

Remuneration Report

Letter from the Chairperson of the Compensation & Nomination Committee

Dear Shareholders,

It's my pleasure to present to you the 2021 Remuneration Report on behalf of the Board of Directors and the Compensation & Nomination Committee.

Despite the ongoing disruptions due to Covid-19 pandemic and the component shortage, management and employees of Ascom achieved solid results in financial year 2021.

As in the past, the engagement with shareholders is a key priority to Ascom. The Compensation & Nomination Committee therefore values the feedback on our compensation philosophy and communication received by shareholders and their representatives throughout the year and considers it during its annual activities.

Triggered by the voting results of the consultative vote on the Remuneration Report at the AGM 2021 which were not up to our own standards, the Compensation & Nomination Committee conducted an enhanced review of Ascom's compensation philosophy and framework. Overall, we believe that the general set up of our compensation approach still meets our internal requirements and supports its cultural and strategic ambitions. However, significant advancements were made to enhance our Remuneration Report by explaining our compensation decisions in more detail and improving transparency on our long-term incentive plan.

In course of the financial year 2021, the Compensation & Nomination Committee has further focused on

- Performance review and management evaluation
- Succession planning
- Employee satisfaction

A continued open and pro-active dialogue with shareholders will be a matter of utmost importance to the Compensation & Nomination Committee going forward. In this regard, we are looking forward to receiving your feedback on our updated compensation framework and approach during our Annual General Meeting 2022.

On behalf of the Compensation & Nomination Committee, I would like to thank you for your interest and your confidence in Ascom.

Yours sincerely,

Nicole Burth Tschudi,
Chairperson of the Compensation & Nomination Committee

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 2021”), II/2 lit.h, II/2 lit.i 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 27 to 49 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 / 19 January 2022)
- 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.

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.

According to Article 20e of the Articles of Association, expense recovery does not count as 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) Compensation determination method and benchmarking

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.

d) 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

e) Shareholding guidelines

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. Overview of the current shareholding of the member of the Board is provided in Section "Share Ownership" (p. 64).

f) 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. 37).

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 according to Article 20b Sector 3 of the Articles of Association.

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

As a third compensation element, according to Article 20b Section 4 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 at grant for a member of the Executive Board, including the CEO, cannot exceed 100% of the fixed compensation of such member. According to Clause 20b Sector 4 of the Articles of Association, the amount of compensation is equal to the value of 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 (Swiss GAAP FER).

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 2021, the Executive Board consisted of two members:

- Jeannine Pilloud, CEO (until 25 January 2022)
- Dominik Maurer, CFO

c) Determination of the remuneration of the Executive Board members

According to Article 20e of the Articles of Association, expense recovery does not count as 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.

The remuneration of the Executive Board is periodically reviewed as necessary and is set by the full Board of Directors subject to the approval of the Annual General Meeting. The assessment of the compensation level and structure is based on external and internal criteria (e.g. function, role, reliabilities) and 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). The list of the peer group remained unchanged compared to 2020 and 2019.

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

▪ Fixed compensation

Fixed compensation in cash including base salary and social benefits (such as pension fund contributions or medical insurance where applicable).

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.

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

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

▪ Long-term incentive (Performance Stock Units plan)

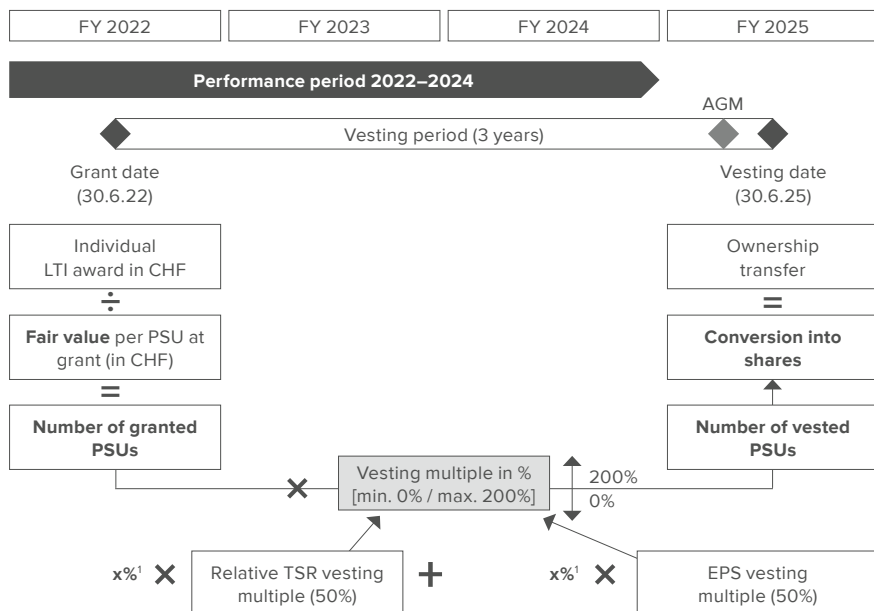
The PSU plan foresees annual grants of Performance Stock Units ("PSUs"). One PSU represents the conditional right to receive a fraction between 0% and 200% of an Ascom share subject to the fulfillment of certain vesting conditions. Vesting of the PSUs occurs on the third anniversary of the respective date of grant. Vesting conditions are both the achievement of performance targets as well as an unterminated contractual relationship with the company.

