

# Remuneration Report

## Note

PricewaterhouseCoopers AG as statutory auditors have audited the Remuneration Report according to Clause 17 of the Ordinance against Excessive Compensation (“OaEC”). The audit was limited to the information contained in the sections II/1 lit.a, II/2 lit.b and c (Table “Compensation Executive Board 2020”), II/2 lit.i, II/2 lit.j and II/3 all marked as “audited information”.

## I. ASCOM REMUNERATION POLICY

### 1. Corporate Governance as basis of the remuneration policy

Remuneration is a part of Corporate Governance (see also pages 25 to 47 of the Annual Report) and Corporate Governance is a key topic for Ascom. Both the Board of Directors and the Management are committed to good Corporate Governance in order to ensure sustainable development of the Company. According to the Articles of Association, it is a major task of the Compensation & Nomination Committee to prepare the resolution of the Board of Directors concerning the compensation of the members of the Board of Directors and the members of the Executive Board to be approved by the Annual General Meeting.

#### Basic rules and regulations to be followed are set out in:

- Swiss Code of Obligations
- Ordinance against Excessive Compensation with respect to stock exchange listed companies (“OaEC”)
- Listing Rules of SIX Swiss Exchange (LR)
- Articles of Association of Ascom Holding AG (dated 15 April 2020)
- Organizational Regulations of Ascom Holding AG (dated 21 August 2017)
- Share Registration Guidelines (dated 21 August 2017)
- Ascom Code of Ethical Business Conduct (dated 1 January 2021)
- Swiss Code of Best Practice for Corporate Governance

The Articles of Association and the Organizational Regulations of Ascom Holding AG are available on the Company website: [www.ascom.com/Investor-Relations/Governance/Directives-and-guidelines.html](http://www.ascom.com/Investor-Relations/Governance/Directives-and-guidelines.html).

### 2. Remuneration principles for the Board of Directors

#### a) Legal background

According to Article 20b of the Articles of Association, the compensation of the members of the Board of Directors shall be adequate, competitive and performance-oriented and shall be set in line with the operative and strategic goals, the success of the Company, as well as the long-term interests of the shareholders.

## **b) Compensation structure**

Members of the Board of Directors receive a fee in accordance with the Remuneration Regulations (Annex to the Organization Regulations). The members of the Board of Directors receive a fixed fee without a variable component, and this fee is paid in cash. No other remuneration is paid. Members of the Board of Directors receive no severance payment. Committee work, additional meetings or special projects are not compensated with an additional fee and no attendance fees are paid out either.

The fees for members of the Board of Directors are periodically reviewed as necessary and are set by the full Board of Directors subject to the approval of the Annual General Meeting. The assessment of the fees is based on external and internal criteria (e.g. workload, request of availability). An external expert did a comprehensive benchmark study in 2017 based on the SPI Top 100 companies, based on a size- and industry-adjusted subgroup of 22 SPI companies, and based on an individual comparison of five companies (Kudelski, Siegfried, Huber+Suhner, Ypsomed, U-Blox). The Board fees were adjusted in 2017 based on this study.

According to Article 20e of the Articles of Association, expense recovery is no compensation. The Company reimburses the members of the Board of Directors for all necessary expense, also in form of lump sum expense recoveries within the amount accepted by the tax authorities.

## **c) Board fees**

The fees for the members of the Board of Directors remained unchanged since the Annual General Meeting 2017:

- Chairperson of the Board: Annual gross remuneration of CHF 200,000
- Member of the Board: Annual gross remuneration of CHF 100,000

In addition, all Board members are encouraged to build up an investment over time of Ascom shares in the value of an annual Board compensation.

## **d) Mandates outside the Ascom Group**

Article 20d of the Articles of Association defines the mandates outside the Ascom Group:

A member of the Board of Directors may not occupy or exercise more than the following number of additional positions in the highest managing or supervising body of other entities that are obliged to be entered into the commercial register or a comparable foreign register and that are neither controlled by nor that control the Company:

- Four positions in publicly traded companies
- Five positions in non-listed companies
- Ten positions in associations, non-profit organizations and pension funds

The Chairman of the Board may exercise a total of up to three positions in other publicly traded companies.

The Company requires that each member of the Board discloses all activities. Based on this, all members of the Board of Directors comply with this regulation. The mandates outside the Ascom Group are listed in the Corporate Governance part (p. 35).

### 3. Remuneration principles for the Executive Board

#### a) Legal background

According to Article 20b of the Articles of Association, the compensation of the members of the Executive Board shall be adequate, competitive and performance-oriented and shall be set in line with the operative and strategic goals, the success of the Company, as well as the long-term interests of the shareholders.

The compensation of the members of the Executive Board consists of three elements:

- Fixed compensation in cash
- Performance-related compensation as short-term incentive in cash
- Long-term incentive (allocation of equity securities, conversion rights or option rights)

The Company may pay to the members of the Executive Board in addition to a fixed compensation a performance-related variable compensation ("short-term incentive") in cash. The amount of such variable compensation is dependent on the qualitative and quantitative goals and parameters determined by the Board of Directors, in particular the overall result of the Company and the individual contribution of the respective member.

