



Invitation to the Ordinary Shareholders' Meeting

Wednesday 31 March 2021 at 1.30 p.m.

As a result of the Covid-19 pandemic, voting rights can only be exercised through the independent proxy.

The Ordinary Shareholders' Meeting will be broadcast live on the Internet.

swisscom



Annual Report publications

The Annual Report, Sustainability Report and “2020 at a glance” together make up Swisscom’s reporting for 2020. The three publications are available online at: [swisscom.ch/report2020](https://www.swisscom.ch/report2020)

Concept of “ready”

With the brand platform “ready”, Swisscom also wants to revitalise its brand internally and externally and make the networked future accessible to its customers in a simple way.

The pictures in the Annual Report 2020 show Swisscom employees who were also ready in this extraordinary year in order to enable our customers, for their part, to be “ready for life”.

The cover of the Annual Report and “2020 at a glance” shows Dilan Mert, Shop Manager Shopville at Zurich Main Station.

The cover page of the Sustainability Report shows Saskia Günther, the new head of the Sustainability Team.

A big thank you to all who took time to pose for these photographs and film recordings: Lorenz Inglin, Florian Leibenzeder, Florian Badertscher, Sebnem Kaslack, Stefan Kuch, Reto Jost, Pascal Salina, Carmen Wäfler, Markus Gisi, Cloé Zähringer-Cela, Dilan Mert, Dany Kammacher, Patrick Weibel, Barbara Pytlik, Klaus Liechti, Luigi Chiofalo, Saskia Günther and Giulia Langhi.

Dear shareholders

Protecting the health of our shareholders and employees remains our top priority. With this in mind, the Board of Directors has decided that voting rights may once again be exercised exclusively via the independent proxy. Shareholders are not expected to attend the Ordinary Shareholders’ Meeting in person. To ensure you still receive first-hand information, however, we will be broadcasting the Ordinary Shareholders’ Meeting over the Internet from the blue TV studio in Volketswil at 1.30 p.m. on 31 March 2021.

We look forward to reviewing the 2020 financial year with you.

If proof were needed of how important digitisation is for society and the economy, then an extraordinary 2020 provided it in emphatic style. Homeworking, remote learning, online shopping and video calls all helped to alleviate some of the major disadvantages of the lockdown. It was a similar story at Swisscom: even though more than 80% of our employees worked from home, we maintained high productivity and achieved a solid financial result. We also set our future course through various innovations in our networks and the bundling of our entertainment offering under the “Swisscom blue” brand. Moreover, we were especially pleased to see Swisscom named the world’s most sustainable telecommunications company and to witness our Italian subsidiary Fastweb grow in all segments.

A solid financial performance ...

Swisscom performed well in the year under review despite fierce competition and high price pressure. Net revenue decreased by 3.1% to CHF 11,100 million, while operating income before depreciation and amortisation (EBITDA) rose by 0.6%. On a like-for-like basis and at constant exchange rates, revenue declined by 2.3% while EBITDA remained stable. The decline in revenue was primarily driven by ongoing price pressure and the impact of Covid-19 – in particular, the lack of roaming revenue. At EBITDA level, the decline in revenue was offset by efficiency improvements. Net income fell by 8.4% to CHF 1,528 million due to the absence of one-off effects in income tax expense of the previous year.

Thanks to outstanding performance and rigorous cost management

Excellent networks, innovative products and services and a committed customer service team form the basis for a high level of customer satisfaction and thus our success in the market. However, the pace of digitisation and intense competition are also calling for

rigorous cost management. As announced in 2016, Swisscom plans to lower its cost base by CHF 100 million annually. In 2020, we even exceeded this target with a reduction of CHF 129 million. We are planning further cost reductions of CHF 100 million per year up to 2022.

