

# Remuneration report

## Note

PricewaterhouseCoopers AG as statutory auditors have audited the Remuneration Report according to Clause 17 of the Ordinance against Excessive Compensation (“OaEC”). The audit was limited to the information contained in the sections II/1 lit.a , II/2 (Table “Compensation Executive Board 2015”), II/2 lit.g and II/2 lit.h; all marked as “audited information”.

## I. ASCOM REMUNERATION POLICY

### 1. Corporate Governance as basis of the remuneration policy

Remuneration is a part of Corporate Governance (see also p. 18 to 33 of the Annual Report) and Corporate Governance is a key topic for Ascom. Both the Board of Directors and Management are committed to good Corporate Governance in order to ensure sustainable development of the Company. According to the Articles of Association, it is a major task of the Compensation Committee to prepare the resolution of the Board of Directors concerning the compensation of the members of the Board of Directors and the members of the Executive Board to be approved by the Annual General Meeting.

The Annual General Meeting 2015 approved with a majority of over 98% the revised Articles of Association, which reflect the implementation of the Swiss Ordinance against Excessive Compensation (“OaEC”).

#### Basic rules and regulations to be followed are set out in:

- Swiss Code of Obligations
- Ordinance against Excessive Compensation with respect to stock exchange listed companies (“OaEC”)
- Listing Rules of SIX Swiss Exchange
- Articles of Association of Ascom Holding AG
- Organizational Regulations of Ascom Holding AG
- Ascom Code of Ethical Business Conduct
- Swiss Code of Best Practice for Corporate Governance

### 2. Remuneration principles for the Board of Directors

#### a) Legal background

According to Article 20b of the Articles of Association, the compensation of the members of the Board of Directors shall be adequate, competitive and performance-oriented and shall be set in line with the operative and strategic goals, the success of the Company, as well as the long-term interests of the shareholders.

#### b) Compensation structure

Members of the Board of Directors receive a fee in accordance with the Remuneration Regulations (Annex to the Organization Regulations). The members of the Board of Directors receive a fixed fee without a variable component, and this fee is paid in cash. No other remuneration is paid. Members of the Board of Directors receive no severance payment.

The fees for members of the Board of Directors are reviewed on an annual basis and are set by the full Board of Directors subject to the approval of the Annual General Meeting. The assessment of the fees is based on external (e.g. benchmark to other international stock-listed technology companies with similar market capitalization) and internal criteria (e.g. workload, request of availability). Committee work, additional meetings or special projects are not com-

compensated with an additional fee and no attendance fees are paid out either. The mandate of the Chairman corresponds to about 40% of his working time, and the mandate of the other Board members to about 10% of their working time.

According to Article 20e of the Articles of Association, expense recovery is no compensation. The Company reimburses the members of the Board of Directors for all necessary expense, also in form of lump sum expense recoveries within the amount accepted by the tax authorities.

### **c) Mandates outside the Ascom Group**

Article 20d of the Articles of Association defines the mandates outside the Ascom Group:

- Members of the Board of Directors may occupy or exercise four additional positions against compensation in the highest managing or supervising body of other entities that are obliged to be entered into the commercial register or a comparable foreign register and that are neither controlled by nor that control the Company.
- In addition, members of the Board of Directors may occupy or exercise five uncompensated positions in the highest managing or supervising body of such entities, whereby expense recovery is no compensation.
- The Chairman of the Board of Directors may exercise a total of up to three positions in other publicly traded companies.
- In addition to these mandates, members of the Board of Directors may occupy or exercise not more than five positions in several different companies that form the same group of companies or positions that are held based on the Instructions of the Company.

The members of the Board of Directors comply with this regulation. The mandates outside the Ascom Group are listed in the Corporate Governance part (p. 25).

## **3. Remuneration principles for the Executive Board**

### **a) Legal background**

According to Article 20b of the Articles of Association, the compensation of the members of the Executive Board shall be adequate, competitive and performance-oriented and shall be set in line with the operative and strategic goals, the success of the Company, as well as the long-term interests of the shareholders.

The Company may pay to the members of the Executive Board in addition to a fixed compensation a performance-related compensation in cash. The amount of such compensation is dependent on the qualitative and quantitative goals and parameters determined by the Board of Directors, in particular the overall result of the Company and the individual contribution of the respective member.

The amount of the performance-related compensation of a member of the Executive Board (excluding any possible allocation of equity securities, conversion rights, option rights or other rights with equity securities as underlying) cannot exceed the fixed compensation of such member.