The amount of the performance-related compensation (STI) of a member of the Executive Board cannot exceed double the amount of the fixed compensation of such member.

The fixed compensation and the short-term incentive together form the target cash compensation.

As a third compensation element, according to Article 20b Section 3 of the Articles of Association, the Company may also allocate, beside cash compensation, equity securities, conversion rights, option rights or other rights with equity securities as underlying to the members of the Executive Board ("long-term incentive"). In case of an allocation of equity securities, conversion rights, option rights or other rights with equity securities as underlying, the amount of the compensation is equal to the value of the securities or, respectively, the rights allocated, determined as at the time of the allocation (grant) in accordance with the accounting standards applied by the Company for its consolidated accounts.

The total value of the long-term incentive for a member of the Executive Board cannot exceed 100% of the fixed compensation of such member.

#### b) Appointment of members of the Executive Board

As members of the Executive Board are considered the CEO and each further person who is explicitly appointed as such by the Board of Directors according to Article 8 of the Articles of Association.

As of 31 December 2020, the Executive Board consisted of four members:

- Jeannine Pilloud, CEO
- Dominik Maurer, CFO
- Claes Ödman, COO / Head of Global Functions
- Francis Schmeer, Chief Sales Officer / Head of Rest of World

### c) Determination of the remuneration of the Executive Board members

The remuneration package of the members of the Executive Board consists of three parts:

#### ▪ Base salary

Fixed compensation in cash including social benefits: according to market benchmarks of the peer group (SPI companies such as Bossard, Bucher, Burckhardt Compression, Huber+Suhner, Landis+Gyr, Schaffner, Siegfried, SIG Combibloc, Tecan, Temenos, and U-Blox).

#### ▪ Short-term incentive (performance-related variable compensation)

Cash payment dependent on the quantitative goals and parameters such as net revenue and EBITDA margin as determined by the Board of Directors. The goals shall be in line with the yearly budgets of the Company. In addition, individual qualitative targets may be set.

#### ▪ Long-term incentive (Performance Stock Units plan)

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 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 Article 20e of the Articles of Association, expense recovery is no compensation. The Company reimburses the members of the Executive Board for all necessary expenses, also in form of car allowances and other lump sum expense recoveries within the amount accepted by the tax authorities.

### d) System of CEO Compensation as of 1 January 2021

The system of CEO compensation is unchanged compared to 2020.

Salary part	Target salary CEO
Long-term incentive Performance Stock Units	Performance Stock Units as defined by the Board of Directors and in line with the Articles of Association (achievement of performance targets as vesting condition)
Short-term incentive Variable compensation (performance-related)	Minimal variable salary: CHF 0 Target variable salary: CHF 425,000 Maximal variable salary: CHF 850,000
Fixed compensation (base salary)	CHF 550,000

#### **e) Number of external mandates and functions**

Article 20d of the Articles of Association defines the mandates outside the Ascom Group:

Members of the Executive Board may not occupy or exercise more than the following number of additional positions in the highest managing or supervising body of other entities that are obliged to be entered into the commercial register or a comparable foreign register and that are neither controlled by nor that control the Company:

- One position in publicly traded companies
- Two positions in non-listed companies
- Five positions in associations, non-profit organizations and pension funds

The mandates outside the Ascom Group of the members of the Executive Board are listed in the Corporate Governance Report (p. 42).

#### **f) Employment agreements with members of the Executive Board**

According to Article 20c of the Articles of Association, employment agreements with members of the Executive Board that form the basis of the compensation for the respective members are entered into for a fixed term of not more than one year or an indefinite term with a termination period of not more than 12 months as per the end of each calendar month.

All members of the Executive Board comply with this regulation.

#### **g) Pension payments**

According to Article 20c of the Articles of Association, the members of the Executive Board receive pension payments from the occupational pension scheme in accordance with the domestic or foreign occupational welfare law or pension regulations applicable to them, including possible supplementary benefits.

Pension payments outside the occupational pension scheme to a member of the Executive Board by the Company, an affiliate of the Company or any third party are admissible to the extent of not more than 25% of the annual total compensation of the person concerned, as far as the respective person is not affiliated to a Swiss or foreign benefit institution.

