

Ascom Holding AG

Organization Regulations

1. GENERAL

The Company's business shall be conducted according to Swiss Law, the Articles of Incorporation and the Organization Regulations.

The Organization Regulations are based on Art. 18.2 of the Articles of Incorporation of Ascom Holding AG. The Organization Regulations prevails over all other Ascom regulations.

They regulate the constitution of, passing of resolutions by, as well as the duties and powers of the Board of Directors.

2. THE BOARD OF DIRECTORS

2.1 Basic Principles

As the supreme managing board of the Company, the Board of Directors may assign all or part of its duties and powers to individual Members or to third parties as set out in these Organization Regulations.

The Board of Directors shall be responsible for the overall direction as well as the supervision and control of the Management. It shall set guidelines for business policies and ensure that it is regularly informed on the course of business.

The Board of Directors shall be empowered to pass resolutions on all matters that are not reserved for or assigned to the Annual General Meeting or another of the Company's boards by Law, the Articles of Incorporation or Organization Regulations.

2.2 Constitution of the Board of Directors

The Board of Directors shall constitute itself.

2.3 Duties

The Board of Directors shall in particular have the following non-transferable and inalienable duties:

- a) overall direction of the Company, including laying down its strategic orientation, and the Group, as well as issuing directives as required
- b) laying down the organization and management structure
- c) appointing and dismissing persons entrusted with the management and representation of the Company and laying down who is entitled to sign on behalf of the Company
- d) laying out the forms of accounting, financial control and financial planning
- e) supervising the persons entrusted with the management of the Company, specifically in respect of compliance with Laws, Articles, Regulations and directives
- f) drawing up the Annual Report as well as preparing the Annual General Meeting and carrying out its resolutions
- g) informing the courts in the event of overindebtedness

- h) passing resolutions on the financing of the business, especially deciding on capital increases and IPOs and the consequent changes to the Articles
- i) passing resolutions on participations of major/strategic significance
- (j) reviewing the specialist requirements for specially empowered auditors
- (k) issuing the Organization Regulations
- (l) fixing the compensation for Members of the Board of Directors and the Executive Board.

2.4 Exercise of a Board mandate, Age limit

The exercise of a mandate as a Member of the Board of Directors shall be explicitly restricted to the individual concerned. Deputies/proxies shall not be permitted.

Members of the Board of Directors shall in principle be allowed to exercise an advisory mandate for the Ascom Group in parallel to their work as Members of the Board of Directors, provided that prior to the granting of the mandate

- a) there is a written agreement that at least describes the duties contained in the mandate and fixes the details of compensation,
- b) the mandate is submitted to the Board of Directors
- c) the mandate is unanimously approved by the Board of Directors.

Members of the Board of Directors shall leave the Board at the Annual General Meeting held in the year in which they celebrate their 70th birthday. The Board of Directors shall only propose the re-election of Members of the Board to the Annual General Meeting up to this date.

2.5 Meetings of the Board of Directors

The Chairman shall convene meetings of the Board of Directors as often as business demands. As a rule, the Board of Directors shall meet on a monthly basis.

In the event that the Chairman is unable to do so, the Vice-Chairman shall convene the meeting. Every Member of the Board of Management shall be entitled to convene an immediate meeting upon stating its purpose.

The Chairman shall draw up the agenda, taking into account any wishes of the other Members. Members must submit such wishes at least fifteen working days before the date fixed for the meeting, so that there is sufficient time to prepare for the meeting.

Invitations will be sent in writing at the latest ten working days before a meeting. The Chairman may shorten this period in extraordinary situations. Any related documentation will, as a rule, be sent five working days before the meeting.

Resolutions on items that are not on the agenda may only be passed if all of the Members of the Board of Directors are present.

The Chairman or – if he is unable to attend – the Vice-Chairman shall take the Chair.

2.6 Self-assessment

The Board of Directors shall discuss its performance and that of its Members each year at the first meeting of the Board of Directors after the Annual General Meeting.