Beside a cash compensation, the Company may also allocate equity securities, conversion rights, option rights or other rights with equity securities as underlying to the members of the Executive Board as part of their total compensation ("long-term incentive"). In case of an allocation of equity securities, conversion rights, option rights or other rights with equity securities as underlying, the amount of the compensation is equal to the value of the securities or, respectively, the rights allocated, determined as at the time of the allocation (grant) in accordance with the accounting standards applied by the Company for its consolidated accounts. The total value of the long-term incentive for a member of the Executive Board cannot exceed 50% of his fixed compensation.

## b) Appointment of members of the Executive Board

As members of the Executive Board are considered the CEO and each further person who is explicitly appointed as such by the Board of Directors.

In 2015, the Executive Board consisted of five members: CEO, CFO, General Manager Wireless Solutions Division, General Manager Network Testing Division, and Head of Strategy & Business Development.

## c) Determination of the remuneration of the Executive Board members

The remuneration package of the members of the Executive Board consists of three parts:

- **Base salary** (fixed compensation in cash) including social benefits: according to market benchmarks of the peer group (other international stock-listed technology companies with similar market capitalization)
- **Performance-related variable compensation** (in cash): dependent on the quantitative goals and parameters such as net revenue, EBIT or EBITDA, NWC as determined by the Board of Directors. The goals shall be in line with the yearly budgets of the Company. Performance-related variable compensation cannot exceed the fixed compensation.
- **Long-term incentive (share matching plan):** The Board of Directors decided to introduce a share matching plan as a long-term incentive instead of options. The long-term incentive consists of a retention part and a performance-related part. During a defined subscription period, the members of the Executive Board as beneficiaries have the opportunity to buy Company shares at market price as investment shares up to a certain number of shares as determined by the Board of Directors. The Company will match the investment shares with additional shares based on the fulfillment of defined employment-based and performance-based criteria. Beneficiaries have to keep the investment shares for a period of three years in order to benefit from the plan. The beneficiaries receive a certain percentage of the number of their investment shares as matching shares after a three-year vesting period for free ("retention part"), if their employment contract with Ascom has not been terminated at this point of time. Moreover, the beneficiaries may get – up to a certain percentage of the number of their investment shares – matching shares in addition, provided that defined mid-term profitability targets are achieved ("performance-related part"). As a maximum, the Company will honor each investment share with one matching share.

According to Article 20e of the Articles of Association, expense recovery is no compensation. The Company reimburses the members of the Executive Board for all necessary expense, also in form of car allowances and other lump sum expense recoveries within the amount accepted by the tax authorities.

## d) System of CEO Compensation

Salary part	Target salary CEO
Long-term incentive (share matching plan)	Opportunity to invest investment shares up to a maximum of CHF 325,000
Variable compensation (performance-related)	Minimal variable salary: CHF 0 Target variable salary: CHF 325,000 Maximal variable salary: CHF 650,000
Fixed compensation (base salary)	CHF 650,000

**e) Number of external mandates and functions**

Article 20d of the Articles of Association define the mandates outside the Ascom Group:

- Members of the Executive Board may occupy or exercise – subject to the approval of the Board of Directors – one additional position against compensation in the highest managing or supervising body of other entities that are obliged to be entered into the commercial register or a comparable foreign register and that are neither controlled by nor that control the Company.
- In addition, members of the Executive Board may occupy or exercise three uncompensated positions in the highest managing or supervising body of such entities, whereby expense recovery is no compensation.
- In addition to these mandates, members of the Executive Board may occupy or exercise not more than five positions in several different companies that form the same group of companies or positions that are held based on the Instructions of the Company.

The members of the Executive Board comply with this regulation. The mandates outside the Ascom Group are listed in the Corporate Governance part (p. 30).

**f) Employment agreements with members of the Executive Board**

According to Article 20c of the Articles of Association, employment agreements with members of the Executive Board that form the basis of the compensation for the respective members are entered into for a fixed term of not more than one year or an indefinite term with a termination period of not more than twelve months as per the end of each calendar month.

All members of the Executive Board comply with this regulation.

**g) Pension payments**

According to Article 20c of the Articles of Association, the members of the Executive Board receive pension payments from the occupational pension scheme in accordance with the domestic or foreign occupational welfare law or pension regulations applicable to them, including possible supplementary benefits.

Pension payments outside the occupational pension scheme to a member of the Executive Board by the Company, an affiliate of the Company or any third party are admissible to the extent of not more than 25% of the annual total compensation of the person concerned, as far as the respective person is not affiliated to a Swiss or foreign benefit institution.