Performance targets are represented by 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. Ascom's three-year EPS are calculated as the weighted cumulative sum of the annual EPS of the three consecutive financial years starting with the financial year in which the grant occurs. Ascom's three-year TSR is calculated considering not only the variations of the share price over the same time horizon as for the EPS, but also the dividends distributed in this period, assuming that those dividends are reinvested at the time of the distribution in the shares of Ascom.

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 re-

spective 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.

Schedule of PSU Plan



¹According to target achievement

d) System of CEO Compensation as of 1 February 2022

With the appointment of the new CEO as of 1 February 2022, the Board of Directors defined the system of CEO compensation as follows:

Salary part	Target salary CEO
Long-term incentive (LTI) [Performance Stock Units (PSU)]	Target LTI: CHF 300,000 ¹ (converted into PSU at grant): = 60% of base salary at fair value at grant date Maximum LTI: 200% achievement (converted into shares at vesting date) = 120% of base salary (at fair value at grant date) [not considering share price movements]
Short-term incentive (STI)	Minimal STI: CHF 0 Target STI: CHF 400,000 = 80% of base salary Maximum STI: CHF 800,000 = 160% of base salary
Base salary	CHF 500,000
Pension payments	According to regulations of Ascaro Vorsorgestiftung (www.ascaro.ch)

¹According to Article 20b Sector 4 of the Articles of Association, the amount of compensation is equal to the value of rights allocated determined as at the time of the allocation (grant).

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. 44).

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.

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:

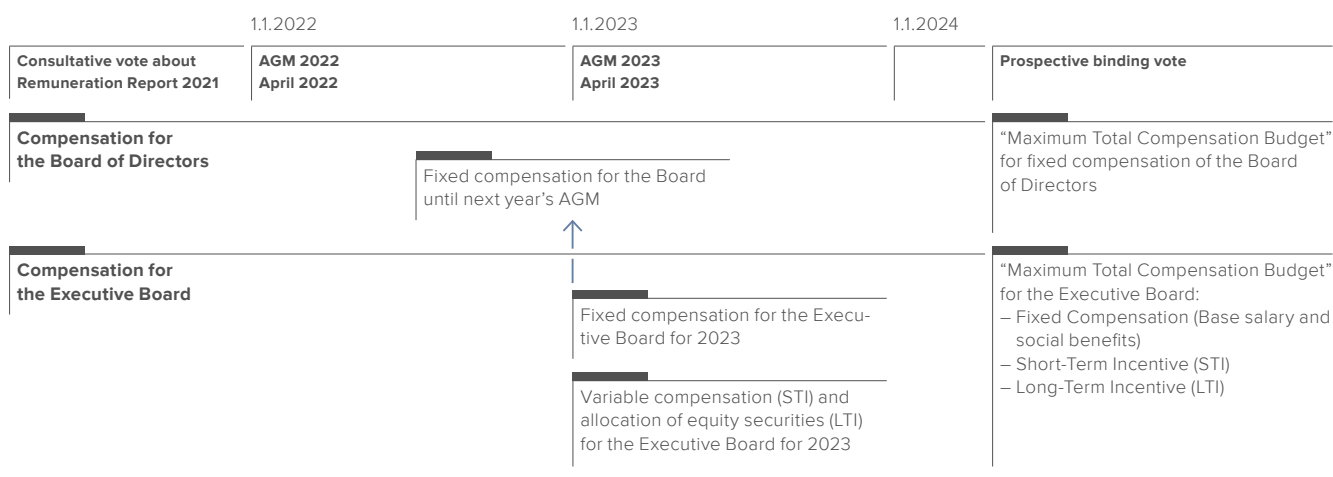
- The compensation of the Board of Directors for the year of office following the ordinary General Meeting until the next ordinary General Meeting
- The fixed compensation of the Executive Board for the next fiscal year (1 January to 31 December) following the ordinary General Meeting
- The variable 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.

