

# Invitation to the 2023 Annual General Meeting of Ascom Holding AG

Baar, March 2023

Dear Shareholder,

We have pleasure in inviting you to the Annual General Meeting of Ascom Holding AG for the financial year 2022, to be held on

**Tuesday, 18 April 2023, at 14.00 at the Theater Casino Zug,  
Artherstrasse 2–4, 6300 Zug**

## **AGENDA AND PROPOSALS**

### **1. 2022 Annual Report and Financial Statements of Ascom Holding AG, Report of the Statutory Auditors**

#### **Proposal of the Board of Directors:**

That the 2022 Annual Report and Financial Statements be approved.

#### ***Explanatory notes:***

*Detailed reporting can be found in the Annual Report.*

*Ascom as a Group achieved a revenue growth of 2.0% (7.2% at constant currencies) and an EBITDA margin of 8.0% in 2022. The Group profit amounts to CHF 11.0 million.*

*Ascom Holding AG as a company generated a profit of CHF 1.43 million depending on the income from shareholdings. However, the Group result is economically relevant.*

## 2. 2022 Consolidated Financial Statements, Report of the Statutory Auditors

### Proposal of the Board of Directors:

That the 2022 Consolidated Financial Statements be approved.

## 3. 2022 Remuneration Report (consultative vote)

### Proposal of the Board of Directors:

That the 2022 Remuneration Report be approved.

#### **Explanatory notes:**

*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 2022.*

*The following gross compensation was paid out within the limits defined by the Annual General Meeting 2021:*

- *Board of Directors (6 members):*
  - CHF 700,000 for the period of office 2021/22
  - Approved frame: CHF 700,000
- *Executive Board (2 members as well as the leaving CEO):*
  - CHF 2,231,179 for financial year 2022
  - Approved frame: CHF 3,450,000

*(Further details can be found in the Remuneration Report [p. 75])*

## 4. Appropriation of Retained Earnings of Ascom Holding AG for 2022

### Proposal of the Board of Directors:

|  | in CHF 1,000   |
|--|----------------|
| Retained earnings from previous year         | 344,263        |
| Distribution of dividends 2022               | (7,198)        |
| Result for the period 2022                   | 1,425          |
| <b>Retained earnings at 31 December 2022</b> | <b>338,490</b> |
| Distribution of dividends 2023               | (7,200)        |
| <b>Balance to be carried forward</b>         | <b>331,290</b> |

***Explanatory notes:***

*In 2022, Ascom as a Group generated a net profit of CHF 11.0 million. The Board of Directors proposes to pay a dividend of CHF 0.20 per share, corresponding to a total payout of CHF 7.2 million.*

## **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**

***Explanatory notes:***

*The Board of Directors proposes to the shareholders the re-election of the current members. The Board members are all **independent** and have non-executive mandates for Ascom.*

*Moreover, the Board of Directors proposes that the current members be re-elected as members of the Compensation & Nomination Committee.*

*It is intended that Jürg Fedier will continue to chair the Audit Committee.*

### **6.1 Board of Directors**

**Proposal of the Board of Directors:**

That

- a) Dr Valentin Chaperro 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 2024 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 2024 Annual General Meeting.

## 6.3 Compensation & Nomination Committee

### Proposal of the Board of Directors:

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

- a) Nicole Burth Tschudi
- b) Laurent Dubois
- c) Dr Andreas Schönenberger

as members of the Compensation & Nomination Committee for the term of one year, i.e. until the completion of the 2024 Annual General Meeting.

## 6.4 Statutory Auditors

### Proposal of the Board of Directors:

That KPMG be re-elected as Statutory Auditors for a term of one year.

### ***Explanatory notes:***

*The Board of Directors proposes that KPMG be re-elected as auditors. KPMG is in charge since 2022.*

## 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 2024 Annual General Meeting, and that Ill dasadvokaturbuero ag, Berne, be elected as his deputy.

