



Swisscom Ltd

Regulation of the Compensation Committee of the Board of Directors

Annex 1.3

of the Organisational Regulation

1 Duties of the Committee

The Compensation Committee supports the Board of Directors in shaping and implementing the principles and rules governing remuneration (the remuneration policy). It handles all remuneration-related Board of Directors business matters and also deals with succession planning at the Board of Directors, the succession planning and the Development Checkpoint at the Group Executive Committee (Group ExCo) and Executive Committees (ExCos) of the category I subsidiaries, as well as talent management and cultural development topics.

The Committee comments on business matters that lie within the decision-making authority of the Board of Directors and has the final say on those business matters for which it has the corresponding power.

2 Committee members

The Committee is composed of three to six members of the Board of Directors who are generally independent within the meaning of the applicable laws, provisions and guidelines. The members are elected individually each year by the Annual General Meeting. If the number of members of the Compensation Committee falls below the minimum number of three, the Chairperson of the Compensation Committee must inform the Chairperson of the Board of Directors. The Board of Directors must then appoint one or more substitute member(s) from among its number to serve until the end of the next Annual General Meeting.

Otherwise, the Compensation Committee constitutes itself.

3 Powers of the Committee

3.1 Motions for the attention of the Board of Directors

The Committee handles the following matters – as well as other remuneration-related matters allocated to it by the Board of Directors – and submits the necessary motions to the Board of Directors with regard to:

- 1 Approving the remuneration framework for members of the Board of Directors of Swisscom Ltd;
- 2 Enactment of the remuneration regulations and expenses regulations for the Board of Directors;
- 3 Submitting motions through the Board of Directors to the Annual General Meeting concerning the maximum total remuneration amount for the Board of Directors;
- 4 Determining the remuneration of the Board of Directors within the total amount approved by the Annual General Meeting;
- 5 Approving the personnel and remuneration policy for the Group;
- 6 Approving the general terms and conditions of employment for the Group ExCO;
- 7 Approving the remuneration policy of the Group ExCo;
- 8 Approving the guidelines on variable performance-related salary components for the Group ExCO;

- 9 Submitting motions through the Board of Directors to the Annual General Meeting concerning the maximum total remuneration amount for the Group ExCo;
- 10 Determining the total amount of all remuneration paid to the Group ExCo and the remuneration for the Group CEO (basic salary, variable component, shareholding programmes, fringe benefits and other remuneration components) within the total amount approved by the Annual General Meeting;
- 11 Approving incentive targets for the Group ExCo, Guests of the Group ExCo and the ExCos of the category I subsidiaries;
- 12 Defining achievement of incentive targets by the members of the Group ExCo, Guests of the Group ExCo and the ExCos of the category I subsidiaries;
- 13 Determining a reduction or reclaim of remuneration paid (clawback, sanction in the event of violations) of members of the Group ExCo;
- 14 Enacting the expense's regulations for members of the Group ExCo;
- 15 Submitting motions through the Board of Directors to the Annual General Meeting concerning the definition of the basic features of the share and profit-sharing schemes for the Board of Directors and Group ExCo in the Articles of Incorporation;
- 16 Approving the share and long-term profit-sharing schemes for members of the Board of Directors and employees of Swisscom Ltd and subsidiaries;
- 17 Defining the basic features of the share and profit-sharing schemes for employees at subsidiaries;
- 18 Approval of share and profit-sharing schemes in connection with start-ups, mergers, participations and acquisitions of parts of businesses of subsidiaries with a transaction volume of more than CHF 20 million;
- 19 Submitting motions through the Board of Directors to the Annual General Meeting concerning the definition of the number of mandates outside the Group that members of the Board of Directors and Group ExCo are permitted to hold under the Articles of Incorporation;
- 20 Enacting directives on the assumption of mandates outside the Group, including regulations on remuneration for the Group ExCo;
- 21 Elaboration, further the development and assessing of the succession planning for the Board of Directors;
- 22 Assessing the Development Checkpoint and succession planning for the Group ExCo and the ExCos of the category I subsidiaries;
- 23 Assessing talent management in the organisation;
- 24 Assessing cultural development in the organisation (such as the Pulse survey, diversity and future of work).

3.2 Decision-making powers of the Committee

The following business – as well as any other business not listed under section 3.2 that has been transferred to the Committee by resolution of the Board of Directors – is handled and decided by the Committee with final authority. The Board of Directors is informed of the resolutions.

