

Swisscom Ltd

Business and Accountability Regulation

Annex 2

Organisational Regulation

Valid from 1 April 2025

1 General

1.1 Basics

The Business and Accountability Regulation (BAR) is an annex to the Organisational Regulation of Swisscom Ltd that defines the binding framework for the management of the Group, i.e. Swisscom Ltd and the shareholdings ('subsidiaries') it controls in accordance with IFRS 10.

The Board of Directors has delegated the overall management of the Group to the Group CEO in accordance with statutory provisions and the Organisational Regulation and has provided them with a supporting Group Executive Committee.

1.2 Object of the Business and Accountability Regulation

The Board of Directors has the non-transferable and inalienable duties set out in the Organisational Regulation. It also reserves the right to maintain responsibility for the topics and business listed in the BoD column of this BAR. The Board of Directors may delegate duties and powers to the standing committees of the Board of Directors. The responsibilities of the Group CEO of Swisscom Ltd result from the delegation of management by the Board of Directors. In individual cases, they are explicitly mentioned.

The rate for converting foreign currencies into Swiss francs is determined periodically by the Board of Directors. Currently, one Swiss franc is equivalent to one euro.

1.3 Regulations and directives

The Board of Directors issues further regulations and directives based on the Organisational Regulation. On the basis of the Organisational Regulation, the Group CEO issues directives and other regulations that also specify the responsibilities of the Group Functions. Within the scope of their authority, the Group CEO also issues directives, in particular to the Group Functions, Business Divisions and subsidiaries.

1.4 Categories of subsidiaries

The Organisational Regulation of Swisscom Ltd and this BAR distinguish between four categories of subsidiaries:

- 'Strategic subsidiaries' (category I): subsidiaries with revenue of at least CHF 1 billion
- 'Significant subsidiaries' (category II): Subsidiaries with revenue of at least CHF 100 million
- 'Small subsidiaries' (category III): Subsidiaries with revenue of under CHF 100 million
- 'Supporting subsidiaries' (category IV): Operationally necessary subsidiaries and non-operating companies

The Board of Directors decides on the allocation of individual subsidiaries to category I, and the Group CEO to categories II, III and IV. As a rule, in addition to the revenue, the business purpose, the value enhancement and growth potential as well as invested capital are taken into account here.

1.5 Procedure for proposals to the Board of Directors

1.5.1 Involvement of entities concerned and sign-off

Anyone preparing a proposal to the Board of Directors or committees of the Board of Directors of Swisscom Ltd must involve all concerned Business Divisions, Group Functions and subsidiaries, and document their involvement. Proposals must be signed off by the Heads of Group Finance, Group Strategy & Business Development, Group Security & Corporate Affairs, and Legal. By signing off, the signatory confirms that they have examined the proposal and that they agree with it from the point of view of their area. Sign-off should be obtained by the entity preparing the proposal at least five working days prior to its submission to the Board of Directors. A shorter deadline is permitted only in justified exceptional cases and only if the division for which the person is signing off was involved in preparing the proposal at an early stage.

1.5.2 Content

In the draft resolution of the proposal, the decisions to be taken, the authorisations to be granted or the facts to be taken note of must be worded in a way that the decision and the reasons for it are clear and unambiguous at all times. The reasons behind the proposal must set out comprehensibly the relevant facts, the options that have been examined and the reasons for the requested decisions. The business (specifically financial), legal and political risks and effects of the decisions requested decisions are to be described in full and impartially. The application must include a management summary consisting of the key aspects of the initial situation and the grounds (max. ½ page).

1.5.3 Proposal form and appendices

Proposals must be prepared on the forms available on the intranet in Word or PowerPoint format in as much detail as necessary and as briefly as possible. The Word form must be used for proposals with a requested volume of CHF 100 million or more. Exceptions may be made in consultation with the Secretariat of the Board of Directors in justified cases. The proposal document (Word or PowerPoint), including the management summary, may not exceed 12 pages and, for investment proposals above CHF 100 million, 24 pages. Annexes to the proposal may be used to explain specific points of the proposal.

1.6 Information and written notifications

Information and written notifications can be written in PowerPoint or Word with a maximum of 12 pages. The document must include a management summary consisting of the key aspects of the initial situation and the grounds (max. ½ page). The Word template available on the intranet can be used for written notifications.

