activities.

## II. SPONSORSHIPS

### 1. Principles

The Swiss Finance Institute shall provide co-financing and sponsorship to the Universities according to the following criteria:

As a general rule, the Swiss Finance Institute proposes a sponsorship that is based on the concept of matching funds, i.e. overall its commitments shall match the financing by the Universities, respectively, that are directly linked to the purpose of this cooperation and that satisfy high quality standards. The matching rule shall target on the average an overall ratio of 60% by the Swiss Finance Institute and 40% by the Universities. Financial commitments of the Universities qualified as matched financing of the Universities for other purposes (e.g. in connection with NCCR FINRISK) are excluded from consideration.

The Parties and the Foundation Board of the Stiftung Banking and Finance an der Universität Zürich have agreed to merge the Stiftung Banking and Finance an der Universität Zürich into Swiss Finance Institute subject to adequate protection of the beneficial interests of UZH resulting from said Stiftung. The following shall apply, therefore, with regard to the payment of CHF 500'000 p.a. to UZH by the Stiftung Banking and Finance an der Universität Zürich:

- CHF 200'000 p.a. being paid to UZH by Swiss Finance Institute shall be considered as contribution by UZH (*Eigenleistung*) and shall be matched against the additional contribution of CHF 300'000 from Swiss Finance Institute. As a consequence, with regard to the first CHF 500'000 p.a. attributed to UZH by Swiss Finance Institute the matching funds principle according to Article II.1. shall be considered met.
- All other terms and conditions for the sponsoring according to this section II. shall remain unchanged.

All of the funds sponsored by the Swiss Finance Institute shall be used solely for the dedicated purpose and solely by the sponsored person (*Zweckgebundenheit*).

Initial indications of the anticipated amounts and durations of the sponsorships are given in Annex D.

The Swiss Finance Institute shall sponsor selected professorships by awarding Swiss Finance Institute Chairs.

The duration of individual sponsorships (including renewals if any) is limited. Any renewal is subject to a comprehensive review by the Scientific Council.

The Universities shall commit that their academic career track includes the possibility of holding a position as tenure track assistant professor in Banking & Finance and that they create a full professor position in case the promotion procedure of the professor holding the "Swiss Finance Institute Tenure Track Assistant Professorship" (after 4 to 6 years) is successful.

## **2. Financing**

The Universities shall finance:

- The personal salary of the professors holding SFI-Chairs, applying their own salary framework and, notably, their own wage scale;
- comprehensive standard services including salary of secretariat and infrastructure.

The Swiss Finance Institute shall sponsor:

- Additional research budgets;
- the personal salary of Swiss Finance Institute Tenure Track Assistant Professorships (up to six years), whereby upon promotion to full professor, the salary shall be financed by the Universities.

## **3. Obligations of Sponsored Professors**

Professors holding a Swiss Finance Institute Chair shall have an obligation to

- undertake best efforts to produce world class research under Swiss Finance Institute primary affiliation;
- be involved in the major research activities of the Swiss Finance Institute;
- direct doctoral theses; and
- be available once or twice a year for knowledge transfer in oral or written form.

Furthermore, professors holding a Swiss Finance Institute Senior Chair are expected to place students in top universities.

## **4. Research Fund and Research Budget**

Professors of the SFI Faculty other than Swiss Finance Institute Senior Chairs may be supported in specific projects by the Swiss Finance Institute by granting of a "Research Fund".

Professors not holding a Swiss Finance Institute Chair having published in the recent past in a scientific journal approved by the Scientific Council may be supported by the Swiss Finance Institute by granting of a "Research Budget". The list of scientific journals approved by the Scientific Council shall be published on a regular basis.

Supported professors shall have an obligation to conduct the corresponding research project to completion within the given timeframe, if applicable, and shall submit upon completion and at any time upon request by the Swiss Finance Institute a report on their research project.

## **5. Visiting Professors**

On the assumption that the Base Salary of visiting professors is provided for by their home university or institution, the Universities shall provide the financing of infrastructure (offices, equipment etc.) and the Swiss Finance Institute shall sponsor selected visiting professors ("Visiting Professors") by contributing additional salary and expenses related to the visit (travel, housing etc.).

## **6. Swiss Finance Institute PhD Program**

Unless otherwise mutually agreed, the Swiss Finance Institute shall sponsor PhD Candidates:

- by contributing the Base Salary for the first year of program; and
- upon successful completion of the first year of the program a per year travel allowance to be used for research presentation in one of the major professional meetings (list of such meetings to be approved by the management of the PhD Program);

The Universities shall provide financing of the PhD Candidates as follows:

- Base Salary of the PhD Candidates from second year onwards of the program;

- infrastructure (offices, equipment etc.).