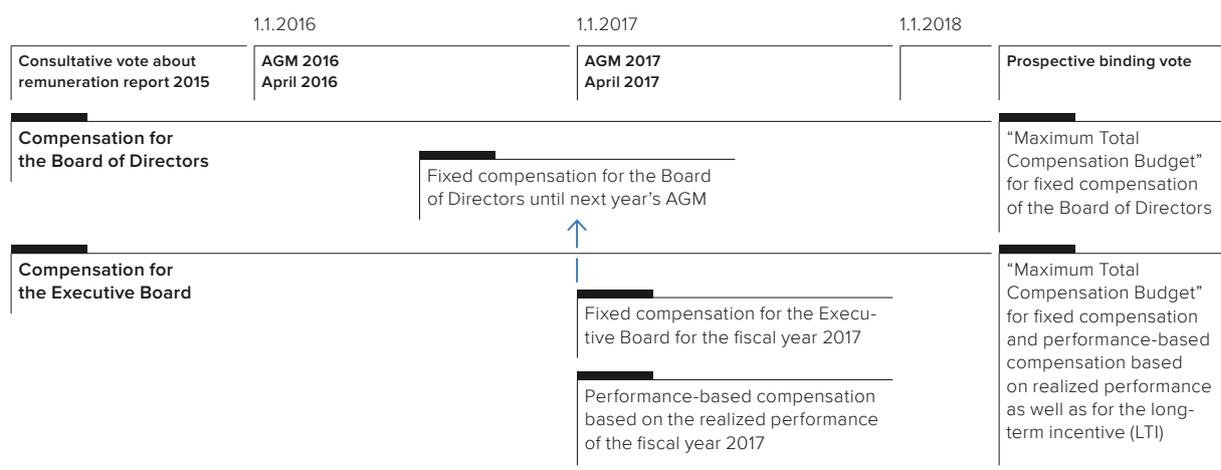
**4. Approval Mechanism****a) Statutory approval mechanism**

According to Article 20e of the Articles of Association, the General Meeting votes annually, separately and in a binding manner on the maximum total amounts proposed by the Board of Directors for:

- The compensation of the Board of Directors for the year of office following the ordinary General Meeting until the next ordinary General Meeting
- The fixed compensation of the Executive Board for the next fiscal year (1 January–31 December) following the ordinary General Meeting
- The variable and other compensation of the Executive Board (including the allocation of equity securities, conversion rights, option rights or other rights with equity securities as underlying) for the same approval period

In addition, the Board of Directors submits the remuneration report for the business year prior to the Annual General Meeting for a consultative vote.

## Ascom Compensation Approval Mechanism



### b) Level of decision authority

Type of compensation	Compensation Committee	Full Board of Directors	Annual General Meeting
<b>Compensation Board of Directors</b>			
Maximum compensation for the Board of Directors for the period until the next Annual General Meeting	Recommendation	Proposal to the Annual General Meeting <sup>1</sup>	Approval
Individual compensation for the members of the Board of Directors in the reporting year	Proposal	Approval <sup>1</sup>	–
<b>Compensation Executive Board</b>			
Maximum compensation for the members of the Executive Board (fixed compensation, variable compensation, long-term incentive) for the fiscal year following the Annual General Meeting	Recommendation	Proposal to the Annual General Meeting	Approval
Individual compensation for the CEO (fixed compensation, variable compensation, long-term incentive) in the reporting year	Review, recommendation	Approval	–
Individual compensation (fixed compensation, variable compensation, long-term incentive) for the members of the Executive Board (without CEO) in the reporting year	Review at the request of the CEO, recommendation	Approval	–

<sup>1</sup> In any case of potential conflict of interest the respective member of the Board of Directors shall abstain from voting.

### c) Approvals of the Annual General Meeting 2015

The shareholders approved the following maximum amounts for future compensations at the Annual General Meeting 2015:

- Board of Directors: maximal amount of CHF 900,000 for the period from the Annual General Meeting 2015 until the Annual General Meeting 2016
- Executive Board: maximal amount of CHF 2,500,000 as fixed compensation (including contributions to pension funds and other social benefits) for the business year 2016. In addition, a maximal amount of CHF 1,900,000 as variable compensation and a maximal amount of CHF 900,000 as long-term incentive both for the business year 2016

## II. REMUNERATION IN FISCAL YEAR 2015

### 1. Board of Directors

#### a) Remuneration in fiscal year 2015 (audited information)

Members of the Board of Directors were paid a gross remuneration totaling CHF 900,000 in fiscal year 2015 (2014: CHF 915,000).

