

Remuneration Report

Letter from the Chairperson of the Compensation & Nomination Committee

Dear Shareholders,

It is my pleasure to present to you the 2022 Remuneration Report on behalf of the Board of Directors and the Compensation & Nomination Committee.

The engagement with shareholders remains 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.

The shareholders approved the Remuneration Report 2021 at the last Annual General Meeting with a majority of more than 90%. We thank, our valued shareholders, for your confidence and we are committed to further enhance the report to give even more transparency on our compensation and our plans.

In course of the financial year 2022, the Compensation & Nomination Committee has focused again on:

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

As you may know, the revision of the Swiss Corporate Law came into force as of 1 January 2023. In particular, the former Ordinance against Excessive Compensation with respect to stock exchange listed companies has been integrated into the Swiss Code of Obligations. The Board of Directors has decided to submit an amendment to our Articles of Association at the Annual General Meeting 2023 in order to reflect those changes.

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

KPMG as statutory auditors have audited the Remuneration Report according to Article 728 Section 4 of the Swiss Code of Obligations. 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 2022”), 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 37 to 59 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 (“Schweizerisches Obligationenrecht”)
- Listing Rules of SIX Swiss Exchange (LR)
- Articles of Association of Ascom Holding AG (dated 13 April 2022)
- Organizational Regulations of Ascom Holding AG (dated 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: <https://www.ascom.com/about-us/corporate-governance/directives-and-guidelines/>

It is planned to adapt the Articles of Association to the revision of the Swiss Corporate Law at the Annual General Meeting 2023.

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" (page 76).

f) Mandates outside the Ascom Group

Article 734e of the Swiss Code of Obligations requires the disclosure and specification of the functions of the members of the Board of Directors and the Executive Board in other undertakings. 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.

Mandates outside the Ascom Group of members of the Board of Directors as of 31 December 2022

	Positions in publicly traded companies	Positions in non-listed companies	Positions in associations, non-profit organizations, and pension funds
Dr Valentin Chapero Rueda	–	TRI Dental Implants Int. AG, Hünenberg ZG, Chairman Valamero Holding AG, Wilen b. Wollerau SZ, Chairman	–
Nicole Burth Tschudi	–	Post CH Kommunikation AG, Berne, CEO & Member of the Board	Advisory Board of Equal Voice, Ringier Group, Zurich, Member Board of Advance Women, Zurich, Member
Laurent Dubois	–	ADB Safegate BV, Zaventem (Belgium), Chairman & CEO Sarenbach AG, Wollerau SZ, Chairman	–
Jürg Fedier	Dätwyler Holding AG, Altdorf UR, Member of the Board OC Oerlikon Corporation AG, Pfäfersikon SZ, Member of the Board	–	CFO Forum Schweiz, Zug (Advisory Board), Member
Michael Reitermann	–	Alpha 9 Theranostics, Inc., Vancouver BC, Canada, Director Enigma Biomedical Group, Inc., Toronto ON, Canada, Director GoSimplify Private Ltd., Gurgaon, India, Director Unilabs Group Holding ApS, Geneva, Member of the Board	–
Dr Andreas Schönenberger	–	Sanitas Beteiligungen AG, Zurich, CEO Greater Zurich Area AG, Zurich, Member of the Board	–

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 Section 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 Article 20b Section 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 2022, the Executive Board consisted of two members:

- Nicolas Vanden Abeele, CEO (since 1 February 2022)
- Dominik Maurer, CFO

c) Determination of the remuneration of the Executive Board members

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 since 2019.

