

# Invitation to the 2016 Annual General Meeting of Ascom Holding AG

Baar, March 2016

Dear Shareholder

We have pleasure in inviting you to the Annual General Meeting of Ascom Holding AG for the financial year 2015, to be held on

**Wednesday, 13 April 2016 at 14:00 at the Theater Casino Zug, Artherstrasse 2–4, Zug**

## AGENDA AND PROPOSALS

### 1. 2015 Annual Report and Financial Statements of Ascom Holding AG, Report of the Statutory Auditors

*Proposal of the Board of Directors:*

That the 2015 Annual Report and Financial Statements be approved.

### 2. 2015 Consolidated Financial Statements, Report of the Statutory Auditors

*Proposal of the Board of Directors:*

That the 2015 Consolidated Financial Statements be approved.

	in CHFm
Revenue	410.8
EBITDA	43.8
<b>Group profit 2015</b>	<b>24.3</b>

### 3. 2015 Remuneration Report (consultative vote)

*Proposal of the Board of Directors:*

That the 2015 Remuneration Report be approved.

### 4. Appropriation of Retained Earnings of Ascom Holding AG for 2015

*Proposal of the Board of Directors:*

	in CHF
Retained earnings from previous year	432,052,802
Dividend payment 2015	(15,832,477)
Net profit 2015	53,318,041
<b>Retained earnings at 31 December 2015</b>	<b>469,538,366</b>
Distribution of CHF 0.45 per share entitled to dividend	(16,200,000)
Balance to be carried forward	453,338,366

## **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) Dr Harald Deutsch
- d) Urs Leinhäuser
- e) Christina Stercken
- f) Andreas Umbach

and that

- g) Dr Valentin Chapero Rueda

be elected as a member of the Board of Directors for the term of one year, i.e. until the completion of the 2017 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 2017 Annual General Meeting.

### **6.3 Compensation Committee**

*Proposal of the Board of Directors:*

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

- a) Dr J.T. Bergqvist
- b) Dr Harald Deutsch
- c) Andreas Umbach

be elected as a member of the Compensation Committee for the term of one year, i.e. until the completion of the 2017 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 Representative**

*Proposal of the Board of Directors:*

That Franz Müller, Attorney and Notary, Berne, be re-elected as Independent Representative for the term of one year, i.e. until the completion of the 2017 Annual General Meeting, and that Dr Alexander Kernén, Attorney, Berne, be elected as his deputy.

## 7. Approval of the maximum total amounts for future compensations

### 7.1 Board of Directors

*Proposal of the Board of Directors:*

That the maximum amount of gross compensations of CHF 1,020,000 for the Board of Directors for the period of one year until the 2017 Annual General Meeting be approved (subject to additional mandatory employer contributions to governmental social insurances to the extent they constitute or increase pension benefits for the beneficiaries).

### 7.2 Executive Board

*a) Fixed compensation*

*Proposal of the Board of Directors:*

That the maximum amount of fixed gross compensations of CHF 2,500,000 for the Executive Board (5 members; including contributions to pension funds and other social benefits) for the business year 2017 be approved (subject to additional mandatory employer contributions to governmental social insurances to the extent they constitute or increase pension benefits for the beneficiaries).

*b) Variable compensation*

*Proposal of the Board of Directors:*

That the maximum amount of variable gross compensations of CHF 1,900,000 for the Executive Board (5 members) for the business year 2017 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 900,000 (at the moment of allocation) for the Executive Board (5 members) for the business year 2017 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 2015 Annual Report is available in English and can be downloaded at the website [www.ascom.com/report-en](http://www.ascom.com/report-en)

## ADMISSION TICKETS

Entry cards and voting material are delivered upon demand until 11 April 2016, at the latest. Persons registered with the right to vote at the Company's shareholder's ledger on 5 April 2016 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) to a third person who is authorized as proxy in writing
- b) to the Independent Representative

Under Article 689c of the Swiss Code of Obligations, you may authorize Mr Franz Müller, Attorney and Notary, Herrengasse 22, Postbox, 3001 Berne, 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 11 April 2016 at the latest.