### **4. Approval Mechanism**

#### **a) Statutory approval mechanism**

According to Article 20e of the Articles of Association, the General Meeting votes annually, separately and in a binding manner on the maximum total amounts proposed by the Board of Directors for:

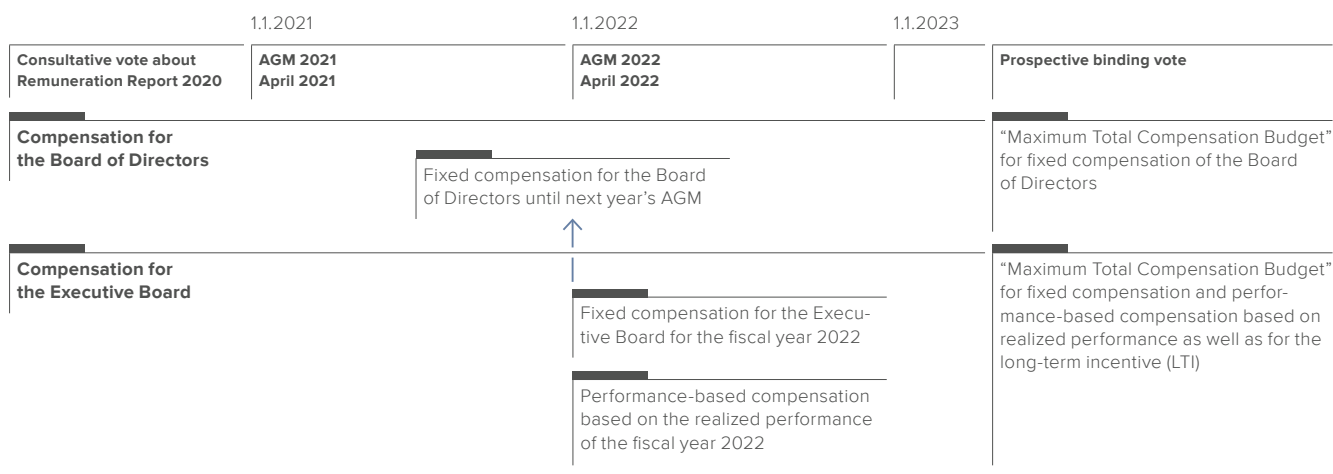
- The compensation of the Board of Directors for the year of office following the ordinary General Meeting until the next ordinary General Meeting
- The fixed compensation of the Executive Board for the next fiscal year (1 January to 31 December) following the ordinary General Meeting
- The variable and other compensation of the Executive Board (including the allocation of equity securities, conversion rights, option rights or other rights with equity securities as underlying) for the same approval period

In addition, the Board of Directors submits the Remuneration Report for the business year prior to the Annual General Meeting for a consultative vote. The Annual General Meeting 2020 approved the Remuneration Report 2019 with a majority of 88.7% in a consultative non-binding vote.

As far as a total amount approved for the compensation of the Executive Board is insufficient to compensate members of the Executive Board appointed or promoted within the Executive Board after the respective resolution of the General Meeting until the beginning of the following Approval Period, the Company may use an additional amount pursuant to Article 19 OaEC in addition to the previously approved total compensation for the Executive Board for the respective Approval Period. Such an additional amount is only available within the following limits: for the CEO an amount which is not more than 20% higher than the compensation of its predecessor and for a member of the Executive Board an amount which is not more than 20% higher than the amount available on average for members of the Executive Board (excluding the CEO) for the Approval Period. The General Meeting does not vote on the used additional amount.

According to Article 20e of the Articles of Association, the Company is entitled to compensate recoverable claims, which a newly appointed member of the Board of Directors or member of the Executive Board would have had towards his or her previous employer or principal, if this member had not changed the company. The recoverability of the claims must be examined by an independent expert.

### Ascom Compensation Approval Mechanism



### b) Level of decision authority

Type of compensation	Compensation & Nomination Committee	Full Board of Directors	Annual General Meeting
<b>Compensation Board of Directors</b>			
Maximum compensation for the Board of Directors for the period until the next Annual General Meeting	Recommendation	Proposal to the Annual General Meeting <sup>1</sup>	Approval
Individual compensation for the members of the Board of Directors in the reporting year	Proposal	Approval <sup>1</sup>	–
<b>Compensation Executive Board</b>			
Maximum compensation for the members of the Executive Board (fixed compensation, variable compensation, long-term incentive) for the fiscal year following the Annual General Meeting	Recommendation	Proposal to the Annual General Meeting	Approval
Individual compensation for the CEO (fixed compensation, variable compensation, long-term incentive) in the reporting year	Review, recommendation	Approval	–
Individual compensation (fixed compensation, variable compensation, long-term incentive) for the members of the Executive Board (without CEO) in the reporting year	Review of the CEO recommendation	Approval	–

<sup>1</sup> In any case of potential conflict of interest, the respective member of the Board of Directors shall abstain from voting.

### c) Approvals of the Annual General Meeting 2020

The shareholders approved the following maximum amounts for future compensations at the Annual General Meeting 2020:

- Board of Directors: maximal amount of CHF 700,000 (for six members) for the period from the Annual General Meeting 2020 until the Annual General Meeting 2021 (subject to additional employer contributions to governmental social insurances to the extent they constitute or increase pension benefits for the beneficiaries); approved with a majority of 98.5%
- Executive Board (for four members) for the business year 2021:
  - Maximal amount of CHF 2,000,000 as fixed compensation (including contributions to pension funds and other social benefits and subject to additional employer contributions to governmental social insurances to the extent they constitute or increase pension benefits for the beneficiaries); approved with a majority of 98.7%.
  - Maximal amount of CHF 1,800,000 as variable compensation; approved with a majority of 98.6%.
  - Maximal amount of CHF 850,000 as long-term incentive; approved with a majority of 98.7%.