And thanks to Fastweb

In 2020, Fastweb continued its successful path in Italy. In the fixed-network business, it increased the number of broadband customers to 2.75 million (+4.2%) and the number of mobile customers to a total of 1.96 million (+12.3%), despite considerable price pressure. As a result, Fastweb achieved total revenue of EUR 2,304 million (+3.9%) and operating income before depreciation and amortisation (EBITDA) of EUR 784 million (+4.5%).

Fastweb is the clear number two in the Italian broadband market thanks to its market share of around 16% among residential customers, 34% among large companies and 40% among public authorities. Europe's fourth-largest market continues to offer exciting growth opportunities. Fastweb signed a co-investment agreement in August for the nationwide roll-out of FTTH in Italy. In the mobile market, Fastweb is working with Wind Tre to build a 5G mobile network that will provide 30% coverage by 2023 and even 90% coverage by 2026.

Increased demands on networks due to the Covid-19 pandemic

Demands on network stability and availability rose sharply in the year under review as a result of the Covid-19 pandemic, making the network outages at the beginning of the year all the more painful. These fell far short of our high standards, but were resolved quickly thanks to efficient and immediate action. Our networks were fully available again during the lockdown and coped with the massively higher load without any problems.

Swisscom is proactively expanding its network infrastructure. In the year under review, Swisscom invested CHF 2.2 billion in the expansion of its IT and infrastructure, around CHF 1.6 billion of which was spent in Switzerland.

Thanks to the over 4.4 million ultra-fast broadband connections installed to date, Swisscom is on course to meet its expansion target of delivering speeds of at least 80 Mbps to 90% of all businesses and homes in every Swiss community by 2021. And that is by no means the limit of its ambitions. As set out in its network strategy for the period to the end of 2025, which was unveiled in 2020, Swisscom intends to double its fibre-to-the-home (FTTH) coverage and provide up to 60% of homes and businesses with bandwidths of 10 Gbps.

Winner in all Swiss mobile tests, but ...

Swisscom provides its customers with an excellent mobile network that came out on top in all of Switzerland's mobile tests in the year under review. We were also pleased to be rated the third-best mobile provider in Europe.

So far, so good, but mobile expansion can no longer keep up with the increasing volume of data traffic. While data traffic grew by 29% in 2020, we were only able to increase the capacity of our networks by 5%. 5G could ease the situation with the necessary hardware adjustments, but expansion is stalling as a result of resistance and regional moratoria. The concerns about 5G lack a factual basis: international expert organisations, such as the World Health Organization (WHO), confirmed once again in 2020 that the recommended international limits ensure there are no health risks associated with 5G.

inOne – bundled success

The attractive inOne bundled offering is performing well in a largely saturated and heavily promotion-driven residential customers market. Swisscom had 2.45 million inOne customers at the end of 2020 (+4.8%). In total, Swisscom has 3.6 million broadband and TV customers (-0.4%) and 6.22 million mobile customers (-1.7%). There was strong growth in home networking (smart home) solutions for controlling lighting, music or alarm systems via the Swisscom Home app, with customer numbers rising by 39%.

blue – Swisscom's new world of entertainment

In September 2020, Swisscom bundled its entertainment services – Bluewin, Swisscom TV, Teleclub and Kitag – to create the new “Swisscom blue” product family. The blue entertainment package is now also available via an app on any smartphone and tablet, not only for Swisscom customers but also for those of our competitors, thus enabling us to extend the reach of the blue offering.

The broadest blue TV package is still only available in combination with the Swisscom Box. This now also allows access to the streaming services of Amazon and the “MySports” channels with the ice hockey matches of the Swiss National League.

Tough competition in corporate business

The Covid-19 pandemic has been an additional catalyst driving digitisation in companies. As an integrated telecommunications and IT company, Swisscom is ideally positioned to meet the growing demand for cloud, security and unified communication and collaboration solutions (e.g. conferencing services). Revenue from the solutions business was almost unchanged in 2020, at CHF 1,058 million (+0.9%).

Swisscom offers small businesses “inOne SME”, a standardised yet individual bundled package for Internet and telephony. Larger SMEs or those with more complex needs can use “Smart Business Connect”, an individualised communication solution with collaboration and networking features.