2.7 Resolutions by the Board of Directors

The Board of Directors may pass resolutions provided that an absolute majority of Members is present. The Members of the Board of Directors may not arrange to be represented by someone from outside (a non-member) at meetings of the Board. Voting on behalf of another Member on the basis of a power of attorney to that effect shall also not be permitted. Voting in writing by letter, fax or e-mail shall not be valid (exception: circular resolutions).

The Board of Directors shall pass its resolutions and make its elections by a majority of the votes cast. The Chairman shall hold the casting vote.

Resolutions may be passed in the form of circular resolutions or, in urgent situations, by telephone followed by a written confirmation, unless a Member demands by telephone, e-mail or fax within five days of receipt of the motion for a resolution to be passed in this way that the matter be discussed at a meeting.

Circular resolutions shall be valid provided that at least a majority of all of the Members of the Board of Directors has approved them. They must be ratified at the next meeting of the Board of Directors.

In the case of transactions that cannot be postponed by virtue of their urgent nature, the Chairman or, if he is unable to do so, the Vice-Chairman is obliged, subject to the duties listed under point 2.3, to decide on his own and to inform the other Members at the earliest opportunity.

Such resolutions must also be ratified at the next meeting of the Board of Directors.

2.8 Informing Members of the Board of Directors

The Chairman shall, with the assistance of the Executive Board, ensure that Members are informed in a timely manner of all aspects of the Company's business required for them to reach decisions and to carry out their supervisory functions. The Board of Management shall receive documentation for Board meetings in sufficient time for it to be studied. Documents may be sent in batches and/or by e-mail.

2.9 Minutes

Minutes shall be kept of all negotiations and resolutions made by the Board of Directors. These shall be signed by the Chairman and the Company Secretary and approved by the Board of Directors.

2.10 Attendance at meetings by third parties

Taking into account the items on the agenda, the Chairman shall decide whether to summon members of the Executive Board or other management teams to attend meetings or to be present for specific items on the agenda. The other Members of the Board of Directors may in all cases request that those responsible for the business attend.

The Board of Directors must be advised in advance of the attendance of persons not belonging to the Ascom Group.

3. DELEGATION

The Board of Directors shall delegate the operational management of the Company and the Ascom Group entirely to the Chief Executive Officer, unless otherwise required by the Law, the Articles or these Organization Regulations.

4. RIGHT OF MEMBERS OF THE BOARD OF DIRECTORS TO INFORMATION AND INSPECTION

Every Member of the Board of Directors may demand information on all matters relating to the Company.

4.1 Right of Members of the Board of Directors to information and inspection in meetings of the Board of Directors

All Members of the Board of Directors as well as those entrusted with the Management of the Company shall be obliged to provide information at the meetings.

Inspection of business documents requires the authorization of the Chairman.

4.2 Right of Members of the Board of Directors to information and inspection outside meetings of the Board of Directors

Members of the Board of Directors wishing information or inspection of business documents outside meetings of the Board of Directors must express this desire in writing to the Chairman via the Company Secretary.

Information on specific transactions requires the authorization of the Chairman. Insofar as it is necessary to fulfill a duty, any Member can apply to the Chairman via the Company Secretary for books and files to be submitted. If the Chairman rejects a request for information, the Board of Directors as a whole shall decide on the matter.

In preparation of the business of the Committees, the Chairmen of the Committees may make direct contact with the CEO and the CFO, but must inform the Chairman and, if they contact the CFO, the CEO.

5. MEDIA AND INVESTORS

The Chairman and the CEO are responsible for the relations with the shareholders, investors and other stakeholders as well as for the coordination of the public and media relations.

Under normal circumstances, the CEO, assisted by the CFO and General Secretary, shall communicate according to the strategy laid down by the Board of Directors.

The investor relations activities as well as the major statements to the shareholders and potential investors shall be coordinated with the Chairman. The Chairman shall be informed orally or via e-mail about planned roadshows and the outcome of them.

