

# Swisscom Ltd

## Organisational Rules

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Suspended Document





<b>1 BASIS .....</b>	<b>4</b>
1.1 Purpose .....	4
1.2 Object .....	4
1.3 Organisation of Swisscom Ltd and its subsidiaries .....	4
1.3.1 Group structure .....	4
1.3.2 Group management .....	4
1.3.3 Categories of subsidiaries .....	5
<b>2 BOARD OF DIRECTORS.....</b>	<b>5</b>
2.1 Composition and constitution .....	5
2.2 Meetings .....	6
2.2.1 Frequency of meetings, convocation and agendas .....	6
2.2.2 Chairing of meetings and participants .....	6
2.2.3 Standing agenda .....	6
2.2.4 Passing of resolutions .....	7
2.2.5 Minutes .....	7
2.3 Reporting .....	9
2.3.1 General reporting .....	9
2.3.2 Financial and ESG reporting .....	9
2.3.3 Reporting on risk management, internal control system and compliance .....	9
2.4 Planning .....	10
2.5 Right to information .....	10
2.6 Conduct with respect to conflicts of interest .....	10
2.7 Compensation and insurance .....	11
2.8 Duties and powers .....	12
2.9 Non-delegable and irrevocable duties .....	12
2.10 Decision-making and authorisation powers .....	12
A Leadership and organisation .....	13
B Planning and control .....	14
C Finance .....	14
D Personnel and social matters .....	15
E Environment, Social & Governance (ESG) .....	16
2.11 Independence of subsidiaries with regard to programming and media activities .....	17
<b>3 CHAIRMAN OF THE BOARD OF DIRECTORS .....</b>	<b>17</b>
3.1 Duties and powers .....	17
3.2 Internal audit .....	18
3.3 Secretariat of the Board of Directors .....	18
<b>4 COMMITTEES OF THE BOARD OF DIRECTORS .....</b>	<b>19</b>
<b>5 CHIEF EXECUTIVE OFFICER (CEO) .....</b>	<b>20</b>
5.1 Power and delegation .....	20
5.2 Representation .....	20



<b>6 GROUP EXECUTIVE BOARD .....</b>	<b>20</b>
6.1 Composition .....	20
6.2 Function.....	21
6.3 Conduct with respect to conflicts of interest .....	21
<b>7 GROUP FUNCTIONS .....</b>	<b>21</b>
<b>8 MISCELLANEOUS .....</b>	<b>21</b>
8.1 Written form .....	21
8.2 Majority shareholder's right to obtain information .....	22
8.3 Signatory powers .....	22
8.4 Confidentiality and returning of files .....	22
8.5 Amendments to these Organisational Rules and issuing of additional regulations.....	22
<b>9 FINAL PROVISIONS.....</b>	<b>23</b>
9.1 Entry into force.....	23
9.2 Implementation provisions.....	23
<b>10 ANNEXES .....</b>	<b>24</b>



The Board of Directors of Swisscom Ltd issues the present Organisational Rules on the basis of Articles 716 and 716b of the Swiss Code of Obligations (CO) and section 7.2.2 of the Articles of Incorporation.

### 1 BASIS

#### 1.1 Purpose

The Organisational Rules set out the binding framework for the management of Swisscom Ltd and the shareholdings it controls in accordance with IFRS 10 (hereinafter referred to as 'subsidiaries').

#### 1.2 Object

The Organisational Rules contain provisions on:

- the structure of Swisscom Ltd and its subsidiaries (together referred to as 'the Group');
- the functioning of the Board of Directors;
- the duties and powers of the following governing bodies or representatives of governing bodies:
  - Board of Directors;
  - Chairperson of the Board of Directors;
  - Committees of the Board of Directors;
  - Chief Executive Officer (CEO);
  - Group Executive Board (management board according to section 5c of the Articles of Incorporation).

#### 1.3 Organisation of Swisscom Ltd and its subsidiaries

##### 1.3.1 Group structure

As the parent company, Swisscom Ltd is divided into Group Functions and, together with its subsidiaries as subcompanies, forms the Swisscom Group. The governing bodies or representatives of governing bodies of Swisscom Ltd are therefore not only responsible for the management of Swisscom Ltd but also for the strategic and financial management of the subsidiaries within the scope of their competencies.

##### 1.3.2 Group management

The Organisational Rules and, in detail, Annex 2 (Organisational Regulations of Swisscom Ltd) contain a list of topics and business matters in which the passing of resolutions or the provision of information by a governing body or representative of a governing body is mandatory. The Articles of Incorporation, Organisational Rules and Organisational Regulations of the subsidiaries must therefore be harmonised in terms of structure and content to the Articles of Incorporation of Swisscom Ltd as well as the Organisational Rules and the pertinent Organisational Regulations within the scope of the legal framework applicable to them. The model Articles of Incorporation and model Organisational Rules approved by the Board of Directors of



Swisscom Ltd for subsidiaries shall serve as the basis for this.

The governing bodies or representatives of governing bodies of Swisscom Ltd mandate and instruct the representatives on the Boards of Directors of the subsidiaries, their CEO and their management board, within the scope of their responsibility. These representatives, who are mandated by Swisscom Ltd, fulfil their duties of notification, duly obtain the relevant resolutions and instructions and implement them in the subsidiaries. They comply with the regulations and directives issued for strategic and financial management. The legal independence of the subsidiaries and the legal competence of their governing bodies shall be preserved within the framework of the respective mandatory applicable law. Contractual agreements with partners of these subsidiaries or Swisscom Ltd must be taken into account in the process for passing resolutions.