- 1 Determining individual remuneration for members of Group ExCo excluding the Group CEO (basic salary, variable component, shareholding programmes, fringe benefits and other remuneration components) within the total amount approved by the Board of Directors;

- 2 Determining reduction or reclaim of remuneration paid (clawback, sanction in the event of violations); for Guests of the Group ExCo and members of the ExCos of the category I subsidiaries;
- 3 Defining remuneration for the Head of Group Internal Audit.

3.3 Execution and monitoring of decisions

The Committee supervises the execution of the decisions referred to in sections 3.1 and 3.2 and informs the Board of Directors of any deviations from decisions made. Outside the regular meeting schedule, the Committee may also request information on these business matters from those entrusted with business management. Once a year, the Committee also reviews compliance with the minimum shareholding requirements for members of the Board of Directors and the Group ExCo.

The Committee is informed of the Group CEO's decisions in the following transactions:

- 1 Approval of the general terms and conditions of employment for guests of the Group ExCo, for members of the ExCos of the category I subsidiaries and further executives of Swisscom Ltd and subsidiaries;
- 2 Approval of the remuneration concept for the guests of the Group ExCo, members of the ExCos of category I subsidiaries, further executives and employee of Swisscom Ltd and category I and II subsidiaries;
- 3 Approval of the guidelines on variable performance-related salary components for guest of the Group ExCo and members of the ExCos of category I subsidiaries;
- 4 Approval of remuneration for the guests of the Group ExCo and members of the ExCos of category I subsidiaries ;
- 5 Approval of incentive targets of further executives and employees of Swisscom Ltd and category I and II subsidiaries;
- 6 Definition of incentive targets achievement by further executives and employees of Swisscom Ltd and category I and II subsidiaries;
- 7 Enactment of the expense's regulations for members of ExCos of category I subsidiaries;
- 8 Approval of share and profit-sharing schemes for members of the Board of Directors and employees in connection with start-ups, mergers, participations and acquisitions of parts of businesses with a transaction volume up to CHF 20 million;
- 9 Approval of share and profit-sharing schemes for minority shareholdings for seconded employees from Swisscom Ltd and its subsidiaries;
- 10 Enactment of directives on the assumption of mandates outside the Group for guests of the Group ExCo, including regulations on remuneration;
- 11 Approval for the exercise of mandates outside the Group by guests of the Group ExCo and Chief Executive Officer of the ExCos of category I subsidiaries.

3.4 Chairperson of the Committee

The Chairperson chairs the meetings of the Committee. They are also responsible in particular for:

- Organising the Committee's work;

- Convening meetings;
- Reporting to the Board of Directors;
- Ensuring liaison with the Strategy & Investments Committee and Audit Committee.

The Chairperson liaises closely with the Head of Group Human Resources.

4 Functioning of the Committee

4.1 Convocation and agenda

The Committee meets at the invitation of the Chairperson, or of another Committee member to be determined if the Chairperson is indisposed, or at the request of a Committee member as often as business requires.

The Chairperson draws up the agenda for the meeting. Each Committee member submits proposals and suggestions to be included on the agenda (at least eight days in advance).

The definitive invitation is issued in writing and in consultation with the Committee members (at least five days in advance).

4.2 Leadership and participants

The Chairperson or, if the Chairperson is indisposed, another Committee member to be determined chairs the meetings of the Committee.

Other members of the Board of Directors, individual members of the Group ExCo, auditors or other experts may be invited to attend the meetings in an advisory capacity. The Group CEO and CPO generally attend every meeting.

4.3 Passing of resolutions

The Committee passes its resolutions at meetings held at a physical venue or at meetings involving the use of electronic means (hybrid or virtual meetings).

The majority of members must be present at the meeting to pass a valid resolution.

A member of the Committee may not be represented by another member of the Committee or by a third party. In the case of known decision papers, it is permissible for the Chairperson to give a written statement. However, it does not count as a vote.

Resolutions are passed by the majority of the votes cast. The Chairperson has the casting vote.

In the case of motions submitted to the Board of Directors, the opinion of the defeated minority must also be presented, unless the decision is taken unanimously.

In all other respects, the provisions of the Organisational Rules apply mutatis mutandis.

4.4 Reporting, minutes and secretariat

The Chairperson reports to the Board of Directors on the activities of the Committee after each meeting.

Minutes are kept of the Committee's meetings. In addition to the items on the agenda, these document at minimum the motions and resolutions passed. The minutes are confidential and distributed only to the group of persons defined by the Committee.

Secretarial work and minute-taking are generally carried out by the Secretariat of the Board of Directors in the same way as for the Board of Directors.

5 Final provisions

This Regulation were last revised by the Board of Directors at its meeting on 12 February 2025 and entered into force on 1 April 2025. They replace the Rules dated 17 December 2023 (valid from 1 January 2024).