	2015 <sup>1</sup>	2015	2014 <sup>1</sup>	2014 <sup>1</sup>
	Gross remuneration including employee contributions to the Swiss social insurances	Employer contributions to the Swiss social insurances (AHV/IV/ALV)	Gross remuneration including employee contributions to the Swiss social insurances	Employer contributions to the Swiss social insurances (AHV/IV/ALV)
Juhani Anttila, Chairman	300,000	17,706	300,000	17,706
Dr J.T. Bergqvist	120,000	7,500	120,000	7,500
Andreas Umbach	120,000	7,500	120,000	7,500
Dr Harald Deutsch <sup>2</sup>	120,000	–	90,000	–
Christina Stercken <sup>2</sup>	120,000	–	90,000	–
Urs Leinhäuser <sup>3</sup>	85,000	5,312	–	–
Cornelia Gehrig <sup>4</sup>	35,000	2,187	120,000	7,500
Paul E.Otth <sup>5</sup>	–	–	45,000	2,550
Kenth-Ake Jönsson <sup>5</sup>	–	–	30,000	1,875
Total	900,000	40,205	915,000	44,631

<sup>1</sup> including employee contributions to the Swiss social insurances (AHV/IV/ALV).

<sup>2</sup> since Annual General Meeting 2014.

<sup>3</sup> since Annual General Meeting 2015.

<sup>4</sup> until Annual General Meeting 2015.

<sup>5</sup> until Annual General Meeting 2014.

The fees for the members of the Board remained unchanged since 1 January 2011. An ordinary member of the Board of Directors receives an annual gross remuneration of CHF 120,000, while the Chairman is compensated with a gross remuneration of CHF 300,000 per annum.

According to Swiss law, the Company paid Swiss social insurance (AHV/IV/ALV) employer contributions for the members of the Board. These payments do not represent an additional remuneration for the members of the Board as they do neither constitute nor increase Swiss social insurance pension benefits due to the actuarial cap.

No member of the Board of Directors received any additional remuneration as defined by Art. 663b<sup>bis</sup> of the Swiss Code of Obligations.

No remuneration was made to parties closely related to the Board of Directors.

No members of the Board of Directors or closely related parties were granted any loans by the Company nor do such loans exist.

#### b) Compliance with the decisions of the Annual General Meeting 2014

According to the previous Articles of Association, the shareholders approved the following maximum amounts for future compensations at the Annual General Meeting 2014: CHF 900,000 for the Board of Directors for the period from the Annual General Meeting 2014 until the Annual General Meeting 2015.

The remuneration amounting to CHF 900,000 paid to the members of the Board of Directors in the period between the Annual General Meeting 2014 and the Annual General Meeting 2015 is in line with the approval of the Annual General Meeting 2014.

## 2. Executive Board

### a) Members of the Executive Board

In 2015, the Executive Board consisted of the following members:

- Fritz Mumenthaler, CEO
- Bianka Wilson, CFO
- Claes Ödman, General Manager Wireless Solutions
- Rikard Lundqvist, General Manager Network Testing
- Francis Schmeer, Head of Strategy & Business Development

### Compensation Executive Board 2015 (audited information)

in CHF	Basic salary	Variable salary component	Miscellaneous	Pension contributions	LTI <sup>6</sup>	Total
CEO	650,000 <sup>1</sup>	164,125 <sup>1</sup>	3,180 <sup>4</sup>	88,672	276,534	1,182,511
CFO	325,000 <sup>1</sup>	65,650 <sup>1</sup>	–	37,036	–	427,686
GM Wireless Solutions	276,000 <sup>2</sup>	93,840	1,115 <sup>4</sup>	82,190	–	453,145
GM Network Testing	352,590 <sup>3</sup>	9,167	84,151 <sup>5</sup>	10,239	112,227	568,374
Head of Strategy & Business Development	320,000 <sup>1</sup>	64,640 <sup>1</sup>	–	30,176	8,449	423,265
<b>Total Executive Board</b>	<b>1,923,590</b>	<b>397,422</b>	<b>88,446</b>	<b>248,313</b>	<b>397,210</b>	<b>3,054,982</b>

<sup>1</sup> Including the statutory employer contributions paid to the Swiss social insurance.

<sup>2</sup> = SEK 2,400,000.

<sup>3</sup> = USD 365,000.

<sup>4</sup> Contributions to medical benefit plans and special premiums.

<sup>5</sup> Contributions to medical benefit plans and pay-out of holiday accruals.

<sup>6</sup> Weighted average fair value of the matching shares at grant (1 investment share = CHF 15.363).