The organisation in detail is shown in the organisational chart posted on the intranet in the currently valid version (Annex 4).

### **1.3.3 Categories of subsidiaries**

The Organisational Rules distinguish between three categories of subsidiaries:

- Strategic subsidiaries (category I);
- Major subsidiaries (category II);
- Other subsidiaries (category III).

Annex 5 contains the list of subsidiaries with their classification into one of the above categories. The Board of Directors decides on the allocation of individual subsidiaries to category I and the CEO upon the allocation to categories II and III.

## **2 BOARD OF DIRECTORS**

### **2.1 Composition and constitution**

The Board of Directors is composed of seven to nine members and, if necessary, the number can be increased temporarily. Their maximum term of office is usually 12 years in total. Details on the composition can be found in section 6 of the Articles of Incorporation.

The Chairperson of the Board of Directors and the members of the Compensation Committee are elected by the Annual General Meeting of Shareholders in application of sections 6.1, 7.1.5 and 7.5 of the Articles of Incorporation. Otherwise, the Board of Directors is self-constituting and elects from among its members the Vice Chairperson or Vice Chairperson and the persons of all standing committees of the Board of Directors as well as the members of the Strategy & Investments and Audit & ESG Reporting Committees.

At the request of the Chairperson of the Board of Directors, it nominates a Secretary, who need not be a member of the Board of Directors.



### 2.2 Meetings

#### 2.2.1 Frequency of meetings, convocation and agendas

On the invitation of the Chairperson or, should this person be unavailable, the Vice Chairperson, the Board of Directors shall convene as often as deemed necessary by the current business situation.

Upon stating the reasons, each member may request of the Chairperson that a meeting be convened immediately.

Notice for convening a meeting is usually given in writing ten days in advance. The list of agenda items, together with all documents, is made available on the electronic document platform for downloading and, if required, is sent by post. In urgent cases – or if no objections are raised by any member – the meeting may be set at an earlier date. The agenda items are defined by the Chairperson after consultation with the CEO. Any member of the Board of Directors may request that an item be included on the agenda, provided that such request is submitted in writing to the attention of the Chairperson at least twelve days prior to the meeting. Decisions on business not included in the agenda may only be taken with the consent of the majority of all members.

Meetings may be convened without formalities and without complying with the minimum notice period if the sole purpose of the meeting is to vote on the determination of changes in capital and corresponding amendments to the Articles of Incorporation (including deletions) as well as the preparation of the capital increase report.

#### 2.2.2 Chairing of meetings and participants

The meetings shall be chaired by the Chairperson of the Board of Directors or, should this person be unavailable, the Vice Chairperson or, if the Vice Chairperson is also unavailable, a member to be elected by the Board of Directors from among its members.

Individual members of the Group Executive Board, senior executives of the Group, Swisscom Ltd auditors and other experts may be invited to attend the meetings. They have an advisory vote. The Chairperson of the Board of Directors and the Chairperson of the Board of Directors' Committees may issue the invitations. The CEO, CFO and Head of GSA generally attend every meeting of the Board of Directors, unless the Chairperson orders otherwise.

#### 2.2.3 Standing agenda

As a rule, the meetings follow the following standing agenda:

- Notifications by the Chairperson and reports by the Committee Chairperson;
- Minutes of the last meeting and pending items;
- Report of the CEO on the course of business;
- Personnel and organisation;
- Information and motions.



### 2.2.4 Passing of resolutions

The Board of Directors shall take its decisions or pass its resolutions at Board meetings with a venue or at meetings that involve the use of electronic means (hybrid or virtual meetings).

The electronic means used allow the establishment of the identity of the participants, the immediate transmission of votes, the submission of motions, participation in the discussion and an undistorted voting result.

Resolutions may only be passed if the majority of the members are present at the meeting.

The attendance quorum does not have to be met in the case listed in section 2.2.1 paragraph 4.

A member of the Board of Directors who is indisposed may neither be represented by a further member of the Board of Directors nor by a third party. A written statement on the agenda is permissible; it shall be submitted by the Chairperson. However, it does not count as a vote.

Resolutions shall be passed by the Board of Directors with the majority of votes cast. Abstentions do not count as votes. The Chairperson shall have the casting vote.

Resolutions on the amendment of the present Organisational Rules or concerning particular regulations or directives which contradict the said Organisational Rules may only be passed if two-thirds of the members of the Board of Directors agree to the amendment or particular regulations or directives.

Resolutions on the inclusion and amendment of the annexes to these Organisational Rules may be passed by a simple majority of the votes cast. Formal amendments to Annexes 4 (Organisation chart) and 5 (List of participations) of these rules shall be carried out periodically and are not subject to authorisation.

After deliberation, the Chairperson of the Board of Directors summarises all motions before making a decision.

If, during a virtual or hybrid meeting, technical issues arise that make it impossible to hold a proper discussion and vote, the Chairperson shall interrupt the meeting or terminate it entirely. Any resolutions passed prior to such interruption or termination shall remain valid. The Chairperson shall convene a new meeting in the near future to deal with any items on the agenda that have yet to be addressed in full. If relevant technical issues arise during the meeting, this must be recorded in the minutes together with the measures implemented. Technical issues during voting shall be deemed irrelevant if they are demonstrably incapable of impacting the results of votes or elections.

