



The Articles of Incorporation of Swisscom Ltd.

Edition of 28 March 2023

swisscom

Content

1.	Name, Registered Office and Duration	4
2.	Purpose	4
3.	Sustainability	4
4.	Share capital and Shares	5
4.1	Share Capital, Types of Shares, Par Value and Amounts Paid in	5
4.2	Share Class, Transfer and Pledging of Shares	5
4.3	Share Register and Register of Dematerialised Securities	5
4.4	Shareholding by the Swiss Government	6
4.5	Transfer Restrictions	6
4.6	Facilitation of Exchange Trading of Shares	7
5.	The Bodies of the Corporation	8
6.	Shareholders' Meeting	8
6.1	Powers of the Shareholders' Meeting	8
6.2	Meetings	9
6.3	Convocation	9
6.4	Agenda, Right to Put forward Motions	10
6.5	Presentation of Reports	10
6.6	Conduct of Shareholders' Meetings	11
6.7	Resolutions	11
6.8	Special Decision Quorums	13
7.	Board of Directors	14
7.1	Composition, Election, Term of Office and Constitution	14
7.2	Powers and Duties	14
7.3	Passing of Resolutions	15
7.4	Remuneration	16
7.5	Compensation Committee	16

8.	Executive Board	17
8.1	Transfer of Business Management, Election and Composition	17
8.2	Remuneration	17
9.	Joint Provisions for Members of the Board of Directors and Executive Board	18
9.1	Success and Participation Plans	18
9.2	Contracts	20
9.3	External mandates	20
10.	Auditors	22
11.	Fiscal Year	22
12.	Allocation of Profits	22
13.	Organ of Publication and Communications	22

These Articles of Incorporation are a translation of the German original. In the event of any inconsistencies, the German version of the Articles of Incorporation shall prevail over the French, Italian and English translations.

1. Name, Registered Office and Duration

Under the name

Swisscom AG
Swisscom SA
Swisscom Ltd.

there exists a joint-stock corporation pursuant to Art. 2 ff. of the TUG (Telecommunications Enterprise Act of 30 April 1997) and the Code of Obligations with registered office in 3063 Ittigen.

The duration of the Corporation is unlimited.

2. Purpose

The purpose of the Corporation is to provide telecommunications and radiocommunication services in and outside Switzerland, and to offer products and services related thereto.

The Corporation may enter into all transactions which the business purpose entails, including the purchase and sale of real estate, the procurement and investment of funds on the money and capital markets, the establishment and purchase of interests in corporations and other means of co-operation with third parties.

3. Sustainability

The Corporation strives to create sustainable value in its activities.

4. Share capital and Shares

4.1 Share Capital, Types of Shares, Par Value and Amounts Paid in

The share capital of the Corporation is Fr. 51,801,943 divided into 51,801,943 registered shares with a par value of Fr. 1 each. The shares are fully paid in.

4.2 Share Class, Transfer and Pledging of Shares

4.2.1 The shareholder is not, however, entitled to request the printing and issuance of certificates for registered shares (securities), but is nonetheless entitled to issuance of confirmation. The Corporation may, on the other hand, replace uncertificated registered shares (dematerialised securities) with securities and securities with dematerialised securities.

4.2.2 Uncertificated registered shares that are not book-entry securities including any uncertificated rights arising therefrom may only be transferred by assignment. The assignment must be notified to the Corporation in order to be valid. Registered shares that are book-entry securities may only be transferred according to the provisions of the Book-Entry Securities Act; transfer by means of assignment is excluded.

4.2.3 Uncertificated registered shares that are not book-entry securities and the pecuniary rights associated thereto may only be pledged by a written agreement, and only in favour of the bank at which the shareholder holds such shares in book-entry form. It is not necessary to inform the Corporation of the pledge. The pledging of registered shares that are book-entry securities is governed by the Book-Entry Securities Act; pledging by means of assignment is excluded.

4.3 Share Register and Register of Dematerialised Securities

4.3.1 The Board of Directors shall maintain a Share Register for registered shares, in which the owners and usufructuaries shall be recorded with their name and address or with their firm name and regis-

tered office. If a person entered in the Share Register changes their contact details, they must notify the Share Register clerk accordingly. Written and electronic communications from the Corporation shall be deemed to have been validly made if they are sent to the contact address as entered in the Share Register.

