

Invitation to the 2020 Annual General Meeting of Ascom Holding AG

Baar, March 2020

Dear Shareholder,

We have pleasure in inviting you to the Annual General Meeting of Ascom Holding AG for the financial year 2019, to be held on

**Wednesday, 15 April 2020, at 14.00 at the Theater Casino Zug, Artherstrasse 2–4,
6300 Zug**

AGENDA AND PROPOSALS

1. 2019 Annual Report and Financial Statements of Ascom Holding AG, Report of the Statutory Auditors

Proposal of the Board of Directors:

That the 2019 Annual Report and Financial Statements be approved.

2. 2019 Consolidated Financial Statements, Report of the Statutory Auditors

Proposal of the Board of Directors:

That the 2019 Consolidated Financial Statements be approved.

3. 2019 Remuneration Report (consultative vote)

Proposal of the Board of Directors:

That the 2019 Remuneration Report be approved.

4. Appropriation of Retained Earnings of Ascom Holding AG for 2019

Proposal of the Board of Directors:

	in CHF
Retained earnings from previous year	353,775,147
Distribution of dividends 2019	(16,181,649)
Result for the period 2019	937,847
Retained earnings at 31 December 2019	338,531,345
Distribution of dividends 2020	0
Balance to be carried forward	338,531,345

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) Jürg Fedier

and that

- f) Nicole Burth Tschudi
- d) Laurent Dubois
- e) Michael Reitermann
- f) Dr Andreas Schönenberger

be elected (each separately) as members of the Board of Directors for the term of one year, i.e. until the completion of the 2021 Annual General Meeting.

6.2 Chairman of the Board of Directors

Proposal of the Board of Directors:

That Dr Valentin Chapero Rueda be elected as Chairman of the Board of Directors for the term of one year, i.e. until the completion of the 2021 Annual General Meeting.

6.3 Compensation Committee

Proposal of the Board of Directors:

That

- a) Nicole Burth Tschudi
- b) Laurent Dubois

be elected (each separately) as members of the Compensation Committee for the term of one year, i.e. until the completion of the 2021 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 2021 Annual General Meeting, and that Dr Alexander Kernen, Attorney and Notary, Berne, be re-elected as his deputy.

7. Revision of the Articles of Association

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 gross compensations of CHF 700,000 for the Board of Directors for the period until the 2021 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).

8.2 Executive Board

a) Fixed compensation

Proposal of the Board of Directors:

That the maximum amount of fixed gross compensations of CHF 2,000,000 for the Executive Board (4 members; including contributions to pension funds and other social benefits) for the business year 2021 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 1,800,000 for the Executive Board (4 members) for the business year 2021 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 2021 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 2019 Annual Report is available in English and can be downloaded at the website <https://www.ascom.com/Investor-Relations/Financial-information/Reports-and-presentations.html>.

ADMISSION TICKETS

Entry Cards and voting material are delivered together with the invitation documents. Persons registered with the right to vote at the Company's shareholder's ledger on 6 April 2020 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

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). You should return the reply form giving written voting instructions by 9 April 2020 at the latest.

You may register as well on the shareholder platform of Nimbus and give your instructions online (<https://ascom.shapp.ch>).

The shareholders' ledger will be closed on 6 April 2020. 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.

