

Invitation to the 2014 Annual General Meeting of Ascom Holding AG

Berne, March 2014

Dear Shareholder

We have pleasure in inviting you to the Annual General Meeting of Ascom Holding AG for the financial year 2013, to be held on

**Tuesday, 1 April 2014, at 14:00 at the BERNEXPO Convention Center,
Mingerstrasse 6, Berne**

Agenda and Proposals

**1. 2013 Annual Report and Financial Statements of Ascom Holding AG,
Report of the Statutory Auditors**

Proposal of the Board of Directors:

That the 2013 Annual Report and Financial Statements be approved.

2. 2013 Consolidated Financial Statements, Report of the Statutory Auditors

Proposal of the Board of Directors:

That the 2013 Consolidated Financial Statements be approved.

	in CHFm
Revenue	459.7
EBITDA	67.6
Group profit 2013	36.9

3. 2013 Remuneration Report (consultative vote)

Proposal of the Board of Directors:

That the 2013 Remuneration Report be approved.

4. Appropriation of Retained Earnings of Ascom Holding AG for 2013

Proposal of the Board of Directors:

	in CHF
Retained earnings from previous year	354,770,152
Allocation from reserves for own shares	4,791,821
Net profit 2013	24,669,979
Retained earnings at 31.12.2013	384,231,952
Distribution of 80% of the share capital of CHF 18,000,000	-14,400,000
Balance to be carried forward	369,831,952

5. Discharge from liability of the members of the Board of Directors

Proposal of the Board of Directors:

That all members of the Board of Directors be discharged from liability.

6. Elections

6.1 Board of Directors

Proposal of the Board of Directors:

That the following members be re-elected (each separately):

- a) Juhani Anttila
- b) Dr J.T. Bergqvist
- c) Cornelia Gehrig
- d) Andreas Umbach

and that

- e) Dr Harald Deutsch
- f) Christina Stercken

be elected as members of the Board of Directors (each separately) for the term of one year, i.e. until the completion of the 2015 Annual General Meeting.

6.2 Chairman of the Board of Directors

Proposal of the Board of Directors:

That Juhani Anttila be re-elected as Chairman of the Board of Directors for the term of one year, i.e. until the completion of the 2015 Annual General Meeting.

6.3 Compensation Committee

Proposal of the Board of Directors:

That

- a) Dr J.T. Bergqvist
- b) Andreas Umbach

be elected (each separately) as members of the Compensation Committee for the term of one year, i.e. until the completion of the 2015 Annual General Meeting.

6.4 Statutory Auditors

Proposal of the Board of Directors:

That PricewaterhouseCoopers Ltd. be elected as Statutory Auditors for a further year.

6.5 Independent proxy

Proposal of the Board of Directors:

That Franz Müller, Attorney and Notary, Berne, be elected as independent proxy for the term of one year, i.e. until the completion of the 2015 Annual General Meeting, and that Dr Gian Sandro Genna, Attorney, Berne, be elected as his representative.

7. Revision of the Articles of Association

7.1 Change of Legal Domicile

Proposal of the Board of Directors:

That article 1 of the Articles of Association be changed according to the enclosed proposal.

7.2 Adaptation to the Ordinance against Excessive Compensation with respect to stock exchange listed companies (OaEC)

Proposal of the Board of Directors:

That the Articles of Association be changed according to the enclosed proposal.

8. Approval of the maximum total amounts for future compensations

8.1 Board of Directors

Proposal of the Board of Directors:

That the maximum amount of compensations of CHF 900,000 for the Board of Directors for the period until the 2015 Annual General Meeting be approved.

8.2. Executive Board

a) Fixed compensation

Proposal of the Board of Directors:

That the maximum amount of fixed compensation of CHF 2,300,000 for the Executive Board (including contributions to pension funds and other social benefits) for the business year 2015 be approved.

b) Variable compensation

Proposal of the Board of Directors:

That the maximum amount of variable compensation of CHF 1,700,000 for the Executive Board for the business year 2015 be approved.

c) Allocation of equity securities (long-term incentive)

Proposal of the Board of Directors:

That the maximum amount of the value of allocation of equity securities (long-term incentive) of CHF 800,000 (at grant date) for the Executive Board for the business year 2015 be approved.

Documents

The Annual Report (incl. Remuneration Report) and the Financial Statements (incl. Consolidated Financial Statements) as well as the Report of the Statutory Auditors are available with the company. The complete 2013 Annual Report is available in English and can be downloaded at the website www.ascom.com/report-en.

Admission Tickets

Entry cards and voting material are delivered upon demand until 28 March 2014, at the latest. Persons registered with the right to vote at the company's shareholder's ledger on 22 March 2014 are entitled to vote.