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 toward 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
Compensation Board of Directors			
Maximum compensation for the Board of Directors for the period until the next Annual General Meeting	Recommendation	Proposal to the Annual General Meeting ¹	Approval
Individual compensation for the members of the Board of Directors in the reporting year	Proposal	Approval ¹	–
Compensation Executive Board			
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	–

¹ 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 2021

The shareholders approved the following maximum amounts for future compensations at the Annual General Meeting 2021:

- Board of Directors: maximal amount of CHF 700,000 (for six members) for the period from the Annual General Meeting 2021 until the Annual General Meeting 2022 (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 98.8%.
- Executive Board (for two members) for the business year 2022:
 - Maximal amount of CHF 1,200,000 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 93.8%.
 - Maximal amount of CHF 1,200,000 as variable compensation (short-term incentive); approved with a majority of 94.3%.
 - Maximal amount of CHF 500,000 as long-term incentive; approved with a majority of 93.0%.

The Annual General Meeting 2021 approved the Remuneration Report 2020 with a majority of 50.03% in a consultative non-binding vote.

II. REMUNERATION IN FISCAL YEAR 2021

1. Board of Directors

a) Remuneration in fiscal year 2021 (audited information)

Members of the Board of Directors were paid a gross remuneration totaling CHF 700,000 in fiscal year 2021 (2020: CHF 670,833).

in CHF	2021		2020	
	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)	200,000	12,020	200,000	12,439
Jürg Fedier	100,000	4,410	100,000	6,375
Nicole Burth Tschudi	100,000	6,400	70,833	4,516
Laurent Dubois	100,000	6,400	70,833	4,516
Michael Reitermann	100,000	–	70,833	–
Dr Andreas Schönenberger	100,000	6,400	70,833	4,516
Dr Harald Deutsch ¹	–	–	29,167	–
Christina Stercken ¹	–	–	29,167	–
Andreas Umbach ¹	–	–	29,167	1,859
Total	700,000	35,630	670,833	34,221

¹ Board Member until 15 April 2020.

- 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 2020: CHF 700,000 for the Board of Directors (six members) for the period from the Annual General Meeting 2020 until the Annual General Meeting 2021.

The remuneration amounting to CHF 700,000 paid to the six members of the Board of Directors in the period between the Annual General Meeting 2020 and the Annual General Meeting 2021 is in line with the approval of the Annual General Meeting 2020.

2. Executive Board

a) Members of the Executive Board in 2021

In 2021, the Executive Board consisted of the following members:

- Jeannine Pilloud, CEO (until 25 January 2022)
- Dominik Maurer, CFO
- Claes Ödman, COO / Head of Global Functions (until 9 February 2021)
- Francis Schmeer, Chief Sales Officer / Head of Rest of World (until 9 February 2021)

b) Compensation Executive Board 2021 (audited information)

in CHF	Base salary	Variable salary component (STI)	Miscellaneous	Pension contributions	LTI ⁴	Total
CEO (until 25 January 2022)	550,000 ¹	187,425 ¹	–	64,442	225,000 ⁵	1,026,867⁷
CFO	304,850 ¹	98,124 ¹	–	38,216	144,000 ⁵	585,190
COO / Head of Global Functions						
– in charge (until 9 February 2021)	26,215 ²	–	85 ³	7,996	–	34,296
– period after resignation (10 February to 31 December 2021)	246,421 ²	–	798 ³	75,158	–	322,377
Chief Sales Officer / Head of Rest of World						
– in charge (until 9 February 2021)	35,938 ¹	–	–	4,628	–	40,566
– period after resignation (10 February to 31 August 2021)	194,062 ¹	–	100,000 ⁶	24,991	–	319,053
Total Executive Board in 2021	1,357,486	285,549	100,883	215,431	369,000	2,328,349

¹ Including the statutory employee contributions paid to the Swiss social insurance.