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 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)**

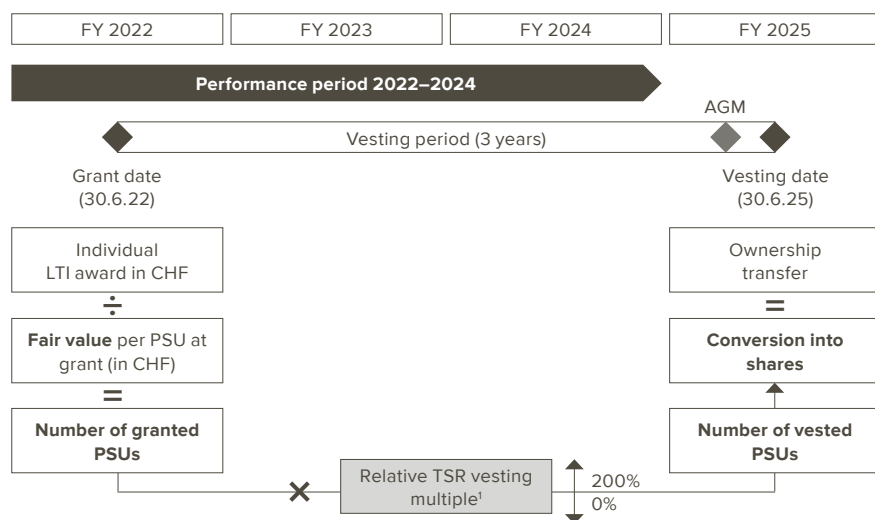
The PSU plan foresees annual grants of Performance Stock Units (“PSUs”). One PSU represents the conditional right to receive a fraction between 0% and 200% of an Ascom share subject to the fulfillment of certain vesting conditions. Vesting of the PSUs occurs on the third anniversary of the respective date of grant. Vesting conditions are both the achievement of a performance target as well as an unterminated contractual relationship with the company. Compared to the previous years, the performance targets have been reduced to one (Total Shareholder Return) eliminating the former EPS target. The intention was to get a better understanding of the PSU plan for the employees, also following a recommendation from a stakeholder.

The target achievement is based on Ascom’s three-year Total Shareholders Return (TSR) measured against the relative Swiss Performance Index Extra (“SPI EXTRA”) as performance indicator and expressed as a percentage points difference as performance indicator. Ascom’s three-year TSR is calculated considering not only the variations of the share price over the same time horizon, 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 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.

Schedule of PSU Plan



¹According to target achievement

d) System of CEO Compensation as of 31 December 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 734e of the Swiss Code of Obligations requires the disclosure and specification of the functions of the members of the Board of Directors and the Executive Board in other undertakings.

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

Mandates outside the Ascom Group of members of the Executive Board as of 31 December 2022

	Positions in publicly traded companies	Positions in non-listed companies	Positions in associations, non-profit organizations and pension funds
Nicolas Vanden Abeele	Belysse NV, Waregem (Belgium), Member of the Board	–	–
Dominik Maurer	–	SpreadYourWingZ GmbH; Teltow (Germany), Partner	–

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.

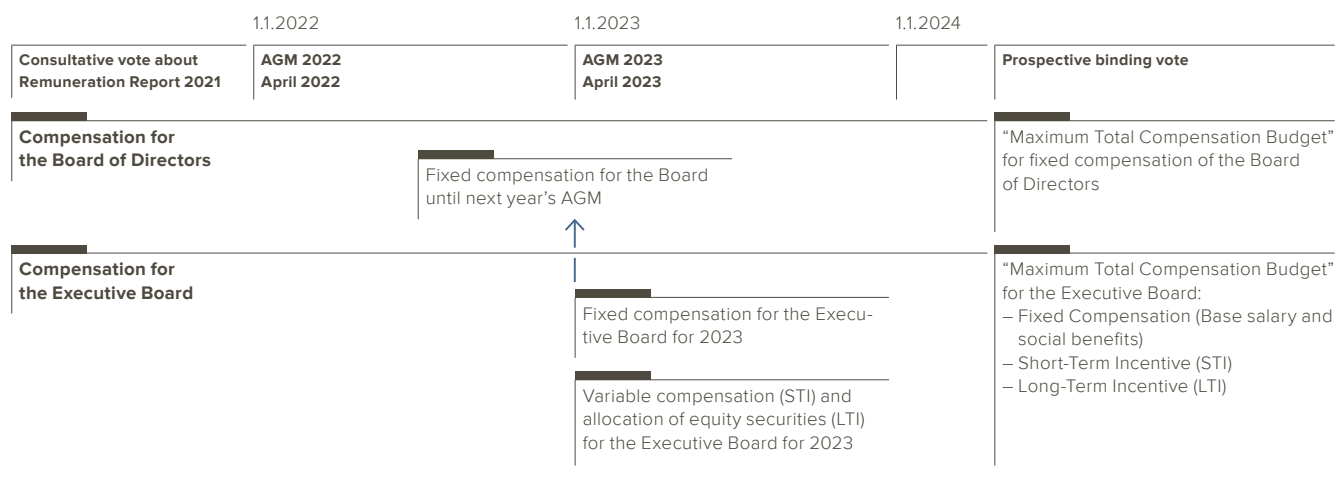
In addition, the Board of Directors submits the Remuneration Report for the business year prior to the Annual General Meeting for a consultative vote.