- 4.3.2 Only persons who are registered in the Share Register shall be considered shareholders or usufructuaries of shares vis-à-vis the Corporation. The Board of Directors shall regulate the conditions and competences for acknowledging persons as shareholders or usufructuaries with or without voting rights, as well as their entry in the Share Register.
- 4.3.3 The Board of Directors shall maintain a Register of Dematerialised Securities, in which the number and denomination of the issued dematerialised securities as well as the creditors shall be recorded.
- 4.3.4 The Board of Directors shall regulate the responsibilities for maintaining the Share Register and the Register of Dematerialised Securities.

4.4 Shareholding by the Swiss Government

According to Art. 6 para. 1 TUG, the Swiss Confederation holds the majority of voting rights and capital of the Corporation.

4.5 Transfer Restrictions

- 4.5.1 The Board of Directors may refuse the approval of a person acquiring shares as a shareholder or usufructuary with voting rights if their holding, together with their shares already registered with voting rights in the Share Register, exceeds the limit of 5% of all registered shares recorded in the Commercial Register. The portion of shares exceeding the 5% limit shall be entered in the Share Register without voting rights.

The Board of Directors may approve a person acquiring shares with more than 5% of all registered shares as a shareholder or usufructuary with voting rights in particular in the following exceptional cases:

- a. in case of the acquisition of shares due to a merger or combination of businesses;
- b. in case of the acquisition of shares due to a contribution in kind or a share exchange;
- c. for the foundation of a long-term co-operation or a strategic alliance by equity interest.

Legal entities and business associations that are linked together by capital, voting power, management or in another manner, as well as all persons, entities and partnerships that are acting in concert by agreement, syndicate or in another manner with a view to circumvent the percentage limit, shall be deemed as one person.

- 4.5.2 The restriction pursuant to clause 4.5.1 also applies, subject to Art. 652b para. 3 and 653c para. 4. CO, in the case of acquisition of registered shares by exercise of subscription, option and conversion rights. The restriction shall not apply in an acquisition as a result of inheritance, the apportionment of an estate or matrimonial law.
- 4.5.3 The Board of Directors may refuse the recognition and registration as a shareholder or usufructuary with voting rights if a person does not expressly state on request that they have acquired the shares or the usufruct of the shares in their own name and for their own account, that there exists no agreement on the redemption or return of corresponding shares, and that they bear the economic risk associated with the shares. The Board of Directors may not deny registration to a person on the grounds that the request was made through the latter's own bank.
- 4.5.4 The Board of Directors may delete the entry of a shareholder with voting rights in the Share Register after hearing the concerned person if the latter has obtained said entry by giving false information, in which case they shall be recorded as a shareholder without voting rights. The concerned person must be immediately informed of the deletion of the entry.

4.6 Facilitation of Exchange Trading of Shares

In order to facilitate the trading of the shares on the exchange, the Board of Directors may, by means of regulations or by way of

agreements, allow the fiduciary registration of registered shares with voting rights exceeding the limit mentioned in clause 4.5 by fiduciaries who declare their status as fiduciary (nominees, ADR banks). These parties must be subject to supervision by a banking or financial market supervisory authority or otherwise offer assurance of proper business conduct, must act for the account of one or several parties unrelated to each other, and must be able to disclose to the Corporation the names, addresses and the amount of shareholdings of the beneficial owners of the shares.

5. The Bodies of the Corporation

The bodies of the Corporation are:

- a. Shareholders' Meeting;
- b. Board of Directors;
- c. Executive Board;
- d. Auditors.