1.7 Abbreviations

AGM	Annual General Meeting Swisscom Ltd
BoD	Board of Directors Swisscom Ltd
CEO	Group Chief Executive Officer
Group ExCo	Group Executive Committee
ExCo	Executive Committee subsidiaries
D	Decision
I	Body to be informed by holder of decision-making power (D)

2 Duties and powers

A. Strategy & planning			AGM	BoD	CEO
Group Story, Group strategy & business plan	1.	Definition of the purpose, vision, values and objectives of the Group (objectives and principles of corporate policy)		D	
	2.	Definition of the strategy and medium-term planning (business plan)		D	
		– of the Group and category I subsidiaries		D	
		– of category II subsidiaries		I	D
		– of category III and IV subsidiaries			D
	3.	Definition of the sustainability strategy as part of the Group strategy, including the material impacts, risks and opportunities for the Group in relation to the material sustainability matters (incl. definition of targets and KPIs)		D	
	4.	Definition of the annual strategy and planning process for Swisscom Ltd and its subsidiaries, as well as consolidated for the Group		D	
Functional strategies	5.	Approval of the Group's tax strategy		D	
	6.	Approval of the supply chain policy with regard to material sustainability matters		D	
	7.	Definition of further relevant functional strategies (incl. HR strategy and patent strategy)		I	D
Issues of strategic and Group-wide importance	8.	Approval of actions, incl. entering into and dissolving significant strategic alliances with a considerable impact on the business activities, geographical orientation, the capital structure or reputation of Swisscom Ltd or the Swisscom Group		D	
	9.	Approval of business of major importance to the Group or Swisscom Ltd, or that might lead to significant public controversy (e.g. statement on important parliamentary motions)		D	

A. Strategy & planning			AGM	BoD	CEO
	10.	Approval of business of major importance to Swisscom (Switzerland) Ltd or Fastweb S.p.A. ¹		I	D
	11.	Submissions and appeals to authorities, commissions, courts and administrative bodies for business of Group-wide importance		I	D
	12.	Discussion with DETEC, FDF and the Federal Council on fundamental issues		D	
Communication	13.	Approval of the basic guidelines of the Group's communications policy		D	
	14.	Definition of the Group-wide brand strategy (basis of Group Identity, Group Design and Group Branding)		D	
	15.	Definition of the brand strategy of category I subsidiaries (basis of Group Identity, Group Design and Group Branding)		I	D
	16.	Group Identity / Group Design / Group Branding in detail			D
	17.	Detailed communication for the Group, both internal and external			D

¹ Vodafone Italy S.p.A. remains a subsidiary of Fastweb S.p.A. until the merger with Fastweb S.p.A. effective 1 January 2026. During this transitional period, Vodafone Italy S.p.A. will be managed by the CEO of Fastweb and the same requirements will apply analogously as for Fastweb S.p.A. Accordingly, 'Fastweb S.p.A.' refers below to both companies (Fastweb S.p.A. and Vodafone Italy S.p.A.).

B. Organisation & governance			AGM	BoD	CEO
Group organisation	1.	Definition of the organisation of the Group			
		– Group structure, organisation of the top management of Swisscom Ltd		D	
		– allocation of subsidiaries to category I		D	
		– allocation of subsidiaries to categories II, III and IV			D
	2.	Definition of the organisation of the Group (Business Units) of			
		– category I subsidiaries		D	
		– category II, III, IV subsidiaries			D
	3.	Approval of changes to the company structure or the investment portfolio with the exception of venture investments pursuant to section B 5, in particular			
		<ul style="list-style-type: none"> • foundation, mergers and dissolution of subsidiaries • acquisition or sale of participations and changes in the shareholding ratio or ownership structure • acquisition or disposal of a business or company or parts thereof through the acquisition or transfer of assets, debts and staff by Swisscom Ltd or a subsidiary • other comparable actions 			
		– over CHF 20 million ²		D	
		– up to and including CHF 20 million ¹		I	D
	4.	Approval of venture fund structures (e.g. DTF)		D	

² For transactions and related financing, the cumulative, non-discounted maximum financial requirement including the net debt of the purchase object (or the non-discounted, cumulative maximum negative free cash flow before financing) as shown in the business plan is authoritative, regardless of whether the financing is by means of debt or equity. The relevant winding-up costs and necessary value adjustments are relevant when a subsidiary is dissolved. For disposals, the estimated total enterprise value is used as the benchmark.