### Compensation Executive Board 2014 (audited information)

in CHF	Basic salary	Variable salary component	Miscellaneous <sup>4</sup>	Pension contributions	LTI <sup>5</sup>	Total
CEO	650,000 <sup>1</sup>	188,668 <sup>1</sup>	–	86,679	164,140	1,089,487
CFO	325,000 <sup>1</sup>	75,467 <sup>1</sup>	15,000	28,834	7,714	452,015
GM Wireless Solutions	320,160 <sup>2</sup>	108,493	6,670	95,600	9,766	540,689
GM Network Testing	334,815 <sup>3</sup>	5,302	17,868	10,343	–	368,328
Head of Strategy & Business Development (since 1.9.2014)	118,224 <sup>1</sup>	47,290 <sup>1</sup>	–	8,245	–	173,759
<b>Total Executive Board</b>	<b>1,748,199</b>	<b>425,220</b>	<b>39,538</b>	<b>229,701</b>	<b>181,620</b>	<b>2,624,278</b>

<sup>1</sup> Including the statutory employer contributions paid to the Swiss social insurance.

<sup>2</sup> = SEK 2,400,000.

<sup>3</sup> = USD 365,000.

<sup>4</sup> Contributions to medical benefit plans and special premiums.

<sup>5</sup> Weighted average fair value of the matching shares at grant (1 investment share = CHF 16.414).

According to Swiss law, the Company paid the following Swiss social insurance (AHV/IV/ALV) employer contributions for the members of the Executive Board:

in CHF	Employer contributions to the Swiss social insurances (AHV/IV/ALV)	
	2015	2014
CEO	63,056	61,317
CFO	23,383	22,467
GM Wireless Solutions	–	–
GM Network Testing	–	–
Head of Strategy & Business Development (since 1.9.2014)	21,548	6,959
<b>Total</b>	<b>107,987</b>	<b>90,743</b>

These Swiss social insurance employer contributions do not represent an additional remuneration for the members of the Executive Board as they do neither constitute nor increase Swiss social insurance pension benefits due to the actuarial cap.

The Company paid for the General Manager of Wireless Solutions employer contributions of CHF 62,406 (2014: CHF 44,814) to the Swedish social insurances. These contributions do neither constitute nor increase the pension benefits of the employee.

#### b) Fixed compensation

The basic salaries (including social benefits) paid to the five members of the Executive Board in the 2015 financial year totaled CHF 1,923,590 (2014: CHF 1,748,199 – at which the Head of Strategy & Business Development only started as of 1 September 2014).

#### c) Performance-related variable compensation

##### ▪ Principles

Targets are defined at the beginning of each year in alignment with the budget targets by the full Board of Directors. If all defined targets are achieved in full, the respective member of the Executive Board receives a predetermined percentage of his basic salary as a variable component (performance-related part). If the results fall short, no variable salary component is paid.

The CEO receives a variable salary component of 50% of his basic salary on fully achieving all targets. In cases where the targets set are exceeded, the CEO is paid a higher variable salary component (performance-related part) up to 100% of his basic salary.

The other members of the Executive Board receive a variable salary component of 40% of their basic salary on fully achieving all targets. In cases where the targets set are exceeded, the General Managers are paid a variable salary component (performance-related part) up to a maximum of 80% of their basic salaries.

Performance-related variable compensation cannot exceed the fixed compensation of a Member of the Executive Board.

### ▪ Performance-related targets 2015

The Board of Directors set the performance targets for 2015 with the aim to incentivize profitable growth of the Group and to assure financial stability.

The performance-related variable compensation for the CEO, the CFO, and the Head of Strategy & Business Development in 2015 was linked to the achievement of the following measurable quantitative targets (incl. weighting):

- Net revenue: 30%
- EBITDA: 40%
- Net working capital: 30%

In agreement with the budget, the targets were defined as follows:

- Net revenue Group: CHF 425.1 million
- EBITDA Group: CHF 56.2 million
- Net working capital Group: 17.7%

The CEO, the CFO and the Head of Strategy & Business Development overall achieved 50.5% of the performance-related targets set for 2015. Thus, the CEO receives a performance-related variable compensation of CHF 164,125 corresponding to 25.3% of his basic salary whilst the CFO receives a performance-related variable compensation of CHF 65,650 and the Head of Strategy & Business Development a performance-related variable compensation of CHF 64,640, for both corresponding to 20.2% of their basic salary.

The performance-related variable compensation for the Divisional General Managers for 2015 was linked to the achievement of the following measurable quantitative targets (incl. weighting):

- EBITDA Group: 20%
- Net revenue division 45%
- EBITDA division: 25%
- Net working capital division: 10%

In agreement with the budget, the targets were defined as follows:

- EBITDA Group: CHF 56.2 million
- Net revenue division: Wireless Solutions: CHF 301.0 million; Network Testing: CHF 121.3 million
- EBITDA division: Wireless Solutions: CHF 45.0 million; Network Testing: CHF 12.7 million
- Net working capital division: Wireless Solutions 13.5%; Network Testing: 28.3%

In 2015, the General Manager Wireless Solutions achieved 85.0% of the targets set. Thus, he receives a performance-related variable compensation of CHF 93,840 corresponding to 34.0% of his basis salary. The General Manager Network Testing achieved 6.5% of the targets set due to the partial achievement of a half-year target. Thus, he receives a performance-related variable compensation of CHF 9,167 corresponding to 2.6% of his basis salary.

