



Invitation

to the Ordinary Shareholders' Meeting

Tuesday, 2 April 2019
at 1.30 p.m. at St. Jakobshalle
St. Jakobs-Strasse 390, 4052 Basel
Doors open: 12.30 p.m.

swisscom



Annual report publications

The Annual Report, Sustainability Report and 2018 at a glance together make up Swisscom's reporting on 2018. The three publications are available online at: swisscom.ch/report2018

“Inspiring people” concept

The networked world offers countless opportunities that we can begin to shape today. Top quality, groundbreaking innovation, deep-rooted commitment – we feel lucky to be able to inspire people and to lead them to embrace the opportunities that a networked future offers.

The images used in our reporting show how and where we inspired people in 2018: from high in the Alps to people's homes, in business and in our Swisscom Shops.

A big thank-you to all who took the time to pose for these photographs: Pius and Jeanette Jöhl with their kids at the Oberchäseren alp, a houseshare with friends in Zurich (Seraina Cadonau, Anna Spiess, Linard Baer and Johannes Schutz), Ypsomed AG in Burgdorf, Stefan Mauron, our customer Jeannette Furter, and the entire crew at House of Swisscom in Basel.

Dear Shareholders

We are pleased to invite you to the 21st Ordinary Shareholders' Meeting of Swisscom Ltd to take a look back at the 2018 financial year.

20 years of Swisscom – 20 years of pioneering work and investment in reliable infrastructure to support the Swiss business community. In 2018, we celebrated our 20-year anniversary as a public limited and listed company. During this anniversary year, Swisscom continued to hold its ground in an extremely challenging environment and achieved its financial targets. An impressive market performance permitted Swisscom to generate revenue that was practically on a par with the previous year. Fastweb posted another pleasing performance, growing its revenue and expanding its customer base.

Targets achieved thanks to innovation and capital expenditure

An increasingly saturated market, pressure on prices and costs and fierce competition in its core business are all having an impact on Swisscom's operations and activities. Despite this, Swisscom generated revenue and earnings in 2018 that were in line with the previous year. Net revenue was stable at CHF 11,714 million, while consolidated operating income before depreciation and amortisation (EBITDA) declined by 1.9% to CHF 4,213 million. Net income also virtually remained on par with the previous year at CHF 1,521 million.

Revenue in the Swiss core business fell by 2.7% to CHF 8,817 million, mainly due to discounts on bundled offerings and price pressure in the corporate business segment. In addition, more and more customers are opting out of a separate fixed line for telephony, with the number of connections falling by 259,000 year-on-year to 1.79 million. There are also signs of market saturation in mobile telephony, as the number of mobile lines fell year-on-year by 1.3% to 6.55 million. Despite the fiercely contested market, Swisscom managed to keep its market share in mobile telephony stable at 60% and even increased its market share in television to 35% (prior year: 33%). The number of TV connections rose by 3.5% to 1.52 million, helping Swisscom TV remain by far Switzerland's most popular digital TV offering.

In 2018, we again updated the range of channels and apps available on Swisscom TV while simplifying the user interface. In the summer of 2018, Swisscom TV customers were the only viewers in the country able to watch the FIFA World Cup in UHD (ultra-high

definition). For the 2018/2019 football season onwards, Swisscom subsidiary Teleclub acquired the transmission rights to the UEFA Champions League and the UEFA Europa League, becoming the only Swiss broadcaster to broadcast all matches live. Thanks in part to Swisscom TV, broadband connections were up by 19,000 (+0.9%) to 2.03 million year-on-year.

In the business customers segment, we have a strong position as a full-service provider, our offerings fill customers' needs and customer satisfaction is high. This is reflected in the successful business transactions concluded with corporate customers. The demand for cloud services, IT outsourcing and security solutions also continued to develop positively.

inOne: over 2.3 million customers

We are also extremely successful in the market with our new combined package inOne, which was launched in 2017: More than half of our residential customers rely on this offering. inOne enables a flexible combination of mobile, broadband, TV and fixed-line telephony products. In the year under review it was expanded further. Our customers benefit from faster surfing and can add devices such as tablets, laptops, smart watches and GPS trackers to their existing contract cheaply, quickly and easily. Over 2.3 million customers with around 4.6 million connections have already opted for inOne.