B. Organisation & governance			AGM	BoD	CEO
	5.	Approval of investments in the venture capital field (including within the scope of approved venture fund structures)			
	–	over CHF 20 million ³		D	
	–	from CHF 5 million up to and including CHF 20 million ²		I	D
	–	up to and including CHF 5 million ² with the right to be delegated to a Venture Investment Committee			D
	6.	Resolutions and actions to be taken by the BoD pursuant to the Mergers Act ⁴ and other decrees in addition to the processes described in section B 3 and regardless of the thresholds		D	
Governance	7.	Motions to the AGM		D	
	8.	Definition and amendment of the Articles of Incorporation of Swisscom Ltd	D		
	9.	Enactment of the Organisational Regulation of Swisscom Ltd and its annexes		D	
	10.	Enactment of directives and other regulations for the management of the Group		I	D
	11.	Enactment of the model Articles of Incorporation and the model Organisational Regulation for subsidiaries as well as approval of the Articles of Incorporation and Organisational Regulation to be enacted by the subsidiaries where these deviate materially from the Group's model documents ⁵		D	
	12.	Definition of the principles of signatory powers within the Group and designation of authorised signatories to be included in the commercial register entry of Swisscom Ltd		D	

³ Swisscom's total investment per company.

⁴ Federal Act on Mergers, Demergers, Transformations and Transfers of Assets and Liabilities; SR 221.301

⁵ The planned enactment or planned amendments to the Articles of Incorporation or Organisational Regulation of a subsidiary must be submitted in advance to the Head of Legal of Swisscom Ltd, who will decide whether such a deviation exists.

B. Organisation & governance			AGM	BoD	CEO
	13.	Establishment and monitoring of the assurance functions Group Risk Management, the Internal Control System, Compliance and Internal Audit as well as approval of the corresponding objectives, organisation, processes and responsibilities		D	
	14.	Selection of the auditors of Swisscom Ltd and the subsidiaries to be appointed by the AGM		D	
Whistleblowing / insider trading	15.	Approval of a procedure for the confidential, anonymous receipt and processing of complaints relating to external accounting, financial reporting and the assurance functions		D	
	16.	Approval of the principles for fulfilling obligations under stock exchange law and precautions for avoiding insider trading		D	
Shareholder topics	17.	Maintenance of the Share Register and Register of Dematerialised Securities of Swisscom Ltd		D	
	18.	Decision on applications to register shares in accordance with section 4.5 of the Articles of Incorporation (provisions on transferability of shares) of Swisscom Ltd		D	
	19.	Preparation, convening and execution of the AGM		D	
	20.	Court appeals against decisions of the AGM		D	

C. Reporting & controlling			AGM	BoD	CEO
Internal & external reporting requirements	1.	Requirements for structuring accounting, financial controlling and financial planning		D	
	2.	Requirements for structuring the reporting of the Chair of the BoD, the CEO and the CFO of Swisscom Ltd to the BoD of Swisscom Ltd		D	
	3.	Requirements for structuring corporate reporting (financial reports)		D	
	4.	Decision on the application of rules and regulations for sustainability reporting		D	
	5.	Requirements for the structure of internal and external sustainability reporting (incl. internal control system)		D	
	6.	Decision on the audit of sustainability reporting and the selection of an auditor		D	
Approval of financial & non-financial reporting	7.	Approval of the quarterly financial statements and acknowledgement of forecasts		D	
	8.	Approval of the annual report with management report, sustainability report (CSRD/ESRS and Art 964b CO), annual financial statements and consolidated financial statements	D		
	9.	Consultative vote on the Remuneration Report	D		
	10.	Approval of the report on compliance with the federal government's strategic objectives		D	
	11.	Approval of additional voluntary Sustainability Reports		I	D
Financial & strategic objectives	12.	Monitoring compliance with financial and strategic objectives			
		– by Swisscom Ltd and category I subsidiaries		D	
		– by category II, III + IV subsidiaries			D
	13.	Annual reporting on the achievement of the Federal Council's objectives in accordance with Art. 6 para. 3 TSOA and provision of the necessary information for the review		D	