Resolutions may be passed using the circular method in writing on paper or in electronic form as long as no member demands a verbal briefing. No signatures shall be required for resolutions passed electronically. For circular resolutions to be valid, the majority of the members must participate in the circular method. Such resolutions shall be included in the minutes of the next meeting of the Board of Directors.

### 2.2.5 Minutes

Minutes shall be kept of the proceedings and resolutions of the Board of Directors, containing the agenda items, motions and resolutions with an indication of the weighting of the votes and any abstentions. The minutes also summarise the deliberations by reflecting the main points of view and positions. Members of the Board of Directors may request that their vote be recorded in the minutes.



Following the approval of the Chairperson of the Board of Directors, the minutes shall be mailed to the members of the Board of Directors and shall be accepted at the following meeting. Following authorisation, the minutes shall be signed by the Chairperson, the keeper of the minutes and the Secretary to endorse them as a correct record.

The minutes are to be handled as confidential documents and shall be filed so that they are accessible. The minutes may neither be copied nor made available to any recipients who are not listed on the distribution list specified by the Board of Directors. In justified exceptional cases, the Secretary shall prepare extracts with the consent of the Chairperson and keep a record of their submission.



### 2.3 Reporting

#### 2.3.1 General reporting

At each meeting, the Board of Directors receives a verbal report from the Chairperson of the Board of Directors and the CEO on the course of business and on important events within the Group, as well as on measures taken. The Board of Directors can demand written documents if it considers them necessary for performing its duties.

The CEO informs the Chairperson of the Board of Directors of any extraordinary events, who in turn immediately informs the members of the Board of Directors via the Secretary.

The Chairperson of the Board of Directors may instruct a committee or a member of the Board of Directors to report on the motions to be dealt with by the Board of Directors and to make a recommendation for the attention of the plenary session.

The Chairperson of the respective Board of Directors and the CEOs of the category I subsidiaries shall report to the Board of Directors in writing and, upon instruction of the Chairperson of the Board of Directors, report verbally on the status of their company, on the course of business and on important events as well as on measures taken. The reports are usually submitted annually as part of the medium-term planning process.

#### 2.3.2 Financial and ESG reporting

Periodic external corporate reporting includes financial reporting and ESG reporting. Financial reporting is prepared in accordance with the International Financial Reporting Standards (IFRS) and the accounting principles of the stock corporation law. As far as possible, nationally and/or internationally recognised regulations are used for ESG reporting.

The CFO prepares a monthly and quarterly management report for the CEO for the attention of the Board of Directors. The report provides information on the business performance of the Group and the segments as well as the Group's net asset position, financial position and results of operations. In addition, reporting includes financial, non-financial and ESG performance indicators (e.g. full-time equivalents, number of customers, carbon emissions) that are relevant for corporate governance. The quarterly reporting additionally includes a projection (forecast) for the current fiscal year. The same accounting principles are applied to management reporting and financial control as in external financial reporting (IFRS).

#### 2.3.3 Reporting on risk management, internal control system and compliance

The Board of Directors shall receive written and oral reports on risk management, the internal control system and compliance within the Group, from the CEO or CFO or, at their request, from the responsible persons, at least once a year.



### 2.4 Planning

The Board of Directors shall define the annual strategic planning process for Swisscom Ltd and its subsidiaries, as well as on a consolidated basis for the Group. This includes the following planning elements:

- Strategy;
- Medium-term planning (business plan, including analysis of the market, competition and technology);
- Annual budget (planned values for income statement, investments, cash flow statement and balance sheet).

### 2.5 Right to information

Every member of the Board of Directors can demand information on all matters concerning Swisscom Ltd and the subsidiaries.

During the meetings, all members of the Board of Directors as well as the persons entrusted with management duties are obliged to provide information on the performance of the business and all individual business transactions.

Outside of the meetings, every member of the Board of Directors is entitled to request information via the Chairperson of the Board of Directors on the performance of the business from the persons entrusted with management duties and, with the authorisation of the Chairperson, also on individual business matters. Direct contact with other members of the Group Executive Board or other employees of the Group should only take place with the approval of the Chairperson. Contact with the Chairperson of committees in their areas of responsibility remains reserved.

Every member can file an application with the Chairperson of the Board of Directors for access to books or files, insofar as this is necessary for the fulfilment of a particular duty or task.

The Chairperson of the Board of Directors shall approve the requests for information or submission of documents if there are no conflicting provisions regarding abstention or confidentiality, if business secrets are not violated or if the request is not disproportionate. If the **Chairperson** of the Board of Directors rejects a request for information, hearing or inspection, the Board of Directors shall make a decision at the request of the Board member concerned.

### 2.6 Conduct with respect to conflicts of interest

The members of the Board of Directors shall regulate their personal and business affairs in such a way that conflicts of interest are avoided as far as possible, and they shall take any necessary measures to this end. They shall neither conclude any investment or other transactions nor accept any benefits that may jeopardise their independent safeguarding of the company's interests.