² SEK 2,562,372 in total (1 SEK = 0.1064 CHF).

³ Contributions to medical benefit plans.

⁴ Weighted average fair value of the PSU units at grant (1 PSU = CHF 15.49) assuming full achievement of all performance-related targets.

⁵ The amount disclosed corresponds to the fair value at grant date for the whole vesting period (until 30 June 2024). However, the effective remuneration will correspond in maximum to the adjusted vesting period (pro rata temporis until the end of the working contract).

⁶ This includes the contractual obligations to compensate the outstanding vacations days as well as the STI 2021.

⁷ System of CEO compensation as of 1 January 2021 see Annual Report 2020, p. 51 (www.ascom.com/investors/reports-and-presentations/).

c) Compensation Executive Board 2020 (audited information)

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

¹ Including the statutory employee contributions paid to the Swiss social insurance.

² = SEK 2,556,030.

³ Contributions to medical benefit plans.

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

⁵ 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).

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)	
	2021	2020
CEO (until 25 January 2022)	47,195	35,918
CFO	25,854	18,585
Former COO / Head of Global Functions		
– in charge (until 9 February 2021)	–	–
– period after resignation (10 February to 31 December 2021)	–	–
Former Chief Sales Officer / Head of Rest of World		
– in charge (until 9 February 2021)	3,300	19,917
– period after resignation (10 February to 31 August 2021)	17,820	–
Total	94,169	74,420

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

The Company paid for the former COO / Head of Global Functions employer contributions of CHF 35,918 (2020: CHF 28,010) to the Swedish social insurances. These contributions neither constitute nor increase the pension benefits of the employee.

According to Article 20e of the Articles of Association, expense recovery does not count as 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) Short-term incentive (performance-related variable compensation)

▪ Payout opportunities 2021

- The CEO had for fiscal year 2021 a target potential of 77.2% of the base 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 CFO had for fiscal year 2021 a target potential of 49.2% of his base salary on fully achieving all targets. In cases where the targets set are exceeded, he is 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 according to Article 20b Sector 3 of the Articles of Association.

▪ **Performance-related targets 2021 (STI)**

The Board of Directors set the performance targets for 2021 with the aim to incentivize profitable growth of the Group.

The performance-related variable compensation for the members of the Executive Board in 2021 was linked to the achievement of the following measurable quantitative targets (incl. weighting):

- Net revenue (CEO: 40%, CFO: 30%)
- EBITDA (CEO: 40%, CFO: 30%)

In addition, the Board of Directors set measurable qualitative targets for 2021 to strengthen the organization. While the (former) CEO was measured on specific targets concerning the strategy implementation and the organizational set-up, the CFO got measurable specific targets with regard to cost efficiency improvement and workflow management, supply chain organization, and the ERP blue print implementation.

Target achievement in 2021:

- (Former) CEO: overall 44.1%
 - Financial targets: 39.1% (out of 80%)
 - Individual targets: 5% (out of 20%)
- CFO: overall 65.3%
 - Financial targets: 29.3% (out of 60%)
 - Individual targets: 36% (out of 40%)

The Board of Directors has decided to reduce the qualitative individual targets for the CFO from 40% to 20% as of 2022.

The variable salary component for the two members of the Executive Board as of 31 December 2021 amounted to CHF 285,549 (2020: CHF 776,799 for four members of the Executive Board).

e) Long-term incentive (Performance Stock Units plan)

▪ **Payout opportunities for PSU plan 2021**

- The (former) CEO had a target grant level amounting to CHF 225,000 (equals 40.1% of her base salary) which is translated into PSUs. In cases where the performance targets set are exceeded, the vesting is limited to a maximum of twice the granted number of PSUs corresponding to 80.2% of the base salary (neglecting potential share price movements).
- The CFO has a target grant level amounting to between CHF 144,000 (equals 47.2% of his base salary) which is translated into PSUs. In cases where the performance targets set are exceeded, the vesting is limited to a maximum of twice the granted number of PSUs corresponding to between 94.4% of the base salary (neglecting potential share price movements).
- The translation of the CHF target amounts into PSUs is based on the fair value of a PSU which is calculated by an external expert following the relevant accounting standards and is set at CHF 15.49 at grant date for PSU plan 2021.
- On 31 July 2021, the (former) CEO received 14,530 PSUs with a fair value of CHF 225,000 at grant, while the CFO received 9,300 PSUs with a fair value of CHF 144,000 at grant.
- The amount corresponds to the fair value at grant date for the whole vesting period (until 30 June 2024). However, the effective remuneration will correspond in maximum to the adjusted vesting period (pro rata temporis until the end of the employment contract).

