



**Minutes  
of the 24th Ordinary Shareholders' Meeting  
of Swisscom Ltd**

**Wednesday, 30 March 2022  
blue TV studio, 8604 Volketswil**

These minutes are a translation of the German original. In the event of any inconsistencies, the German version of the minutes shall prevail over the English translation.

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**A. Opening**

Mr Michael Rechsteiner, Chairman of the Board of Directors, opened the 24th Ordinary Shareholders' Meeting of Swisscom Ltd at 11.00 a.m.

He began by stating that the pandemic continued to dominate day-to-day life. He regrets that he could not greet shareholders in person and that they could not ask their questions directly.

The Ordinary Shareholders' Meeting will not be broadcast. Instead, the Chairman, CEO Urs Schaeppi and other guests will provide shareholders with an overview of the 2021 financial year as well as current news, answer questions submitted by shareholders and announce the results of voting within the framework of a talk show at 1.30 p.m.

Along with the Chairman of the Board of Directors – Michael Rechsteiner – present were Martin Vögeli, Head of Group Strategy & Board Services and Secretary of the Board of Directors, Roberto Hayer, as representative of the independent proxy, Peter Kartscher and Petra Schwick, as representative of the auditors. Due to the extraordinary situation, the other members of the Board of Directors and the Group Executive Board did not attend today's meeting.

**B. Chairman's address**

The Chairman notes that 2021 was a strong year for Swisscom: It was able to increase its revenues and operating profit. In spite of the challenging environment, Swisscom delighted its customers with its products, services and infrastructure. This was confirmed by high levels of customer satisfaction and victories in all the relevant network and service tests. Swisscom is also doing well with its solutions for business customers. However, the situation remains difficult in its core Swiss business, which is subject to high price pressure. Network expansion remains another challenge, with both fibre optics and 5G stalled due to legal uncertainty. Business at the Fastweb subsidiary in Italy developed encouragingly, with further growth in all segments. With its new climate-protection target to reach net zero by 2025, Swisscom has set the course for the future. In 2022, Swisscom expects robust business development coupled with EBITDA of about CHF 4.4 billion. There were also important personnel changes in the 2021 financial year. CPO Hans Werner left the Group Executive Board in February, followed by CFO Mario Rossi in March. Their roles were taken over by Klementina Pejic and Eugen Stermetz respectively.

For further details on Swisscom's business performance in 2021, the Chairman referred shareholders to the annual report.

The Chairman moved on to the formal part of the Shareholders' Meeting.

**C. Formalities**

With regard to the formal statements and the constitution of the Shareholders' Meeting, the Chairman, presiding in accordance with the Articles of Incorporation, stated the following:

### Convening the Ordinary Shareholders' Meeting

The Ordinary Shareholders' Meeting had been convened in proper form and was quorate. The invitation was published in the Swiss Commercial Gazette on 17 February 2022. The shareholders listed in the share register received written invitations by post or, if requested, electronically. No requests to add items to the agenda have been received.

The annual report had been available at company headquarters since 3 February 2022. It was also sent to shareholders by post upon request.

The statutory auditor, PwC AG, which audited the annual financial statements and consolidated financial statements and remuneration report for the 2021 financial year, was represented at today's Ordinary Shareholders' Meeting by Mr Peter Kartscher and Petra Schwick.

### Keeper of the minutes and vote counter

The Chairman nominated Martin Vögeli as keeper of the minutes and Peter Kartscher as vote counter for today's Shareholders' Meeting.

### Resolutions and quorum of the Ordinary Shareholders' Meeting

The Shareholders' Meeting passed its resolutions with the absolute majority of the valid votes. Abstentions did not count as votes. The Shareholders' Meeting formed a quorum regardless of the number of shareholders in attendance and shares represented by proxy.

The Chairman determined that today's meeting constituted a quorum for the agenda items to be covered.

### Agenda items

The agenda items for today's Shareholders' Meeting could be found in the written invitation.

### Representation

Due to the ongoing COVID-19 pandemic and given to the uncertainties surrounding major events, the Board of Directors had decided to once again hold the Ordinary Shareholders' Meeting without the physical participation of shareholders based on Ordinance 3 on Measures to Combat the Coronavirus (COVID-19). Shareholders who had issued a power of attorney would be represented by the independent proxy Reber Rechtsanwälte.