## II. REMUNERATION IN FISCAL YEAR 2020

### 1. Board of Directors

#### a) Remuneration in fiscal year 2020 (audited information)

Members of the Board of Directors were paid a gross remuneration totaling CHF 670,833 in fiscal year 2020 (2019: CHF 604,169).

	2020	2020	2019	2019
	Gross remuneration including employee contributions to the Swiss social insurances	Employer contributions to the Swiss social insurances (AHV/IV/ALV)	Gross remuneration including employee contributions to the Swiss social insurances	Employer contributions to the Swiss social insurances (AHV/IV/ALV)
Dr Valentin Chapero Rueda (Chairman since 7 November 2019)	200,000	12,439	116,667	7,263
Dr Harald Deutsch <sup>2</sup>	29,167	–	100,000	–
Jürg Fedier	100,000	6,375	100,000	6,225
Jeannine Pilloud <sup>1</sup>	–	–	58,335 <sup>3</sup>	3,533
Christina Stercken <sup>2</sup>	29,167	–	100,000	–
Andreas Umbach <sup>2,4</sup>	29,167	1,859	129,167	8,041
Nicole Burth Tschudi <sup>5</sup>	70,833	4,516	–	–
Laurent Dubois <sup>5</sup>	70,833	4,516	–	–
Michael Reitermann <sup>5</sup>	70,833	–	–	–
Dr Andreas Schönenberger <sup>5</sup>	70,833	4,516	–	–
Total	670,833	34,221	604,169	25,062

<sup>1</sup> Board Member until 7 November 2019 (Chairperson & CEO from 2 August to 7 November 2019).

<sup>2</sup> Board Member until 15 April 2020.

<sup>3</sup> For the period from 10 April 2019 until 2 August 2019.

<sup>4</sup> Chairman until 10 April 2019.

<sup>5</sup> Board Member from 15 April 2020.

Jeannine Pilloud was elected as Chairperson of the Board of Directors at the Annual General Meeting of 10 April 2019. As of 2 August 2019, she took over the position as Chairperson and CEO of the Ascom Group as a double mandate. It was agreed, that Jeannine Pilloud only receives the remuneration as a CEO for the period having a double mandate as Chairperson & CEO (from 2 August until 7 November 2019). Following her appointment as CEO of the Ascom Group as of 7 November 2019, she resigned as Chairperson and member of the Board of Directors.

- According to Swiss law, the Company paid Swiss social insurance (AHV/IV/ALV) employer contributions for the members of the Board. These payments do not represent an additional remuneration for the members of the Board as they do neither constitute nor increase Swiss social insurance pension benefits due to the actuarial cap.
- No member of the Board of Directors received any additional remuneration as defined by Art. 663b bis of the Swiss Code of Obligations.
- No remuneration was made to parties closely related to the Board of Directors.
- No members of the Board of Directors or closely related parties were granted any loans by the Company nor do such loans exist.

According to Article 20e of the Articles of Association, expense recovery is no compensation. The Company reimburses the members of the Board of Directors for all necessary expenses, also in form of lump sum expense recoveries within the amount accepted by the tax authorities. According to the Remuneration Regulations for Members of the Board (Annex 1 to the Organization Regulations), the annual lump sum expense recovery amounts to CHF 20,000 for the Chairperson and to CHF 4,000 for a regular Board member.

### b) Compliance with the decisions of the Annual General Meeting

According to the Articles of Association, the shareholders approved the following maximum amounts for future compensations at the Annual General Meeting 2019: CHF 700,000 for the Board of Directors (six members) for the period from the Annual General Meeting 2019 until the Annual General Meeting 2020.

The remuneration amounting to CHF 604,169 paid to the six members of the Board of Directors in the period between the Annual General Meeting 2019 and the Annual General Meeting 2020 is in line with the approval of the Annual General Meeting 2019.