According to Article 735a of the Swiss Code of Obligations, in the event that the general meeting votes prospectively on the remuneration of the executive board, the articles of association may provide for an additional amount for the remuneration of persons newly appointed as members of the executive board after the vote. The additional amount may only be used if the total amount of remuneration for the executive board agreed by the general meeting is not sufficient to remunerate the new members until the next vote of the general meeting. The general meeting does not vote on the additional amount used.

Article 20e Sector 3 of the Articles of Association states that 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 (excl. the CEO) for the Approval Period.

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 2022

The shareholders approved the following maximum amounts for future compensations at the Annual General Meeting 2022:

- Board of Directors: maximal amount of CHF 700,000 (for six members) for the period from the Annual General Meeting 2022 until the Annual General Meeting 2023 (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 99.1%.
- Executive Board (for two members) for the business year 2023:
 - 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 99.0%.
 - Maximal amount of CHF 1,200,000 as variable compensation (short-term incentive); approved with a majority of 93.8%.
 - Maximal amount of CHF 500,000 as long-term incentive; approved with a majority of 87.9%.

The Annual General Meeting 2022 approved the Remuneration Report 2021 with a majority of 90.1% in a consultative non-binding vote.

II. REMUNERATION IN FISCAL YEAR 2022

1. Board of Directors

a) Remuneration in fiscal year 2022 (audited information)

Members of the Board of Directors were paid a gross remuneration totaling CHF 700,000 in fiscal year 2022 (2021: CHF 700,000).

in CHF	2022	2022	2021	2021
	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	9,710	200,000	12,020
Jürg Fedier	100,000	4,410	100,000	4,410
Nicole Burth Tschudi	100,000	6,400	100,000	6,400
Laurent Dubois	100,000	6,400	100,000	6,400
Michael Reitermann	100,000	–	100,000	–
Dr Andreas Schönenberger	100,000	6,400	100,000	6,400
Total	700,000	33,320	700,000	35,630

- 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 Article 734a 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 2022: CHF 700,000 for the Board of Directors (six members) for the period from the Annual General Meeting 2022 until the Annual General Meeting 2023.

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 2021 and the Annual General Meeting 2022 is in line with the approval of the Annual General Meeting 2021.

2. Executive Board

a) Members of the Executive Board in 2022

In 2022, the Executive Board consisted of the following members:

- Nicolas Vanden Abeele, CEO (since 1 February 2022)
- Dominik Maurer, CFO
- Jeannine Pilloud, CEO (until 25 January 2022)

In 2021, the Executive Board consisted of four members including:

- 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 2022 (audited information)

in CHF	Base salary	Variable salary component (STI)	Miscellaneous	Pension contributions	LTI ³	Total
CEO (since 1 February 2022)	458,333 ¹	257,760	43,884 ²	39,618	300,000 ⁴	1,099,595
CFO	304,850 ¹	93,453	0	38,661	144,000 ⁴	580,964
Former CEO (until 25 January 2022)	384,380 ^{1,5}	123,958 ^{1,5}	0	42,282 ⁵	0	550,620
Total Executive Board in 2022	1,147,563¹	475,171	43,884	120,561	444,000	2,231,179

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

² Allocation contributions of CHF 39,653 and flight fares (home leave) of CHF 9,653

³ Weighted average fair value of the PSU units at grant (1 PSU = CHF 6.07) assuming full achievement of all performance-related targets.