### Requests to speak

Shareholders were informed in the invitation that they could address their questions to the Board of Directors before the Ordinary Shareholders' Meeting. Shareholders asked several questions. Written answers to these, which were provided in advance, are attached to the minutes as an annex.

**D. Presence**

Ms Gschwend handed over the numbers of votes cast to Mr Vögeli with the instructions issued by the shareholders. Mr Vögeli then announced the number of voting shares represented.

After counting the number of attendees and proxies, the attendance results were as follows:

Shareholders in attendance:	0
Independent voting proxy:	1
Shareholders represented:	0 shares/votes
Independent voting proxy:	38'782'217 shares/votes
Total shares represented:	38'782'217 shares/votes

The independent proxy represented all shareholders who had granted it a power of attorney. The other persons present did not represent any voting shares. Each share with a voting right listed in the share register entitled the holder to one vote. A total of 38'782'217 registered shares were thus represented by the independent proxy. This corresponded to 74.87% of voting shares. Swisscom-held shares were not represented.

**E. Agenda items and proposals to be settled**

**1. Agenda item 1: Report on the financial year 2021**

**1.1 Agenda item 1.1: Approval of the Management Report, the consolidated financial statements and the financial statements of Swisscom Ltd for the financial year 2021**

The Board of Directors proposed that the Management Report, the consolidated financial statements and the financial statements of Swisscom Ltd for the financial year 2021 be approved.

The Chairman advised that comprehensive reports by the Board of Directors and the Group Executive Board could be found in the Annual Report 2021, which would be sent to shareholders upon request.

The questions submitted by shareholders in advance are attached to the minutes as an annex.

The Chairman then stated that PwC AG, as the statutory auditor for Swisscom Ltd, recommended that the annual and consolidated financial statements be approved and that the relevant reports did not include any qualified opinions. The Chairman availed himself of the opportunity to thank the auditors for their diligent work.

The Shareholders' Meeting approved the management report, the consolidated financial statements and the financial statements of Swisscom Ltd for the financial year 2021 with the following result.

Valid votes cast	38'501'872	
Absolute majority	19'250'937	
Yes votes	38'495'820	99.98%
No votes	6'052	0.02%
Abstentions	280'345	

### **1.2 Agenda item 1.2: Consultative vote on the Remuneration Report 2021**

The Board of Directors proposed that affirmative notice of the Remuneration Report 2021 be taken by means of a consultative vote.

The auditors have examined the remuneration report and confirm that it complies with the law and Articles 14 to 16 of the Ordinance against Excessive Remuneration in Listed Companies.

In accordance with the proposal, the Ordinary Shareholders' Meeting took affirmative notice of the Remuneration Report 2021 with the following result:

Valid votes cast	38'378'630	
Absolute majority	19'189'316	
Yes votes	36'695'157	95.61%
No votes	1'683'473	4.39%
Abstentions	403'586	

### **2. Agenda item 2: Appropriation of the 2021 retained earnings and declaration of dividend**

Retained earnings breakdown as follows:

Balance carried forward from the previous year	CHF 4,494 million
Net income 2021	CHF 185 million
Changes in treasury shares	– CHF 1 million
Total retained earnings 2021	CHF 4,680 million

The Board of Directors proposed that the retained earnings from financial year 2021 of CHF 4,680 million be appropriated as follows:

<u>Dividend of CHF 22 per share for 51,801,863 shares<sup>1</sup></u>	<u>CHF 1,140 million</u>
<u>Balance to be carried forward</u>	<u>CHF 3,540 million</u>

No dividends will be paid out on shares held by Swisscom Ltd.

<sup>1</sup> As of: 31 December 2021

The Chairman noted that, subject to the proposal being approved, the shareholders will receive a gross dividend of CHF 22 per share on 5 April 2022, or a net dividend of CHF 14.30 per share after deducting federal withholding tax of 35%.

The Shareholders' Meeting approved the proposal by the Board of Directors with the following result:

Valid votes cast	38'542'031	
Absolute majority	19'271'016	
Yes votes	38'382'162	99.59%
No votes	159'869	0.41%
Abstentions	240'186	

### **3. Agenda item 3: Discharge of the members of the Board of Directors and the Group Executive Board**

The Board of Directors proposed that discharge be granted to the members of the Board of Directors and the Group Executive Board for the financial year 2021.