Proxy Form

You may appoint a proxy at the Annual General Meeting by giving power of attorney and instructions as follows with the enclosed form:

a) *another shareholder or the legal representative and husband/wife respectively.*

b) *the independent proxy*

Under Article 689c of the Swiss Code of Obligations, you may authorize Franz Müller, Attorney and Notary, Herrengasse 22, Postbox 663, 3000 Berne 7, to act as your proxy. Mr Müller will vote in accordance with your instructions (please use the reverse side of the reply form or the admission ticket request). In the absence of instructions, Mr Müller will abstain from voting. You should return the reply form giving written voting instructions by 28 March 2014 at the latest.

The shareholders' ledger will be closed on 21 March 2014. Shareholders who sell their shares after this date will no longer be entitled to vote at the Annual General Meeting.

Practical Information

After the Annual General Meeting, you are cordially invited to attend a reception at the BERNEXPO Center.

You can reach the BERNEXPO Center by taking tram line 9 from the main station to the stop at «Guisanplatz Expo». Parking spaces are also available on site, subject to payment of a charge.

Ascom Holding AG

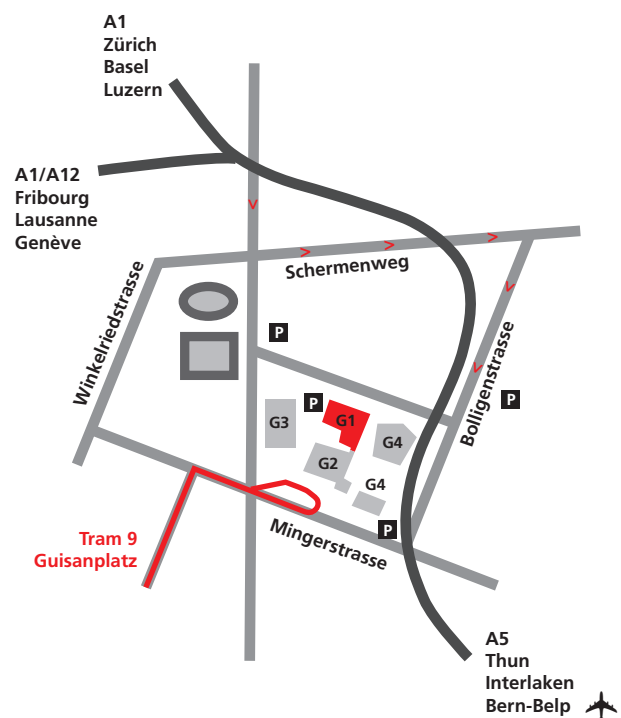
On behalf of the Board of Directors

Juhani Anttila



Enclosures

Reply form and return envelope addressed



Explanatory notes on the Invitation to the 2014 Annual General Meeting

Dear Shareholders

It gives me great pleasure to invite you to this year's Annual General Meeting, which will take place in Berne on Tuesday 1 April 2014 at 14:00. Please use the enclosed form to order your admission ticket and the 2013 annual report (in English).

I would like to take this opportunity now to make some comments on the agenda:

Agenda items 1 and 2 (Annual Report / Financial Statements and Consolidated Financial Statements)

Ascom had a successful year in 2013 and managed to increase Group profit by around 70% to CHF 36.9 million.

The Board of Directors proposes that the Annual Report, Financial Statements and Consolidated Financial Statements be approved.

Agenda item 3 (Remuneration Report)

As we did last year, we are putting the Remuneration Report before you for a consultative vote. The Remuneration Report is enclosed and provides you with comprehensive information on Ascom's compensation system and on the compensation paid in 2013.

The Board of Directors proposes that the Remuneration Report for 2013 be approved.

Agenda item 4 (Appropriation of Retained Earnings)

In view of the good business results, we are proposing to you an increased dividend of CHF 0.40 per share.

The Board of Directors proposes that the distribution of a dividend of CHF 0.40 be approved.

Agenda item 5 (Discharge from liability of the members of the Board of Directors)

The Board of Directors proposes to discharge all members of the Board of Directors from liability.

Agenda item 6 (Elections)

In view of Ascom's desire to strengthen its position in the healthcare sector worldwide and achieve further growth in new markets, the Board of Directors proposes for election to itself Christina Stercken and Dr. Harald Deutsch, both of whom are distinguished candidates with outstanding international track records. Four current members of the Board (Juhani Anttila, Dr. J.T. Bergqvist, Cornelia Gehrig, and Andreas Umbach) are standing for re-election, so the Board will still be made up of six members and continuity will be assured.

The new Ordinance Against Excessive Compensation (OaEC) specifies that the Chairman of the Board of Directors and the members of the Compensation Committee shall be elected separately by the AGM for a period of one year. Juhani Anttila is standing for re-election as Chairman of the Board and Andreas Umbach (already a member) and Dr. J.T. Bergqvist (new) are being proposed as members of the Compensation Committee.