C. Reporting & controlling			AGM	BoD	CEO
Operational controlling	14.	Operational controlling			D
Internal & external auditing	15.	Examination of the auditor's independence and professional competence		D	
	16.	Conduct of an annual discussion of the annual financial statements with the auditors and Group Internal audit		D	
	17.	Approval of the integrated strategic audit plan (ISP) with regard to the audit activities of internal units (ISP, this includes all planned audit activities by external and internal units within the Group)		D	
Sustainability monitoring	18.	Monitoring the implementation of the targets pursued for material sustainability matters and evaluating the effectiveness of the defined measures (incl. monitoring of KPIs)		D	
	19.	Monitoring of material impacts, risk and chances in connection with material sustainability matters		D	
	20.	Monitoring compliance with due diligence obligations with regard to material sustainability matters in the areas of people and the environment (incl. supply chain policy)		D	

D. Finance			AGM	BoD	CEO
Budget	1.	Approval of annual targets (budget)			
		– for Swisscom Ltd, category I subsidiaries, and consolidated for the Group, which in particular define the requirements for the income statement, investment and divestment statement, cash flow statement and balance sheet		D	
		– for category II, III and IV subsidiaries, which in particular define the requirements for the income statement, investment and divestment statement, cash flow statement and balance sheet			D
Financing plan	2.	Approval of the Group's medium-term financing planning		D	
Investments / divestments / contracts	3.	Approval of the acquisition or disposal of non-capital goods as well as investments and divestments ⁶ with a cumulated maximum financing requirement (peak exposure ⁷) of more than CHF 75 million, excluding matters as per section B 3, in particular: <ul style="list-style-type: none"> • projects, construction projects, rental and leasing agreements as well as long-term network infrastructure/rights of use assets, energy; • other contracts and fixed payment obligations with total external costs, even if the projects have to be split into tranches (multiannual non-cancellable leases, delivery, performance and purchase commitments, etc.); • divestment of fixed assets, decommissioning of plants, liquidation of assets and • waiver of claims. 		D	
		– over CHF 75 million		D	
		– up to and including CHF 75 million		I (>30 CHF m)	D
	4.	Approval of network and IT investment programs with recurring individual investments (cohesion of subject matter), with a maximum financial requirement (peak exposure) that		D	

⁶ Incl. internal performance and advance payments from other subsidiaries.

⁷ Peak exposure is the non-discounted cumulative maximum financial requirement (or the non-discounted cumulative maximum negative free cash flow before financing) as shown in the business plan

D. Finance			AGM	BoD	CEO
		– exceeds CHF 150 million in three years or CHF 75 million in a single year		D	
		– reaches up to CHF 150 million in three years or up to CHF 75 million in a single year			D
	5.	Approval of the involvement of third parties (consulting, expert opinions, studies, instruction of lawyers, notaries, banks and audit firms, HR consultants, etc.) amounting to more than CHF 2 million in individual cases		I	D
Customer contracts	6.	Approval of contracts between subsidiaries and customers with a total volume of more than CHF 80 million per year and public tender offers ⁸ for such contracts		I (2x per year)	D
Collateral, loans and credits	7.	Approval of sureties, guarantees, pledges or assignment of assets (including entering into joint and several debts and contractual penalties) entered into by Swisscom Ltd			
		– in favour of third parties, over CHF 50 million		D	
		– in favour of third parties, up to and including CHF 50 million		I	D
		– in favour of subsidiaries, over CHF 100 million		D	
		– in favour of subsidiaries, up to and including CHF 100 million			D
	8.	Approval of bank guarantees in the context of public calls for tenders in Italy of more than CHF 200 million		D	
	9.	Approval of letters of comfort, letters of subordination, waivers of claims and other balance sheet and financial restructuring services from Swisscom Ltd or its subsidiaries worth more than CHF 100 million		D	
	10.	Granting of loans and credits (incl. financing commitments and equity increases without changes to shareholdings) of more than CHF 100 million		D	

⁸ Restrictive conditions (e.g. maximum possible surcharge amount) must be taken into account when calculating the relevant amount.