The members of the Board of Directors and all persons who were members of management during financial year 2021 are not entitled to votes for their own shares or shares represented by proxy. This also applies to the representative of these persons.

The Shareholders' Meeting discharged the members of the Board of Directors and the Group Executive Board for the 2021 financial year with the following result:

Valid votes cast	38'365'781	
Absolute majority	19'182'891	
Yes votes	38'326'833	99.90%
No votes	38'948	0.10%
Abstentions	404'352	

### **4. Agenda item 4: Re-elections to the Board of Directors**

The Chairman announced that all members of the Board of Directors to be elected by the Shareholders' Meeting were standing for re-election to the positions on which the Shareholders' Meeting is voting. The representative of the Confederation Renzo Simoni is not elected by the Shareholders' Meeting but is delegated by the Federal Council. The Federal Council appointed him for a further term of office up to the conclusion of the 2023 Shareholders' Meeting.



The Chairman further noted that the education, curriculum vitae, mandates and previous functions of each Board member are fully disclosed in the 2021 Corporate Governance Report. The invitation to the Shareholders' Meeting also contains a summary of the proceedings. The Chairman therefore refrained from introducing the members again.

#### **4.1 Agenda item 4.1: Re-election of Roland Abt**

The Board of Directors proposed that Roland Abt be re-elected as a member of the Swisscom Board of Directors for a period of time until the conclusion of the next Ordinary Shareholders' Meeting.

In accordance with the proposal, the Shareholders' Meeting elected Roland Abt as a member of the Board of Directors for a further term of office ending with the conclusion of the next Ordinary Shareholders' Meeting with the following result:

Valid votes cast	38'524'909	
Absolute majority	19'262'455	
Yes votes	38'083'840	98.86%
No votes	441'069	1.14%
Abstentions	257'308	

Roland Abt accepted his election.

#### **4.2 Agenda item 4.2: Re-election of Alain Carrupt**

The Board of Directors proposed that Alain Carrupt be re-elected as a member of the Swisscom Board of Directors for a period of time until the conclusion of the next Ordinary Shareholders' Meeting.

In accordance with the proposal, the Shareholders' Meeting elected Alain Carrupt as a member of the Board of Directors for a further term of office ending with the conclusion of the next Ordinary Shareholders' Meeting with the following result:

Valid votes cast	38'518'246	
Absolute majority	19'259'124	
Yes votes	38'480'714	99.90%
No votes	37'532	0.10%
Abstentions	263'971	

Alain Carrupt accepted his election.

#### **4.3 Agenda item 4.3: Re-election of Guus Dekkers**

The Board of Directors proposed that Guus Dekkers be re-elected as a member of the Swisscom Board of Directors for a period of time until the conclusion of the next Ordinary Shareholders' Meeting.

In accordance with the proposal, the Shareholders' Meeting elected Guus Dekkers as a member of the Board of Directors for a term of office ending with the conclusion of the next Ordinary Shareholders' Meeting with the following result:

Valid votes cast	38'516'311	
Absolute majority	19'258'156	
Yes votes	38'479'708	99.90%
No votes	36'603	0.10%
Abstentions	265'906	

Guus Dekkers accepted his election.

#### **4.4 Agenda item 4.4: Re-election of Frank Esser**

The Board of Directors proposed that Frank Esser be re-elected as a member of the Swisscom Board of Directors for a period of time until the conclusion of the next Ordinary Shareholders' Meeting.

In accordance with the proposal, the Shareholders' Meeting elected Frank Esser as a member of the Board of Directors for a further term of office ending with the conclusion of the next Ordinary Shareholders' Meeting with the following result:

Valid votes cast	38'519'868	
Absolute majority	19'259'935	
Yes votes	38'259'759	99.32%
No votes	260'109	0.68%
Abstentions	262'349	

Frank Esser accepted his election.

#### **4.5 Agenda item 4.5: Re-election of Barbara Frei**

The Board of Directors proposed that Barbara Frei be re-elected as a member of the Swisscom Board of Directors for a period of time until the conclusion of the next Ordinary Shareholders' Meeting.