⁴ 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).

⁵ The amount paid to the former CEO in 2022 was in compliance with the commitments set down in the employment contract

c) Compensation Executive Board 2021 (audited information)

in CHF	Base salary	Variable salary component (STI)	Miscellaneous	Pension contributions	LTI ⁴	Total
Former 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
Former 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
Former 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/).

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)	
	2022	2021
CEO (since 1 February 2022)	28,112	–
CFO	22,988	25,854
Former CEO (until 25 January 2022)	37,826	47,195
Former COO / Head of Global Functions ¹ (in charge until 9 February 2021)	–	–
Former Chief Sales Officer / Head of Rest of World (in charge until 9 February 2021)	–	21,120
Total	88,926	94,169

¹In 2021, the Company paid for the former COO/ Head of Global Functions employer contributions of CHF 35,918 to the Swedish social insurances.

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.

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 2022

- The CEO had for fiscal year 2022 a target potential of 80% 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 160% of the basic salary.
- The CFO had for fiscal year 2022 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 Section 3 of the Articles of Association.

▪ Performance-related targets 2022 (STI)

The Board of Directors set the performance targets for 2022 with the aim to incentivize profitable growth of the Group.

The performance-related variable compensation for the members of the Executive Board in 2022 was linked to the achievement of the following measurable quantitative targets (incl. weighting):

- Net revenue (40%)
- EBITDA (40%)
- Qualitative targets (20%)

The Board of Directors set measurable qualitative targets for 2022 to strengthen the performance of the Company. The CEO was measured on specific targets to shape up the Company, to sharpen the strategy in particular in the software business, and to strengthen the sales organization. The CFO got measurable specific targets with regard to working capital improvement, IT and ERP.

Measurable target achievement in 2022:

- CEO: overall 64.44%
 - Financial targets: 44.44% (out of 80%)
 - Individual targets: 20% (out of 20%)
- CFO: overall 62.24%
 - Financial targets: 44.44% (out of 80%)
 - Individual targets: 17.8% (out of 20%)

The variable salary component for the two active members of the Executive Board amounted to CHF 351,213 (2021: CHF 285,549).

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

▪ Payout opportunities for PSU plan 2022

- The CEO has a target grant level amounting to CHF 300,000 (equals 60% 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 120% 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 6.07 at grant date for PSU plan 2022.
- On 30 June 2022, the CEO received 49,430 PSUs with a fair value of CHF 300,000 at grant, while the CFO received 23,730 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 2025).

▪ Performance-related targets for the 2022 PSU plan (LTI)

The Ascom long-term incentive 2022 (PSU plan 2022) runs for a period of three years with a vesting date defined at 30 June 2025. The target achievement is based on Ascom's three-year Total Shareholders Return (TSR) measured relative to the SPI EXTRA Index as performance indicator.

For the annual grant and the corresponding performance target the vesting curve is 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.

The relative TSR target is 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, 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 targets.

The vesting curves for the 2022 PSU plan are illustrated in the table below:

Vesting Multiple		Performance target (2022-2024)	Interpretation
		Relative TSR	
Minimum	0%	≤ 45 p.p.	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.	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.	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 2022 for all members of the Executive Board amounted to CHF 2,231,179 (2021: CHF 2,328,349) including the payments made to the former CEO Jeannine Pilloud of CHF 550,620.

g) Highest compensation

The highest total remuneration within the Ascom Group was paid to the CEO (since 1 February 2022) with a total amount of CHF 1,099,595. The cash remuneration paid to the CEO in 2022, consisting of the basic salary and the variable component (STI), amounted to CHF 716,093.