You may register as well on the shareholder platform Sherpany and give your instructions online (<http://www.ascom.com/en/index/investor-relations.htm>).

The shareholders' ledger will be closed on 4 April 2016. 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 Theater Casino Zug.

You can reach the Theater Casino Zug by taking bus lines 3 (direction to Oberwil) or 11 (direction to Schöneegg) from "Metalli West/Bahnhof" to the stop at "Theater Casino". The two car parks Altstadt-Casino and Frauensteinmatt 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  
Sherpany login form

# Explanatory notes on the Invitation to the 2016 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 Zug on Wednesday, 13 April 2016 at 2:00 p.m. Please use the enclosed form to order your admission ticket and the 2015 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)**

For 2015, Ascom posted a Group profit of CHF 24.3 million, with a slight increase in revenue at constant exchange rates. The Wireless Solutions Division once again proved to be a stable business with good profitability, while the Network Testing Division suffered from difficult market conditions.

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

## **Agenda item 3 (Compensation Report)**

As we did last year, we are putting the Compensation Report before you for a consultative vote. The Compensation Report is enclosed and provides you with comprehensive information on Ascom's compensation system and on the compensation paid in 2015. In the 2015 reporting year, the following gross compensation was paid out within the defined limits:

- Board of Directors (6 members): CHF 900,000
- Group Executive Board (5 members): CHF 3,054,982

*The Board of Directors proposes that the Compensation Report for 2015 be approved.*

## **Agenda item 4 (Appropriation of Available Earnings)**

The Board of Directors proposes a dividend of CHF 0.45 per share. The dividend yield for 2015 is therefore about 3%.

*The Board of Directors proposes that the distribution of a dividend of CHF 0.45 be approved.*

**Agenda item 5 (Discharge of the members of the Board of Directors)**

*The Board of Directors proposes that the members of the Board of Directors be discharged from liability.*

**Agenda item 6 (Elections)**

The Board of Directors proposes that Dr Valentin Chapero Rueda be elected to the Board of Directors as an additional member. Valentin Chapero is a high-profile candidate with broad international experience. As a former CEO of a listed company, he has a solid track record in the implementation of growth strategies in IT, telecom and health industries.

Six current members of the Board of Directors (Juhani Anttila, Dr J.T. Bergqvist, Dr Harald Deutsch, Urs Leinhäuser, Christina Stercken, Andreas Umbach) are standing for re-election. In addition, Juhani Anttila is being proposed for re-election as Chairman of the Board of Directors.

The Board of Directors now consists of 7 members. Thus, both the Audit Committee and the Compensation Committee will have three members in future.

Dr J.T. Bergqvist, Dr Harald Deutsch and Andreas Umbach are being proposed as members of the Compensation Committee.

The Independent Representative Franz Müller, Attorney and Notary in Berne, is standing for another term of office. Dr Alexander Kernen, his office partner, is being proposed as his deputy. Both are independent and have no other mandates for Ascom.

In addition, the Board of Directors proposes that PricewaterhouseCoopers AG be re-elected as auditors.

*The Board of Directors proposes that the nominated candidates and the Independent Representatives be elected, and that PricewaterhouseCoopers AG be re-elected as auditors.*

### **Agenda item 7 (Approval of the total amount for future compensation)**

Below we provide you with maximum amounts (framework amounts) to be approved for the coming business year 2017, as per article 20e of the Articles of Association. In 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 gross compensation for the seven members of the Board of Directors for the period of one year until the 2017 Annual General Meeting be set at CHF 1,020,000. The compensation of the Board of Directors has been unchanged since 2011 and is equal to CHF 120,000 for a member of the Board of Directors and CHF 300,000 for the chairman. In addition, according to new practice, mandatory employer contributions to governmental social insurances (e.g. AHV), are to be additionally declared as compensation to the extent they constitute or increase pension benefits for the beneficiaries, which is generally not the case.