The Universities shall finance a significant number of first year doctoral courses for its doctoral students and PhD Candidates by inclusion in the "cahier des charges" of the Swiss Finance Institute Chairs and professors of the SFI Faculty.

The Swiss Finance Institute shall sponsor PhD courses of the PhD Program ("PhD Courses"), in particular 3 to 6 second year PhD Courses open to doctoral students from any university. In addition the Swiss Finance Institute may sponsor first-year PhD Courses according to the needs of a high quality PhD program. The specific support of the Swiss Finance Institute to the PhD Program will be adapted to the needs of the Partner Universities and the requirements of a PhD program of worldwide quality.

#### **7. Publication Awards and Research Prize**

The Swiss Finance Institute may award professors of the SFI Faculty with a publication award. The SFI Faculty may award researchers with a research prize.

#### **8. Future Sponsorships**

The Parties will review on a regular basis other possibilities of sponsorship that could contribute to the pursuit of the objectives set forth in Article L/1. of this Agreement.

#### **9. Procedures**

##### **9.1. Decision Process by Foundation Board**

The Swiss Finance Institute commits to make sponsoring commitments in accordance with the principles of this Agreement. Decisions shall be taken on a case by case basis and based on objective criteria that shall be communicated to the Universities..

The Foundation Board shall render its decisions based on the recommendations of the Scientific Council.

##### **9.2. Fast Track Appointment**

Provided compliance with the Universities' statutes and ordinances, the Universities commit to a fast track appointment of Swiss Finance Institute Chairs with the goal that such appointments shall be completed within a maximum of 6 months between the end of the "concours" and the nomination.

##### **9.3. Appointments**

Professors shall be appointed by the Universities. Universities intending to appoint professors to the SFI Faculty shall have their appointment proposal reviewed by the Scientific Council. The procedure shall be adapted to the legal dispositions of the Universities.

Following a positive recommendation by the Scientific Council, the candidate may be appointed as a professor of the SFI Faculty. In case the Scientific Council does not support the appointment, the Universities remain free to appoint the candidate to a chair within the academic field of Banking & Finance.

##### **9.4. Reviews**

The scientific review by the Scientific Council will bear on the definition of research areas and on quality. Only sponsored or supported professors may be subjected to a scientific review. Within the limits of the scientific review, the Scientific Council has the right to receive timely information and to submit written or oral comments and to receive feedback on such comments.

The Universities shall grant the Swiss Finance Institute the right to participate in the definition of the requirements for PhD Candidates and the right to periodically review the evaluations, admissions and achievements of PhD Candidates.

### III. BRANDING

#### 1. Reference to the Swiss Finance Institute

The Universities shall, taking into account to the extent necessary requirements set forth by other stakeholders, dominantly and prominently use the brand "Swiss Finance Institute", in particular by

- public and primary affiliation with the Swiss Finance Institute in branding activities, e.g. "Member of the Swiss Finance Institute, University of Zürich / ETHZ".
- primary affiliation in publications of Swiss Finance Institute Chairs, e.g. "Prof. XYZ, professor of finance at the UZH / ETH Zürich, Swiss Finance Institute Professor", "XYZ, Doctoral student at the UZH / ETH Zürich, Swiss Finance Institute Zürich".
- primary affiliation of SFI sponsored full professors and tenure track professors, e.g. "Prof. XYZ, professor of finance at the UZH / ETH Zürich, Swiss Finance Institute Professor".
- primary affiliation of PhD-program and academic titles, e.g. "Swiss Finance Institute Thesis, UZH / ETH Zürich".

The Swiss Finance Institute may grant such right to use the brand "Swiss Finance Institute" to other professors it sponsors or supports.

#### 2. Rights Reserved

Any rights in, and any intellectual property rights with regards to, the combination of the words "Swiss Finance" and "Swiss Finance Institute" ("Brand Names") shall remain with the Swiss Finance Institute. The Universities shall transfer Brand Names licensed to them or otherwise acquired by them during the term of this Agreement to Swiss Finance Institute at any time upon first demand.

#### 3. Intellectual Property

This Agreement shall not affect present and future intellectual property rights originating with the Universities and its staff, irrespective of an affiliation with the Swiss Finance Institute. Article III.2. of this Agreement is reserved.

### IV. REPRESENTATION IN FOUNDATION BOARD

The Universities shall have the right to jointly nominate one representative as member of the Foundation Board in accordance with Article 5 Section 2 of the Charter of the Swiss Finance Institute dated 3 August 2005. The Universities shall be represented in the Foundation Board by a member of the University Management (Universitätsleitung, Schulleitung). The Foundation Board may reject a nominee or remove a representative only if the relevant person is not or is no longer a member of the University Management.