### ***Explanatory notes:***

*The Independent Representative, Franz Müller, is standing for another term of office. We propose to elect as deputy the law firm Ill dasadvokaturbuero ag in Berne, whereof Franz Müller is a partner. Both are independent and have no other mandates for Ascom.*

## 7. Revision of the Articles of Association

### **Explanatory notes:**

*The new Swiss Company Law came into force as of 1 January 2023. The Board of Directors decided to adapt the Articles of Association to the new legal provisions.*

*You find a comparison of the current and proposed updated version of the Articles of Association as appendix to this invitation. In consideration of art. 700 para. 3 of the Code of Obligations, the proposed changes are structured thematically and submitted for approval to the Annual General Meeting in four different agenda items:*

- 1) Introduction of a capital band (art. 3a/3b of the Articles of Association)*
- 2) Adaptation of the provisions related to the Annual General Meeting (art. 8–12 of the Articles of Association) including the introduction of the opportunity to hold the Annual General Meeting virtually*
- 3) Adaptation of the provisions related to the Board of Directors and the compensations (art. 13–19 and 20a–20e of the Articles of Association)*
- 4) Adaptation of the other provisions of the Articles of Association (art. 1, 3–6, 20, 22) to the new Company Law / further amendments*

### **7.1 Introduction of a capital band**

#### **Proposal of the Board of Directors:**

That a capital band of 10% be introduced according to the enclosed proposal (art. 3a/3b of the Articles of Association).

### **Explanatory notes:**

*The new Company Law allows the introduction of a capital band. The capital band empowers the Board of Directors to increase or to decrease the share capital during a limited period of time and within a defined bandwidth. The capital band provides to the Company the flexibility needed for the capital procurement. The capital band replaces the instrument of the authorized capital.*

*The Board of Directors proposes the introduction of a capital band of 10% and limited until 31 March 2028, as set in art. 3b of the Articles of Association, thereby replacing the current authorized capital of 10%.*

*The introduction of the capital band has no implications on the current conditional capital according to art. 3a of the Articles of Association.*

## **7.2 Adaptation of the provisions related to the Annual General Meeting**

### **Proposal of the Board of Directors:**

Adaptation of art. 8–12 of the Articles of Association according to the enclosed proposal.

### ***Explanatory notes:***

*The new Company Law extends the competences of the Annual General Meeting. The Board of Directors proposes to adapt the provisions related to the Annual General Meeting (art. 8–12 of the Articles of Association) to the new Company Law. In addition, the Annual General Meeting also can decide e.g. about an interim dividend, the repayment of the statutory capital reserve or the delisting of the Company's equity securities. Shareholders who represent at least 5% of the share capital, may request the convocation of an extraordinary General Meeting.*

*The Board of Directors further proposes to introduce the opportunity to hold the Annual General Meeting virtually or in hybrid form (art. 9a of the Articles of Association). This instrument is helpful in special situations such as the Covid pandemic.*

## **7.3 Adaptation of the provisions related to the Board of Directors and the compensations**

### **Proposal of the Board of Directors:**

Adaptation of art. 13–19 as well as 20a–20e of the Articles of Association according to the enclosed proposal.

### ***Explanatory notes:***

*The tasks of the Board of Directors will be extended slightly in parallel to the competences of the Annual General Meeting. Art. 17 has to be amended accordingly.*

*The current Ordinance against Excessive Compensation (OaEC) was integrated into the new Company Law, which has to be reflected in the Articles of Association.*

*The number of permitted positions outside the Group for members of the Board of Directors and the Executive Board remains unchanged. Due to the revision of the Company Law, the positions in associations and foundations will not be recorded any more. According to the amended Company Law, the external positions in the Articles of Association (art. 20d) are defined as additional positions in comparable functions at other companies with a commercial purpose.*

## **7.4 Adaptation of the other provisions of the Articles of Association to the new Company Law / further amendments**

### **Proposal of the Board of Directors:**

Adaptation of the other Articles of Association (art. 1, 3–6, 20, 22) according to the enclosed proposal.

### ***Explanatory notes:***

*Art. 3 para 3 of the Articles of Association can be deleted as the new Company Law does not require a statutory basis any more to convert registered shares into bearer shares.*

*Moreover, the Articles of Association are formulated in a gender-sensitive language.*

*The other adaptations of the Articles of Association only are formal amendments.*

## **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 2024 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).

**Explanatory notes:**

*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 from the 2023 Annual General Meeting until the 2024 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.*

**8.2 Executive Board****a) Fixed compensation****Proposal of the Board of Directors:**

That the maximum amount of fixed gross compensations (including contributions to pension funds and other social benefits) of CHF 1,200,000 for the Executive Board (2 members) for the business year 2024 be approved (subject to additional mandatory employer contributions to governmental social insurances to the extent they constitute or increase pension benefits for the beneficiaries).