6. Shareholders' Meeting

6.1 Powers of the Shareholders' Meeting

6.1.1 The Shareholders' Meeting is the supreme body of the Corporation. It has the following powers:

- a. Establishment and alteration of the Articles of Incorporation;
- b. Election of the following persons:
 1. the Chairman or Chairwoman of the Board of Directors,
 2. the members of the Board of Directors,
 3. the members of the Compensation Committee,
 4. the independent proxy,
 5. the statutory auditor;
- c. Approval of the Management Report and the consolidated financial statements;
- d. Approval of the annual financial statements as well as resolutions on the allocation of the balance sheet profits, in particular the determination of dividends;
- e. The setting of the interim dividend and the approval of the interim financial statement required for this purpose;
- f. Resolutions on the repayment of the legal capital reserve;

- g. Release of the members of the Board of Directors and the Executive Board;
 - h. Approval of the remuneration of the Board of Directors and the Executive Board;
 - i. Consultative vote on the Remuneration Report;
 - j. Approval of the report on non-financial matters in accordance with Art. 964a ff. CO and of any other reports prescribed by law;
 - k. Delisting of the Corporation's equity securities;
 - l. Resolutions on those matters which are the prerogative of the Shareholders' Meeting by virtue of the law and the Articles of Incorporation.
- 6.1.2 In the case of a delisting resolution within the meaning of clause 6.1.1(k), the Board of Directors shall determine the modalities of the delisting.

6.2 Meetings

- 6.2.1 The ordinary Shareholders' Meeting shall take place annually within six months after the end of the fiscal year.
- 6.2.2 Extraordinary Shareholders' Meetings shall be called as often as may be necessary, in particular in the cases provided for by law.
- 6.2.3 The Board of Directors must convene extraordinary Shareholders' Meetings upon request by shareholders who, individually or together, represent at least 5% of the share capital or votes. Such request must be in writing and must state the items to be put on the agenda as well as the corresponding motions and, in the case of elections, the names of the proposed candidates.

6.3 Convocation

- 6.3.1 The Shareholders' Meeting is convened by the Board of Directors, if necessary by the auditors.
- 6.3.2 The Shareholders' Meeting is called at least 20 days before the date of the meeting in the form provided for in clause 13.

- 6.3.3 The notice of the meeting shall make known the following:
- a. the date, the starting time, the type and the venue of the Shareholders' Meeting;
 - b. the items on the agenda;
 - c. the motions of the Board of Directors, with a brief statement of reasons;
 - d. any motions by shareholders, with a brief statement of reasons;
 - e. the name and address of the independent proxy.

6.4 Agenda, Right to Put forward Motions

- 6.4.1 Resolutions on matters which have not been announced in conformity with the procedures outlined in clause 6.3 may not be passed. This provision shall not apply to proposals to convene an extraordinary Shareholders' Meeting, to initiate a special audit or to elect a statutory auditor.
- 6.4.2 On the other hand, no previous announcement is necessary to put forward motions at the Shareholders' Meeting concerning items already on the agenda and to debate issues without passing a resolution.
- 6.4.3 Shareholders who, individually or together, represent shares with a par value of at least Fr. 40,000 may request that items be placed on the agenda and that motions on items be included in the notice convening the Shareholders' Meeting. Shareholders may submit a brief statement of reasons together with the agenda items or motions. Such requests must be communicated to the Board of Directors in writing, by stating the item on the agenda and the corresponding motion or motions, at least 45 days prior to the Shareholders' Meeting.

6.5 Presentation of Reports

The Annual Report, the Remuneration Report and the Auditors' Reports, as well as the report on non-financial matters pursuant to Art. 964a ff. CO, must be made available at least 20 days before the Shareholders' Meeting. If the documents are not accessible

electronically, any shareholder may request that they be sent to them in good time.

6.6 Conduct of Shareholders' Meetings

- 6.6.1 The Board of Directors shall determine the venue of the Shareholders' Meeting. The Shareholders' Meeting may be held by electronic means without a venue (virtual Shareholders' Meeting).
- 6.6.2 The Board of Directors may provide that shareholders who are not present at the venue may exercise their rights by electronic means.
- 6.6.3 The Chairman or Chairwoman shall chair the Shareholders' Meeting. In the event that they are unable to do so, another member of the Board of Directors or another person elected by the Shareholders' Meeting shall act as Chairman or Chairwoman for the duration of the Meeting.
- 6.6.4 The Chairman or Chairwoman shall designate the keeper of minutes and the vote counters, who need not to be shareholders; the functions may be assigned to the same person. The minutes shall be signed by the Chairman or Chairwoman and the keeper of minutes.
- 6.6.5 The Chairman or Chairwoman shall have all management powers necessary and appropriate to ensure the orderly and trouble-free conduct of the Shareholders' Meeting.