Fastweb: strong growth in mobile telephony

Fastweb is performing well. Net revenue increased by 8.2% year-on-year to EUR 2,104 million. In spite of difficult market conditions, Fastweb's broadband customer base grew by 3.9% to 2.55 million in 2018. It also made strides in mobile telephony, with connections up by 34.5% to 1.43 million customers in a stagnating market. In the fiercely competitive market for corporate customers, Fastweb consolidated its market share at 31%.

Capital expenditure: Switzerland is world class

According to the OECD, no other country in the world invests as much per capita in its telecommunications infrastructure than Switzerland, – and within Switzerland, no other company in the sector invests in infrastructure as much as Swisscom does. In 2018, Group-wide capital expenditure rose slightly (+1.1%) to CHF 2,404 million. Swisscom invested 20.5% of net revenue (previous year: 20.4%) in infrastructure, with Switzerland

accounting for 68.4% of capital expenditure (CHF 1,645 million). These investments are paying off: the trade magazines CHIP and connect have both named Swisscom as having the best network in Switzerland. We won the connect mobile network test for the ninth time and can continue to use the “outstanding” rating in 2019.

Half-way point reached in expansion of ultra-fast broadband

By the end of 2018, Swisscom had connected about 4.2 million homes and businesses to its ultra-fast broadband service (speeds in excess of 50 Mbps). Some 2.9 million homes and offices benefit from connections with bandwidths of more than 100 Mbps. The 1,111th municipality was added to the ultra-fast broadband network, meaning the half-way point has been reached in the expansion effort. Swisscom intends to make fibre-optic technology available in every Swiss municipality by the end of 2021 and thus give even remote locations access to ultra-fast broadband.

Regulatory environment remains challenging

The rollout of 5G will be more difficult following the close decision by the Council of States against relaxing ONIR limits (Ordinance on Non-Ionising Radiation). Swiss businesses and the entire sector are thus pushing for a moderate liberalisation of the ONIR. A working group will now analyse the requirements and risks relating to the expansion of the 5G network and present a report with its recommendations by mid-2019. The communication on the revision of the Telecommunications Act by the Federal Council included a request for technology-neutral regulation of access. The Swiss parliament rejected this increased regulation of access. Swisscom welcomes this outcome: any such regulation would jeopardise capital expenditure, especially in rural areas.

A simple way to make use of opportunities

We are undergoing a rapid transformation. For a long time now, we've connected people, machines, industries and entire ecosystems. We no longer just surf through data, but use it to better design our towns and cities, to identify new needs, and to use energy and resources more efficiently. Rather than simply protecting our customers and ourselves from adverse interruptions, we guarantee smooth operations, day in day out. At the same time, we are continuing to focus on our three strategic ambitions on which we also worked hard in the past year:

Best customer experience

Swisscom has broken new ground in retail business. The latest and biggest Swisscom Shop is more than just a store, it's the "House of Swisscom" in Basel. It combines shopping, advice, training and a repair centre. Visitors are welcomed at the coffee bar, where (potential) residential and business customers can also discuss topics face to face with Swisscom staff.

Operational excellence

We are continuing to build on the plan we announced in 2016 to ensure profitability and develop new business areas. In 2018, we exceeded our goal of reducing our cost base by CHF 100 million annually. At the same time, we are focusing on agile and more streamlined working models and organisational structures and on tapping into new areas of business.

New growth

In selected areas, Swisscom has launched new digital services, which in part are based on novel web-based business models. For example, Swisscom supports SwissSign Group AG, the company behind SwissID – Switzerland's digital identity card. Swisscom co-founded autoSense AG, which also connects older car models to the Internet.

Shareholder return

Swisscom pursues a return policy with a stable dividend and paid out an ordinary dividend of CHF 22 per share in 2018. The Swiss Market Index (SMI) fell by 10.2% compared with the previous year. The Swisscom share price declined by 9.4%. Swisscom shares have been traded on the stock exchange for 20 years, offering average annual returns of 5%. Since Swisscom's initial public offering, a total of CHF 32 billion has been paid out to shareholders via dividends, capital reductions and share buyback programmes.