The Board is responsible for requests from shareholders or groups of shareholders, ideas relating to the future development of the company from shareholders or potential investors, takeover intentions, Board matters, or corporate governance issues. Therefore the Chairman has to be informed immediately in case such requests will be made.

Analysts' reports shall be distributed to the Board of Directors immediately following publication. Reporting to the Board of Directors as a whole on contacts with investors shall be agreed in consultation with the Chairman.

The Chairman may at any time decide to take charge of communications. If expedient, the Chairman may delegate part of his responsibilities to other persons.

In specific cases, the Board of Directors may decide on another way to handle matters. Unless the Board of Directors has made a special resolution in such specific cases, the other Members of the Board of Directors and the Executive Board are not entitled to arrange for the public, representatives of the media, the Company's stakeholders, analysts, asset managers, investors, individual investors or groups of shareholders to receive information on Ascom, especially not on Board matters, or to make related documents accessible to them.

Members of the Board of Directors or the Executive Board who are approached by media representatives or others from the interested parties listed above, investors, individual shareholders or groups of shareholders in relation to Ascom are obliged to immediately notify the Chairman by telephone (including by SMS), fax or e-mail. They shall tell the person asking the questions that, to ensure a uniform response by company management, the Chairman is the sole spokesman vis-à-vis third parties.

Furthermore, the Board of Directors asks the General Secretary to coordinate information and communications to the media, the interested parties and stakeholders listed above and the public throughout the whole Group (including the Board of Directors), in order to ensure top-down consistency.

All media and public relations activities shall be conducted in accordance with the principle that statements may not contradict the messages laid down by the Group.

6. REPORTING

The CEO shall keep the Board of Directors up to date in a "Monthly Reporting Package" on the current state of business and on important events (CEO Report). Extraordinary events must be brought to the immediate attention of the Chairman who, together with the CEO, shall be responsible for informing the Board of Directors.

7. COMPENSATION

Details of compensation and entitlement to expenses for Members of the Board of Directors may be found in [Annex 1](#).

8. OBLIGATIONS OF THE BOARD OF DIRECTORS

8.1 Duty of care and good faith

Members of the Board of Directors shall carry out their duties with all due care and shall uphold the interests of the Company in good faith. They shall fulfill their duties independently and not act under instructions.

8.2 Duty to treat all shareholders equally

The Board of Directors must treat shareholders equally under the same conditions. This principle applies in particular to the dissemination of information to shareholders.

8.3 Confidentiality and treatment of insider knowledge

The Members of the Board of Directors and the Company Secretary shall be obliged to maintain absolute silence on all matters of which they acquire knowledge in connection with the fulfillment of their duties on behalf of the Company. They must treat all meetings and minutes of meetings of the Board of Directors, including any documents issued or e-mails, etc., in strictest confidence and retain them exclusively for their own use.

As the Company has its shares listed on the Swiss Stock Exchange (SWX), all Members of the Board of Directors shall be subject to the obligations arising from Art. 161 of the Swiss Penal Code on the penalties for insider trading. Each Member of the Board of Directors shall take all measures necessary to ensure that information defined as insider information under Art. 161 of the Swiss Civil Code does not reach closely associated persons, their subordinates and superiors, business partners, or others with an interest in advance information, or third parties.

As well as not taking advantage of confidential information in a manner subject to penalty under Art. 161 of the Swiss Civil Code, no Member of the Board of Directors shall carry out any transaction for his own or a third party's account in Ascom stock or derivatives (especially in options on Ascom stock) during blocked periods. Blocked periods shall comprise the following:

- a) the four weeks prior to the release of quarterly, semi-annual and annual figures;
- b) the four weeks prior to the press conference on the financial statements;
- c) the period between internal knowledge of information requiring "ad-hoc publicity" under Art. 172 of the listing regulations (e.g. revised profit forecast, important changes in personnel, new products or the discovery of business problems) and the publication of this information.

Members of the Board of Directors shall ensure that no information requiring “ad-hoc publicity” reaches other persons by the means outlined in para. 3 during a blocked period.