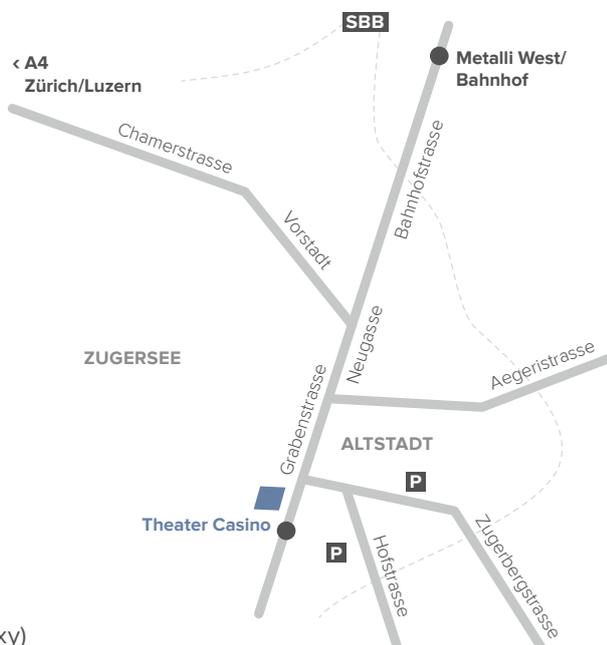
You can reach the Theater Casino Zug by taking bus lines 3 (direction to Oberwil) or 11 (direction to Schöneegg) from "Metalli West/Bahnhof" to the stop at "Theater Casino". The two car parks Altstadt-Casino and Frauensteinmatt are available nearby, subject to payment of a charge. There is no on-site parking at the Theater Casino.

Ascom Holding AG

On behalf of the Board of Directors



Dr Valentin Chaperro Rueda



Enclosures

Entrance and Voting Card
Reply form (for registration and proxy)
Reply envelope

Explanatory notes on the Invitation to the 2020 Annual General Meeting

Dear Shareholder,

It gives me great pleasure to invite you to this year's Annual General Meeting, which will take place in Zug on Wednesday, 15 April 2020, at 14.00. Please use the enclosed reply form to order the 2019 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)

2019 was a challenging year for Ascom. The development headed into the wrong direction as costs went up and revenue decreased. Faced with delivery issues, a high cost base and organizational complexity, we experienced a drop in financial performance and had to respond fast and decidedly. Despite this, Ascom is well positioned in a very promising market.

Ascom generated net revenue of CHF 282.9 million with a decline of 8.5% at constant currencies. The EBITDA amounted to CHF 0.8 million, including restructuring costs of CHF 6.1 million.

Ascom closed the financial year 2019 with a positive Group profit of CHF 0.5 million (2018: CHF 21.4 million). Ascom Holding AG as a company generated a profit of CHF 0.9 million (2018: loss of CHF 4.8 million) due to higher income from shareholdings. However, the Group result is economically relevant.

The Board of Directors proposes that the 2019 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 2019.

The following gross compensation was paid out within the defined limits:

- Board of Directors (5 members): CHF 600,000 for the period of office 2019/20
- Executive Board (6 members): CHF 3,267,135 for financial year 2019 including payments of CHF 550,234 to the former CEO and the former CFO after their resignation

The Board of Directors proposes that the Remuneration Report for 2019 be approved.

Agenda item 4 (Appropriation of Available Earnings)

Ascom has paid a dividend in previous years in relation to the achieved Group profit. Due to the very low Group profit this year, the Board of Directors proposes not to pay out a dividend for 2019 accordingly.

The Board of Directors proposes approval of the appropriation of retained earnings (carried forward to new account).

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)

Four new Board members are proposed by the Board of Directors for election:

- Nicole Burth Tschudi, CEO Adecco Group Switzerland
- Laurent Dubois, former CEO GE Healthcare Partners
- Michael Reitermann, former member of Managing Board Siemens Healthineers
- Dr Andreas Schönenberger, CEO of Sanitas Krankenversicherung

The proposed new Board members are all experienced leadership personalities with a strong international background and offer a broad mix of expertise in professional services, health-care and management of transformation processes.

As previously communicated, the current members Dr Harald Deutsch, Christina Stercken and Andreas Umbach will not stand for re-election at the upcoming Annual General Meeting.

The current members Dr Valentin Chapero Rueda (Chairman) and Jürg Fedier are available for another term of office.

As member of the Compensation Committee, the Board of Directors proposes Nicole Burth Tschudi and Laurent Dubois.