## 2. Executive Board

### a) Members of the Executive Board in 2020

In 2020, the Executive Board consisted of the following members:

- Jeannine Pilloud, CEO
- Dominik Maurer, CFO
- Claes Ödman, COO / Head of Global Functions
- Francis Schmeer, Chief Sales Officer / Head of Rest of World

### b) Compensation Executive Board 2020 (audited information)

in CHF	Basic salary	Variable salary component	Miscellaneous	Pension contributions	LTI <sup>4</sup>	Total
CEO	550,000 <sup>1</sup>	412,250 <sup>1</sup>	0	64,019	225,000 <sup>5</sup>	<b>1,251,269</b>
CFO	304,850 <sup>1</sup>	139,639 <sup>1</sup>	0	31,738	120,000 <sup>5</sup>	<b>596,227</b>
COO / Head of Global Functions	261,737 <sup>2</sup>	74,720	829 <sup>3</sup>	79,235	120,000 <sup>5</sup>	<b>536,521</b>
Chief Sales Officer / Head of Rest of World	345,000 <sup>1</sup>	150,190 <sup>1</sup>	0	33,605	120,000 <sup>5</sup>	<b>648,795</b>
<b>Total Executive Board in 2020</b>	<b>1,461,587</b>	<b>776,799</b>	<b>829</b>	<b>208,597</b>	<b>585,000</b>	<b>3,032,812</b>

<sup>1</sup> Including the statutory employee contributions paid to the Swiss social insurance.

<sup>2</sup> = SEK 2,556,030.

<sup>3</sup> Contributions to medical benefit plans.

<sup>4</sup> Weighted average fair value of the PSU units at grant (1 PSU = CHF 6.85) assuming full achievement of all performance-related targets.

<sup>5</sup> The amount disclosed corresponds to the fair value at grant date for the whole vesting period (until 30 June 2023). However, the effective remuneration will correspond in maximum to the adjusted vesting period (pro rata temporis until the end of the working contract).



### c) Compensation Executive Board 2019 (audited information)

in CHF	Basic salary	Variable salary component	Miscellaneous	Pension contributions	LTI <sup>5</sup>	Total
CEO (since 2 August 2019)	270,835 <sup>1</sup>	200,000 <sup>6</sup>	0	31,399	0	502,234
CFO (since 10 October 2019)	68,837 <sup>1</sup>	16,579 <sup>1</sup>	0	7,328	0	92,744
COO	267,400 <sup>2</sup>	0	1,054 <sup>3</sup>	79,269	120,000 <sup>7</sup>	467,723
Chief Sales & Marketing Officer	345,000 <sup>1</sup>	0	0	35,746	120,000 <sup>7</sup>	500,746
Former CEO (in charge until 2 August 2019)	382,690 <sup>1</sup>	94,792 <sup>1</sup>	36,592 <sup>4</sup>	49,476	325,000 <sup>7</sup>	888,550
– period after resignation (3 August to 31 December 2019)	267,314 <sup>1</sup>	67,708 <sup>1</sup>	25,526 <sup>4</sup>	27,728	0	388,276
Former CFO (in charge until 13 August 2019)	201,296 <sup>1</sup>	41,406 <sup>1</sup>	0	22,202	0	264,904
– period after resignation (14 August to 31 December 2019)	125,704 <sup>1</sup>	24,844 <sup>1</sup>	0	11,410	0	161,958
<b>Total Executive Board in 2019</b>	<b>1,929,076</b>	<b>445,329</b>	<b>63,172</b>	<b>264,558</b>	<b>565,000</b>	<b>3,267,135<sup>8</sup></b>

<sup>1</sup> Including the statutory employee contributions paid to the Swiss social insurance.

<sup>2</sup> = SEK 2,537,000.

<sup>3</sup> Contributions to medical benefit plans.

<sup>4</sup> Accommodation allowance.

<sup>5</sup> Weighted average fair value of the PSU units at grant (1 PSU = CHF 9.71) assuming full achievement of all performance-related targets.

<sup>6</sup> Corresponding to 15,973 Ascom shares (fair value at grant), blocked for three years after grant.

<sup>7</sup> The amount disclosed corresponds to the fair value at grant date for the whole vesting period (until 31 May 2022). However, the effective remuneration will correspond in maximum to the adjusted vesting period (pro rata temporis until the end of the working contract).

<sup>8</sup> Adjusted for the payments made to the former CEO and the former CFO after their resignation from the Executive Board, the total amount for the active members of the Executive Board is CHF 2,716,901.

According to Swiss law, the Company paid the following Swiss social insurance (AHV/IV/ALV) employer contributions for the members of the Executive Board (audited information):

in CHF	Employer contributions to the Swiss social insurances (AHV/IV/ALV)	
	2020	2019
CEO	35,918	19,357
CFO	18,585	4,072
COO / Head of Global Functions	–	–
Chief Sales Officer / Head of Rest of World	19,917	23,024
Former CEO		
– in charge (until 2 August 2019)	–	34,800
– period after resignation (3 August to 31 December 2019)	–	16,837
Former CFO		
– in charge (until 13 August 2019)	–	14,081
– period after resignation (14 August to 31 December 2019)	–	7,412
<b>Total</b>	<b>74,420</b>	<b>119,583</b>

These Swiss social insurance employer contributions do not represent an additional remuneration for the members of the Executive Board as they do neither constitute nor increase Swiss social insurance pension benefits due to the actuarial cap.

The Company paid for the COO / Head of Global Functions employer contributions of CHF 28,010 (2019: CHF 34,003) to the Swedish social insurances. These contributions do neither constitute nor increase the pension benefits of the employee.