In accordance with the proposal, the Shareholders' Meeting elected Barbara Frei as a member of the Board of Directors for a further term of office ending with the conclusion of the next Ordinary Shareholders' Meeting with the following result:

Valid votes cast	38'530'790	
Absolute majority	19'265'396	
Yes votes	38'041'772	98.73%
No votes	489'018	1.27%
Abstentions	251'427	

Barbara Frei accepted her election.

#### **4.6 Agenda item 4.6: Re-election of Sandra Lathion-Zweifel**

The Board of Directors proposed that Sandra Lathion-Zweifel be re-elected as a member of the Swisscom Board of Directors for a period of time until the conclusion of the next Ordinary Shareholders' Meeting.

In accordance with the proposal, the Shareholder's Meeting elected Sandra Lathion-Zweifel as a member of the Board of Directors for a further term of office ending with the conclusion of the next Ordinary Shareholders' Meeting with the following result:

Valid votes cast	38'528'841	
Absolute majority	19'264'421	
Yes votes	37'503'892	97.34%
No votes	1'024'949	2.66%
Abstentions	253'375	

Sandra Lathion-Zweifel accepted her election.

**4.7 Agenda item 4.7: Re-election of Anna Mossberg**

The Board of Directors proposed that Anna Mossberg be re-elected as a member of the Swisscom Board of Directors for a period of time until the conclusion of the next Ordinary Shareholders' Meeting.

In accordance with the proposal, the Shareholders' Meeting elected Anna Mossberg as a member of the Board of Directors for the term of office ending with the conclusion of the next Ordinary Shareholders' Meeting with the following result:

Valid votes cast	38'525'172	
Absolute majority	19'262'587	
Yes votes	36'477'192	94.68%
No votes	2'047'980	5.32%
Abstentions	257'044	

Anna Mossberg accepted her election.

**4.8 Agenda item 4.8: Re-election of Michael Rechsteiner**

The Board of Directors proposed that Michael Rechsteiner be re-elected as a member of the Swisscom Board of Directors for a period of time until the conclusion of the next Ordinary Shareholders' Meeting.

In accordance with the proposal, the Shareholders' Meeting elected Michael Rechsteiner as a member of the Board of Directors for a further term of office ending with the conclusion of the next Ordinary Shareholders' Meeting with the following result:

Valid votes cast	38'497'887	
Absolute majority	19'248'944	
Yes votes	38'166'672	99.14%
No votes	331'215	0.86%
Abstentions	284'330	

Michael Rechsteiner accepted his election.

#### 4.9 **Agenda item 4.9: Re-election of Michael Rechsteiner as Chairman**

The Board of Directors proposed that Michael Rechsteiner be re-elected as Chairman of the Swisscom Board of Directors for a period of time until the conclusion of the next Ordinary Shareholders' Meeting.

In accordance with the proposal, the Shareholders' Meeting elected Michael Rechsteiner as Chairman of the Board of Directors for a term of office ending with the conclusion of the next Ordinary Shareholders' Meeting with the following result:

Valid votes cast	38'494'224	
Absolute majority	19'247'113	
Yes votes	38'399'515	99.75%
No votes	94'709	0.25%
Abstentions	287'993	

Michael Rechsteiner accepted his election and thanked the shareholders personally for the trust they had placed in him.

The Chairman thanked the shareholders on behalf of all members of the Board of Directors for the election and the trust that they had therefore placed in the Board of Directors.

#### 5. **Agenda item 5: Re-elections to the Remuneration Committee**

The Chairman stated that the Board of Directors intends to re-appoint Barbara Frei as Chairwoman of the Remuneration Committee if she is re-elected by the shareholders.

##### 5.1 **Agenda item 5.1: Re-election of Roland Abt**

The Board of Directors proposed that Roland Abt be re-elected to the Remuneration Committee for a period of time until the conclusion of the next Ordinary Shareholders' Meeting.

In accordance with the proposal, the Shareholders' Meeting elected Roland Abt as a member of the Remuneration Committee for a further term of office ending with the conclusion of the next Ordinary Shareholders' Meeting with the following result:

Valid votes cast	38'514'003	
Absolute majority	19'257'002	
Yes votes	38'248'293	99.31
No votes	265'710	0.69%
Abstentions	268'214	

Roland Abt accepted his election.