The variable salary component was slightly below the previous year, amounting to CHF 397,422 in 2015 (2014: CHF 425,220). The variable salary component will be paid in April 2016 following the approval of the 2015 financial statements at the Annual General Meeting.

In 2015, the variable salary component (performance-related part) corresponds to 25.3% of the basic salary of the CEO (2014: 29%) and on average to 18.3% of the basic salary in the case of the other four Executive Board members (2014: 22%).

**d) Long-term incentive**

The Board of Directors decided to introduce the Ascom share matching plan 2015. The beneficiaries get 35% of the number of their investment shares as matching shares after a three-year vesting period for free ("retention part"), if their employment contract with Ascom has not been terminated at that point in time. In addition, the beneficiaries may get up to 65% of the number of their investment shares as matching shares, provided that defined mid-term profitability targets are achieved ("performance-related part"). The Board of Directors linked the mid-term profitability targets to the EBITDA margin of the Ascom core business achieved in fiscal year 2017. In order to receive additional matching shares, the Ascom core business must achieve at least an EBITDA margin of 14.0% in 2017. Every participant will receive the maximum of 65% of additional investment shares in case that the EBITDA margin of the Ascom core business in 2017 amounts to 18.0% or higher. As a maximum, the Company will honor each investment share with one matching share.

The CEO invested 18,000 investment shares and the other members of the Executive Board in total invested 7,855 investment shares. The fair value of a matching share at grant amounts to CHF 15.363 (weighted average fair value). Thus, the fair value of all matching shares allocated to the Executive Board amounts to CHF 397,210 whereof an amount of CHF 276,534 for the matching shares is allocated to the CEO, assuming full achievement of all performance targets.

**e) Total compensation of the members of the Executive Board**

The total compensation for all five members of the Executive Board amounted to CHF 3,054,982 (2014: CHF 2,624,278). In 2014, one member of the Executive Board only started on 1 September 2014.

**f) Highest compensation**

The highest total remuneration within the Ascom Group was paid to the CEO. The total remuneration for the CEO in 2015, consisting of the basic salary and variable salary component including a special premium, amounted to CHF 817,305 (2014: CHF 838,668). The employers' pension contributions amounted to CHF 88,672 (2014: CHF 86,679). The value of the matching shares allocated to the CEO are valued at a total of CHF 276,534 (2014: CHF 164,140), based on the value at the time they were granted and assuming all performance targets will be achieved. Thus, the total CEO remuneration amounted to CHF 1,182,511 (2014: CHF 1,089,487).

**g) Additional payments (audited information)**

No members of the Executive Board received any additional payments as defined by Art. 663b<sup>bis</sup> of the Swiss Code of Obligations, nor were any payments made to parties closely related to the Executive Board.

The Company granted no members of the Executive Board or closely related parties any loans nor do such loans exist.

**h) Severance payments (audited information)**

Contracts of employment with members of the Executive Board provide for no special severance payment. The period of notice for members of the Executive Board is maximal 12 months.

In the event of a takeover and a delisting of the Company, the participants of the Ascom share matching plans shall receive the same number of matching shares as they hold investment shares at the date of the publication of the delisting.

### i) Compliance with the decisions of the Annual General Meeting 2014

According to the previous Articles of Association, the shareholders approved the following maximum amounts for future compensations at the Annual General Meeting 2014 for the then 4 members of the Executive Board for fiscal year 2015:

- CHF 2,300,000 as fixed compensation (including contributions to pension funds and other social benefits)
- CHF 1,700,000 as variable compensation
- CHF 800,000 as long-term incentive

### Reported compensation of the Executive Board during fiscal year 2015 compared to the amount approved by shareholders

In CHF	Executive Board compensation earned during FY 2015 (5 members)	Maximum amount approved by shareholders at the 2014 AGM (4 members)	Amount within the amount approved by shareholders at the 2014 AGM and compensation ratio
Fixed compensation (including contribution to pension funds and other social benefits)	2,171,903	2,300,000	Yes 94.4%
Variable compensation	397,422	1,700,000	Yes 23.4%
Long-term incentive (LTI)	392,210	800,000	Yes 49.0%
<b>Total compensation Executive Board</b>	<b>3,054,982</b>	<b>4,800,000</b>	<b>Yes 63.6%</b>

The overall amount of CHF 3,054,982 paid out to 5 members of the Executive Board in fiscal year 2015 is in line with the approved amount of CHF 4,800,000 for 4 members of the Executive Board by the Annual General Meeting 2014.