According to Article 20e of the Articles of Association, expense recovery is no compensation. The Company reimburses the members of the Executive Board for all necessary expenses, also in form of car allowances and other lump sum expense recoveries within the amount accepted by the tax authorities.

#### **d) Fixed compensation**

The basic salaries (including social benefits) paid to the members of the Executive Board in the 2020 financial year totaled CHF 1,461,587 (2019: CHF 1,929,076 including payments to the former CEO and former CFO after their resignations from the Executive Board).

#### **e) Short-term incentive (performance-related variable compensation)**

##### **▪ Regulations**

- Targets are defined at the beginning of each year in alignment with the budget targets by the Board of Directors. If all defined targets are achieved in full, the respective member of the Executive Board receives a predetermined percentage of the basic salary as a variable component (performance-related part). If the results fall short, no variable salary component is paid. In cases where the targets set are exceeded, the member of the Executive Board is paid a higher variable salary component. In addition, individual targets may be set.
- The CEO has a target potential of 77.2% of the basic salary on fully achieving all targets. In cases where the targets set are exceeded, the CEO is paid a higher variable salary component (performance-related part) up to a maximum of twice the target potential corresponding to 154.2% of the basic salary.
- The other members of the Executive Board have a target potential between 40 and 57.7% of their basic salary on fully achieving all targets. In cases where the targets set are exceeded, they are paid a variable salary component (performance-related part) up to a maximum of twice the target potential.
- Performance-related variable compensation (short-term incentive) cannot exceed the double amount of the fixed compensation of a member of the Executive Board.

##### **▪ Performance-related targets 2020**

The Board of Directors set the performance targets for 2020 with the aim to incentivize profitable growth of the Group.

The performance-related variable compensation for the members of the Executive Board in 2020 was linked to the achievement of the following measurable quantitative targets (incl. weighting):

- Net revenue: 30%
- EBITDA: 30%
- Individual targets (to accelerate the transformation of the Group): 40%

The members of the Executive Board achieved overall 76% of the financial targets and 92.5% of the individual targets given by the Board of Directors. Taking into account the difficult economic situation and market turbulences caused by Covid-19, the Board decided to additionally reward strong performances by key employees and to distribute a special discretionary payment to them. Members of the Executive Board received CHF 114,559 in aggregate of such special payments.

The variable salary component for all members of the Executive Board as of 31 December 2020 amounted to CHF 776,799 (2019: CHF 445,329 including the payment to the former CEO and former CFO). The variable remuneration paid out to the members of the Executive Board ranged from 28% to 75% of the basic salary (fixed component) (2019: 0% to 74%).

#### **f) Long-term incentive (Performance Stock Units plan)**

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 untermi-nated 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 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.

The Ascom PSU plan 2020 runs for a period of three years with a vesting date defined at 30 June 2023. The target achievement is based on two performance indicators:

- Three-year fully diluted weighted cumulative Earnings per Share (EPS)
- Ascom’s three-year Total Shareholders Return (TSR) measured relative to the SPI EXTRA Index

The fair value of a PSU (based on the PSU plan 2020) was calculated by an external expert and set at CHF 6.85 at grant date.

On 31 July 2020, the CEO received 32,850 PSUs with a fair value of CHF 225,000 at grant.

The three other members of the Executive Board received each 17,520 PSUs with a fair value of CHF 120,000 at grant.

The amount corresponds to the fair value at grant date for the whole vesting period (until 30 June 2023). However, the effective remuneration will correspond in maximum to the adjusted vesting period (pro rata temporis until the end of the employment contract).

#### **g) Total compensation of the members of the Executive Board**

The total compensation in 2020 for all members of the Executive Board amounted to CHF 3,032,812 (2019: CHF 3,267,135 including the payments to the former CEO and former CFO after their resignations from the Executive Board).

#### **h) Highest compensation**

The highest total remuneration within the Ascom Group was paid to the CEO. The remuneration paid to the CEO in 2020, consisting of the basic salary and the variable component, amounted to CHF 962,250. The employers pension contributions amounted to CHF 64,019. The value of Performance Stock Units (PSU) allocated to the CEO are valued at a total of CHF 225,000 based on the value at the time they were granted and assuming all performance targets will be achieved.

The total remuneration paid to the CEO in 2020 amounted to CHF 1,251,269 (2019: CHF 1,276,826 for the former CEO including the payments after his resignation).

#### **i) Additional payments (audited information)**

No members of the Executive Board received any additional payments as defined by Art. 663b<sup>bis</sup> of the Swiss Code of Obligations, nor were any payments made to parties closely related to the Executive Board.

The Company granted no members of the Executive Board or closely related parties any loans nor do such loans exist.

#### j) Severance payments (audited information)

Contracts of employment with members of the Executive Board provide for no special severance payment. The period of notice for members of the Executive Board is maximal 12 months.