8.4 Returning of files

Members of the Board of Directors must return, or destroy (which they must confirm in writing), all official files relating to the Company to the archives at Ascom’s head office, at the latest by the time they leave office.

This does not include minutes of Annual General Meetings, texts published by the Company or minutes of meetings of the Board of Directors or hand-written notes/anything in writing they composed themselves, which arose during their term of office.

Once the files have been returned, Members of the Board of Directors have the right to demand release of the returned files if they have good cause, such as in the case of court proceedings in which they are personally involved.

Ascom shall destroy the returned files 10 years after a Member has left the Board.

9. CONFLICTS OF INTEREST/EXCLUSION

Every Member of the Board of Directors and the Executive Board must conduct his personal and business affairs in such a manner that, as far as possible, he avoids conflicts of interest with the Company.

If there is a conflict of interest, the Member of the Board of Directors/Executive Board concerned shall inform the Chairman. The Chairman/Vice-Chairman shall call for a decision by the Board of Directors depending on the severity of the conflict, which it shall make in the absence of the person concerned.

Any person who has interests that do not conform to those of the Company or who has to represent such interests on behalf of third parties shall absent himself when decisions are being reached. No person who has a lasting conflict of interests may be a Member of the Board of Directors or Executive Board.

Transactions between the Company and members of boards or persons closely associated with them shall be subject to the arm’s length principle; they shall be approved in the absence of the person concerned. If necessary, the Board of Directors shall call for a fairness opinion.

10. THE CHAIRMAN OF THE BOARD OF DIRECTORS

10.1 Election

The Board of Directors shall elect the Chairman from among its Members.

10.2 Duties and obligations of the Chairman

The Chairman shall head the Board of Directors. He shall be responsible for preparing the meetings of the Board of Directors. The basis for preparing meetings shall be the transactions listed in Annex 6 (Ascom Competence Regulations).

The Chairman shall in particular be responsible for preparing the following:

- Strategic orientation of the Ascom Group
- Organization and management structure
- Financing and capital structure.

In addition to his obligations as a Member of the Board of Directors, he shall represent the Board as a whole in supervising the conduct of management and shall ensure that the Board is informed in a timely manner about material developments and events.

The Chairman shall also ensure that the Company's financial situation can be assessed at all times.

The Chairman represents the Company vis-à-vis the shareholders and other stakeholders as well as the public and the media as outlined in the allocation of duties under point 5 (Media Investors).

He shall initiate and monitor all activities (such as issues of succession, compensation, compliance with legal and regulatory provisions, etc.) that enable the Board of Directors to adhere to its obligations under the Law and the Articles of Incorporation and to work together successfully as a body to the benefit of the Company.

The Chairman has a particular right to make proposals to the Board of Directors as a whole on the following topics:

- Annual Report
- Regulations and implementing provisions
- Appointment of Members and Chairmen of Committees
- The Group's strategy
- The Group's organization

11. THE VICE-CHAIRMAN OF THE BOARD OF DIRECTORS

The Vice-Chairman of the Board of Directors shall be the Chairman's Deputy. He shall represent him in his absence.

12. THE COMPANY SECRETARY

The Board of Directors shall elect a Company Secretary, who shall not have to be a Member of the Board of Directors, for an indeterminate term of office.

The Company Secretary shall be responsible for the preparation, conduct and minuting of meetings of the Board of Directors and its Committees. He shall not participate himself in the discussions.

The Company Secretary shall also be responsible for arranging for the publications required under stock exchange regulations as listed in Annex 5.

The Company Secretary shall report to the Chairman. Other Members of the Board of Directors may independently issue instructions to the Company Secretary in connection with their function.

The Company Secretary may act as the representative of Ascom Holding AG and, as instructed by the Chairman, attend meetings of the boards of directors of subsidiaries or boards of trustees of pension fund foundations.