▪ Performance-related targets for the 2021 PSU plan (LTI)

In order to increase the transparency regarding the ambition level of our long-term incentive plan, we have added additional details and background information around the target-setting process and performance targets where reasonable and mindful of sensitive business information.

For each annual grant and each performance target (EPS and relative TSR) the vesting curves are defined prior to the grant date focusing on generating symmetrical incentives for performance below and above the target performance level and allowing for a realistic performance-related chance to realize vesting.

Relative TSR and EPS targets are approved by the Board of Directors, following a thorough outside-in approach conducted by an independent external advisor. Investors' return expectations on market value, stock risk profile, investment projections and current profitability levels were taken as a starting point and translated into EPS targets, using multifactor valuation models and statistical analyses in order to establish an appropriate link between payouts under the PSU plan and the value created for investors. The results of the outside-in approach were assessed against historical company performance, as well as equity analysts' expectations and strategic plan as suggested by management, to reinforce the Board's confidence in the overall quality and robustness of the EPS targets.

EPS targets in CHF are considered commercially sensitive information whose disclosure would lead to an unfair competitive disadvantage of Ascom due to exposing strategically relevant information which is why curves are shown on a relative basis.

The vesting curves for the 2021 PSU plan are illustrated in the table below:

Vesting Multiple		Performance target (2021-2023)		Interpretation
		Relative TSR	EPS	
Minimum	0%	≤ 45 p.p.	≤ 36% of target	If the minimum is not exceeded, the respective Vesting Multiple will be set to 0% and no PSUs will vest
Target	100%	= 0 p.p.	= 100%	If the target is achieved, the respective Vesting Multiple will be set to 100% and all PSUs will vest with a multiple of 100%
Maximum	200%	≥ 45 p.p.	≥ 164% of target	If the maximum is achieved or exceeded, the respective Vesting Multiple will be set to 200% and all PSUs will vest with a multiple of 200%

Furthermore, information regarding the target achievement under the long-term incentive plan and realization of the granted PSUs vesting based on the performance period ending in the current reporting year is provided in the following paragraphs.

f) Total compensation of the members of the Executive Board

The total compensation in 2021 for all members of the Executive Board amounted to CHF 2,328,349 (2020: CHF 3,032,812).

g) Highest compensation

The highest total remuneration within the Ascom Group was paid to the CEO. The remuneration paid to the (former) CEO in 2021, consisting of the basic salary and the variable component, amounted to CHF 737,425. The employer's pension contributions amounted to CHF 64,442. The value of Performance Stock Units (PSU) allocated to the (former) 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. However, the effective remuneration will correspond in maximum to the adjusted vesting period (pro rata temporis until the end of the working contract).

The total remuneration paid to the (former) CEO in 2021 amounted to CHF 1,026,867 (2020: CHF 1,251,269).

h) Additional payments (audited information)

No members of the Executive Board received any additional payments as defined by Art. 663b^{bis} 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.

i) 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 Performance Stock Unit plans: PSUs 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.

j) Compliance with the decisions of the Annual General Meeting 2020

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

- CHF 2,000,000 as fixed compensation (including contributions to pension funds and other social benefits)
- CHF 1,800,000 as variable compensation
- CHF 850,000 as long-term incentive

The Annual General Meeting 2020 approved a total amount of CHF 4,650,000 for the compensation of the Executive Board in 2021. The total compensation paid to the Executive Board in 2021 of CHF 2,328,349 is in line with the amount of CHF 4,650,000 as approved by the Annual General Meeting 2020.

Reported compensation of the Executive Board during fiscal year 2021 compared to the amount approved by shareholders at the Annual General Meeting 2020

In CHF	Executive Board compensation earned during FY 2021 (4 members)	Maximum amount approved by shareholders at the 2020 AGM (4 members)	Amount within the amount approved by shareholders at the 2020 AGM and compensation ratio
Fixed compensation (including contribution to pension funds and other social benefits) ¹	1,673,800	2,100,000	Yes 79.7%
Variable compensation (STI)	285,549	1,800,000	Yes 15.9%
Long-term incentive (LTI)	369,000	850,000	Yes 43.4%
Total compensation Executive Board¹	2,328,349	4,650,000	Yes 50.0%

¹ Including miscellaneous and pension contributions.