In the event of a takeover and a delisting of the Company, the following rules will be applied for the beneficiaries of the long-term incentive plans:

- Share Matching plan 2018: the number of matching shares, which the participants shall receive, equals to 150% of the investment shares held by the participants at the date of the publication of the delisting
- Performance Stock Unit plans: the performance stock units shall vest with immediate effect at the date of the change of control. The vesting multiple of the PSUs is 1.00, the number of PSUs to be vested shall be adjusted pro rata to reflect the length of service.

#### k) Compliance with the decisions of the Annual General Meeting 2019

The shareholders approved the following maximum amounts for future compensations at the Annual General Meeting 2019 for the then four members of the Executive Board for fiscal year 2020:

- CHF 2,100,000 as fixed compensation (including contributions to pension funds and other social benefits)
- CHF 1,700,000 as variable compensation
- CHF 850,000 as long-term incentive

The Annual General Meeting 2019 approved a total amount of CHF 4,650,000 for the compensation of the Executive Board in 2020. The total compensation paid to the Executive Board in 2020 of CHF 3,032,812 is in line with the amount of CHF 4,650,000 as approved by the Annual General Meeting 2019.

#### Reported compensation of the Executive Board during fiscal year 2020 compared to the amount approved by shareholders at the Annual General Meeting 2019

In CHF	Executive Board compensation earned during FY 2020 (4 members)	Maximum amount approved by shareholders at the 2019 AGM (4 members)	Amount within the amount approved by shareholders at the 2019 AGM and compensation ratio
Fixed compensation (including contribution to pension funds and other social benefits) <sup>1</sup>	1,461,587	2,100,000	Yes 69.6%
Variable compensation (STI)	776,799	1,700,000	Yes 45.7%
Long-term incentive (LTI)	585,000	850,000	Yes 68.8%
<b>Total compensation Executive Board<sup>1</sup></b>	<b>3,032,812</b>	<b>4,650,000</b>	<b>Yes 65.2%</b>

<sup>1</sup> Including miscellaneous and pension contributions.

The corresponding reporting of the Executive Board compensation 2021 approved by the Annual General Meeting 2020 as well as the reporting of the compensation ratio will be disclosed in the Remuneration Report 2021.

### 3. Former members of the Executive Board (audited information)

Holger Cordes (former CEO until 2 August 2019) was paid in 2020 an amount of CHF 607,580 (including CHF 65,911 for pension contributions) in compliance with the commitments set down in his contract of employment. Moreover, the Company paid an employer contribution of CHF 47,481 to the Swiss social insurance according to Swiss law.

Anette Weber (former CFO until 13 August 2019) was paid in 2020 an amount of CHF 78,357 (including CHF 12,815 for pension contributions) in compliance with the commitments set down in her contract of employment. Moreover, the Company paid an employer contribution of CHF 8,932 to the Swiss social insurance according to Swiss law.

## III. SHARE OWNERSHIP

Number of shares and options held in Ascom Holding AG as of 31 December 2020:

### 1. Board of Directors

All members of the Board of Directors and closely related parties, in total: 120,384 shares.

	Shares <sup>1</sup>
Dr Valentin Chapero Rueda, Chairman	76,994
Nicole Burth Tschudi	0
Laurent Dubois	7,500
Jürg Fedier	4,400
Michael Reitermann	31,490
Andreas Schönenberger	0
<b>Total Board of Directors</b>	<b>120,384</b>

<sup>1</sup> Acquired by the Board members from the market.

No members of the Board of Directors or closely related parties hold any conversion or option rights.

### 2. Executive Board (as of 31 December 2020)

All members of the Executive Board and closely related parties, in total: 24,806 shares.

	Shares
Jeannine Pilloud, CEO	15,973
Dominik Maurer, CFO	6,700
Claes Ödman, COO / Head of Global Functions	0
Francis Schmeer, Chief Sales Officer / Head of Rest of World	2,133
<b>Total Executive Board</b>	<b>24,806</b>

The members of the Executive Board hold the following conversion rights based on the provisions of the Performance Stock Units (PSU) plans 2019 and 2020:

	PSU 2020	PSU 2019
Jeannine Pilloud, CEO	32,850	–
Dominik Maurer, CFO	17,520	–
Claes Ödman, COO / Head of Group Functions	17,520	12,358
Francis Schmeer, Chief Sales Officer / Head of Rest of World	17,520	12,358
<b>Total Executive Board</b>	<b>85,410</b>	<b>24,716</b>

No members of the Executive Board or closely related parties hold any other conversion or option rights.

### 3. Share allotment in 2020

According to the provisions of the Ascom share matching plan 2017, Ascom Holding AG allotted 8,247 shares in 2020 to 12 remaining participants of the Ascom share matching plan 2017.

Ascom Holding AG allotted no further shares in 2020.

## IV. LONG-TERM INCENTIVE PLANS

### 1. Ascom share matching plan 2017

The Ascom share matching plan 2017 (as described in the Annual Report 2019 on page 57) expired on 30 June 2020.