The corresponding reporting of the Executive Board compensation 2016 approved by the Annual General Meeting 2015 as well as the reporting of the compensation ratio will be disclosed in the Remuneration Report 2016.

### 3. Former members of the Executive Board

No former members of the Executive Board or parties closely related to them received any payments or loans from the Company in 2015.

### III. SHARE OWNERSHIP

Number of shares and options held in Ascom Holding AG as of 31 December 2015:

#### 1. Board of Directors

All members of the Board of Directors and closely related parties, in total: 135,750 shares.

	Shares <sup>1</sup>
Juhani Anttila, Chairman	90,000
Dr J.T. Bergqvist	10,000
Dr Harald Deutsch	2,000
Urs Leinhäuser	–
Christina Stercken	–
Andreas Umbach	33,750
<b>Total Board of Directors</b>	<b>135,750</b>

<sup>1</sup> Acquired by the Board members from the market.

No members of the Board of Directors or closely related parties hold any conversion or option rights.

#### 2. Executive Board

All members of the Executive Board and closely related parties, in total: 70,920 shares and 32,000 options (all employee options).

	Shares <sup>1</sup>	Options	Employee options (exercisable) <sup>3</sup>
Fritz Mumenthaler, CEO	58,000	–	32,000
Bianka Wilson, CFO	4,470	–	–
Claes Ödman, GM WS	595	–	–
Rikard Lundqvist, GM NT	7,305 <sup>2</sup>	–	–
Francis Schmeer, Head of Strategy&Business Dev.	550	–	–
<b>Total Executive Board</b>	<b>70,920</b>	<b>–</b>	<b>32,000</b>

<sup>1</sup> Acquired by the members of the Executive Board from the market.

<sup>2</sup> Phantom shares.

<sup>3</sup> According to the provisions of the Ascom stock option plan 2012. Ratio 1:1.

#### 3. Share allotment in 2015

Ascom Holding AG allotted no shares in 2015.

## IV. LONG-TERM INCENTIVE PLANS

### 1. Ascom stock option plan 2011

In accordance with the resolution passed by the Board of Directors on 13 April 2011, a total of 491,000 options were issued to 42 members of Ascom's senior management on 13 April 2011, each option entitling the holder to purchase one share with a par value of CHF 0.50 (cash-settled options allocated to US residents entitle the holder to receive the difference between exercise and strike price in cash). The strike price is CHF 15.00. The options have a term of five years and are subject to a fixed vesting period of three years (one participant is entitled under the terms of his contract of employment to exercise one third of the options after one year) and an exercise hurdle (the share price must be at least CHF 16.50 at the time of exercising the option, and must have outperformed the SMI index within any given 12-month period).

325,177 of the remaining 385,177 options outstanding at the beginning of the year were exercised in 2015, and 21,000 options were forfeited. Thus, 39,000 options are still outstanding.

### 2. Ascom stock option plan 2012

In accordance with the resolution passed by the Board of Directors on 18 April 2012, a total of 486,000 options were issued to 36 members of Ascom's senior management on 18 April 2012, each option entitling the holder to purchase one share with a par value of CHF 0.50 (cash-settled options allocated to US residents entitle the holder to receive the difference between exercise and strike price in cash). The strike price is CHF 9.00. The options have a term of five years and are subject to a fixed vesting period of three years (one participant is entitled under the terms of his contract of employment to exercise one third of the options after one year) and an exercise hurdle (the share price must have outperformed the SMI index within any given 12-month period).

357,000 of the remaining 422,000 options outstanding at the beginning of the year were exercised in 2015 and 6,000 options were forfeited. Thus, 59,000 options are still outstanding.

### 3. Ascom share matching plan 2013

The Board of Directors decided in its Board Meeting of 14 August 2013 to introduce a share matching plan 2013 for the Ascom senior management as a long-term incentive instead of options. With this new long-term incentive plan, the Board of Directors would like to encourage the management to become investors in Ascom in order to ensure an alignment with the interests of the long-term shareholders.