The AGM now also appoints the independent proxy for a period of one year. We propose to you Franz Müller, attorney-at-law and notary in Berne, who has already performed this function in previous years. Both Mr. Müller and his colleague Dr. Gian Sandro Genna (proposed as his representative) are independent and exercise no other mandates on Ascom's behalf.

The Board of Directors proposes that the proposed candidates be elected and that PricewaterhouseCoopers AG be re-elected as auditors.

Agenda item 7 (Revision of the Articles of Association)

You will find enclosed our proposals concerning revision of the Articles of Association.

As Ascom's Head Office has been in Baar ZG since 1 November 2013, we are proposing to you that the legal registered office of Ascom Holding AG also be relocated there.

We have also decided to implement the new Ordinance Against Excessive Compensation (OaEC) earlier than required and to submit to you now the required amendments to the Articles of Association, in order to avoid uncertainty.

The compensation rules are now to be set down in the Articles of Association. The general rule is that compensation paid to the members of the Board of Directors and of the Executive Board should be appropriate, competitive, performance-related and in line with the company's strategic goals, its profits and the long-term interests of the shareholders.

The Board of Directors proposes that the proposed revision of the Articles of Association be approved.

Agenda item 8 (Approval of the total amount for future compensation)

We have decided to enable our shareholders to vote earlier than required on compensation paid to the members of the Board of Directors and of the Executive Board. It is important to us to create legal security and to uphold the motivation of the management. The Remuneration Report is enclosed and provides you with comprehensive information about Ascom's remuneration system and on the remuneration paid in 2013. We submit to you for approval the maximum total amounts of compensation for the business year 2015 according to our Articles. Moreover, you will get the opportunity to render your consultative vote at every future AGM on the effective compensation paid out in the previous year via approval vote for the Remuneration Report.

As a principle, the system and the frame of compensation for the Board of Directors and the Group Executive Board are to be retained in the coming year.

Board of Directors

We propose to you that the maximum total amount of compensation for the six members of the Board of Directors for the period of one year until the 2015 Annual General Meeting be set at CHF 900,000. Thus the compensation for the Board of Directors remains unchanged.

Executive Board

In future, compensation for the members of the Group Executive Board is also to consist of three elements: fixed compensation, performance-related variable compensation, and a long-term incentive in the form of equity securities.

We propose to you that the maximum compensation for the four members of the Group Executive Board for the 2015 financial year be determined as follows:

- *Fixed compensation including payments into the pension fund and other social benefits:* approval of a maximum total amount of CHF 2,300,000. The proposed total amount corresponds basically to the current fixed compensation including social benefits (2013: CHF 2,054,829) adding a reserve in particular for currency fluctuations as two of the four employment contracts are subject to foreign currencies.
- *Variable compensation:* For the 2015 financial year, variable compensation will again be determined exclusively by reference to quantitative objectives (revenue, EBITDA, networking capital), set for the year by the Board of Directors in December 2014. If all these targets are met, the CEO will receive variable compensation amounting to 50% of the fixed compensation and the other members of the Group Executive Board a variable compensation of 40%. The total variable compensation for the whole Group Executive Board would amount to CHF 725,000 assuming the achievement of all targets (2013: CHF 726,062).

In case the targets will be exceeded, the variable compensation for the CEO may be increased up to a maximum of 100% of the fixed compensation (with the figure for the other members of the Group Executive Board being 80%). We propose the approval of a maximum total variable compensation of CHF 1,700,000 for the business year assuming the maximum potential and including a reserve for currency fluctuations.

The maximum potential can be reached only if the defined budget will be exceeded considerably and thus a substantial added value will be created for shareholders as well.

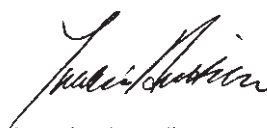
- *Allocation of equity securities (long-term incentive)*: The Board of Directors envisages to launch a Share Matching Plan as a long-term incentive for the years 2014 and 2015 as well. The members of the Group Executive Board are required to buy company shares at market price and to keep them for three years in order to benefit from the plan. Most benefits are tied to the achievement of mid-term profitability targets. With this long-term incentive plan, the Board of Directors would like to encourage the management to become investors of Ascom in order to ensure an alignment with the interests of the long-term shareholders.

The value of the equity securities is determined at grant date assuming full achievement of all performance targets. The Board of Directors proposes the approval of a maximum total amount of CHF 800,000 for the business year 2015 for the allocation of equity securities.

The Board of Directors proposes that the proposed measures be approved.

I would like to thank you for the trust you have placed in Ascom and look forward to welcoming you to the 2014 Annual General Meeting.

Sincerely,



Juhani Anttila

Chairman