6.7 Resolutions

- 6.7.1 Every share registered with voting rights in the Share Register of the Corporation shall be entitled to one vote.
- 6.7.2 Every shareholder may be represented at the Shareholders' Meeting by:
 - a. their legal representative;
 - b. a representative of their choice; or by
 - c. the independent proxy.

- 6.7.3 The forms prepared by the Board of Directors or designated electronic means shall be used to issue the power of attorney and instructions.
- 6.7.4 If the independent proxy does not receive any instructions, they shall abstain from voting. Powers of attorney and instructions may only be issued to the independent proxy for the upcoming Shareholders' Meeting.
- 6.7.5 The Shareholders' Meeting elects the independent proxy, whose term of office ends with the conclusion of the next Shareholders' Meeting. Re-election is possible. If the Corporation no longer has an independent proxy, the Board of Directors nominates such a person for the next Shareholders' Meeting. Previously issued powers of attorney and instructions are deemed to have been issued to the person newly appointed as the independent proxy and remain valid.
- 6.7.6 The Shareholders' Meeting passes resolutions and conducts its elections with a majority of the votes represented, provided the law or the Articles of Incorporation do not contain other provisions.
- 6.7.7 In the case of elections, if in the first round of voting a majority is not reached, then a second round of voting shall take place.
- 6.7.8 In the event of a tied vote, the motion shall be deemed rejected. The Chairman or Chairwoman does not have a casting vote.
- 6.7.9 The resolutions and election results shall be made available electronically within 15 days of the Shareholders' Meeting, stating the exact voting proportions; any shareholder may request that the minutes be made available to them within 30 days of the Shareholders' Meeting.
- 6.7.10 The Shareholders' Meeting approves the requests of the Board of Directors regarding the maximum total amounts:
- a. for the remuneration of the Board of Directors for the following fiscal year; and
 - b. for the remuneration of the Executive Board for the following fiscal year.

- 6.7.11 The Board of Directors can in justified exceptional cases submit requests to the Shareholders' Meeting regarding the maximum total amounts and/or individual remuneration elements for other time periods.
- 6.7.12 Insofar as the variable remuneration of the Executive Board for the following fiscal year is submitted to the Shareholders' Meeting for approval, the Shareholders' Meeting shall additionally vote consultatively on the Remuneration Report for this fiscal year.
- 6.7.13 If the ordinary Shareholders' Meeting rejects a request from the Board of Directors regarding the remuneration of the Board of Directors or the Executive Board, the Board of Directors shall determine the corresponding maximum total amount, taking into account all relevant factors, and submit it to the Shareholders' Meeting for approval.
- 6.7.14 Within the framework of any maximum total amount thus determined, the Corporation or companies controlled by it may pay remuneration subject to approval by the Shareholders' Meeting.
- 6.7.15 The Chairman or Chairwoman of the Shareholders' Meeting shall conclusively determine the voting procedure for holding elections and passing resolutions. An electronic voting procedure may be used for elections and resolutions. Electronic voting and elections are equivalent to votes and elections conducted by written ballot. The Chairman or Chairwoman may have an election or vote repeated if, in their opinion, there is reasonable doubt about the result of the vote. In this case, the preceding election or vote shall be deemed not to have taken place.

6.8 Special Decision Quorums

In addition to Art. 704 CO, a resolution of the Shareholders' Meeting must be passed by at least two-thirds of the represented votes and the majority of the represented par values for:

- a. introduction of restrictions on voting rights;
- b. modifications of this provision.

7. Board of Directors

7.1 Composition, Election, Term of Office and Constitution

- 7.1.1 The Board of Directors shall consist of seven to nine members. The number of members may be increased temporarily if required.
- 7.1.2 The Shareholders' Meeting elects the members of the Board of Directors and the Chairman or Chairwoman of the Board of Directors individually. Their term of office ends with the conclusion of the next Shareholders' Meeting. Re-election is possible. The members of the Board of Directors normally retire after a total of twelve years in office. The office can be held at most until turning 70. If the office of the Chairman or Chairwoman is vacant, the Board of Directors nominates a Chairman or Chairwoman from among its members, who assumes the role until the conclusion of the next Shareholders' Meeting.
- 7.1.3 The Swiss Confederation has the right to delegate two representatives to the Board of Directors and to remove them if necessary. The members of the Board of Directors delegated by the Swiss Confederation have the same rights and obligations as the members elected by the Shareholders' Meeting.
- 7.1.4 The Board of Directors of the Corporation shall also include two representatives of the employees (appropriate representation according to Art. 9 para. 3 TUG). The employees of the Corporation have the right to propose candidates for the election.
- 7.1.5 The Board of Directors constitutes itself. Election of the Chairman or Chairwoman of the Board of Directors and members of the Compensation Committee is the prerogative of the Shareholders' Meeting.