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

h) Additional payments (audited information)

No members of the Executive Board received any additional payments as defined by Article 734a 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 2021

The shareholders approved the following maximum amounts for future compensations at the Annual General Meeting 2021 for four members of the Executive

Board for fiscal year 2022:

- CHF 1,200,000 as fixed compensation (including contributions to pension funds and other social benefits)
- CHF 1,200,000 as variable compensation (short-term incentive)
- CHF 500,000 as long-term incentive

The Annual General Meeting 2021 approved a total amount of CHF 2,900,000 for the compensation of the Executive Board in 2022. Due to the appointment of a new CEO as of 1 February 2022, an additional amount of CHF 550,000 (base salary of the former CEO) may be added according to Article 735a Swiss Code of Obligations and Article 20e Section 3 of the Articles of Association.

The total compensation paid to the Executive Board in 2022 of CHF 2,231,179 is in line with the adapted amount of CHF 3,450,000 as approved by the Annual General Meeting 2021 (including additional amount of CHF 550,000 due to the CEO change).

Reported compensation of the Executive Board during fiscal year 2022 compared to the amount approved by shareholders at the Annual General Meeting 2021

In CHF	Executive Board compensation earned during FY 2022	Maximum amount approved by shareholders at the 2021 AGM	Amount within the amount approved by shareholders at the 2021 AGM and compensation ratio
Fixed compensation (including contribution to pension funds and other social benefits) ¹	1,312,008 ²	1,750,000 ³	Yes 75.0%
Variable compensation (STI)	475,171	1,200,000	Yes 39.6%
Long-term incentive (LTI)	444,000	500,000	Yes 88.8%
Total compensation Executive Board¹	2,231,179	3,450,000	Yes 64.7%

¹ Including miscellaneous and pension contributions

² Including the compensation of the former CEO of CHF 426,655

³ Including an additional amount of CHF 550,000 (base salary of former CEO) due to the appointment of a new CEO according to Article 735a Swiss Code of Obligations and Article 20e Section 3 of the Articles of Association

The corresponding reporting of the Executive Board compensation 2023 approved by the Annual General Meeting 2022 as well as the reporting of the compensation ratio will be disclosed in the Remuneration Report 2023.

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

Jeannine Pilloud (former CEO until 25 January 2022) was paid in 2022 an amount of CHF 550,620 (including CHF 42,282 for pension contributions) in compliance with the commitments set down in her employment contract. Moreover, the Company paid an employer contribution of CHF 37,826 to the Swiss social insurance according to Swiss law.

No former members of the Executive Board or parties closely related to them received any payments or loans from the Company in 2022.

III. SHARE OWNERSHIP

1. Board of Directors (as of 31 December 2022)

All members of the Board of Directors and closely related parties, in total: 287,309 shares.

	Shares
Dr Valentin Chapero Rueda, Chairman	181,594
Nicole Burth Tschudi	5,000
Laurent Dubois	51,825
Jürg Fedier	12,400
Michael Reitermann	34,490
Andreas Schönenberger	2,000
Total Board of Directors	287,309

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

2. Executive Board (as of 31 December 2022)

All members of the Executive Board and closely related parties, in total: 31,700 shares.

	Shares
Nicolas Vanden Abeele, CEO	25,000
Dominik Maurer, CFO	6,700
Total Board of Directors	31,700

The members of the Executive Board hold the following conversion rights based on the provisions of the Performance Stock Units (PSU) plans 2020, 2021, and 2022:

	PSU 2020	PSU 2021	PSU 2022	Total
Nicolas Vanden Abeele, CEO	–	–	49,430	49,430
Dominik Maurer, CFO	17,520	9,300	23,730	50,550
Total Executive Board				99,980

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

3. Share allotment in 2022

Ascom Holding AG allotted no shares in 2022.