Outlook

For 2019, Swisscom expects net revenue of around CHF 11.4 billion, EBITDA of over CHF 4.3 billion and capital expenditure of around CHF 2.3 billion. Subject to achieving its targets, Swisscom will propose payment of an unchanged attractive dividend of CHF 22 per share for the 2019 financial year at the 2020 Annual General Meeting.

Sincerest thanks

On 1 January 2018, Swisscom celebrated its 20th anniversary. Swisscom has constantly reinvented itself and continues to do so. Cyclical transformation has become a permanent condition. And as a large corporation, we understand the need to constantly break new ground. We are extremely proud that our employees are inspired to help us in this endeavour. What's more, every day they impress us as they continuously come up with new ideas, concepts and proposals, which we can now implement more quickly and easily thanks to our agile structure. For this, we would like to thank our employees. Swisscom has around 20,000 people working for it, and each and every one of them deserves a great big "thank you!". Their curiosity and commitment ensure that you – as investors and customers – can continue to rely on Swisscom as a partner, no matter what the future brings. We would also like to thank you, our valued shareholders, for the trust and confidence you have in our company.

We are looking forward to welcoming you in Basel on 2 April.

Worblaufen, 21 February 2019

Yours sincerely

Swisscom Ltd
Board of Directors

A handwritten signature in blue ink, reading "Hansueli Loosli". The signature is written in a cursive, flowing style.

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 2018

1.1 *Approval of the Management Commentary, financial statements of Swisscom Ltd and the consolidated financial statements for the financial year 2018*

Proposal

The Board of Directors proposes that the Management Commentary, the financial statements of Swisscom Ltd and the consolidated financial statement for financial year 2018 be approved.

1.2 *Consultative vote on the Remuneration Report 2018*

Proposal

The Board of Directors proposes that affirmative notice of the Remuneration Report 2018 be taken by means of a consultative vote.

Explanatory notes

The Remuneration Report (pages 90 to 100 of the Annual Report 2018) states the decisionmaking competencies and presents principles and elements of the remuneration of the Board of Directors and Group Executive Board. It lists the remuneration paid in the reporting year to the members of the Board of Directors and 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 2018 and declaration of dividend

| | |
|---------------------------------|-------------------|
| > Balance to be carried forward | CHF 4,100 million |
| > Net income 2018 | CHF 2,324 million |
| > Total retained earnings 2018 | CHF 6,424 million |

Proposal

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

| | |
|--|-------------------|
| > Dividend of CHF 22 per share for 51,801,600 shares | CHF 1,140 million |
| > Balance to be carried forward | CHF 5,284 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 51,801,600 shares with a dividend entitlement (as at 31 December 2018). 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 2019. The last trading day with entitlement to receive a dividend is 3 April 2019. As of 4 April 2019, 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 2018.

4 Elections and re-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 2019. Catherine Mühlemann has exceeded the maximum term of office and will retire from the Board of Directors at the Shareholders' Meeting. Valérie Berset Bircher, employee representative, stepped down from the Board of Directors on 31 December 2018 for professional reasons. The Board of Directors would like to thank Catherine Mühlemann and Valérie Berset Bircher for their commitment to Swisscom. The president and all further members to be elected at the Shareholders' Meeting will be standing for re-election.

To replace Catherine Mühlemann the Board of Directors proposes the election of Michael Rechsteiner. The transfair staff association proposes Sandra Lathion-Zweifel as a new employee representative. The Board of Directors supports this recommendation and therefore proposes the election of Sandra Lathion-Zweifel to the Shareholders' Meeting. The respective elections and re-elections will be held individually. 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 2018 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 sitting on the Audit Committee since 2017. Since April 2018, he has been chair of the Audit Committee and a member of the Finance Committee. Roland Abt was employed by the 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 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, 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 Board of Directors and a member of the Finance Committee. Alain Carrupt worked for staff associations from 1994, most recently as Chairman of the syndicom trade union, until February 2016.

4.3 *Re-election of Frank Esser*



Proposal

The Board of Directors proposes that Frank Esser 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

Frank Esser (1958), graduate in business administration and Dr. rer. pol., 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. Up 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 has one other mandate in a listed company.