### V. SCIENTIFIC COUNCIL

The Scientific Council consists of at least five independent academic experts appointed for a fixed term (not to exceed 5 years). Reappointment is possible once. The experts shall be appointed by the Foundation Board. The appointments have to be made by unanimity of the votes represented and exercised at the respective meeting (i.e. excluding abstentions).

### VI. INFORMATION RIGHTS

The Parties shall inform each other and the other Partner Universities on a continuing and regular basis on all relevant issues in connection with the Centre of Research and Swiss Finance Institute, respectively. Additionally, the Swiss Finance Institute may request any further information it may



reasonably require in connection with this Agreement and has the right to audit and inspect the Centre of Research.

## **VII. MISCELLANEOUS**

### **1. Term and Termination**

#### **1.1. Agreement**

This Agreement shall become effective upon signing by the Parties. It shall be entered into for a fixed term until 31 December 2009 and shall be automatically renewed thereafter for consecutive terms of 5 years each, unless terminated by any Party by giving 6 months prior written notice to 31 December 2009 or, thereafter, to the end of a subsequent calendar year.

#### **1.2. Sponsorship Commitments**

Non-performance of a sponsorship commitment shall not automatically give a right to terminate this Agreement, but may qualify as valid reason for immediate termination.

### **2. Confidentiality**

Provided that this Agreement is not already public based on transparency requirements of the cantonal administration, the Parties shall not disclose any details of this Agreement.

### **3. Further Provisions**

#### **3.1. Limitation of Liability, No Third Party Rights**

To the extent legally permissible, any liability of each Party, its officers, employees or agents for damages is excluded, except for cases of gross negligence or wilful misconduct.

Nothing in this Agreement shall constitute any rights of third parties and no Party has the right to represent the other Party towards third parties. Each Party shall refrain from any act or statement that could give a third party the impression that such rights might exist.

#### **3.2. Assignment**

No Party shall assign its rights or duties hereunder without a prior written approval of the other Party, except for transfers by the Swiss Finance Institute in case of a restructuring (including mergers).

#### **3.3. Amendments**

Any amendment of this Agreement (including this provision) has to be made in writing.

### **4. Governing Law and Jurisdiction**

This Agreement shall be subject to and governed by the substantive laws of Switzerland.

Any dispute, controversy or claim arising out of or in relation to this Agreement shall be settled by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers of Commerce in force on the date when the notice of arbitration is submitted in accordance with these rules. The number of arbitrators shall be 1, the seat shall be in Zürich and the arbitral proceedings shall be conducted in English.

**Annex B Definitions**

<b>Agreement</b>	The present Cooperation Agreement
<b>Appointment, appoint</b>	The term includes promotions to professorship and to the Swiss Finance Institute Faculty, respectively
<b>Base Salary</b>	Base salary including salary-related costs
<b>Brand Names</b>	Any rights in, and any intellectual property rights with regards to, the combination of the words "Swiss Finance" and "Swiss Finance Institute"
<b>CCFZ</b>	Competence Center Finance Zürich, a research and education network of the Universities
<b>Centre of Research</b>	Integrated centre of research of the Universities in the field of Banking & Finance named Swiss Finance Institute-UZH / ETH Zürich
<b>Cost</b>	Salary-related costs such as social security, pension and other costs
<b>ETH Zürich</b>	Eidgenössische Technische Hochschule Zürich
<b>Foundation Board</b>	Swiss Finance Institute Foundation Board
<b>NCCR</b>	National Centre of Competence in Research
<b>NCCR FINRISK</b>	National Centre of Competence in Research NCCR FINRISK, "Financial Valuation and Risk Management"
<b>Parties</b>	The Universities and Swiss Finance Institute
<b>Partner Universities</b>	Universities that have entered into a cooperation agreement with Swiss Finance Institute equivalent to this Agreement
<b>Party</b>	Either UZH, ETH Zürich or Swiss Finance Institute
<b>PhD Candidates</b>	Partner Universities' doctoral students taking part in the PhD Program
<b>PhD Courses</b>	PhD Courses within the PhD Program sponsored by the Swiss Finance Institute
<b>PhD Program</b>	Partner Universities' doctoral program in Banking & Financing supported by the Swiss Finance Institute
<b>Research Budget</b>	Financial sponsoring for professors not holding a Swiss Finance Institute Chair but having published in the recent past in a scientific journal approved by the Scientific Council
<b>Research Fund</b>	Financial sponsoring for specific projects of professors of the SFI