#### ***Executive Board***

The compensation for the members of the Group Executive Board consists of three components: fixed compensation, performance-related variable compensation, and a long-term incentive in the form of equity securities. The amount of the compensation requested for 2017 is equal to the total amount that was set by last year's Annual General Meeting for 2016.

We propose to you that the maximum compensation for the five members of the Group Executive Board for the 2017 financial year be determined as follows:

- *Fixed compensation* including payments into the pension fund and other social benefits: approval of a maximum total amount for the five members of CHF 2,500,000. The total amount of compensation requested is equal to the fixed gross compensation that was approved by last year's Annual General Meeting for 2016. As two of the five employment contracts are in foreign currencies, it was necessary to create a reserve for currency fluctuations. In addition, according to new practice, mandatory employer contributions to governmental social insurances (e.g. AHV), are to be additionally declared as compensation to the extent they constitute or increase pension benefits for the beneficiaries, which is generally not the case.
- *Variable compensation:*  
For the 2017 financial year, too, variable gross compensation will be determined exclusively by reference to quantitative targets (revenue, EBITDA, net working capital), set for the year by the Board of Directors in December 2016 in line with the budget targets for 2017. 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 Executive Board will receive a variable compensation amounting to 40%. Based on the current employment contracts for the Executive Board, this amounts to approximately CHF 850,000.  
If the quantitative targets are exceeded, the variable compensation for the CEO may be increased to a maximum of 100% of the fixed compensation (with the figure for the other members of the Group Executive Board being 80%). In order to cover the maximum amount and taking into consideration currency fluctuations, we propose to you that a maximum total amount of CHF 1,900,000 be approved for the 2017 financial year for the five members of the Group Executive Board. The requested total amount is equal to the total amount approved by last year's Annual General Meeting for 2016 for variable compensation.  
The maximum potential can be reached only if the budget is exceeded by a wide margin, resulting in a substantial increase in value for shareholders.

▪ *Allocation of equity securities (long-term incentive):*

As in previous years, the Board of Directors intends to set up a share matching plan as a long-term incentive plan for the years 2016 and 2017 as well. To benefit from the plan, the members of the Executive Board must acquire shares at the market price and hold them for three years. The share matching plan consists of a retention component and a performance-based component. The members of the Executive Board have the option to acquire shares of the company as investment shares during a fixed subscription period at the market price, up to an amount defined by the Board of Directors. After a three-year holding period, participants in the plan will receive free matching shares for 35% of their investment shares, provided that their employment contract is still in existence at this point in time ("retention component"). In addition, participants in the share matching plan can receive additional matching shares for up to 65% of the investment shares they have acquired, provided that the medium-term profitability targets have been achieved ("performance-based component"). The medium-term profitability targets are based on the mid-term targets that have been defined. For example, a participant in the share matching plan for 2015 can receive additional shares as performance shares only if Ascom achieves an EBITDA margin of at least 14.0% in its core business in 2017. The maximum target is achieved with an EBITDA margin of 18.0%. In total, the company allocates one matching share for every investment share that was bought. The value of the equity securities is determined at grant date assuming full achievement of all performance targets. The Board of Directors proposes that a total amount of CHF 900,000 be approved for 2017 for the allocation of equity securities for the five members of the Group Executive Board. The requested total amount is equal to the total amount approved by the Annual General Meeting for 2016 for the allocation of equity securities.

*The Board of Directors proposes that the suggested 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 2016 Annual General Meeting.

Sincerely,



Juhani Anttila  
Chairman of the Board of Directors

**Ascom Holding AG**

Zugerstrasse 32 | CH-6340 Baar  
T +41 41 544 78 00 | Fax 41 761 97 25  
[www.ascom.com](http://www.ascom.com)