Ready together – especially in the extraordinary year 2020

Swisscom launched the brand platform “ready” in order to revitalise its brand both internally and externally. During the lockdown we supported our customers with a “ready together” package of measures: residential customers without a flat-rate mobile subscription received additional data allowances and higher Internet speeds of at least 50 Mbps, while customers stranded abroad were given additional roaming credit. SMEs and schools benefited from home working solutions offering faster Internet speeds. Swisscom also helped SMEs create online offerings.

Sustainability is an integral element of Swisscom’s DNA

Swisscom’s recognition as the world’s most sustainable telecommunications company is not only confirmation of our 20-year journey, but above all an incentive to continue on this path. The key milestones in 2020 were converting to climate-neutral operations, providing a carbon offsetting offer on the purchase of new smartphones, and becoming the first listed Swiss company to place a green bond, with a volume of EUR 500 million.

Network innovations and new growth

Swisscom unveiled two important network innovations in 2020. In the fixed network, Swisscom achieved a bandwidth of 50 Gbps in the access network under real conditions – a world first that should be ready for the market in two years. In mobile communications, Swisscom achieved download speeds of over 1.2 Gbps for the first time in a moving train – important for passengers and safety-critical rail applications.

Swisscom is targeting further growth in its core business and related areas, such as Fastweb in Italy and digital entertainment services with blue, Smart Life and artificial intelligence and security for companies, banks and the healthcare sector.

Shareholder return

Swisscom pursues a return policy with a stable dividend. In 2020, Swisscom paid an ordinary dividend of CHF 22 per share. The Swiss Market Index (SMI) rose by 0.8% compared with the previous year, while the Swisscom share price fell by 6.9% to CHF 477.10.

Outlook

Swisscom expects net revenue of around CHF 11.1 billion, EBITDA of around CHF 4.3 billion and capital expenditure of around CHF 2.3 billion (around CHF 1.6 billion of which in Switzerland) for 2021. Subject to achieving its targets, Swisscom will propose payment of an unchanged, attractive dividend of CHF 22 per share for the 2021 financial year at the 2022 Annual General Meeting.

Sincerest thanks

The motto of this annual report is “ready”. This year, our employees demonstrated that they are ready to serve their customers even in extraordinary situations and from their home office. This commitment and motivation deserve our respect. Many thanks!

You too, dear shareholders, can rely on this Swisscom spirit – in the current crisis, but also as we continue on our journey to a successful future. We would like to thank you for your loyalty and hope that you remain ready and willing to place your trust in us.

Worblaufen, 17 February 2021

Kind regards

Swisscom Ltd
Board of Directors



Hansueli Loosli, Chairman

This invitation is a translation of the German original. In the event of any inconsistencies, the German version of the invitation shall prevail over the French, Italian and English translations.

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Proposals and explanatory notes

1 Report on the financial year 2020

1.1 Approval of the Management Report, the consolidated financial statements and the financial statements of Swisscom Ltd for the financial year 2020

Proposal

The Board of Directors proposes that the Management Report, the consolidated financial statements and the financial statements of Swisscom Ltd for the financial year 2020 be approved.

1.2 Consultative vote on the Remuneration Report 2020

Proposal

The Board of Directors proposes that affirmative notice of the Remuneration Report 2020 be taken by means of a consultative vote.

Explanatory notes

The Remuneration Report (pages 97 to 108 of the Annual Report 2020) states the decision-making competencies and presents principles and elements of the remuneration of the Board of Directors and the Group Executive Board. It lists the remuneration paid in the reporting year to the members of the Board of Directors and the Group Executive Board and indicates their shareholdings in Swisscom Ltd. A non-binding consultative vote will be held in relation to the report.