If a member of the Board of Directors has personal interests that affect the interests of the company or has to safeguard such interests of third parties (proximity of interests), the member shall inform the Chairperson of the Board of Directors without delay. If the Chairperson of the Board of Directors is affected, they shall inform the Vice Chairperson and the Secretary of the Board of Directors. The member and the Chairperson shall disclose all relevant circumstances in full so that the Chairperson or the Vice Chairperson can assess the interests of the person concerned.



If the member of the Board of Directors has conflicting interests or if the member has to safeguard conflicting interests (conflict of interest), the Board of Directors shall make a decision commensurate with the seriousness of the conflict of interests so that the independent safeguarding of the company's interests continues to be ensured. In particular, it shall check whether the member of the Board of Directors in question must not participate or whether a double resolution with and without the Board member affected by the conflict is sufficient. It shall consult the member concerned.

In the event of the member not being permitted to participate, the Board of Directors shall decide whether the member – depending on the intensity of the conflict – only needs to not participate in passing the resolution or additionally also must not participate in the discussion. Instead of these measures or in addition to them, it can commission an independent third party to make a prior assessment of the transaction or submit this to the Annual General Meeting of Shareholders for approval.

In the case of an ongoing conflict of interest, the Board of Directors shall decide whether the member concerned should be asked to resign or should no longer be nominated for re-election.

Transactions between the company and members of the Board of Directors or between the company and shareholders controlling it or parties related to them shall in all cases be carried out 'at arm's length', must be in the interests of the company and must be disclosed to the Board of Directors. They shall be concluded or approved without the participation of the parties concerned. If necessary, an independent assessment should be obtained.

### 2.7 Compensation and insurance

In determining the level of compensation, the Board of Directors shall take into account the activities and responsibilities of the individual members of the Board of Directors. The compensation of the members of the Board of Directors comprises a basic emolument, social security contributions, contributions to the occupational pension plan and any fringe benefits. Meeting attendance fees are included in the basic emolument at a flat rate. The Chairperson, Vice Chairperson and Federal Representative, as well as the Chairperson and members of the standing committees of the Board of Directors, receive additional compensation to compensate for their function. The Board of Directors sets the compensation within the total amount approved by the Annual General Meeting of Shareholders for the compensation of the Board of Directors. The expenses are reimbursed in accordance with the expense's regulations.

A third of the compensation is paid out in the form of participation rights. The Board of Directors shall issue appropriate regulations within the framework of the basic principles for the profit and participation plans laid down in the Articles of Incorporation. Compensation in cash is paid on a monthly basis, and the shares are allocated in two tranches.

Swisscom Ltd takes out insurance policies in favour of the members of the Board of Directors that cover as far as possible the liability risks associated with their activities as members of the Board of Directors. The insurance premiums are paid by Swisscom Ltd.



### 2.8 Duties and powers

The Board of Directors is responsible for the overall management of the Group and supervises its management. It decides, in compliance with the legally binding powers of the governing bodies of the subsidiaries, on all Group business assigned to it by law, the Articles of Incorporation, the Organisational Rules and documents issued on the basis thereof, as well as on all business not assigned by law, the Articles of Incorporation or the Organisational Rules of the Annual General Meeting of Shareholders or other governing bodies.

### 2.9 Non-delegable and irrevocable duties

The Board of Directors has the following non-delegable and irrevocable duties based on the applicable legal provisions (Article 716a (1) CO, Article 6 (3) and Article 9 of the Telecommunications Enterprise Act) and the Articles of Incorporation:

1. Overall management of Swisscom Ltd and issuing of the necessary directives;
2. Arrangement of the organisation;
3. Determining the accounting system, financial controlling and financial planning;
4. Appointing and dismissing the Group Executive Board and the persons entrusted with the task of representing the Group Executive Board members;
5. The ultimate supervision of persons entrusted with business management responsibilities, particularly regarding compliance with legislation, the Articles of Incorporation, regulations and directives;
6. Compiling the annual report, the compensation report and the report on non-financial matters pursuant to Article 964a ff. CO as well as preparing the Annual General Meeting of Shareholders and the execution of its resolutions;
7. Filing of a petition for debt-restructuring proceedings and notification of the court in case of over-indebtedness;
8. 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;
9. Consideration of the strategic objectives of the majority shareholder.

### 2.10 Decision-making and authorisation powers

The Board of Directors retains responsibility for the following business. The competence level is to be determined based on the overall effective peak exposure<sup>1</sup> of the respective business transaction. The unit of matter applies.

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<sup>1</sup> Peak exposure is defined as the non-discounted, cumulative, maximum financial requirement (i.e. the non-discounted, cumulative, negative free cash flow prior to financing) that can be taken from the business plan.