7.2 Powers and Duties

- 7.2.1 The Board of Directors is entrusted with the ultimate direction of the Corporation and the supervision of the Executive Board. It rep-

resents the Corporation toward third parties and attends to all matters which are not reserved to another body of the Corporation by law, the Articles of Incorporation or the regulations.

- 7.2.2 The Board of Directors delegates, in accordance with Art. 10 para. 1 TUG, the executive management of the business of the Corporation to the Executive Board. The Board of Directors shall enact Management and Board Regulations to this effect and shall arrange for the appropriate contractual relationships.
- 7.2.3 The Board of Directors has the following non-delegable and irrevocable duties:
- a. Ultimate direction of the Corporation and issuance of the necessary directives;
 - b. Determination of the organisation;
 - c. Organisation of the accounting, the financial control, as well as the financial planning;
 - d. Appointment and dismissal of the persons entrusted with management and of the persons entrusted to represent them;
 - e. Ultimate supervision of the persons entrusted with the management, in particular with respect to compliance with the law, the Articles of Incorporation, regulations and directives;
 - f. Preparation of the business report, the Remuneration Report and the report on non-financial matters pursuant to Art. 964a ff. CO, as well as the Shareholders' Meeting, and implementation of the latter's resolutions;
 - g. Filing of a petition for debt-restructuring proceedings and notification of the court in case of over-indebtedness;
 - h. Determination of changes in capital and corresponding amendments to the Articles of Incorporation (including deletions) as well as preparation of the report on capital increases.

7.3 Passing of Resolutions

- 7.3.1 The organisation of the meetings, the quorum and the passing of resolutions of the Board of Directors shall be set forth in the Management and Board Regulations of the Board of Directors.
- 7.3.2 The Chairman or Chairwoman has the casting vote.

7.3.3 Minutes shall be kept of the deliberations and resolutions of the Board of Directors. The minutes shall be signed by the Chairman or Chairwoman and the keeper of minutes.

7.4 Remuneration

The members of the Board of Directors are entitled to remuneration for their services that is adequate in view of their function and responsibility. The amount of the remuneration due shall be fixed by the Board of Directors within the framework approved by the Shareholders' Meeting. The Corporation can also pay remuneration in this framework for work in companies that it controls directly or indirectly and for work ordered by the Corporation. The remuneration can be paid by the Corporation or companies controlled by it.

7.5 Compensation Committee

7.5.1 The Compensation Committee consists of three to six members of the Board of Directors. The Shareholders' Meeting elects the members individually. Their term of office ends with the conclusion of the next Shareholders' Meeting. Re-election is possible. If the number of members in the Compensation Committee falls below the minimum number of three members, the Board of Directors will appoint from its midst the missing member(s) until the conclusion of the next Shareholders' Meeting.

7.5.2 The Board of Directors designates a Chairman or Chairwoman. Otherwise, the Compensation Committee constitutes itself.

7.5.3 The Compensation Committee supports the Board of Directors in configuring and implementing the principles and rules for the remuneration of the Board of Directors and Executive Board. It submits corresponding proposals to the Board of Directors, especially regarding proposals of the Board of Directors for the attention of the Shareholders' Meeting regarding the remuneration of the Board of Directors and the Executive Board and the proposals of the Board of Directors on the remuneration of the Board of Directors and the Chairman or Chairwoman of the Executive Board. The Compensation Committee decides within the framework of the

total remuneration approved by the Shareholders' Meeting on the remuneration of the remaining members of the Executive Board. Moreover, it monitors the execution of the decisions of the Board of Directors and the Shareholders' Meeting regarding the remuneration of the Board of Directors and Executive Board.