Out of the 29,943 remaining investment shares, 6,367 were exercised or forfeited in 2020.

The remaining 23,576 investment shares as of 30 June 2020 qualified for 8,247 matching shares, which were allotted to the remaining 12 participants.

### 2. Ascom share matching plan 2018

The Board of Directors decided in its Board Meeting of 28 August 2018 to introduce a share matching plan 2018 for the Ascom senior management as a long-term incentive. The beneficiaries had the opportunity to buy Company shares during a defined subscription period at market price as investment shares up to a certain number of shares as determined by the Board of Directors. The Company will match the investment shares with additional shares based on the fulfillment of defined employment-based and performance-based criteria. Beneficiaries have to keep the investment shares for a period of three years in order to benefit from the plan.

Beneficiaries may get up to 65% of the number of their investment shares as matching shares, provided that defined mid-term profitability targets are achieved. In addition, they get 35% of the number of their investment shares as matching shares after a three-year vesting period for free, if their employment contract with Ascom has not been terminated at this point in time.

The Board of Directors linked the mid-term profitability targets to the EBITDA margin of Ascom achieved in fiscal year 2020. In order to distribute additional performance-related matching shares to the beneficiaries, Ascom must achieve at least the lower end of the pre-defined EBITDA margin target 2020. Every participant will receive the maximum of 65% of additional investment shares in case the

EBITDA margin of Ascom in 2020 reaches the upper end of the pre-defined EBITDA margin target or higher.

In addition, the beneficiaries may get up to 50% of the number of their investment shares as growth-related matching shares provided that defined mid-term growth targets are achieved. In order to receive additional matching shares, the growth performance (CAGR 2020 over 2017) must achieve a certain range. Every participant will receive the maximum of 50% of additional investment shares in case the growth performance as defined reaches the upper end of this range.

As a maximum, the Company will honor each investment share with 1.5 matching shares.

15 members of the Ascom senior management decided to participate and they purchased in total 24,057 investment shares. 1,464 investment shares were exercised or forfeited in 2019. Out of the remainder of 22,593 investment shares, another 16,348 investment shares were exercised or forfeited in 2020. Thus, 6,245 investment shares still may qualify for matching shares.

### 3. Performance Stock Units (PSU) plan 2019

The Board of Directors decided to introduce a different version of a long-term incentive as of 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 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.

The Ascom long-term incentive 2019 (PSU plan 2019) runs for a period of three years with a vesting date defined at 31 May 2022. The target achievement is based on two performance indicators:

- Three-year fully diluted weighted cumulative Earnings per Share (EPS)
- Ascom's three-year Total Shareholders Return (TSR) measured relative to the SPI EXTRA Index

The fair value of a PSU (based on the PSU plan 2019) was calculated by an external expert and set at CHF 9.71 at grant date.

On 18 June 2019, the Board of Directors awarded to 51 members of the Senior Management 153,562 PSUs. Out of this number, 5,150 PSUs were forfeited during 2019. Out of the remainder of 148,412 PSUs, another 31,990 PSUs were forfeited in 2020. Thus, 116,422 PSUs may qualify for share conversion.

#### 4. Performance Stock Units (PSU) plan 2020

The Board of Directors decided to introduce the Performance Stock Units (PSU) plan 2020 as of 1 July 2020. 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 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.

The Ascom long-term incentive 2020 (PSU plan 2020) runs for a period of three years with a vesting date defined at 30 June 2023. The target achievement is based on two performance indicators:

- Three-year fully diluted weighted cumulative Earnings per Share (EPS)
- Ascom’s three-year Total Shareholders Return (TSR) measured relative to the SPI EXTRA Index

The fair value of a PSU (based on the PSU plan 2020) was calculated by an external expert and set at CHF 6.85 at grant date.

On 1 July 2020, the Board of Directors awarded to 46 members of the Senior Management 221,650 PSUs. Out of this number, 6,940 PSUs were forfeited during 2020. Thus, 214,710 PSUs may qualify for share conversion.

#### 5. Investment shares and PSU held as of 31 December 2020

Share matching plan	Matching date	Underlying yearly result	Number of outstanding investment shares	Maximum of matching shares
2018	30.06.2021	2020	6,245	9,367

PSU plan	Vesting date	Performance indicators	Number of outstanding PSUs	Maximum of conversion shares
2019	31.05.2022	EPS/TSR	116,422	232,844
2020	30.06.2023	EPS/TSR	214,710	429,420

As of 31 December 2020, 6,245 investment shares were purchased as investments in a share matching plan. These investment shares may entitle the holder to a maximum of 9,367 matching shares according to the regulations of the share matching plans.

Moreover, there are 331,132 outstanding PSUs which may be converted into maximal 662,264 shares according to the PSU plans.

The total of the outstanding contingent matching shares and the outstanding contingent conversion shares corresponds to 1.87% of the total share capital of the Company.