### A Leadership and organisation

1. Authorisation of the objectives and principles of the corporate policy (e.g. mission statement) of the Group;
2. Authorisation of the strategy and medium-term plan (business plan) of Swisscom Ltd and its category I and II subsidiaries;
3. Determination of the organisation of the Group (Group structure, organisation of the senior management of Swisscom Ltd; allocation of subsidiaries to category I);
  - 4.1 Authorisation of the Organisational Rules of Swisscom Ltd and its annexes;
  - 4.2 Issuance of the model Articles of Incorporation and model Organisational Rules for subsidiaries, as well as approval of the Articles of Incorporation and Organisational Rules to be issued by category I and II subsidiaries, insofar as these documents deviate significantly from the model Articles of Incorporation or model Organisational Rules for subsidiaries;
5. Authorisation of changes to the company structure or the income from participations with a volume exceeding CHF 20 million<sup>2</sup>, in particular:
  - Foundation, mergers and liquidations of subsidiaries;
  - Entering or sale of participations and amendments of the stake or shareholding;
  - Purchase or sale of a business or a company or parts thereof by means of a takeover of assets, debts and personnel by Swisscom Ltd or a subsidiary;
  - Other comparable actions.Insofar as decisions are to be taken regarding business transactions as defined in this clause worth CHF 20 million or less, the decision shall lie with the CEO who shall inform the Board of Directors accordingly;
6. Authorisation of entering into and liquidation of strategic alliances with a significant impact on the business activities, geographical focus of the Group or capital structure of Swisscom Ltd;
7. Establishing and monitoring the Group-wide assurance functions of risk management, internal control system, compliance and internal audit, as well as approving the corresponding objectives, organisation, processes and tasks;
8. Authorisation of business matters that are of major importance to the Group or could lead to considerable controversy in the public domain (e.g. statements on important parliamentary initiatives); the Board of Directors is informed of the authorisation of business matters that are of major importance to Swisscom (Switzerland) Ltd;
9. Determination of the principles of signatory powers within the Group;

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<sup>2</sup> At the time of founding a new entity, the related financing is based on the non-discounted, cumulative maximum financial requirements (non-discounted, cumulative negative free cash flow prior to financing) which can be taken from the business plan, regardless of whether the financing is carried out using own or borrowed capital. The relevant liquidation costs and necessary value adjustments are relevant for the divestiture of subsidiaries. For sales, the estimated value is used as the benchmark.



10. Legal challenge to resolutions of the Annual General Meeting of Shareholders;
11. Selection of the auditors to be elected by the Annual General Meeting of Shareholders of the subsidiaries;
12. Maintenance of the Share Register and Register of Dematerialised Securities of Swisscom Ltd;
13. Decisions on requests to register shares in accordance with section 4.5 of the Articles of Incorporation (provisions on transfer restrictions) of Swisscom Ltd;
14. Authorisation of the basic principles of the Group's communication policy;
15. Definition of the Group-wide brand and patent strategy.

### **B Planning and control**

1. Determination of the annual strategic planning process for Swisscom Ltd, the subsidiaries and consolidated for the Group in accordance with section 2.4 of these Organisational Rules;
2. Monitoring of compliance with the financial and strategic objectives by Swisscom Ltd and its category I and II subsidiaries;
3. Requirements for structuring the accounting system, financial controlling and financial planning;
4. Requirements for structuring reporting and acknowledgement of reports in accordance with section 2.3 of these Organisational Rules;
5. Requirements for structuring corporate reporting (financial and sustainability reports);
6. Periodic monitoring of compliance with federal strategic goals and authorisation of the report on compliance with federal strategic goals;
7. Conducting of an annual debate on the annual financial statement together with the auditors and with the internal audit department;
8. Authorisation of the integrated strategic audit plan, which includes all planned audit activities of the external and internal bodies in the Group, with regard to the audit activities of the internal bodies;
9. Verification of the independence and professional competence of the auditors;
10. Authorisation of the principles for the fulfilment of obligations under stock exchange law and precautions to prevent insider trading.

### **C Finance**

1. Authorisation of the tax strategy;
2. Authorisation of the Group's medium-term financing plan;
3. Authorisation of the annual targets (budget) of Swisscom Ltd, the category I subsidiaries and consolidated for the Group, which in particular set targets for the income statement, investment and divestment statement, cash flow statement and balance sheet;



4. Authorisation of procurement or sales of non-investment goods as well as investments and divestments with a cumulative peak exposure,<sup>3</sup> in particular
  - individual investments and divestments,<sup>4</sup> procurement or sale of non-investment goods and other contracts with a volume exceeding CHF 50 million (the CEO informs the Board of Directors of such transactions with a volume exceeding CHF 20 million);
  - investment programmes with recurring individual investments (unit of matter), whose peak exposure<sup>5</sup> exceeds CHF 100 million over three years or CHF 50 million within one single year.
5. Authorisation of sureties, guarantees, pledges or assignments of assets of Swisscom Ltd and subsidiaries in favour of third parties in excess of CHF 50 million and in favour of subsidiaries in excess of CHF 100 million;
6. Authorisation of letters of comfort, declarations of subordination, debt waivers and other financial restructuring payments by Swisscom Ltd or subsidiaries in favour of subsidiaries in excess of CHF 100 million;
7. Granting of loans and credits to third parties in excess of CHF 50 million and to subsidiaries in excess of CHF 100 million;
8. Authorisation of long-term financing in excess of CHF 100 million (bank loans, debenture loans, leases) and authorisation of short-term financing (up to 360 days) in excess of CHF 500 million;
9. Authorisation of structured financing (e.g. securitisation, sale and lease back, cross-border leasing, asset-backed deals and equity-linked deals);
10. Authorisation of the basic principles of Group-wide cash pooling and corresponding contracts;
11. Proposal to the Annual General Meeting of Shareholders for authorisation of the management report, the annual financial statement and the consolidated financial statement, for a consultative vote on the compensation report, for authorisation of the report on non-financial matters pursuant to Article 964a ff. CO, for authorisation of the maximum total amounts of compensation for the Board of Directors and the Group Executive board, and for the appropriation of retained earnings;
12. Authorisation of the quarterly financial statements and acknowledgement of the projections.