## **5.2 Agenda item 5.2: Re-election of Frank Esser**

The Board of Directors proposed that Frank Esser be re-elected to the Remuneration Committee for a period of time until the conclusion of the next Ordinary Shareholders' Meeting.

In accordance with the proposal, the Shareholders' Meeting elected Frank Esser as a member of the Board of Directors for a further term of office ending with the conclusion of the next Ordinary Shareholders' Meeting with the following result:

Valid votes cast	38'514'794	
Absolute majority	19'257'398	
Yes votes	38'399'683	99.70%
No votes	115'111	0.30%
Abstentions	267'423	

Frank Esser accepted his election.

## **5.3 Agenda item 5.3: Re-election of Barbara Frei**

The Board of Directors proposed that Barbara Frei be re-elected to the Remuneration Committee for a period of time until the conclusion of the next Ordinary Shareholders' Meeting.

In accordance with the proposal, the Shareholders' Meeting elected Barbara Frei as a member of the Board of Directors for a further term of office ending with the conclusion of the next Ordinary Shareholders' Meeting with the following result:

Valid votes cast	38'518'926	
Absolute majority	19'259'464	
Yes votes	38'126'566	98.98%
No votes	392'360	1.02%
Abstentions	263'291	

Barbara Frei accepted her election.

#### 5.4 **Agenda item 5.4: Re-election of Michael Rechsteiner**

The Board of Directors proposed that Michael Rechsteiner be re-elected to the Remuneration Committee as a member without voting rights for a period of time until the conclusion of the next Ordinary Shareholders' Meeting.

In accordance with the proposal, the Shareholders' Meeting elected Michael Rechsteiner as a member without voting rights of the Remuneration Committee for a term of office ending with the conclusion of the next Ordinary Shareholders' Meeting with the following result:

Valid votes cast	38'516'660	
Absolute majority	19'258'331	
Yes votes	38'365'913	99.61%
No votes	150'747	0.39%
Abstentions	265'557	

Michael Rechsteiner accepted his election.

#### 5.5 **Agenda item 5.5: Re-election of Renzo Simoni**

The Board of Directors proposed that Renzo Simoni be re-elected to the Remuneration Committee for a period of time until the conclusion of the next Ordinary Shareholders' Meeting.

In accordance with the proposal, the Shareholders' Meeting re-elected Renzo Simoni as a member of the Remuneration Committee for a further term of office ending with the conclusion of the next Ordinary Shareholders' Meeting with the following result:

Valid votes cast	38'506'354	
Absolute majority	19'253'178	
Yes votes	37'658'722	97.80%
No votes	847'632	2.20%
Abstentions	275'863	

Renzo Simoni accepted his election.

#### 6. **Agenda item 6: Remuneration of the members of the Board of Directors and the Group Executive Board**

The Chairman explained that the maximum total remuneration amount for 2023 for the Board of Directors and the Group Executive Board will be submitted to the Shareholders' Meeting for approval. The total effective remuneration of the Board of Directors and the Group Executive Board

will be disclosed in full detail in the remuneration report for the 2023 financial year. A consultative vote on the remuneration report will be carried out at the Shareholders' Meeting in 2024.

**6.1 Agenda item 6.1: Approval of the total remuneration of the members of the Board of Directors for 2023**

The Board of Directors proposed that the maximum total amount of CHF 2.5 million be approved for the remuneration of the members of the Board of Directors in the 2023 financial year.

In accordance with the proposal, the Shareholders' Meeting approved the remuneration of the members of the Board of Directors for the 2023 financial year amounting to a maximum total amount of CHF 2.5 million with the following result:

Valid votes cast	38'507'050	
Absolute majority	19'253'526	
Yes votes	38'260'718	99.36%
No votes	246'332	0.64%
Abstentions	275'167	

**6.2 Agenda item 6.2: Approval of the total remuneration of the members of the Group Executive Board for 2023**

The Board of Directors proposed that the maximum total amount of CHF 8.7 million for the remuneration of the Group Executive Board in the 2023 financial year be approved.