- 7.5.4 The Board of Directors can assign additional tasks to the Compensation Committee.

8. Executive Board

8.1 Transfer of Business Management, Election and Composition

8.1.1 According to Art. 10 para. 1 TUG, the Executive Board, whose members are elected by the Board of Directors, is in charge of the executive management of the business of the Corporation.

8.1.2 The Executive Board shall consist of one or several members who may not simultaneously be members of the Board of Directors. Exceptions are permitted for a limited period of time in extraordinary circumstances.

8.2 Remuneration

8.2.1 The members of the Executive Board are entitled to remuneration that is adequate in view of their function and responsibility. The Corporation can pay remuneration for work in companies that it controls directly or indirectly and for work on instructions by the Corporation. The remuneration can be paid by the Corporation or companies controlled by it.

8.2.2 The Corporation or companies controlled by it are authorised to pay an additional amount to each member of the Executive Board newly designated during (a) period(s) for which the Shareholders' Meeting has already approved the remuneration of the Executive Board (replacement of a member of the Executive Board and/or expansion of the Executive Board), if the already approved total amount is insufficient for their remuneration. The additional amount may also be used as compensation for valid claims of the

newly designated member of the Executive Board vis-à-vis their previous employer or client (including entitlements).

- 8.2.3 If an additional amount is to be paid when an Executive Board member is replaced, the remuneration package of the newly appointed member of the Executive Board must be comparable to that of the departing member of the Executive Board. In the event of an expansion of the Executive Board, the remuneration package of the Executive Board member concerned must be within a range comparable to that of the other Executive Board members, taking into account the function of the new member.
- 8.2.4 The additional amount paid either when a member is replaced or when the Executive Board is expanded may not exceed per remuneration period 30% of the last approved total amount of the maximum remuneration of the Executive Board for the Chairman or Chairwoman of the Executive Board and 20% for the other functions in the Executive Board. The additional amounts may not exceed per remuneration period overall half of the last approved total amount of the maximum remuneration of the Executive Board.

9. Joint Provisions for Members of the Board of Directors and Executive Board

9.1 Success and Participation Plans

- 9.1.1 The remuneration of the members of the Board of Directors consists of a Board of Directors fee related to function. It takes the responsibility and function of the members of the Board of Directors into account. The level of the remuneration elements is determined by the Board of Directors within the framework of the total amount of remuneration of the Board of Directors approved by the Shareholders' Meeting. A portion of their fee is paid to members of the Board of Directors in restricted shares of the Corporation in order to guarantee a direct involvement in the long-term value development. To further reinforce the alignment with the shareholders' interests the Board of Directors can decide on guidelines for setting up and holding a minimum portfolio of shares of the Corporation for the members of the Board of Directors.

- 9.1.2 The remuneration of the members of the Executive Board consists of fixed remuneration elements and a variable performance-related component. The variable component is intended to create an incentive to improve the company results and in this way to continually enhance the corporate value. It is measured by the achievement of performance targets determined by the Board of Directors at the beginning of the corresponding performance period. The performance targets can include personal targets, corporate and unit-specific targets of financial and non-financial nature, taking the function of the Executive Board member into account.
- 9.1.3 The variable component provided for in the event of achieving the targets (target variable component) can amount to up to 70% of the annual base salary for the individual Executive Board member. In the event of the targets being exceeded, the variable component can amount to a maximum of 100% of the annual base salary. The level of the variable component is determined by the Board of Directors on the basis of the target achievement within the framework of the total amount of remuneration of the Executive Board approved by the Shareholders' Meeting. The fixed remuneration and/or variable remuneration are paid in part in shares comparable instruments and/or units determined by the Corporation in order to guarantee direct participation in the long-term value development. To reinforce the alignment with shareholders' interests further the Board of Directors can decide on minimum shareholding guidelines for the members of the Executive Board.
- 9.1.4 The variable component for the members of the Executive Board is normally paid under the Management Incentive Plan to at least 25% in restricted shares of the Corporation. The members of the Executive Board have the option of increasing the share proportion on a voluntary basis. The function-dependent annual fee is normally paid to a third in restricted shares of the Corporation for members of the Board of Directors under the Management Incentive Plan. The allocation of the shares under the Management Incentive Plan occurs on the basis of the tax value. The restriction period is normally three years shareholding guidelines for the members of the Executive Board.
- 9.1.5 The Restricted Share Plan issued by the Board of Directors serves to support recruitment and retention of key personnel. Under the

Restricted Share Plan the Board of Directors can also pay a portion of the remuneration for individual Executive Board members in the form of units (“Restricted Share Units”). After a vesting period of normally three years and on the condition of an unterminated employment these units entitle the holder to obtain shares in the Corporation free of charge. The calculation value of the units corresponds to the market value of the shares at the time of allocation.