**Explanatory notes:**

*The compensation for the members of the Executive Board consists of three components: fixed compensation, short-term incentive (performance-related variable compensation), long-term incentive (attribution of Performance Stock Units).*

*The proposal for the fixed compensation (base salary including payments into the pension fund and other social benefits) includes the approval of a maximum total amount of CHF 1,200,000 for fiscal year 2024 (2023: CHF 1,200,000) including reserves. The current base salary for the two members of the Executive Board amounts to CHF 804,850. 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.*

**b) Variable compensation****Proposal of the Board of Directors:**

That the maximum amount of performance-related variable gross compensations (short-term incentive) of CHF 1,200,000 for the Executive Board (2 members) for the business year 2024 be approved.



**Explanatory notes:**

*For the fiscal year 2024, too, variable gross compensation will be determined primarily by reference to quantitative targets (revenue, EBITDA), set for the year 2024 by the Board of Directors in December 2023 in line with the budget targets for 2024. The qualitative targets amount to a maximum of 20% of the total potential of the short-term incentive.*

*Provided that all performance-related targets are met, the CEO will receive variable compensation (short-term incentive) amounting to 80% of his base salary, and the CFO will receive a variable compensation amounting to 49% of his base salary. Based on the current employment contracts for the Executive Board, this amounts to approximately CHF 550,000. If the predefined targets are exceeded, the variable compensation of the members of the Executive Board may double at most. In order to cover the maximum amount, we propose to you that a maximum total amount of CHF 1,200,000 be approved for the 2024 financial year (2023: CHF 1,200,000). The maximum amount (200% target achievement) can be reached only if the budget is exceeded by a wide margin, resulting in a substantial increase in value for shareholders.*

*(Please find more details in the Remuneration Report [p. 63–66]).*

**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 (fair value at grant following the relevant accounting standards) for the Executive Board (2 members) for the business year 2024 be approved.

**Explanatory notes:**

*To further recognize sustainable value creation for the Company and its shareholders, a long-term incentive was approved by the Board of Directors. The long-term incentive in form of a PSU plan foresees annual issuance of Performance Stock Units ("PSUs"). One PSU represents the conditional right to receive after the expiry of a period to three years a fraction between 0% and 200% of an Ascom share, based on the fulfillment of the predefined performance target.*

*The performance target is represented by the three-year relative Total Shareholder Return ("TSR") measured against the Swiss Performance Index Extra ("SPI EXTRA") and expressed as a percentage points in difference.*

*The award forfeits fully or partly if employment ceased before the vesting date. Furthermore, the PSU plan is subject to malus and claw back 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.*

*According to his contract, the CEO has a target grant level amounting to CHF 300,000 (fair value at grant following the relevant accounting standards in accordance with Article 20b Sector 4 of the Articles of Association) equaling to 60% of his base salary. Depending on the target achievement, the CEO receives after the expiry of the three-year vesting period a share allocation between 0% and 200% per PSU. The maximum amount (200% achievement) based on a significant overachievement of all performance targets amounts to 120% of his base salary (not considering share price movements). The maximum amount can only be achieved if substantial added value will be created for shareholders in parallel.*

*The CFO was awarded PSUs with a fair value at grant of CHF 144,000 in 2022.*

*The Board of Directors proposes that a total amount of a maximum of CHF 500,000 be approved for the business year 2024 for the long-term incentive (allocation of equity securities) (2023: CHF 500,000) to the members of the Executive Board following the relevant accounting standards (fair value at grant).*

*(Please find more details in the Remuneration Report [p. 65/66]).*

## 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 from the Company. The complete 2022 Annual Report is available in English and can be downloaded at the website [www.ascom.com/investors/reports-and-presentations/](http://www.ascom.com/investors/reports-and-presentations/).

## 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 shareholders' ledger on 11 April 2023 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 for this purpose. You should return the reply form giving written voting instructions by **14 April 2023** at the latest.

Alternatively, you may register on the shareholder platform of Nimbus and give your instructions online ([ascom.shapp.ch](http://ascom.shapp.ch)).

The shareholders' ledger will be closed on 11 April 2023. 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 from the bus station “Metalli West/ Bahnhof” by taking bus lines 3 (direction to Oberwil to the stop at “Theater Casino”) or 11 (direction to Schöneegg to the stop at “Bibliothek”). 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 Chaperó Rueda



### Enclosures

Letter of invitation

Entrance and Voting Card

Reply form (for registration and proxy)

Reply envelope