2 Appropriation of the retained earnings 2020 and declaration of dividend

> Balance to be carried forward	CHF 5,546 million
> Net income 2020	CHF 89 million
> Changes in treasury shares	<u>-CHF 1 million</u>
> Total retained earnings 2020	CHF 5,634 million

Proposal

The Board of Directors proposes that the retained earnings be appropriated as follows:

> Dividend of CHF 22 per share for 51,800,516 shares	CHF 1,140 million
> Balance to be carried forward	CHF 4,494 million

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

Explanatory notes

The Board of Directors proposes to the Shareholders' Meeting a dividend of CHF 22 gross per share (prior year: CHF 22). The total dividend of approx. CHF 1,140 million is based on a portfolio of 51,800,516 shares with a dividend entitlement (as of 31 December 2020). Subject to the approval of the proposal by the Shareholders' Meeting, after deducting federal withholding tax of 35%, a net dividend of CHF 14.30 per share will be paid out on 8 April 2021. The last trading day with entitlement to receive a dividend is 1 April 2021. As of 6 April 2021, the shares will be traded ex dividend.

3 Discharge of the members of the Board of Directors and the Group Executive Board

Proposal

The Board of Directors proposes that discharge be granted to the members of the Board of Directors and the Group Executive Board for the financial year 2020.

4 Elections to the Board of Directors

The one-year term of office of all members of the Board of Directors expires at the Shareholders' Meeting 31 March 2021. The Chairman, Hansueli Loosli, will reach the maximum term of office and will step down from the Board of Directors. The Board of Directors will propose Michael Rechsteiner as his successor. The Board of Directors will also propose the new election of Guus Dekkers. All further members to be elected by the Ordinary Shareholders' Meeting will be standing for re-election. The representative of the Swiss Confederation, Renzo Simoni, is not elected by the Shareholders' Meeting and is instead appointed by the Federal Council.

Detailed information about the current members of the Board of Directors, including the mandates they hold and other important activities, are provided in the Annual Report 2020 in the chapter on Corporate Governance, Section 4.

4.1 Re-election of Roland Abt



Proposal

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

Explanatory notes

Roland Abt (1957), Dr. oec., a Swiss citizen, is a recognised financial expert. He was elected to the Board of Directors in April 2016 and has been a member of the Audit Committee since 2017. Since April 2018, he has been chairman of the Audit Committee and a member of the Compensation Committee. Roland Abt was an employee at Georg Fischer Group from 1996 to 2016, most recently as CFO of Georg Fischer AG and a member of the Group Executive Board from 2004. Roland Abt has four other Board of Directors mandates, one of which is in a listed company.

4.2 Re-election of Alain Carrupt



Proposal

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

Explanatory notes

Alain Carrupt (1955) is a Swiss citizen. He holds a Swiss federal diploma in business studies and has completed numerous training courses. Since April 2016, he has been an employee representative on the Swisscom Board of Directors and a member of the Finance Committee. Since 1994, Alain Carrupt has worked for staff associations, most recently as chairman of the Syndicom trade union until February 2016. Today, he holds one other mandate.

4.3 Election of Guus Dekkers



Proposal

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

Explanatory notes

Guus Dekkers was born in 1965 in the Netherlands and has lived and worked in different European countries for over 25 years. He holds a Master in Computer Science from Radboud University Nijmegen and a Master in Business Administration from the Rotterdam School of Management.

Guus Dekkers has been Chief Technology Officer at the retail chain Tesco PLC in London since April 2018 and is responsible for the digitisation of all Tesco activities worldwide. Before that, he mainly worked in the manufacturing industry for many large international companies. He spearheaded extensive technology transformations as Chief Information Officer of Airbus Group in France from 2008 to 2016. Prior to that, he was Chief Information Officer and Vice President at Siemens VDO Automotive AG in Germany from 2005 to 2007 and Vice President of Information Technology Europe & International at Johnson Controls Automotive from 2002 to 2005. His international career began at Volkswagen AG in Wolfsburg, where he worked from 1990 to 2001 in several countries and in various functions, primarily in the optimisation of business processes.