D. Finance			AGM	BoD	CEO
Financing	11.	Approval of long-term financing (over 360 days) (bank loans, debenture bonds, leases) of more than CHF 100 million		D	
	12.	Approval of short-term financing (up to 360 days) of more than CHF 500 million		D	
	13.	Approval of structured financing (e.g. securitisation, sale & leaseback, asset-backed deals and equity-linked deals)		D	
	14.	Approval of factoring, reverse factoring or supplier factoring by subsidiaries			
		– up to a total of CHF 100 million		D	
		– up to and including a total of CHF 100 million		I	D
	15.	Definition of the basic principles of liquidity management within the Group (incl. cash pooling) and approval of the corresponding contracts		D	
Dividends	16.	Approval of the appropriation of retained earnings and determination of the dividend	D		
Share capital	17.	Official decisions on authorised capital increases		D	
	18.	Determination of changes in capital and subsequent amendments to the Articles of Incorporation (incl. deletions) as well as the required report on capital increases		D	
	19.	Ordinary increase of share capital, creation of conditional capital and a capital band, and corresponding amendments to the Articles of Incorporation	D		
	20.	Notification of the court in the event of overindebtedness		D	

D. People management			AGM	BoD	CEO
Appointments / dismissals	1.	Election and dismissal of the Chair of the BoD, the members of the BoD and the members of the Compensation Committee	D		
	2.	Appointment and dismissal of members of the Group ExCo		D	
	3.	Appointment and dismissal of guests of the Group ExCo (Head of Group Communication & Corporate Responsibility, Head of Security & Corporate Affairs)		I	E
	4.	Appointment and dismissal of members of the BoD and ExCo of category I subsidiaries through their responsible bodies			
	–	members of the BoD		D	
	–	Chief Executive Officer, as well as the responsible ExCo members for finance, consumer customers, business customers and network (or equivalent roles)		D	
	–	all other members of the ExCo		I	D
	5.	Appointment and dismissal of members of the BoD and ExCo of subsidiaries of categories II, III and IV through their responsible bodies			D
	6.	Appointment and dismissal of the Head of Group Internal Audit		D	
	7.	Election of the employer representatives in pension funds		D	
	8.	Election and dismissal of the independent proxy and the statutory auditor	D		
	9.	Election and dismissal of the statutory auditor	D		
	10.	Appointment and dismissal of the Secretary of the BoD		D	
	11.	Appointment and dismissal of the members of the Venture Investment Committee		I	D

D. People management			AGM	BoD	CEO
Personnel and remuneration policy	12.	Approval of the personnel and remuneration policy for the Group		D	
	13.	Approval of the general terms and conditions of employment for			
Terms and conditions of employment		– members of the Group ExCo		D	
		– guests of the Group ExCo		I	D
		– members of the ExCo of category I subsidiaries		I	D
		– further executives of Swisscom Ltd and subsidiaries		I	D
CEA / social partners / pensions	14.	Approval of the collective employment agreement (CEA)			
		– of Swisscom Ltd and category I subsidiaries		D	
		– of category II, III and IV subsidiaries		I	D
	15.	Approval of salary negotiations with the social partners		I	D
	16.	Approval of social plans			
		– of Swisscom Ltd and category I subsidiaries		D	
		– of category II, III and IV subsidiaries		I	D
	17.	Approval of the principles underlying retirement-benefit plans and social benefits applied by Swisscom Ltd and its subsidiaries		D	
	18.	Approval of major restructuring projects, in particular those that lead to mass redundancies ⁹			

⁹ A separate proposal is only required if the restructuring process has not been approved as part of financial planning; mass redundancy in Switzerland defined in Art. 335d CO.

