

Invitation to the 2017 Annual General Meeting of Ascom Holding AG

Baar, March 2017

Dear Shareholder

We have pleasure in inviting you to the Annual General Meeting of Ascom Holding AG for the financial year 2016, to be held on

Wednesday, 19 April 2017, at 14:00 at the Lorzensaal Cham, Dorfplatz 3, 6330 Cham

AGENDA AND PROPOSALS

1. 2016 Annual Report and Financial Statements of Ascom Holding AG, Report of the Statutory Auditors

Proposal of the Board of Directors:

That the 2016 Annual Report and Financial Statements be approved.

2. 2016 Consolidated Financial Statements, Report of the Statutory Auditors

Proposal of the Board of Directors:

That the 2016 Consolidated Financial Statements be approved.

3. 2016 Remuneration Report (consultative vote)

Proposal of the Board of Directors:

That the 2016 Remuneration Report be approved.

4. Appropriation of Retained Earnings of Ascom Holding AG for 2016

Proposal of the Board of Directors:

	in CHF
Retained earnings from previous year	469,538,366
Dividend payment 2016	(16,121,211)
Net loss 2016	(58,214,397)
Retained earnings at 31 December 2016	395,202,758
Distribution of CHF 0.80 per share entitled to dividends	(28,800,000)
Balance to be carried forward	366,402,758

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) Dr Valentin Chapero Rueda
- b) Dr Harald Deutsch
- c) Christina Stercken
- d) Andreas Umbach

and that

- e) Jürg Fedier

be elected as a member of the Board of Directors for the term of one year, i.e. until the completion of the 2018 Annual General Meeting.

6.2 Chairman of the Board of Directors

Proposal of the Board of Directors:

That Andreas Umbach be elected as Chairman of the Board of Directors for the term of one year, i.e. until the completion of the 2018 Annual General Meeting.

6.3 Compensation Committee

Proposal of the Board of Directors:

That the following member be re-elected

- a) Dr Harald Deutsch

and that

- b) Dr Valentin Chapero Rueda

be elected as a member of the Compensation Committee for the term of one year, i.e. until the completion of the 2018 Annual General Meeting.

6.4 Statutory Auditors

Proposal of the Board of Directors:

That PricewaterhouseCoopers AG be re-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 2018 Annual General Meeting, and that Dr Alexander Kernen, Attorney, Berne, be re-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 600,000 for the Board of Directors for the period until the 2018 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 2,100,000 for the Executive Board (4 members; including contributions to pension funds and other social benefits) for the business year 2018 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 1,700,000 for the Executive Board (4 members) for the business year 2018 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 850,000 (at the moment of allocation) for the Executive Board (4 members) for the business year 2018 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 2016 Annual Report is available in English and can be downloaded at the website <https://www.ascom.com/corp/investor-relations/reports-presentation.html>.

ADMISSION TICKETS

Entry cards and voting material are delivered upon demand until 13 April 2017, at the latest. Persons registered with the right to vote at the Company's shareholder's ledger on 10 April 2017 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). You should return the reply form giving written voting instructions by 13 April 2017 at the latest.

You may register as well on the shareholder platform Sherpany and give your instructions online (<https://investor.sherpany.com>).

The shareholders' ledger will be closed on 10 April 2017. 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 Lorzensaal Cham.

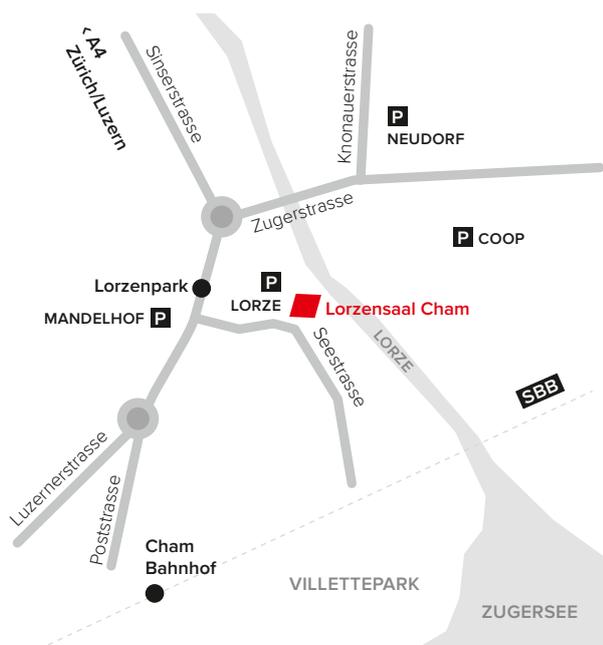
You can reach the Lorzensaal from Cham train station by taking bus line 42 (direction to: Cham, Langacker) to the stop at Lorzenpark. The public car park Lorze is situated in the basement floor of the Lorzensaal. Other parking possibilities are provided in the three public car parks Mandelhof, Coop or Neudorf nearby (all subject to payment of charges).