### **D      Personnel and social matters**

1. Authorisation of the personnel and compensation policy for the Group;
2. Definition of the compensation concept of the Board of Directors of Swisscom Ltd and its compensation within the scope of the total amount approved by the Annual General Meeting of Shareholders for the compensation of the Board of Directors;

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<sup>3</sup> See footnote 1.

<sup>4</sup> Including self-constructed assets and intermediate inputs of other subsidiaries.

<sup>5</sup> See footnote 1.



3. Appointment and dismissal of the members of the Group Executive Board;
4. Authorisation of the compensation concept and the general terms and conditions of employment of the members of the Group Executive Board;
5. Authorisation of the guidelines of variable performance-related salary compensation for members of the Group Executive Board;
6. Authorisation of the compensation of the members of the Group Executive Board within the total amount approved by the Annual General Meeting of Shareholders for the compensation of the Group Executive board;
7. Appointment and dismissal of members of the Board of Directors and CEOs of the category I subsidiaries via their respective bodies;
8. Authorisation of the general terms and conditions of employment for management (excluding the Group Executive Board) of Swisscom Ltd and its category I and II subsidiaries (general terms and conditions of employment for senior management);
9. Authorisation of the collective employment agreement (CEA) of Swisscom Ltd and its subsidiaries, including amendments thereto and affiliation agreements, as well as authorisation of social plans for Swisscom Ltd and its category I and II subsidiaries;
10. Authorisation of the salary negotiation with the social partners;
11. Authorisation of share and profit-sharing schemes for the members of the Board of Directors for senior management and employees of Swisscom Ltd and the subsidiaries;
12. Authorisation of the principles governing the pension plans and social benefits of Swisscom Ltd and its subsidiaries;
13. Election of employer representatives to the pension plans;
14. Authorisation of major restructuring projects at Swisscom Ltd and its category I and II subsidiaries, in particular those leading to mass redundancies pursuant to Art. 335d of the Swiss Code of Obligations;
15. Issuance of directives on the acceptance of mandates outside the Group, including regulation of compensation;
16. Authorisation for the exercising of mandates outside the Group by the members of the Group Executive Board as well as the CEOs of category I subsidiaries;
17. Issuance of the expenses regulations for the members of the Board of Directors and Group Executive Board.

### **E Environment, Social & Governance (ESG)**

1. Authorisation of the ESG strategy as part of the Group strategy, including the definition of the ESG issues that are material for the Group (including definition of KPIs);
2. Definition and monitoring of the supply chain policy regarding material ESG issues;
3. Monitoring of the implementation of the pursued concepts for the material ESG issues and evaluation of the effectiveness of the defined measures (including monitoring of KPIs);



4. Monitoring of the material risks in relation to the key ESG issues;
5. Decision on the application of rules regarding ESG reporting;
6. Specifications on the structure of internal and external ESG reporting (including internal control system);
7. Authorisation of ESG reporting;<sup>6</sup>
8. Decision on the audit of ESG reporting and the choice of auditor.

Further details are set out in the Organisational Regulations contained in Annex 2 to these Organisational Rules and in the Committee Regulations.

### **2.11 Independence of subsidiaries with regard to programming and media activities**

The Board of Directors shall refrain from issuing any instructions to the subsidiaries for transactions concerning the content of broadcasting programmes and other media content in order to ensure their independence with regard to programming and media activities.

## **3 CHAIRPERSON OF THE BOARD OF DIRECTORS**

### **3.1 Duties and powers**

The Chairperson of the Board of Directors shall be responsible for:

1. supervising the implementation of the decisions of the Board of Directors;
2. preparing, convening and chairing the meetings of the Board of Directors of Swisscom Ltd;
3. preparing, convening and chairing the Annual General Meeting of Shareholders of Swisscom Ltd;
4. safeguarding the rights of the Board of Directors in connection with access to documents and the activities of Swisscom Ltd and the subsidiaries;
5. passing of resolutions on the use of the funds appertaining to the Board of Directors for clarifications and consultations;
6. maintaining good relations with key stakeholder groups;
7. representing the Board of Directors on occasions of external and internal importance;
8. management and monitoring of the Secretariat to the Board of Directors of Swisscom Ltd;
9. maintaining good relations between the Board of Directors and the Group Executive Board and the subsidiaries;

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<sup>6</sup> The report on non-financial matters (Art. 964<sup>bis</sup>) is to be approved by the Annual General Meeting of Shareholders as of fiscal year 2023.



10. settling any conflicts arising from the instructions given by the Board of Directors to the representatives of Swisscom Ltd in the subsidiaries on the one hand, and mandatory legal requirements or contractual agreements with partners on the other hand;
11. holding an annual assessment discussion with the CEO;
12. permanent, close and trusting exchange of information with the CEO on all important issues concerning Swisscom Ltd;
13. maintaining the personnel files of the Board of Directors;
14. timely and complete briefing of all members of the Board of Directors on announcements made by Swisscom Ltd and other matters of public importance affecting them.

The Chairperson of the Board of Directors may delegate duties and powers on a temporary or permanent basis to other members of the Board of Directors or its Secretary.

In the event that the Chairperson is indisposed, the Vice Chairperson shall assume the former's duties and powers.