The Chairman advised that this amount is based on the remuneration of six members of the Group Executive Board.

In accordance with the proposal by the Board of Directors, the Shareholders' Meeting approved the maximum total amount of CHF 8.7 million for remuneration of the members of the Group Executive Board for 2023 with the following result:

Valid votes cast	38'476'829	
Absolute majority	19'238'415	
Yes votes	37'573'416	97.65%
No votes	903'413	2.35%
Abstentions	305'387	



**7. Agenda item 7: Re-election of the independent proxy**

The Board of Directors proposed that the law firm Reber Rechtsanwälte, Zurich, be re-elected as independent proxy for a period of time until the conclusion of the next Ordinary Shareholders' Meeting.

The Chairman explained that Reber Rechtsanwälte had confirmed that it possesses the level of independence necessary to exercise the mandate.

In accordance with the proposal by the Board of Directors, the Shareholders' Meeting re-elected the law firm Reber Rechtsanwälte, Zurich, for a further term of office as an independent proxy until the conclusion of the next Ordinary Shareholders' Meeting with the following result:

Valid votes cast	38'552'335	
Absolute majority	19'276'168	
Yes votes	38'547'423	99.99%
No votes	4'912	0.01%
Abstentions	229'882	

The Chairman expressed his thanks for the acceptance of the mandate and congratulates the independent proxy on its election. The law firm Reber Rechtsanwälte, Zurich, accepted its election.

**8. Agenda item 8: Re-election of the statutory auditors**

The Board of Directors proposed that PricewaterhouseCoopers AG, Zurich, be elected as the statutory auditor for the 2022 financial year.

The Chairman advised that the PricewaterhouseCoopers AG (PwC) is a state-supervised audit company registered with the Federal Audit Supervisory Authority and has confirmed to Swisscom that it fulfils the legal requirements concerning independence.

In accordance with the proposal by the Board of Directors, the Ordinary Shareholders' Meeting elected PricewaterhouseCoopers AG, Zurich, as the statutory auditor for the 2022 financial year with the following result:

Valid votes cast	38'541'426	
Absolute majority	19'270'714	
Yes votes	38'021'978	98.65%
No votes	519'448	1.35%
Abstentions	240'790	

The Chairman congratulated PricewaterhouseCoopers AG on its election and expressed his thanks for the acceptance of the mandate. PricewaterhouseCoopers AG accepted its election. The written declaration of acceptance of the election has been submitted.

**F. Closure**

The Chairman thanked all shareholders for their loyalty and solidarity with the company and for the trust they had showed by accepting the proposals made by the Board of Directors of Swisscom.

The 25th Ordinary Shareholders' Meeting covering the 2022 financial year will be held on Wednesday, 28 March 2023 at the Hallenstadion in Zurich.

The Chairman closed the 24th Ordinary Shareholders' Meeting of Swisscom Ltd at 11.15 a.m.

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For the minutes:

The Chairman:

The keeper of the minutes:

Chairman of the Board of Directors

Secretary of the Board of Directors

Annex 1: Shareholder questions

## **Annex**

### **Shareholder questions to the 2021 Annual General Meeting**

#### **Questions from shareholder O.C.**

##### **1. Will the new and replacement constructions be P2P-compatible?**

Will the connections currently under construction between the exchange and neighbourhoods be upgraded consistently to have P2P capability (1, 2 or 4-fibre)?

The current FTTH expansion steps are not first and foremost about the connections between the exchange and neighbourhoods (i.e. so-called 'feeders'), but primarily about upgrading the route between the street shaft and the house or building connections using optical fibres (this is referred to as the 'drop'). The drop will be expanded consistently in line with the four-fibre model, just as before, and thus also be P2P-capable. However, due to the existing FTTS expansion of the feeders, this section is implemented in the P2MP topology, as a result of which not all the newly created FTTH connections are P2P-capable. Due to the precautionary measures which were ordered by COMCO in December 2020 and remain in force, these new connections and those created since December 2020 are currently neither being put into operation nor marketed. Should the P2MP technology definitely prove not to be feasible in the future, Swisscom will have to adapt the expansion accordingly (see also answer 2 below).