The corresponding reporting of the Executive Board compensation 2022 approved by the Annual General Meeting 2021 as well as the reporting of the compensation ratio will be disclosed in the Remuneration Report 2022.

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

No former members of the Executive Board or parties closely related to them received any payments or loans from the Company in 2021.

In 2020, former CEO Holger Cordes received a payment of CHF 607,580 excluding employer social insurance contributions of CHF 47,481. Former CFO Anette Weber received in 2020 a payment of CHF 78,357 excluding employer social insurance contributions of CHF 8,932.

III. SHARE OWNERSHIP

Number of shares and options held in Ascom Holding AG as of 31 December 2021:

1. Board of Directors

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

	Shares ¹
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
Total Board of Directors	120,384

¹ 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 2021)

All members of the Executive Board and closely related parties, in total: 22,673 shares.

	Shares
Jeannine Pilloud, CEO	15,973
Dominik Maurer, CFO	6,700
Total Executive Board	22,673

The members of the Executive Board hold the following conversion rights based on the provisions of the Performance Stock Units (PSU) plans 2019, 2020 and 2021:

	PSU 2019	PSU 2020	PSU 2021	Total
Jeannine Pilloud, CEO	–	32,850	14,530	47,380
Dominik Maurer, CFO	–	17,520	9,300	26,820
Total Executive Board				74,200

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

3. Share allotment in 2021

According to the provisions of the Ascom share matching plan 2018, Ascom Holding AG allotted 1,380 shares in 2021 to 7 remaining participants of the Ascom share matching plan 2018.

Ascom Holding AG allotted no further shares in 2021.

IV. LONG-TERM INCENTIVE PLANS

1. Ascom share matching plan 2018

The Ascom share matching plan 2018 (as described in the Annual Report 2020 on page 61) expired on 30 June 2021.

Out of the 6,245 remaining investment shares, 2,293 were exercised or forfeited in 2021.

The remaining 3,952 investment shares as of 30 June 2021 qualified for 1,380 matching shares, which were allotted to the remaining seven participants.

2. Performance Stock Units (PSU) plan 2019

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, 37,140 PSUs were forfeited during 2019 and 2020. Out of the remainder of 116,422 PSUs, another 53,297 PSUs were forfeited in 2021. Thus, 63,125 PSUs may qualify for share conversion.

The PSU plan 2019 runs for a period of three years with a vesting date defined at 31 May 2022. The vesting multiple for this PSU plan based on the relative TSR and EPS performance realized during a three-year period from 2019 to 2021 and was 0%. The table below gives an overview of the performance achievements under the PSU plan 2019:

Performance Target	Performance realized during 2019–2021	Vesting multiple per KPI
Relative TSR	-82.82 p.p.	0%
EPS	0.25 CHF	0%

3. Performance Stock Units (PSU) plan 2020

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. Out of the remainder of 214,710 PSUs, another 65,710 PSUs were forfeited in 2021. Thus, 149,000 PSUs may qualify for share conversion.

4. Performance Stock Units (PSU) plan 2021

The Ascom long-term incentive 2021 (PSU plan 2021) runs for a period of three years with a vesting date defined at 30 June 2024. 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 15.49 at grant date.

On 30 June 2021, the Board of Directors awarded to 49 members of the Senior Management 85,870 PSUs. Out of this number, 8,270 PSUs were forfeited during 2021. Thus, 77,600 PSUs may qualify for share conversion.

5. Performance Stock Units held as of 31 December 2021

PSU plan	Vesting date	Performance indicators	Number of outstanding PSUs	Maximum of conversion shares
2019	31.05.2022	EPS/TSR	63,125	0
2020	30.06.2023	EPS/TSR	149,000	298,000
2021	30.06.2024	EPS/TSR	77,600	155,200

As of 31 December 2021, there are 226,600 outstanding PSUs related to the PSU plans 2020 and 2021 which may be converted into maximal 453,200 shares according to the PSU plans. As the targets have been missed, no PSUs of the PSU plan 2019 will be converted into shares.

The total of the outstanding contingent conversion shares corresponds to 1.26% of the total share capital of the Company.