### **3.2 Internal audit**

The internal audit department at Swisscom Ltd reports to the Chairperson of the Board of Directors, is available to this person for special clarifications and reports to the Board of Director's Audit & ESG Reporting Committee. It is tasked with preparing an annual plan for its activities. This plan shall also include the internal auditing activities planned by the relevant units of the subsidiaries. As far as legally possible, the prerequisites are to be set out in the regulations of the subsidiaries.

The auditing activities of the internal and external auditors are carried out in accordance with an integrated auditing approach. Planning and reports must therefore be submitted to the Board of Directors in a coordinated manner.

### **3.3 Secretariat of the Board of Directors**

The duties and obligations of the Secretary include:

1. Supporting the Chairperson of the Board of Directors in all tasks, in particular with planning and coordinating the work of the Board of Directors, providing information on announcements by Swisscom Ltd and other matters of public importance, and preparing and conducting meetings;
2. Examining the business transactions and documents presented to the Board of Directors to ensure that they are complete and comply with the formal requirements. The Secretary may instigate proper completion of the files. In agreement with the CEO, the Secretary may also collect information directly;
3. Taking the minutes for the meetings of the Board of Directors as well as the committees. In agreement with the Chairperson of the Board of Directors, the Secretary may enlist the services of a clerk. However, the Secretary shall continue to be responsible for the compilation of the minutes;
4. Coordinating and supporting cooperation between the Board of Directors and the CEO of Swisscom Ltd;



5. Correspondence of the Board of Directors, maintaining an electronic document filing system and archiving the relevant written documentation;
6. Monitoring the implementation of the resolutions of the Board of Directors on behalf of the Chairperson of the Board of Directors;
7. Coordinating media information on the activities of the Board of Directors with Group Communications & Responsibility;
8. Procuring special documentation as well as clarifications and research on behalf of the Chairperson and the committees of the Board of Directors;
9. Settling the compensation and occupational pension of the members of the Board of Directors;
10. Preparing and monitoring the budget of the Board of Directors and the Secretariat.

#### 4 COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors shall form a standing committee for each of the following areas of responsibility:

- Strategy & Investments
- Audit & ESG Reporting
- Compensation

The committees of the Board of Directors usually consist of three to six members.

The members of the Board of Directors' standing Strategy & Investments and Audit & ESG Reporting committees and their Chairperson are appointed by the Board of Directors at the request of the Chairperson of the Board of Directors. The Chairperson of the Board of Directors is a member of both committees. The members of the standing Compensation Committee are elected individually by the Annual General Meeting of Shareholders at the request of the Board of Directors. The Board of Directors appoints this committee's Chairperson. If the Chairperson of the Board of Directors sits on the Compensation Committee, they have no voting rights.

The Board of Directors shall issue special regulations for the committees of the Board of Directors; as annexes, these shall form an integral part of these Organisational Rules.

The standing committees of the Board of Directors may be assigned decision-making powers by means of special regulations (Annexes 1.1-1.3), as long as they do not restrict the non-delegable and irrevocable duties of the Board of Directors. The preparation, implementation and monitoring of decisions can also be transferred to them by the Board of Directors.

For the preparation of the election of new members of the Board of Directors and the appointment of new members of the Group Executive Board, the Chairperson of the Board of Directors shall appoint a Nomination Committee, which usually consists of this person and other members of the Board of Directors.

The Board of Directors can also appoint committees in individual cases depending on the business. The preparation, implementation and monitoring of decisions can also be transferred to these committees by the Board of Directors. Duties, powers, reporting form and frequency as well as compensation are determined on an individual basis.



### 5 CHIEF EXECUTIVE OFFICER (CEO)

#### 5.1 Power and delegation

The Board of Directors delegates the overall management of the Group to the Chief Executive Officer (CEO) within the framework of mandatory legal provisions and the regulations set out in these Operational Rules. The latter is responsible for implementing the decisions of the Board of Directors as well as the decisions that the CEO takes within the scope of their own powers. The CEO is authorised to delegate duties and powers to qualified subordinate bodies if the CEO instructs and supervises them accordingly.

The CEO is supported in the management of the Group by the members of the Group Executive Board. These report directly to the CEO. To this end, the CEO issues regulations and submits them to the Board of Directors in their current version for information purposes. The CEO may issue directives and monitors compliance with regulations and directives by Swisscom Ltd and its subsidiaries.

The CEO is responsible to the Board of Directors for the efficient and effective functioning of the Group Executive Board.

The CEO or, on the CEO's instructions, the responsible member of the Group Executive Board submits the motions to the committees of the Board of Directors or to the Board of Directors.

#### 5.2 Representation

In consultation with the Chairperson of the Board of Directors, the CEO appoints a deputy to legally represent the CEO during the latter's absence. The CEO ensures that the deputy is able to represent the CEO.

### 6 GROUP EXECUTIVE BOARD

#### 6.1 Composition

The Group Executive Board consists of the following persons, each appointed by the Board of Directors:

- CEO
- Head of Retail Customers (B2C)
- Head of Business Customers (B2B)
- Head of IT, Network & Infrastructure (INI)
- Head of Group Business Steering (GBS or CFO)
- Head of Group Human Resources (GHR or CPO)
- Head of Strategy & Development (GSD or CSO)
- Head of Security & Corporate Affairs (GSA)
- Head of Group Communications & Responsibility (GCR)



### 6.2 Function

The Group Executive Board supports the CEO in the management of the Group in accordance with section 5.1 of these Organisational Rules.