IV. LONG-TERM INCENTIVE PLANS

1. Performance Stock Units (PSU) plan 2019

The Ascom long-term incentive 2019 (PSU plan 2019) ran for a period of three years with a vesting date defined on 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, 90,437 PSUs were forfeited between 2019 and 2021. Thus, 63,125 PSUs would have qualified for share conversion.

Ascom performed over this period below benchmark and achieved the following performance during 2019 – 2021:

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

The vesting multiple for the PSU plan 2019 is therefore 0 and no shares were allocated to the beneficiaries of this plan.

2. 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, 72,650 PSUs were forfeited during 2020 and 2021. Out of the remainder of 149,000 PSUs, another 25,555 PSUs were forfeited in 2022. Thus, 123,445 PSUs may qualify for share conversion.

Ascom achieved the following performance during 2020 – 2022:

Performance Target	Performance realized during 2020–2022	Vesting multiple per KPI
Relative TSR	-28.26 p.p.	0%
EPS	0.31 CHF	10%

The vesting multiple for the PSU plan 2020 is therefore 10% and 12,345 shares may be allocated to the beneficiaries of this plan at the vesting date.

3. 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 on 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 and another 19,080 PSUs were forfeited during 2022. Thus, 58,520 PSUs may qualify for share conversion.

4. Performance Stock Units (PSU) plan 2022

The Ascom long-term incentive 2022 (PSU plan 2022) runs for a period of three years with a vesting date defined on 30 June 2025. The target achievement is based on only one performance indicator: Ascom's three-year Total Shareholders Return (TSR) measured relative to the SPI EXTRA Index as performance indicator.

The fair value of a PSU (based on the PSU plan 2022) was calculated by an external expert and set at CHF 6.07 at grant date.

On 30 June 2022, the Board of Directors awarded to 49 members of the Senior Management 215,370 PSUs. Out of this number, 9,560 PSUs were forfeited during 2022. Thus, 205,810 PSUs may qualify for share conversion.

5. Performance Stock Units held as of 31 December 2022

	Vesting date	Performance indicators	Number of outstanding PSUs	Maximum of conversion shares
2020	30.06.2023	EPS/TSR	123,445	12,345
2021	30.06.2024	EPS/TSR	58,520	117,040
2022	30.06.2025	TSR	205,810	411,620

As of 31 December 2022, there are 387,775 outstanding PSUs related to the PSU plans 2020, 2021 and 2022 which may be converted into maximal 541,005 shares according to the PSU plans. Given the achieved vesting multiple of 10%, maximal 12,345 shares may be converted according to the PSU plan 2020.

The total of the outstanding contingent conversion shares corresponds to 1.50% of the total share capital of the Company.



Report of the Statutory Auditor

To the General Meeting of Ascom Holding AG, Baar, ZG

Report on the Audit of the Remuneration Report

Opinion

We have audited the Remuneration Report of Ascom Holding AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the tables marked "audited information" on pages 69 to 71 and pages 74 and 76 of the Remuneration Report.

In our opinion, the information on remuneration, loans and advances in the attached Remuneration Report complies with Swiss law and Art. 14-16 VegüV.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Remuneration Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Remuneration Report of Ascom Holding AG for the year ended 31 December 2021 was audited by another auditor who expressed an unmodified opinion on this report on 28 February 2022.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the tables marked "audited information" on pages 69 to 71 and pages 74 and 76 in the Remuneration Report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Remuneration Report

The Board of Directors is responsible for the preparation of a Remuneration Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Remuneration Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

Toni Wattenhofer
Licensed Audit Expert
Auditor in Charge

Ronny Heer
Licensed Audit Expert

Zug, 1 March 2023

Enclosure:
- Remuneration Report

KPMG AG, Landis + Gyr-Strasse 1, CH-6302 Zug

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