Guus Dekkers was appointed to various boards of directors of subsidiaries at Airbus Group and is currently a member of the Advisory Board of the Fraunhofer Institute for Secure Information Technology and the National Research Center for Applied Cybersecurity in Darmstadt.

With his broad international experience in leadership and transformation gained in various industries, his technological skills and experience in business and private banking, Guus Dekkers is an ideal addition to the Board of Directors. Guus Dekkers meets the independence criteria of the Swiss Code of Best Practice for Corporate Governance compiled by *economiesuisse*.

4.4 Re-election of Frank Esser



Proposal

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

Explanatory notes

Frank Esser (1958) graduated in business administration, holds the title Dr. rer. pol. and is a German citizen. Since 2014, he has been a member of the Board of Directors and the Finance Committee. He has chaired the Finance Committee and been a member of the Compensation Committee since 2016. He has also been Vice Chairman of the Board of Directors since April 2018. Until 2012, Frank Esser was the CEO of Société Française du Radiotéléphone (SFR) and a member of the Management Board of the Vivendi Group. Today, he holds one other mandate in a listed company.

4.5 *Re-election of Barbara Frei*



Proposal

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

Explanatory notes

Barbara Frei (1970), Dr. sc. techn. and MBA IMD, is a Swiss citizen. She has been a member of the Board of Directors since 2012 and was a member of the Finance Committee until the end of 2013. Since 2014, Barbara Frei has been chairwoman of the Compensation Committee. Barbara Frei has worked for the Schneider Electric Group, Paris, since December 2016 and is currently Executive Vice President Europe Operations. She holds two mandates in conjunction with this position. Barbara Frei also currently holds one other board of directors mandate in a listed company.

4.6 *Re-election of Sandra Lathion-Zweifel*



Proposal

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

Explanatory notes

Sandra Lathion-Zweifel (1976) is a Swiss citizen. She is a lawyer holding a licentiate degree in law, a Master of Laws from the University of Zurich and the Columbia University, New York, and a trader's license from the SIX Swiss Exchange. She has been on the Swisscom Board of Directors as a staff representative and has served as a member of the Audit Committee since April 2019. Between 2018 and 2019, Sandra Lathion-Zweifel was counsel of Banking and Finance for the law firm Lenz & Staehelin in Geneva. From 2014 to 2018 she headed the Institutions and Products section of the Asset Management division of the Swiss Financial Market Supervisory Authority (FINMA). Sandra Lathion-Zweifel is a member of the board of directors of another listed company.

4.7 *Re-election of Anna Mossberg*



Proposal

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

Explanatory notes

Anna Mossberg (1972), MSc in Industrial Engineering & Management, is a Swedish citizen. Since April 2018, she has been a member of the Board of Directors and the Finance Committee. As a member of the Management Team of Google Sweden and in the role of Industry Leader, Anna Mossberg has been responsible for digitisation in a number of sectors from 2015 to 2018. Anna Mossberg currently holds three other board of directors mandates in listed companies.

4.8 *Re-election of Michael Rechsteiner*



Proposal

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

Explanatory notes

Michael Rechsteiner (1963) is a Swiss citizen. He holds a Master of Science in Mechanical Engineering from ETH Zurich and a Master of Business Administration from the University of St. Gallen. He has been a member of the Swisscom Board of Directors and the Finance Committee since April 2019. Michael Rechsteiner has worked full-time in the energy sector for many years. Since April 2017 he has had managerial responsibility for GE Power Services Europe as CEO of GE Gas Power Europe. He holds two mandates in this capacity. With regard to his proposed election as Chairman, Michael Rechsteiner will relinquish his operational managerial responsibility for GE Gas Power Europe and his GE mandates as of the end of March 2021.

4.9 *Election of Michael Rechsteiner as Chairman*

Proposal

The Board of Directors proposes that Michael Rechsteiner be elected as Chairman of the Board of Directors for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

5 *Elections to the Compensation Committee*

The Board of Directors intends to re-appoint Barbara Frei as chairwoman of the Compensation Committee if she is re-elected at the Shareholders' Meeting.