13. COMMITTEES, WORKING GROUPS, EXPERTS

13.1 Committees

In order to prepare for making its resolutions and to comply with its supervisory function, the Board of Directors shall set up Committees from among its Members, which shall analyze specific material or personnel issues in depth and report to the Board of Directors.

The Board of Directors will set up an Audit Committee and a Compensation & Nomination Committee as well as a Strategy Committee as standing committees, made up in each case of at least two non-executive Members of the Board of Directors. The majority of the Members of the Committee shall moreover be independent, whereby non-executive Members of the Board of Directors with relatively little, if any, business relationships with the Company shall be deemed independent. There shall be no fixed terms of office.

At its meetings, the Board of Directors shall be regularly informed of the activities of the Committees and also provided with copies of the Committees' minutes. Overall responsibility and competence for making decisions in respect of the duties assigned to the Committees remains with the Board of Directors. In particular, the non-transferable and inalienable duties under point 2.3 shall not be restricted in any way.

As required, the Board of Directors shall set up one or more ad-hoc Committees, whose duties and membership shall be settled on a case-by-case basis.

13.2 The Audit Committee

The main work of the Audit Committee shall consist of maintaining a concept for the conduct of reviews in relation to

- Internal Control
- Financial Reporting

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- Corporate Internal Auditing
 - External Auditing
 - Compliance with Laws and Regulations
 - Compliance with Company's Rules

The composition, duties, rights and obligations of the Audit Committee are set out in the "Audit Committee Charter" ([Annex 2](#)).

13.3 The Compensation & Nomination Committee

The main work of the Compensation & Nomination Committee shall consist of making recommendations to the Board of Directors in relation to

- Ascom Group pay policies
- Fixing compensation models for Members of the Board of Directors and the Executive Board
- Implementation and monitoring of option plans
- Selection of candidates for appointment to the Board of Directors

The compensation, duties, rights and obligations of the Compensation & Nomination Committee are set out in [Annex 3](#).

13.4 The Strategy Committee

The main business of the Strategy Committee includes the submission of proposals for the attention of the Board of Directors relating to

- the portfolio of business activities, mergers & acquisitions, technology and structure of the Ascom Group
- financial planning, notably the cost structure and measures to add value

The compensation, duties, rights and obligations of the Strategy Committee are set out in [Annex 4](#).

13.5 Working groups

To prepare for the passing of resolutions on transactions requiring expert knowledge, the Board of Directors may appoint working groups from among its Members or nominate individual Board Members as experts on the specific matter.

14. THE EXECUTIVE BOARD

14.1 Election

The Chief Executive Officer (CEO) and the other Members of the Executive Board shall be elected by the Board of Directors.

14.2 Duties and powers

The CEO is responsible for the operational management of the Group. He shall take on the rights and obligations listed in the Competence Regulations (Annex 6) and, together with Executive Board as advisory body, prepare the transactions for resolution by the Board of Directors.

The Members of the Executive Board are answerable to the CEO in disciplinary matters.

15. SIGNING POWERS

The Board of Directors shall lay down and authorize powers to sign on behalf of Ascom Holding AG.

The Chairman, Vice-Chairman and Company Secretary shall each be authorized to sign jointly with one other authorized signatory.

The Board of Directors shall decide which other persons shall have signing powers.

16. CONCLUDING PROVISIONS

16.1 Effective date

These Regulations shall come into force on 1 September 2007 and shall replace those dated 1 April 2006.

16.2 Execution

The Board of Directors and the Executive Board shall enact the implementing provisions necessary for the duties imposed upon them so as to permit the execution of these Regulations.

Berne, 23 August 2007

Chairman of the Board of Directors

Company Secretary

Juhani Anttila

Daniel Lack

Annexes

1. Compensation Regulations for Members of the Board of Directors
2. Audit Committee Charter
3. Composition, duties, rights and obligations of the Compensation & Nomination Committee
4. Composition, duties, rights and obligations of the Strategy Committee
5. Implementation of publication requirements under stock exchange regulations
6. Ascom Competence Regulations
7. Management Transaction Rules
8. Share Registration Guidelines