##### **2. P2P expansion via P2MP negotiated?**

###### **Which 'best-effort' roadmap is possible for P2MP in feeder gaps and P2P in new constructions?**

Due to the restrictions imposed by the precautionary measures, the new constructions are currently generally connected using copper lines.

###### **What would be a possible roadmap for retrofitting to P2P?**

Swisscom is currently in talks with the Competition Commission to find possible solutions. No results are available for the talks so far. Should construction with the P2MP topology no longer be feasible, we will have to adapt our expansion strategy fundamentally. In particular, we would no longer be able to achieve our announced expansion target of 2025 in this way. Only 50% coverage could be achieved by 2025 rather than the planned 60% – and at a considerable extra cost – meaning that about a third fewer customers would benefit from an ultra-broadband connection, which corresponds to about 500,000 homes and businesses.

**Has this option been discussed with competitors and COMCO?**

Swisscom is currently in talks with the Competition Commission to evaluate possible solutions. No results are available for the talks so far. The market participants are being involved in the market surveys conducted by COMCO.

**3. Grounds for foregoing physical P2P?**

**One strategy might be to use P2MP to operate the connections at the exchange.**

**Why has Swisscom refrained from consistent use of P2P since the start of the FTTS work, or rather, why were neighbourhoods not connected with the necessary reserves? Exactly what would the price difference have been to lay ten or 20 times more fibre with the same civil engineering effort?**

Swisscom is a national provider. Our strategy always aims to expand the network not only in towns and cities, but throughout Switzerland in line with our customers' needs. In 2016, we drove forward the broad-based expansion of FTTS with very high bandwidths to all local authorities in order to make the opportunities of digitisation accessible in rural areas as well. For our latest offensive, launched in 2020, which aims to provide about 50-60% of all households with an FTTH connection by the end of 2025, Swisscom has opted for an FTTH P2MP topology built on the FTTS expansion of recent years. P2MP technology is an international standard. About 95% of all fibre-optic connections worldwide are based on P2MP technology.

The technology has major advantages for rural areas: Where several households are served by a single fibre, the costs and effort can be reduced and the existing cabling infrastructure can be used more efficiently. This leads to faster expansion and is more cost-effective (see also answer 2).

**4. Does 'climate-neutral' mean nuclear power or renewable energy?**

Swisscom has been using renewable energies only to meet its electricity needs since 2010. For example, Swisscom had 87 photovoltaic arrays in operation in 2021. Nuclear power hasn't therefore been a part of our electricity use for many years.

**Supplementary questions from shareholder O.C.**

**Re. question 1.**

**1B) My question was whether enough fibre for P2P is consistently being added during ongoing maintenance work and the connection of new neighbourhoods. (Also: at least one fibre per end customer?)**

We are experiencing capacity bottlenecks with feeders for the cable ducts. These bottlenecks can only be relieved through extensive civil engineering. Without this work, no additional cables can

be laid in many places. This is also true for newly constructed neighbourhoods because feeder bottlenecks often don't occur near the new neighbourhood at all, but closer to the exchange. As such, maintenance can hardly be used to expand the feeder cabling. We would like to emphasise that the feeder expansion for FTTS wasn't a 'construction sin' because the cable ducts have existed for a very long time and the feeder expansion for FTTS took the scarcity of space in these ducts into consideration. This was the only way to roll out FTTS quickly across the board.

**Re. question 2.**

**2B) Why are new buildings being connected exclusively using copper? Wouldn't dual development (as C.S. thankfully sketched out for me) be almost as expensive in terms of the civil engineering work? What's the difference between laying two copper lines and four glass fibres into a house and only laying two copper lines?**

Again, this is about the feeder expansion. And this is restricted by the cable ducts. If Swisscom had to expand a feeder for each new building, the FTTH rollout would come to a standstill in other places because the construction capacities would have to be used for this local feeder expansion – simply to connect individual buildings. That makes no sense and would be inefficient.