5.1 *Re-election of Roland Abt*

Proposal

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

5.2 *Re-election of Frank Esser*

Proposal

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

5.3 *Re-election of Barbara Frei*

Proposal

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

5.4 *Election of Michael Rechsteiner*

Proposal

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

5.5 *Re-election of Renzo Simoni*



Proposal

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

Explanatory notes

Renzo Simoni (1961), Dr. sc. tech., Engineering, ETH, is a Swiss citizen and has been a representative of the Swiss Confederation on the Swisscom Board of Directors since

2017. He is a member of the Audit Committee and the Compensation Committee. From 2007 until 2017, Renzo Simoni was chairman of the Management Board of AlpTransit Gotthard AG. Today, he holds four other mandates.

6 **Remuneration of the members of the Board of Directors and the Group Executive Board**

6.1 *Approval of the total remuneration of the members of the Board of Directors for 2022*

Proposal

The Board of Directors proposes that the maximum total amount of CHF 2.5 million for the remuneration of the members of the Board of Directors be approved for the financial year 2022.

Explanatory notes

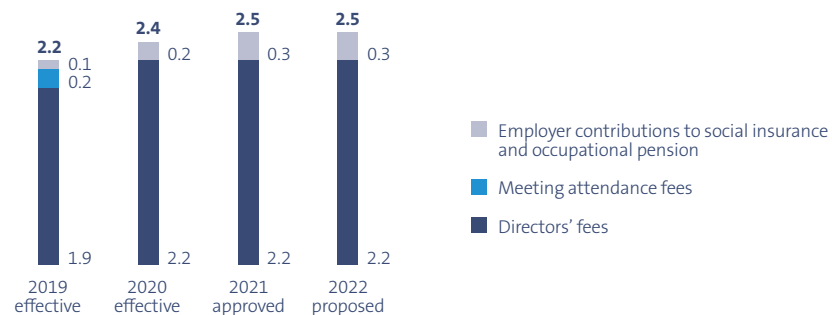
The total proposed amount of max. CHF 2.5 million is based on the remuneration for nine members of the Board of Directors. This amount remains unchanged in comparison to the total amount approved in the Shareholders' Meeting for 2021. The total amount is expected to consist of the following amounts for individual remuneration components:

- Directors' fees (base salaries and functional allowances): CHF 2.2 million. Attendance at the meetings will also be compensated with the function-based flat fee. No additional attendance fees will be paid.
- Employer contributions to social insurance and occupational pension: CHF 0.3 million. The employer contributions to the occupational pension scheme include the expected statutory and regulatory obligations for the members of the Board of Directors to potentially be insured in 2022. The amount of the contributions is dependent on, amongst other things, the employment situation of the members of the Board of Directors, their age structure and the insurance contribution rates.

The definitive remuneration amounts will be presented in the Remuneration Report for the financial year 2022 and will be subject to the consultative vote in relation to the report, to be held at the Shareholders' Meeting 2023.

The graph below shows the proposed total remuneration for 2022 in comparison with the total remuneration approved for 2021 and the remuneration paid out for 2019 and 2020.

Board of Directors' remuneration 2019–2022 (in MCHF)



6.2 Approval of the total remuneration of the members of the Group Executive Board for 2022

Proposal

The Board of Directors proposes that the maximum total amount for the remuneration of the members of the Group Executive Board of CHF 8.7 million be approved for the financial year 2022.