### 6.3 Conduct with respect to conflicts of interest

The members of the Group Executive Board shall regulate their personal and business affairs in such a way that conflicts of interest are avoided as far as possible, and they shall take the necessary measures.

If a member of the Group Executive Board has personal interests that affect the interests of the company or has to safeguard such interests of third parties (proximity of interests), the member shall inform the CEO. If the CEO is affected, the CEO shall inform the Chairperson of the Board of Directors. The member or the CEO shall disclose all relevant circumstances so that the CEO or the Chairperson can assess the interests of the person concerned.

If the member of the Group Executive Board has conflicting interests or if the member has to safeguard conflicting interests (conflict of interest), the CEO or the Chairperson shall make a decision commensurate with the seriousness of the conflict of interests so that the independent safeguarding of the company's interests continues to be ensured. In particular, they shall check whether the member of the Group Executive Board in question must not participate. They shall consult the member concerned.

Transactions between the company and members of the Group Executive Board or parties related to them shall in all cases be carried out 'at arm's length', must be in the interests of the company and must be disclosed to the Board of Directors. They shall be concluded or approved without the participation of the parties concerned. If necessary, an independent assessment should be obtained.

## 7 GROUP FUNCTIONS

The heads of Swisscom Ltd's Group Functions perform the control functions set out in the Organisational Regulations within the scope of proposals.

The CEO may order a Group Function to provide services for the subsidiaries ('shared services'). In this case, the heads of the relevant Group Functions are responsible to the CEO for these services.

## 8 MISCELLANEOUS

### 8.1 Written form

If written form is required, this shall be deemed to have been complied with if the notifications are made by letter, e-mail or in another form that allows proof by text.



### 8.2 Majority shareholder's right to obtain information

The Board of Directors of Swisscom Ltd, via the federal representative delegated by the Swiss Confederation pursuant to Article 762 of the Swiss Code of Obligations, shall provide the competent federal authorities (Secretary General of the Federal Department of Environment, Transport, Energy and Communications, 'DETEC', and Director of the Federal Finance Administration, 'FFA') with an annual report as a basis for assessing the extent to which Swisscom has achieved the strategic objectives approved by the Federal Council in the past year.

The Board of Directors, via the federal representative, provides the Secretary General of DETEC and the Director of FFA, upon their request, with all information necessary for the definition and control of the aforementioned strategic objectives by the Confederation. In addition, they receive information from the federal representative on the agenda items relevant to the owner prior to the meetings of the Board of Directors and on the discussions and decisions of the Board of Directors relevant to the owner after the meetings of the Board of Directors for personal and confidential information.

The Board of Directors shall ensure that the federal representative can perform their duties in accordance with the mandate of the Confederation.

### 8.3 Signatory powers

The present Organisational Rules are supplemented by the Signature Rules (Annex 3). These rules set out the signatory powers of the individuals who are authorised to represent Swisscom Ltd according to the following principles:

- All employees of Swisscom Ltd are authorised signatories in their assigned area of competence (power of attorney, as defined in Article 462 CO);
- Documents shall be signed collectively by two persons;
- Only those individuals who are legally required to be registered shall be entered in the commercial register (members of the Board of Directors and Group Executive Board); in special cases, the Board of Directors shall appoint further individuals, who are to be entered in the commercial register, as well as the nature of their signatory power.

These principles for signatory powers are to be observed mutatis mutandis by the subsidiaries.

### 8.4 Confidentiality and returning of files

Members of the Board of Directors as well as all persons involved in the company management are obliged not to disclose any information they learn while performing their duties to third parties.

All business files shall be returned no later than upon retirement from the Board of Directors.

### 8.5 Amendments to these Organisational Rules and issuing of additional regulations

The Board of Directors reserves the right to revoke, adapt or complement the present Organisational Rules at any time. Furthermore, the Board of Directors may, at any time and in individual cases, issue special directives parallel to and beyond the stipulations of these Organisational Rules, issue regulations or, in line



with these Organisational Rules, take on delegated areas of responsibility, duties and powers themselves. The rules for the passing of resolutions in section 2.2.4 (6) and (7) must be observed.

### **9 FINAL PROVISIONS**

#### **9.1 Entry into force**

The Organisational Rules of Swisscom Ltd and Annexes 1.1, 1.2, 1.3 and 2 were last revised by the Board of Directors on 17 March 2023 and entered into force on 1 April 2023. The present Organisational Rules replace the rules of 16 December 2021.

#### **9.2 Implementation provisions**

The Board of Directors, the committees of the Board of Directors and the CEO shall issue the necessary implementation regulations for the implementation of these Organisational Rules for the duties incumbent upon them.



3050 Bern, 28 March 2023

For the Board of Directors:

The Chairman of the Board of Directors

The Secretary

sig. M. Rechsteiner  
Michael Rechsteiner

sig. M. Vögeli  
Martin Vögeli

### **10 ANNEXES**

1. Organisational Rules of the Committees of the Board of Directors
  - 1.1 Strategy & Investments
  - 1.2 Audit & ESG Reporting
  - 1.3 Compensation
2. Organisational Regulations
3. Signature rules
4. Organisational chart
5. List of participations