**Re. question 3.**

**3B) The question was actually why the necessary reserves for P2P weren't laid during the FTTS expansion. As far as I know, the marginal cost of laying  $n \cdot 10$  fibres instead of  $n$  is low as long as the dredges and channels are open. Or is there a reason why the low volume of fibres laid during FTTS rollout was due to economic constraints (by which I mean costs, not the obvious potential of becoming a natural monopoly)?**

See the answer to 1B above. Because there were and continue to be numerous bottlenecks in the cable ducts. Furthermore, it's not true that the cost of P2P cabling is insignificant compared to P2MP cabling costs. Were we to continue expanding P2P as we are doing today in most cities, this would increase costs by 40% compared to the planned P2MP expansion. Of this 40%, slightly less than half of the additional costs are due to the extra cabling. These calculations of additional costs are verifiable. Incidentally, we vehemently deny the suggestion that Swisscom is aiming for a natural monopoly through its P2MP expansion. As the ongoing competition over broadband shows, our competitors are steadily gaining market share, partly because they can access our entire broadband network on a non-discriminatory basis and will be able to continue doing so in the future. This is clearly evidenced by the fact that we are enabling Salt – the rival with the most aggressive strategy on the broadband market – to enter into a fibre partnership.

**2. Supplementary questions from shareholder O. C.**

**How are new buildings (houses or neighbourhoods) in ‘manhole to the house’ regions (via drop, right?) connected in the standard configuration if fibre-optic coverage is not yet available in the feeder (i.e. only FTTS, or VDSL):**

Swisscom hybrid cable (copper and fibre optic)’.

### **3. Supplementary questions from shareholder O. C.**

**Is there also a statement on whether this is always the case, and without a surcharge (or only in individual cases), and since when?**

Customers pay nothing for the cables in the ground; these belong to Swisscom. The customers pay for the cabling in the building itself, as those cables are of course also their property. It is their decision whether or not to bring in the more expensive hybrid cables. In the case of a new construction a long way from the fibre-optic rollout, the same question arises, and always has. Future-proof cabling is the responsibility of the homeowner.

### **Questions from shareholder M.J.**

**‘We only want the best’ etc. The reality is different. Cheap people are being hired from India and eastern European countries, some of whose English is incomprehensible and who don’t have the necessary skills. That doesn’t exactly enhance Swisscom’s quality.**

Swisscom strives to attract people with the best qualifications and provide them with ongoing training. High customer satisfaction shows that we are on the right track. At the same time, we value the diversity of our approximately 16,000 employees from different nationalities in terms of their origin, gender, age and experience. We offer them an inclusive working environment based on the conviction that it is precisely different perspectives, experiences, ideas and skills that make Swisscom an innovative, creative and successful company.

**Outsourcing to foreign centres isn’t climate-friendly either. Air travel is necessary in order to meet people in person. Not everything can always be done via Teams. Foreign technicians are also brought to Switzerland to conduct maintenance because such work may not be carried out from abroad due to security requirements.**

Unfortunately, Swisscom still can’t find enough highly specialised people on the Swiss labour market to develop and operate software. That’s why specialists work at Swisscom development and operation centres in Rotterdam (Netherlands) and Riga (Latvia). In this way, Swisscom can respond more quickly and flexibly to market needs and new technological developments. This in turn enables the company to increase its competitiveness and thus secure existing jobs in Switzerland.

Sustainability is a very important topic for Swisscom. Swisscom has been a climate-neutral business since as early as 2020 and was named the world’s most sustainable telecoms company.



Swisscom is continuing to work on reducing emissions and will be completely climate-neutral along its entire supply chain by 2025. This means that, for example, its employees' commutes to and from work will also be offset. So-called 'work smart' services, IOT and other innovative customer solutions, will even enable Swisscom to save more than a million tons of CO<sub>2</sub> per year over and above what it generates.

As part of our guidelines on flexible working, we also are reducing travel between sites where possible.

**I'd also would like to hear your opinion about the fact that 'seniors' can't be hired in certain areas any longer. These are mostly older, well-educated people with a wealth of knowledge and experience. Surely Swisscom isn't fulfilling its social responsibility towards older employees in this respect.**

At Swisscom, people of all ages work together, and the company takes its responsibility towards older employees seriously. Collaboration and exchange between generations enable employees to learn from each other. Swisscom benefits from this in many ways, including during the development of products and services that meet the needs of its various customers.

Swisscom employs many older employees: about a third of its employees are over 50 years old. In 2021, 9.3% of new hires were over 50, and this percentage has increased in recent years.

Employees of all ages take part in initial and continuing training and thus develop their skills further.