- 9.1.6 The Board of Directors in each case specifies the details for shares paid out, comparable instruments and/or units specified by the Corporation such as any expiry conditions, exercise conditions and periods, restriction periods and the time of the allocation and evaluation; it can provide for exercise conditions and periods and restriction periods being shortened or cancelled, remuneration being paid on the assumption of target values being achieved or the expiry of remuneration on account of the occurrence of events determined in advance such as termination of employment or a mandate relationship. In this regard, the Board of Directors takes the long-term interests of the Corporation into account, including its ability to recruit suitable personnel on the labour market and to bind employees to the Corporation.

9.2 Contracts

- 9.2.1 The Corporation or companies controlled by it can conclude fixed-term or indefinite contracts with members of the Board of Directors, on which the remuneration is based. The duration and termination depend on the term of office and the laws.
- 9.2.2 The Corporation or companies controlled by it can conclude employment contracts with members of the Board of Directors for an indefinite period with a period of notice of a maximum of twelve months.

9.3 External mandates

- 9.3.1 A member of the Board of Directors may hold up to four additional mandates in listed companies and up to ten additional mandates in unlisted companies, with a total maximum of ten such additional

mandates. If mandates are exercised in companies that are linked by a control relationship, the main mandate is fully counted; each additional mandate is counted to one-fifth.

- 9.3.2 A member of the Executive Board may hold one additional mandate in listed companies and two additional mandates in unlisted companies, with a total maximum of two such additional mandates. If mandates are exercised in companies that are linked by a control relationship, the main mandate is fully counted; each additional mandate is counted to one-fifth.
- 9.3.3 The following mandates are not covered by these restrictions:
- a. mandates in companies controlled by the Corporation or which control the Corporation;
 - b. mandates that a member of the Board of Directors or of the Executive Board holds on the orders of the Corporation or companies controlled by it. The number of such mandates may not exceed ten; and
 - c. mandates in interest groupings, associations, institutions, foundations and employee benefit foundations. The number of such mandates may not exceed seven.
- 9.3.4 By resolution of the Board of Directors, it is permissible in justified, exceptional cases to exceed the limits set out in clause 9.3 by a maximum of six months. This must be disclosed in the Remuneration Report, with the member concerned being named.
- 9.3.5 The obligation to observe the appropriate due care in accordance with the relevant legal provisions remains applicable in each case. The Board of Directors will issue additional guidelines, especially on a consultation obligation of the members of the Board of Directors and the approval procedure for members of the Executive Board.
- 9.3.6 Activities carried out at other companies with an economic purpose, as a member of the Board of Directors, Executive Board or Advisory Board, or comparable functions, are regarded as mandates.

10. Auditors

The Shareholders' Meeting shall elect a state-supervised audit company as the auditor. The term of office of the auditor is one fiscal year, and ends with acceptance of the corresponding annual accounts. Re-election is possible. The tasks of the auditor are determined by the legal requirements.

11. Fiscal Year

The fiscal year ends as per 31 December of each year.

12. Allocation of Profits

- 12.1 The Shareholders' Meeting shall decide on the allocation of the balance sheet profits taking into consideration all statutory requirements (Art. 14 TUG and Art. 671 CO).
- 12.2 Dividends which have not been paid within five years after falling due will be retained by the Corporation.

13. Organ of Publication and Communications

- 13.1 The Corporation's organ of publication is the Swiss Official Gazette of Commerce. The Board of Directors may determine further organs of publication.
- 13.2 Communications to the shareholders shall be made, at the discretion of the Board of Directors, either through publication in the Swiss Official Gazette of Commerce or by letter or electronically to the shareholders or their authorised representatives at the addresses recorded in the Share Register.

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