	<b>Faculty other than Swiss Finance Institute Senior Chairs</b>
<b>Scientific Council</b>	<b>Swiss Finance Institute Scientific Council</b>
<b>SFI Faculty</b>	<b>Professors holding a Swiss Finance Institute Chair and professors supported, or being a candidate for support, by the Swiss Finance Institute</b>
<b>Swiss Finance Institute</b>	<b>Swiss Finance Institute Stiftung</b>
<b>Swiss Finance Institute Chairs</b>	<b>Swiss Finance Institute Senior Chairs and Swiss Finance Institute Junior Chairs (see <u>Annex D</u>)</b>
<b>Swiss Finance Institute Junior Chairs</b>	<b>Swiss Finance Institute Junior Full Professorships and Swiss Finance Institute Tenure Track Assistant Professorships (see <u>Annex D</u>)</b>
<b>Swiss Finance Institute Senior Chairs</b>	<b>Swiss Finance Institute Senior Full Professorships and Swiss Finance Institute Senior Full Professorships "Exceptional cases" (see <u>Annex D</u>)</b>
<b>Swiss Finance Institute Tenure Track Assistant Professorships</b>	<b>Professorships awarded to selected tenure track assistant professors with anticipated top track record (see <u>Annex D</u>)</b>
<b>Universities</b>	<b>ETH Zürich and UZH together</b>
<b>UZH</b>	<b>Universität Zürich</b>
<b>Visiting Professors</b>	<b>Professors of another university invited to serve as a member of the faculty of the Universities for a limited period of time sponsored by the Swiss Finance Institute</b>

**Annex C**

**Professorships Banking & Finance, Build-up Swiss Finance Institute Chairs**

**Existing professorships in consideration for the present agreement**

**UZH**

1. R. Gibson
2. M. Chesney
3. M. Habib
4. T. Hens
5. M. Paolella
6. R. Volkart\*
7. H. Geiger\*

**ETH ZÜRICH (list to be checked and possibly completed by ETH)**

8. P. Embrechts
9. F. Delbecq\*
10. M. Schweizer
11. D. Sornette

\* Professors retiring in the next 5 years

**Steps for Universities' Commitment for Build-up of Swiss Finance Institute Chairs**

- commitment to build up 10 Swiss Finance Institute Chairs (6 by UZH, 4 by ETH Zürich);
- commitment to replace 3 existing full professorships that become vacant through retirement (starred professorship as above) with full professors or tenure track assistant professors that qualify for Swiss Finance Institute Chairs;
- commitment to replace any of the 11 existing full professorships that would become vacant through the chair holder leaving the university with full professors or tenure track assistant professors that qualify for Swiss Finance Institute Chairs;
- commitment not to decrease in the future the number of Swiss Finance Institute Chairs existing today or created at any time.

## Annex D

## Sponsorships

## Definitions

## Swiss Finance Institute Senior Chairs:

**Swiss Finance Institute Senior Full Professorships:** Selected full tenure professors with proven top track record.

**Swiss Finance Institute Senior Full Professorships "Exceptional cases":** Very selected, highly distinctive professors with world-class track record holding a Swiss Finance Institute Senior Chair.

## Swiss Finance Institute Junior Chairs:

**Swiss Finance Institute Junior Full Professorships:** Selected newly promoted full tenure professors with anticipated top track record.

**Swiss Finance Institute Tenure Track Assistant Professorships:** Selected tenure track assistant professors with anticipated top track record.

## Reference Amounts

	Sponsoring Amount	Duration
1.	Per SFI Senior Chair	
	CHF 100'000 per year (gross, i.e. including "Cost")	5 years, renewable indefinitely subject to: complete re-evaluation of performance at the be- ginning of year 4 by the Scientific Council
2.	Per SFI Senior Chair „Exceptional cases“	
	discretionary	discretionary
3.	Per SFI Tenure Track Assistant Professorship	
	CHF 150'000 per year (full-time position, including Cost)	until earlier of 4 to 6 year or completion of pro- motion procedure
4.	Per SFI Junior Chair	
	CHF 50'000 per year (gross, i.e. including Cost)	3 years, renewable twice subject to complete re-evaluation of performance during year 3 by the Scientific Council

<b>5.</b>	<b>Research Budget and Research Fund</b>	
	Research Budget	CHF 5'000 to 10'000 (gross, i.e. including Cost and expenses)
	Research Fund	up to CHF 20'000 (gross, i.e. including Cost and expenses)
<b>6.</b>	<b>Per Visiting Professor</b>	
	Visiting package	CHF 100'000 to 200'000 (gross, i.e. including Cost and expenses)
<b>7.</b>	<b>Swiss Finance Institute PhD Program</b>	
	Sponsored Base Salary for first year	CHF 25'000 per first year plus cost allowance (gross, i.e. [including Cost/plus Cost])
	Sponsoring of first year PhD courses	CHF 1'000 per 60 minutes of doctoral teaching (gross, i.e. including Cost)
	Sponsoring of second year PhD courses	CHF 25'000 per block course plus travel expenses (gross, i.e. including Cost)
<b>8.</b>	<b>Publication Awards</b>	
	Award to researchers	up to CHF 20'000 Publication awards program to be reviewed after 5 years