The beneficiaries had the opportunity to buy Company shares during a defined subscription period at market price as investment shares up to a certain number of shares as determined by the Board of Directors. The Company will match the investment shares with additional shares based on the fulfillment of defined employment-based and performance-based criteria. Beneficiaries have to keep the investment shares for a period of three years in order to benefit from the plan. They get 35% of the number of their investment shares as matching shares after a three-years vesting period for free, if their employment contract with Ascom has not been terminated at this point in time. In addition, the beneficiaries may get up to 65% of the number of their investment shares as matching shares in addition, provided that defined mid-term profitability targets are achieved. The Board of Directors linked the mid-term profitability targets to the EBITDA margin of the Ascom core business achieved in fiscal year 2015. In order to distribute additional matching shares to the beneficiaries, the Ascom Group must achieve at least an EBITDA margin of 16% in 2015. Every participant will receive the maximum of 65% of additional investment shares in case the EBITDA margin of the Ascom Group in 2015 amounts to 18% or higher. As a maximum, the Company will honor each investment share with one matching share.

13 members of the Ascom senior management decided to participate and they invested in total 61,720 investment shares. 1,000 of the outstanding 60,720 investment shares were forfeited in 2015. Thus, 59,720 investment shares still may qualify for matching shares.

#### 4. Ascom share matching plan 2014

The Board of Directors decided in its Board Meeting of 31 March 2014 to introduce a share matching plan 2014 for the Ascom senior management as a long-term incentive. The beneficiaries had the opportunity to buy Company shares during a defined subscription period at market price as investment shares up to a certain number of shares as determined by the Board of Directors. The Company will match the investment shares with additional shares based on the fulfillment of defined employment-based and performance-based criteria. Beneficiaries have to keep the investment shares for a period of three years in order to benefit from the plan. They get 35% of the number of their investment shares as matching shares after a three-years vesting period for free, if their employment contract with Ascom has not been terminated at this point in time. In addition, the beneficiaries may get up to 65% of the number of their investment shares as matching shares in addition, provided that defined mid-term profitability targets are achieved. The Board of Directors linked the mid-term profitability targets to the EBITDA margin of the Ascom core business achieved in fiscal year 2016. In order to distribute additional matching shares to the beneficiaries, the Ascom core business must achieve at least an EBITDA margin of 15.7% in 2016. Every participant will receive the maximum of 65% of additional investment shares in case the EBITDA margin of the Ascom core business in 2016 amounts to 17.2% or higher. As a maximum, the Company will honor each investment share with one matching share.

36 members of the Ascom senior management decided to participate and they invested in total 36,427 investment shares. 2,125 investment shares were forfeited in 2015. Thus, 34,302 investment shares still may qualify for matching shares.

#### 5. Ascom share matching plan 2015

The Board of Directors decided in its Board Meeting of 21 August 2015 to introduce a share matching plan 2015 for the Ascom senior management as a long-term incentive. The beneficiaries had the opportunity to buy Company shares during a defined subscription period at market price as investment shares up to a certain number of shares as determined by the Board of Directors. The Company will match the investment shares with additional shares based on the fulfillment of defined employment-based and performance-based criteria. Beneficiaries have to keep the investment shares for a period of three years in order to benefit from the plan. They get 35% of the number of their investment shares as matching shares after a three-years vesting period for free, if their employment contract with Ascom has not been terminated at this point in time. In addition, the beneficiaries may get up to 65% of the number of their investment shares as matching shares in addition, provided that defined mid-term profitability targets are achieved. The Board of Directors linked the mid-term profitability targets to the EBITDA margin of the Ascom core business achieved in fiscal year 2017. In order to distribute additional matching shares to the beneficiaries, the Ascom core business must achieve at least an EBITDA margin of 14.0% in 2017. Every participant will receive the maximum of 65% of additional investment shares in case the EBITDA margin of the Ascom core business in 2017 amounts to 18.0% or higher. As a maximum, the Company will honor each investment share with one matching share.

42 members of the Ascom senior management decided to participate and they invested in total 60,550 investment shares.

## 6. Options held of 31 December 2015

SOP	Duration in years	Strike price in CHF	Issued options	Exercised options	Expired options	Retained options
2011	5	15.00	491,000	416,000	36,000	39,000
2012	5	9.00	486,000	394,000	33,000	59,000

## 7. Investment shares held of 31 December 2015

Share matching plan	Matching date	Underlying yearly result	Lower performance hurdle (EBITDA margin)	Upper performance hurdle (EBITDA margin)	Number of outstanding investment shares
2013	30.06.2016	2015	16.0%	18.0%	59,720
2014	30.06.2017	2016	15.7%	17.2%	34,302
2015	30.06.2018	2017	14.0%	18.0%	60,550

As of 31 December 2015, 154,572 investment shares were outstanding. Each investment share may entitle the holder to a maximum of one matching share.

The 98,000 shares subject to exercise of issued and outstanding options as of 31 December 2015, together with the 154,572 outstanding matching shares, correspond in total to 0.70% of the total share capital of the Company.

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