4.4 *Re-election of Barbara Frei*



Proposal

The Board of Directors proposes that Barbara Frei 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

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, she has headed up the Compensation Committee. Since December 2016, Barbara Frei has worked for the Schneider Electric Group, Paris, currently as Executive Vice President Europe Operations. She holds several mandates in conjunction with this position.

4.5 *Election of Sandra Lathion-Zweifel*



Proposal

The Board of Directors proposes that Sandra Lathion-Zweifel be elected as 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 (born 1976, Swiss citizen) is a lawyer holding a licentiate degree in law, a Master of Laws from Columbia University, New York, and a trader's licence from the SIX Swiss Exchange. From 2015 to 2018, she attended further education courses at INSEAD (Paris), IMD (Lausanne) and the SGMI Institute of Management St. Gallen.

Since September 2018, Sandra Lathion-Zweifel has been counsel for the Lenz & Staehelin law firm in Geneva. From 2014 to 2018, she headed up the Institutes and Products section of the Asset Management division of the Swiss Financial Market Supervisory Authority (FINMA) and was responsible for approving Swiss and foreign investment funds and for Swiss institutions operating in the field of investment funds. From 2010 to 2014, she headed up the Financial Products area of Legal & Compliance at Credit Suisse AG in Zurich. From 2005 to 2010, she was employed at the law firm of Lenz & Staehelin in Zurich as a lawyer for mergers and acquisitions.

Since September 2018, Sandra Lathion-Zweifel has been a member of the Board of Directors and the Audit Committee of the exchange-listed Banque Cantonale du Valais in Sion, Switzerland.

Her many years of management experience in the financial segment and as a lawyer make her an ideal addition to the Board of Directors.

4.6 *Re-election of Anna Mossberg*



Proposal

The Board of Directors proposes that Anna Mossberg 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

Anna Mossberg (1972), MSc in Industrial Engineering & Management, is a Swedish national. 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 was most recently responsible for digitisation in a number of sectors from August 2015 to early March 2018. Anna Mossberg currently holds another Board of Directors mandate in a listed company.

4.7 *Election of Michael Rechsteiner*



Proposal

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

Explanatory notes

Michael Rechsteiner (born in 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.

Michael Rechsteiner has worked for General Electric Power since 2015. Following General Electric's acquisition of Alstom Power in 2015, he was appointed GE Officer and Vice President of Global Product Lines at GE Power Services. Since April 2017, he has been responsible for the regional business of GE Power Services Europe and was recently made CEO of GE Gas Power Europe. He is also the President of GE (Switzerland) GmbH. From 2007 to 2015, Michael Rechsteiner held various positions at Alstom Power. In his role as Vice President, he initially headed the global service network set up under his leadership and subsequently assumed responsibility for all Thermal Services product lines. He then served as the CEO and Senior Vice President, assuming overall responsibility for Alstom Power's global services business. From 2003 to 2007, Michael Rechsteiner held the post of Chief Operations Officer at former textile machinery manufacturer Sultex. In this function, he was responsible for the company's business operations and headed acquisition projects and the programme for the sustainable restructuring of the company. From 2000 to 2002, Michael Rechsteiner initially worked as the Managing Director of Alstom Power's Power Plants division and then as Vice President of Project Execution for the global handling of power plant projects. Michael Rechsteiner began his career at ABB Kraftwerke AG (later renamed Alstom), where he held various positions from 1990 to 2000; most recently as General Manager for ABB Power Generation in Kuala Lumpur, Malaysia, for four years.

Michael Rechsteiner has been a member of the Swissmem Council since 2017 and was a member of the Board of Directors of Sultex Ltd from 2005 to 2009.

Michael Rechsteiner has many years of operational management experience in industry in Switzerland and abroad as well as experience as a member of the Board of Directors. He is thus a perfect addition to the Swisscom Board of Directors.

4.8 *Re-election of Hansueli Loosli*



Proposal

The Board of Directors proposes that Hansueli Loosli 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

Hansueli Loosli (1955) is a Swiss Certified Accountant and Controller and a Swiss citizen. Since 2009, he has been a member of the Board of Directors, and since 1 September 2011, he has been the Chairman of the Board. He chairs the ad hoc formed Nomination Committee and is a member of the Audit, Finance and Compensation Committees. Within the Compensation Committee, he holds an advisory role without voting rights. Hansueli Loosli is the Chairman of the Board of Directors of the current Coop Group Association and of other companies of the Coop Group (of which one is a listed company). Outside the Coop Group he has a mandate in the advisory board of Deichmann SE.