D. People management			AGM	BoD	CEO
		– at Swisscom Ltd and subsidiaries (if more than 30 FTEs are made redundant)		D	
		– at Swisscom Ltd and subsidiaries (for redundancies up to and including 30 FTEs)		I	D
Remuneration to the BoD	19.	Definition of the remuneration concept for the BoD of Swisscom Ltd		D	
	20.	Enactment of the remuneration regulations and expenses regulations for the BoD		D	
	21.	Approval of the maximum total compensation amount for the BoD of Swisscom Ltd	D		
	22.	Definition of remuneration of the BoD of Swisscom Ltd within the overall amount approved by the AGM		D	
Remuneration to management	23.	Approval of the remuneration concept for			
		– members of the Group ExCo		D	
		– guests of the Group ExCo		I	D
		– members of the ExCo of category I subsidiaries		I	D
		– further executives and employees of Swisscom Ltd and category I and II subsidiaries		I	D
		– the executives and employees of category III and IV subsidiaries			D
	24.	Approval of the regulations on variable performance-related salary components for members of the			
		– members of the Group ExCo		D	
		– guests of the Group ExCo		I	D
		– members of the ExCo of category I subsidiaries		I	D
		– further executives and employees of Swisscom Ltd and subsidiaries			D

D. People management			AGM	BoD	CEO
25.	Approval of the maximum total remuneration amount for members of the Group ExCo		D		
26.	Approval of remuneration for				
	– members of the Group ExCo within the maximum overall amount approved by the AGM			D	
	– guests of the Group ExCo			I	D
	– members of the ExCo of category I subsidiaries			I	D
	– further executives and employees of Swisscom Ltd and subsidiaries				D
27.	Definition of remuneration for the Head of Group Internal Audit			D	
28.	Approval of incentive targets of				
	– members of the Group ExCo			D	
	– guests of the Group ExCo			D	
	– members of the ExCo of category I subsidiaries			D	
	– further executives and employees of Swisscom Ltd and category I and II subsidiaries			I	D
	– executives and employees of category III and IV subsidiaries				D
29.	Definition of achievement of incentive targets by				
	– members of the Group ExCo			D	
	– guests of the Group ExCo			D	
	– members of the ExCo of category I subsidiaries			D	
	– further executives and employee of Swisscom Ltd and category I and II subsidiaries			I	D

D. People management			AGM	BoD	CEO
		– executives and employees of category III and IV subsidiaries			D
	30.	Determination of a reduction or reclaim of remuneration paid (clawback, sanction in the event of violations) from			
		– members of the Group ExCo		D	
		– guests of the Group ExCo		D	
		– members of the ExCo of category I subsidiaries		D	
		– further executives and employees of Swisscom Ltd and subsidiaries			D
	31.	Enactment of the expense's regulations for			
		– members of the Group ExCo		D	
		– guests of the Group ExCo		I	D
		– members of the ExCo of category I subsidiaries		I	D
		– further executives and employees of Swisscom Ltd and subsidiaries			D
Share ownership schemes	32.	Definition of the basic features of the share and profit-sharing schemes for the BoD and Group ExCo in the Articles of Incorporation	D		
	33.	Approval of the share and long-term profit-sharing schemes for members of the BoD and employees of Swisscom Ltd and subsidiaries		D	
	34.	Definition of the basic features of the share and profit-sharing schemes for employees at subsidiaries		D	
	35.	Approval of share and profit-sharing schemes in connection with start-ups, mergers, participations and acquisitions of parts of businesses of			

D. People management			AGM	BoD	CEO
		– subsidiaries with a transaction volume of more than CHF 20 million		D	
		– subsidiaries with a transaction volume of up to and including CHF 20 million		I	D ¹⁰
	36.	Approval of share and profit-sharing schemes for minority shareholdings for seconded employees from Swisscom Ltd and its subsidiaries		I	D ¹⁰
Mandates outside the Group	37.	Definition of the number of mandates outside the Group that members of the BoD and Group ExCo are permitted to hold under the Articles of Incorporation	D		
	38.	Enactment of regulations on the assumption of mandates outside the Group, including regulations on remuneration, of			
		– members of the Group ExCo		D	
		– guests of the Group ExCo		I	D
		– members of the ExCo of category I subsidiaries		I	D
		– further executives and employees of Swisscom Ltd and subsidiaries			D
	39.	Approval for the exercise of mandates outside the Group by			
		– members of the BoD (consultation)		D (Chair)	
		– members of the Group ExCo		D (Chair)	
		– guests of the Group ExCo		I	D
		– the Chief Executive Officers of category I subsidiaries		I	D
		– further members of the ExCo of category I subsidiaries			D

¹⁰ Taking into account the framework conditions defined by the Board of Directors

D. People management			AGM	BoD	CEO
		– job level A employees of Swisscom Ltd and subsidiaries			D