Explanatory notes

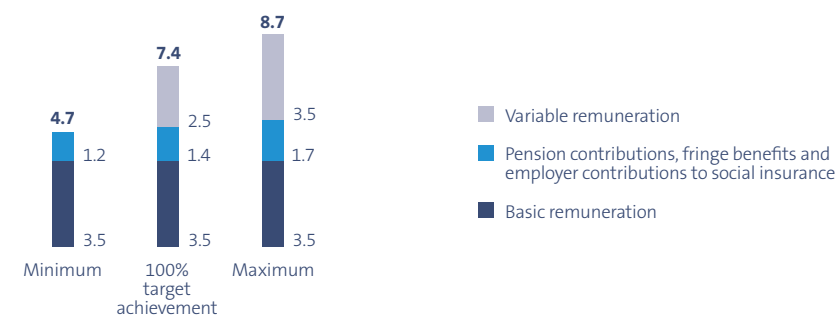
The proposed maximum total amount of CHF 8.7 million is based on the remuneration of six members of the Group Executive Board. This amount is calculated from the direct remuneration, the pension and fringe benefits as well as the employer contributions to social insurance. The total amount is expected to comprise the following subtotals allocated to the respective remuneration components:

- Basic remuneration: CHF 3.5 million. The amount includes a potential basic remuneration increase of 5% in comparison with 2021. As a rule, the individual remuneration in place for members of the Group Executive Board is reviewed once every three years of employment. The Board of Directors will decide whether to implement the envisaged basic remuneration increase for each member of the Group Executive Board individually, based predominantly on the evaluation of the market value of the function in question, drawing on market comparisons and taking into account individual performance. The Board of Directors will determine the basic remuneration for 2022 at the end of 2021.

- Variable performance-related remuneration: CHF 3.5 million. The amount is based on the maximum amount should all members of the Group Executive Board outperform their targets. Variable performance-related remuneration can total a maximum of 100% of the basic remuneration amount should targets be outperformed.
- Pension contributions, fringe benefits and employer contributions to social insurance: CHF 1.7 million. This figure comprises the maximum possible legal and contractual employer obligations for contributions to pensions and social insurance, as well as fringe benefits. The exact amount due to cover these obligations depends, among other factors, on the basic and variable remuneration effectively paid, the age structure across members of the Group Executive Board and the insurance contribution rates.

The graph below shows the expected remuneration values comprised within the proposed total amount, which would be due if targets were not reached (minimum), if 100% of targets were reached and if they were outperformed to the greatest extent possible (maximum).

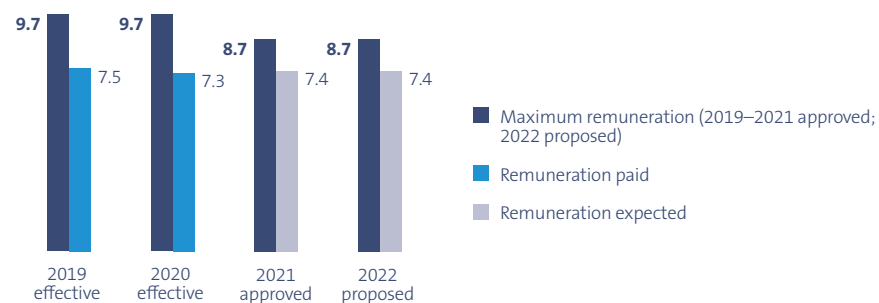
Scenarios of potential Group Executive Board remuneration 2022 (in MCHF)



If 100% of targets are met, the total remuneration for 2022 is expected to amount to CHF 7.4 million. This figure comprises expected fixed basic remuneration of CHF 3.5 million, expected variable remuneration of CHF 2.5 million and an expected CHF 1.4 million in pension contributions, fringe benefits and social insurance contributions.

Over the course of previous years, targets have never been outperformed to such an extent that the maximum possible remuneration was paid out in full. The following chart shows the total remuneration effectively paid in 2019 and 2020 in relation to the maximum possible remuneration in each case, as well as the maximum remuneration in 2021 and 2022.

Group Executive Board's remuneration compared to the maximum amounts 2019–2022 (in MCHF)



The definitive remuneration amounts will be presented in the Remuneration Report for the financial year 2022 and will be subject to the consultative vote in relation to the report, to be held at the Shareholders' Meeting 2023.

