

Invitation to the 2021 Annual General Meeting of Ascom Holding AG

Baar, March 2021

Dear Shareholder,

The Annual General Meeting of Ascom Holding AG for the financial year 2020 will take place on

Wednesday, 21 April 2021, at 14.00 at Ascom Holding AG, Zugerstrasse 32, 6340 Baar

Please note: In consideration of the ongoing Covid-19 pandemic and based on Art. 27 of the Ordinance 3 of the Swiss Federal Council on Covid-19, the 2021 Annual General Meeting will be held without the physical participation of shareholders.

AGENDA AND PROPOSALS

1. 2020 Annual Report and Financial Statements of Ascom Holding AG, Report of the Statutory Auditors

Proposal of the Board of Directors:

That the 2020 Annual Report and Financial Statements be approved.

2. 2020 Consolidated Financial Statements, Report of the Statutory Auditors

Proposal of the Board of Directors:

That the 2020 Consolidated Financial Statements be approved.

3. 2020 Remuneration Report (consultative vote)

Proposal of the Board of Directors:

That the 2020 Remuneration Report be approved.

4. Appropriation of Retained Earnings of Ascom Holding AG for 2020

Proposal of the Board of Directors:

	in CHF
Retained earnings from previous year	338,531,345
Distribution of dividends 2020	0
Result for the period 2020	1,635,211
Retained earnings at 31 December 2020	340,166,556
Distribution of dividends 2021	0
Balance to be carried forward	340,166,556

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

- a) Dr Valentin Chapero Rueda
- b) Nicole Burth Tschudi
- c) Laurent Dubois
- d) Jürg Fedier
- e) Michael Reitermann
- f) Dr Andreas Schönenberger

be re-elected (each separately) as members of the Board of Directors for the term of one year, i.e. until the completion of the 2022 Annual General Meeting.

6.2 Chairman of the Board of Directors

Proposal of the Board of Directors:

That Dr Valentin Chapero Rueda be re-elected as Chairman of the Board of Directors for the term of one year, i.e. until the completion of the 2022 Annual General Meeting.

6.3 Compensation & Nomination Committee

Proposal of the Board of Directors:

That

- a) Nicole Burth Tschudi
- b) Laurent Dubois

be re-elected (each separately) as members of the Compensation & Nomination Committee for the term of one year, i.e. until the completion of the 2022 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 2022 Annual General Meeting, and that Dr Alexander Kernen, Attorney and Notary, 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 700,000 for the Board of Directors for the period until the 2022 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 1,200,000 for the Executive Board (2 members; including contributions to pension funds and other social benefits) for the business year 2022 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 1,200,000 for the Executive Board (2 members) for the business year 2022 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 500,000 (at the moment of allocation) for the Executive Board (2 members) for the business year 2022 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 2020 Annual Report is available in English and can be downloaded at the website www.ascom.com/Investor-Relations/Financial-information/Reports-and-presentations.html.

PARTICIPATION OF SHAREHOLDERS

Voting material is delivered together with the invitation documents. Persons registered with the right to vote at the Company's shareholder's ledger on 12 April 2021 are entitled to vote.

Due to the extraordinary situation in connection with the ongoing Covid-19 pandemic, the Board of Directors unfortunately had to decide to hold the Annual General Meeting on 21 April 2021 based on Art. 27 of the Ordinance 3 on Measures to Combat the Coronavirus (Covid-19) **without the physical participation of shareholders.**

Under Art. 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 15 April 2021 at the latest.

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

The shareholders' ledger will be closed on 12 April 2021. Shareholders who sell their shares after this date will no longer be entitled to vote at the Annual General Meeting.

Shareholders who wish to ask a question with regard to the Annual General Meeting can do so electronically until 16 April 2021 (info@ascom.com). We will publish your questions and our answers on our website (www.ascom.com/Investor-Relations/Financial-information/Annual-General-Meeting.html).

Ascom Holding AG

On behalf of the Board of Directors



Dr Valentin Chaperó Rueda

Explanatory notes on the Invitation to the 2021 Annual General Meeting

Dear Shareholder,

The Annual General Meeting 2021 will take place on Wednesday, 21 April 2021, without the physical participation of shareholders. Please use the enclosed reply form to order the 2020 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)

Despite the Covid-19 pandemic, Ascom could achieve the communicated targets and return to profitable growth in 2020.

Ascom achieved a revenue growth of 3.6% (at constant currencies) and an EBITDA-Margin of 8.9% in 2020. The Group profit amounts to CHF 6.5 million.

Ascom Holding AG as a company generated a profit of CHF 1.6 million depending on the income from shareholdings. However, the Group result is economically relevant.

The Board of Directors proposes that the 2020 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 can be found on our website and provides you with comprehensive information on Ascom's compensation system and on the compensation paid in 2020.

The following gross compensation was paid out within the limits defined by the Annual General Meeting:

- Board of Directors (6 members): CHF 700,000 for the period of office 2020/21
- Executive Board (4 members): CHF 3,032,812 for financial year 2020

The Board of Directors proposes that the Remuneration Report for 2020 be approved.

AGENDA ITEM 4 (APPROPRIATION OF AVAILABLE EARNINGS)

Because of the on-going transformation and the uncertainties in the current year due to the Covid-19 pandemic, the Board of Directors will propose to carry forward the retained earnings and to abstain from a dividend payment.

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)

The Board of Directors proposes to the shareholders that the current members be re-elected:

- Dr Valentin Chapero Rueda, Chairman
- Nicole Burth Tschudi
- Laurent Dubois
- Jürg Fedier
- Michael Reitermann
- Dr Andreas Schönenberger

The Board members are all independent and have non-executive mandates for Ascom.

As members of the Compensation & Nomination Committee, the Board of Directors proposes that Nicole Burth Tschudi and Laurent Dubois be re-elected. It is intended that Jürg Fedier will continue to chair the Audit 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 re-elected, and that PricewaterhouseCoopers AG be re-elected as auditors as well.

AGENDA ITEM 7 (APPROVAL OF THE MAXIMUM TOTAL AMOUNTS FOR FUTURE COMPENSATIONS)

Below, we provide you with maximum amounts (framework amounts) to be approved for the upcoming 2022 financial year, as per Art. 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 2022 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.

We propose that the maximum gross compensation for the two members of the Executive Board for the 2022 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 1,200,000 (2021: CHF 2,000,000 for four 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 2022 financial year, too, variable gross compensation will be determined primarily by reference to quantitative targets (revenue, EBIT-DA), set for the year 2022 by the Board of Directors in December 2021 in line with the budget targets for 2022. If all these targets are met, the CEO will receive variable compensation amounting to 77% of the fixed compensation, and the CFO will receive a variable compensation amounting to 49%. Based on the current employment contracts for the Executive Board, this amounts to approximately CHF 575,000. 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 1,200,000 be approved for the 2022 financial year (2021: CHF 1,800,000 for four 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):**

To further recognize 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”). 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 untermiated 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 a maximum of CHF 500,000 be approved for the business year 2022 for the allocation of equity securities (2021: CHF 850,000 for four members).

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

Sincerely,



Dr Valentin Chapero Rueda
Chairman of the Board of Directors

Ascom Holding AG

Zugerstrasse 32 | CH-6340 Baar
T +41 41 544 78 00 | Fax +41 41 761 97 25
www.ascom.com