The Independent Representative, Franz Müller, attorney-at-law and notary in Berne, as well as Dr Alexander Kernén – 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 (Revision of the Articles of Association)

The Board of Directors submits to the shareholders a revision of the Articles of Association in accordance with the enclosed proposal:

- Conditional/authorized capital increase: The legal framework to be created to allow a share capital increase by a maximum of 10% in total (irrespective of the chosen form), to gain more flexibility for the further development of the company.
- With regard to external mandates for members of the Board of Directors and the Executive Board, it is proposed to differentiate between mandates in publicly traded companies and non-listed companies. The proposed number of mandates corresponds to the benchmark with other companies.

- The Board of Directors has decided to reduce from 2020 the fixed compensation for the CEO while increasing the short-term incentive and the potential for the long-term incentive. In order to be able to put a stronger focus on performance-based compensation for the Executive Board, the upper limit of the respective amount should be adjusted in the Articles of Association.

Agenda item 8 (Approval of the maximum total amounts for future compensations)

Below, we provide you with maximum amounts (framework amounts) to be approved for the upcoming 2021 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 six members of the Board of Directors for the period of one year until the 2021 Annual General Meeting be set at CHF 700,000 (same as previous year). An ordinary member shall receive a fee of CHF 100,000 while the Chairperson shall receive CHF 200,000. 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 compensation for the members of the Executive Board consists of three components: fixed compensation, performance-related variable compensation, and a long-term incentive in the form of equity securities. The Board of Directors has decided to reduce the fixed compensation for the CEO from 2020, on the other hand, to increase the short-term incentive and the potential for the long-term incentive.

We propose that the maximum gross compensation for the four members of the Executive Board for the 2021 financial year be determined in line with the prior year:

- **Fixed compensation** including payments into the pension fund and other social benefits: approval of a maximum total amount for the four members of CHF 2,000,000 (2020: CHF 2,100,000) 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 2021 financial year, too, variable gross compensation will be determined primarily by reference to quantitative targets (revenue, EBITDA), set for the year 2021 by the Board of Directors in December 2020 in line with the budget targets for 2021. If all these targets are met, the CEO will receive variable compensation amounting to 77% of the fixed compensation, and the other members of the Executive Board will receive a variable compensation amounting to 40–50%. Based on the current employment contracts for the Executive Board, this amounts to approximately CHF 880,000. If the quantitative targets are exceeded, the variable compensation of the members of the Executive Board may double at most. In order to cover the maximum amount and taking into consideration currency fluctuations, we propose to you that a maximum total amount of CHF 1,800,000 be approved for the 2021 financial year for the four members of the Group Executive Board (2020: CHF 1,700,000). 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):**

To further recognize and reward members of the Executive Board (and selected senior managers) for sustainable value creation for the company and its shareholders, a new long-term incentive was developed and approved by the Board of Directors. The PSU Plan foresees annual issuance of Performance Stock Units (“PSUs”) with the first allocation in 2019. One PSU represents the conditional right to receive a fraction between 0% and 200% of an Ascom share subject to the fulfillment of certain vesting conditions. Vesting of the PSUs occurs on the third anniversary of the respective date of grant. Vesting conditions are, both, the achievement of performance targets as well as an unterminated contractual relationship with the company. Performance targets are represented by equally weighted three-year net income fully diluted Earnings per Share (“EPS”) and three-year relative Total Shareholder Return (“TSR”) measured against the Swiss Performance Index Extra (“SPI EXTRA”) and expressed as a percentage points difference. The award forfeits fully or partly if employment ceased before the vesting date. Furthermore, the PSU plan is subject to malus and clawback provisions. The respective plan rules provide the Board of Directors with absolute discretion to recoup (or cause the forfeiture if not yet vested or awarded) fully or partly any award under the restated financial result and/or for reasons linked to an individual’s behavior.

The Board of Directors proposes that a total amount of CHF 850,000 be approved for 2021 for the allocation of equity securities for the four members of the Group Executive Board (2020: CHF 850,000).

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 2020 Annual General Meeting.

Sincerely,



Dr Valentin Chaperro Rueda
Chairman of the Board of Directors

Ascom Holding AG

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