7 Re-election of the independent proxy

Proposal

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

Explanatory notes

Reber Rechtsanwälte has confirmed that their firm meets the independence requirements for performing this mandate. Swisscom maintains the normal customer relationships for telecommunications services with the persons involved. These are processed

with the same conditions as with third parties. There are no contractual or other relationships that could impair the involved parties' independence.

8 Re-election of the statutory auditors

Proposal

The Board of Directors proposes that PricewaterhouseCoopers AG, Zurich, be re-elected as statutory auditors for the 2021 financial year.

Explanatory notes

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. PwC has been acting as Swisscom's auditor since 1 January 2019. Further details about the statutory auditor, in particular the lead auditor and the audit fees, are provided in the Annual Report 2020 in the chapter on Corporate Governance, Section 9.

Organisational information

Annual Report

The Annual Report 2020 with the Remuneration Report as well as the full financial statements for Swisscom Ltd, and the reports of the statutory auditors can be viewed online at www.swisscom.ch/report2020. They are also available for inspection from the Swisscom Ltd head office (Alte Tiefenastrasse 6, 3048 Worblaufen). Shareholders may request that the Annual Report be sent to them from the Swisscom Ltd share register (c/o Computershare Switzerland Ltd, PO Box, CH-4601 Olten) or under www.swisscom.ch/report2020-order. It will be sent after 5 March 2021. The annual report contains an abbreviated version of the financial statements for Swisscom Ltd, but with all the essential information. Shareholders may request that the full annual financial statements of Swisscom Ltd shall be sent to them by email (investor.relations@swisscom.com).

Voting entitlement

Shareholders whose shares have been entered in the share register with voting rights by 5 p.m. (CET) on 26 March 2021 are entitled to vote at the Shareholders' Meeting.

Representation

Based on Art. 27 of Ordinance 3 on Measures to Combat the Coronavirus (COVID-19) (COVID-19 Ordinance 3), the Board of Directors has decided to hold the Ordinary Shareholders' Meeting without the personal attendance of shareholders.

Shareholders may be represented at the Ordinary Shareholders' Meeting exclusively by the independent proxy Reber Rechtsanwälte, 8034 Zurich.

Powers of attorney for the independent proxy may be issued in writing or electronically via the shareholder portal. The shareholder portal can be accessed either by scanning the QR code or by logging in on the Internet. The QR code and login data can be found in the invitation documents. The shareholder portal is a web application provided by Computershare Switzerland Ltd. Computershare Switzerland Ltd supports the independent voting proxy. If instructions are sent to the independent proxy both electronically via the web application from Computershare Switzerland Ltd and in writing, only the electronic instructions will be taken into account. The instructions can be amended at any time until 29 March 2021, 11.59 p.m. (CET). Voting representation by the corporate proxy and/or custodian is not permitted.

Shareholders may send any questions to the Board of Directors to investor.relations@swisscom.com by 26 March 2021. The Board of Directors will address key questions at the Shareholders' Meeting and answer the remaining questions to the respective shareholder as far as possible. Swisscom reserves the right to comment on submitted questions in aggregated form or individually, possibly with the name of the respective shareholder.

Webcast

The Ordinary Shareholders' Meeting will be broadcast live on the Internet at 1.30 p.m. on 31 March 2021 (<http://www.swisscom.ch/shareholdersmeeting>). It will be held in German and will be interpreted simultaneously into French and English.

Minutes

The minutes of the Shareholders' Meeting will be published on the Internet under www.swisscom.ch/shareholdersmeeting and may also be viewed at the headquarters of Swisscom Ltd.

Contact

For information on the Shareholders' Meeting
Phone: 0800 800 512 (free from within Switzerland)
E-mail: gvswisscom21@computershare.ch
www.swisscom.ch/shareholdersmeeting

For changes in address
Phone: +41 (0)62 205 77 08
E-mail: gvswisscom21@computershare.ch

Enclosures

- Reply envelope (addressed to the share register, Computershare Switzerland Ltd, Olten)
- Registration with proxy and instruction form
- Information and access details for the shareholders' platform



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