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 2017 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 Cham on Wednesday, 19 April 2017, at 14:00. Please use the enclosed form to order your admission ticket and the 2016 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)

2016 was a year of major transformation for Ascom. The Wireless Solutions Division once again proved to be a stable business with good profitability and revenues in line with the previous year. Adjusted for the restructuring costs, Wireless Solutions achieved for 2016 an EBITDA margin of 14.0% with a higher profitability in the second half-year.

The former Network Testing Division was divested as of 30 September 2016. As already announced in August 2016, the divestment led to an extraordinary loss of CHF 145.1 million. Moreover, the Network Testing Division suffered from an operating loss of CHF 20 million. As a result of these extraordinary effects, Ascom posted a loss of CHF 145.7 million at Group level for the financial year 2016.

The Board of Directors proposes that the Annual Report, Financial Statements and Consolidated 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 2016. In the 2016 reporting year, the following gross compensation was paid out within the defined limits:

- Board of Directors (7 members): CHF 985,000
- Group Executive Board (6 members): CHF 3,563,229

The Board of Directors proposes that the Compensation Report for 2016 be approved.

Agenda item 4 (Appropriation of Available Earnings)

The Board of Directors will propose a dividend of CHF 0.80 per share. The Board decided to pay out the major part of the proceeds from the divestment of the Network Testing Division to the shareholders.

The Board of Directors proposes that the distribution of a dividend of CHF 0.80 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.

Agenda item 6 (Elections)

The Board of Directors proposes that Jürg Fedier, a high-profile candidate, be elected to the Board of Directors as a new member. Jürg Fedier is Chief Financial Officer of OC Oerlikon and has a very solid track record with a strong international background and broad experience as a CFO of a publicly listed company.

The four current members of the Board of Directors (Dr Valentin Chapero Rueda, Dr Harald Deutsch, Christina Stercken, Andreas Umbach) are standing for re-election. In addition, Andreas Umbach is being proposed as new Chairman of the Board of Directors.

The Board of Directors now consists of five members, so that in the future both the Audit Committee and the Compensation Committee will each have two members from the Board of Directors.

Dr Valentin Chapero Rueda and Dr Harald Deutsch are being proposed as members of the Compensation Committee.

The Independent Representative, Franz Müller, attorney-at-law and notary in Berne – as well as Dr Alexander Kernen, his office partner, as his deputy – are standing for another term of office. 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 Representative 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 2018 financial year, as per article 20e of the Articles of Association.

Board of Directors

We propose to you that the maximum total amount of gross compensation for the five members of the Board of Directors for the period of one year until the 2018 Annual General Meeting be set at CHF 600,000. The annual compensation of the Board of Directors has been adjusted. An ordinary member shall receive CHF 100,000 (before: CHF 120,000), while the Chairman shall receive CHF 200,000 (before: CHF 300,000). In addition, 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 system and the limits of compensation for the Executive Board are to be retained in the coming year. 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.

We propose to you that the maximum gross compensation for the four members of the Group Executive Board for the 2018 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 four members of CHF 2,100,000 (2017: CHF 2,500,000 for five members) including reserves for currency fluctuations. In addition, 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 2018 financial year, too, variable gross compensation will be determined exclusively by reference to quantitative targets (revenue, EBITDA), set for the year by the Board of Directors in December 2017 in line with the budget targets for 2018. 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 40–46%. Based on the current employment contracts for the Executive Board, this amounts to approximately CHF 770,000.

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 amounting to 80–92%). In order to cover the maximum amount and taking into consideration currency fluctuations, we propose to you that a maximum total amount of CHF 1,700,000 be approved for the 2018 financial year for the four members of the Group Executive Board (2017: CHF 1,900,000 for five members).

The maximum amount 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 2017 and 2018 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 2016 can receive additional shares as performance shares only if Ascom achieves an EBITDA margin of at least 15.0% in its core business in 2018. The maximum target is achieved with an EBITDA margin of 19.0%. As a maximum, the Company will honor each investment share with one matching share.

The value of the equity securities will be calculated at the time they were granted, assuming that all performance-based targets have been achieved. The Board of Directors proposes that a total amount of CHF 850,000 be approved for 2018 for the allocation of equity securities for the four members of the Group Executive Board (2017: CHF 900,000 for five members).

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 2017 Annual General Meeting.

Sincerely,



Juhani Anttila
Chairman of the Board of Directors

Ascom Holding AG

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