4.9 *Re-election of Hansueli Loosli as Chairman*

Proposal

The Board of Directors proposes that Hansueli Loosli be re-elected as Chairman of the Board of Directors for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

5 *Re-elections to the Compensation Committee*

The Board of Directors intends to re-appoint Barbara Frei as Chairman of the Compensation Committee if she is re-elected by 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 *Re-election of Hansueli Loosli*

Proposal

The Board of Directors proposes that Hansueli Loosli be re-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 the representative of the Swiss Confederation in the Board of Directors since 2017. He is a member of the Compensation and the Audit Committees. From 2007 until 2017, he was Chairman of the Management Board of AlpTransit Gotthard AG. Today, he has two 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 2020*

Proposal

The Board of Directors proposes that the maximum total amount for the remuneration of members of the Board of Directors of CHF 2.5 million be approved for the financial year 2020.

Explanatory notes

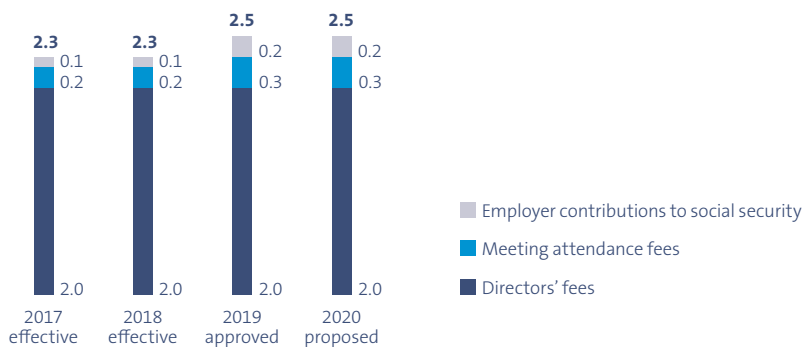
The proposed maximum total amount of CHF 2.5 million is based on the remuneration of nine members of the Board of Directors. This amount remains unchanged in comparison with the total amount approved for 2019 by the Shareholders' Meeting. The total amount is expected to comprise the following subtotals allocated to the respective remuneration components:

- Directors' fees (base salaries and functional allowances): CHF 2.0 million
- Meeting attendance fees: CHF 0.3 million
- Employer contributions to social security: CHF 0.2 million

The definitive remuneration amounts will be presented in the Remuneration Report for the financial year 2020 and will be subject to the consultative vote in relation to the report, to be held at the Shareholders' Meeting 2021.

The graph below shows the proposed total remuneration for 2020 in comparison with the total remuneration approved for 2019 and the remuneration paid out for 2017 and 2018.

Board of Directors' remuneration 2017–2020 (in MCHF)



6.2 Approval of the total remuneration of the members of the Group Executive Board for 2020

Proposal

The Board of Directors proposes that the maximum total amount for the remuneration of the members of the Group Executive Board of CHF 9.7 million be approved for the financial year 2020.

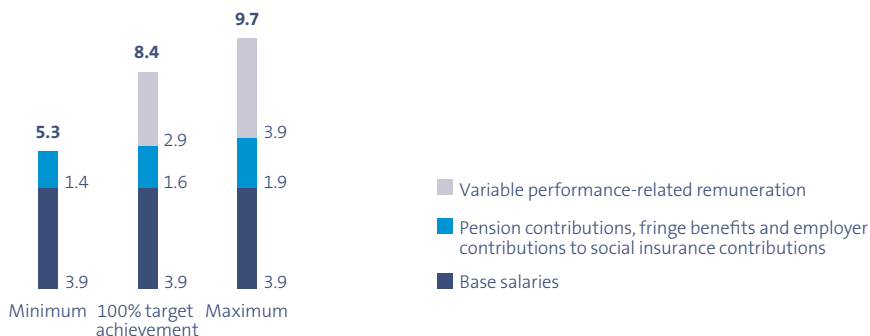
Explanatory notes

The proposed maximum total amount of CHF 9.7 million is based on the remuneration of seven members of the Group Executive Board. This amount remains unchanged in comparison with the total amount approved for 2019 by the Shareholders' Meeting. The total amount is expected to comprise the following subtotals allocated to the respective remuneration components:

- **Basic remuneration:** CHF 3.9 million. This is equivalent to the basic remuneration as comprised within the total amount approved by the Shareholders' Meeting for 2019. The total amount for 2019 includes a potential basic remuneration increase of 5% in comparison with 2018. No further increase is proposed for 2020. As a rule, the individual remuneration rates in place for members of the Group Executive Board are 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 individual performance into account. The Board of Directors will determine the basic remuneration for 2020 at the end of 2019.
- **Variable performance-related remuneration:** CHF 3.9 million maximum 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. This does not constitute an increase in comparison to the maximum possible variable remuneration for 2019.
- **Pension contributions, fringe benefits and employer contributions to social security:** CHF 1.9 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).

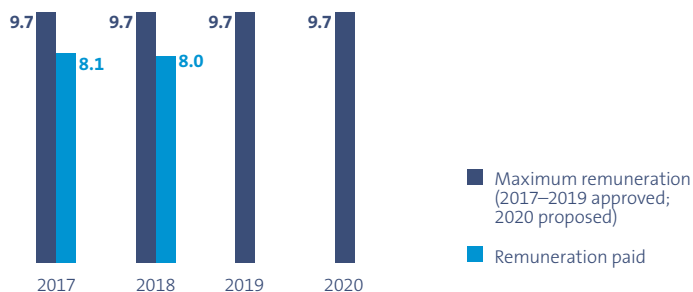
Scenarios of potential Group Executive Board remuneration 2020 (in MCHF)



If targets are met at 100%, the total remuneration for 2020 is expected to amount to CHF 8.4 million, as in 2019. This figure comprises expected fixed basic remuneration of CHF 3.9 million, expected variable remuneration of CHF 2.9 million and an expected CHF 1.6 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 graph below shows the total remuneration paid out in 2017 and 2018, compared with the respective maximum possible remuneration and the maximum possible remuneration in 2019 and 2020.

Group Executive Board's remuneration compared to the maximum amounts 2017–2020 (in MCHF)



The definitive remuneration amounts will be presented in the Remuneration Report for the financial year 2020 and will be subject to the consultative vote in relation to the report, to be held at the Shareholders' Meeting 2021.

7 Re-election of the independent proxy

Proposal

The Board of Directors proposes that the law firm Reber Rechtsanwälte KIG, 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 to perform 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 Election of the statutory auditors

Proposal

The Board of Directors proposes that, PricewaterhouseCoopers SA, Zurich, be elected as statutory auditors for the financial year 2019.

Explanatory notes

As stated in the 2017 Annual Report, the Board of Directors issued a new tender for the statutory auditor's mandate in 2018. The tender was conducted under the scope of a policy defined by the Board of Directors on the principles governing the mandate of the auditors. The Audit Committee managed the tender process and defined transparent selection criteria. The four major audit firms were invited to submit an offer. The Audit Committee evaluated the bids in accordance with the defined selection criteria and, based on this evaluation, submitted two audit firms to the Board of Directors with a recommendation. The Board of Directors chose PricewaterhouseCoopers Ltd (PwC), the audit firm recommended by the Audit Committee. The Board of Directors proposes to the Shareholders' Meeting that PwC be elected and that the auditors be changed. 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.

Organisational information

Annual Report

The Annual Report 2018, which includes the Remuneration Report and the reports of the statutory auditors, can be viewed at the company headquarters of Swisscom Ltd (Alte Tiefenaustasse 6, 3048 Worblaufen). It can also be viewed on the Internet at www.swisscom.ch/report2018. Shareholders may request that the annual report be sent to them from the Swisscom Ltd Share Register (c/o Computershare Switzerland Ltd, PO Box, 4609 Olten) or via www.swisscom.ch/report2018-order. It will be sent after 6 March 2019.

Voting entitlement

Shareholders whose shares have been entered in the Share Register with voting rights by 5 p.m. (CET) on 28 March 2019 are entitled to vote at the Shareholders' Meeting.

Admission card and voting documents

The admission card and the voting documents can be ordered upon registration or via the shareholders' platform, a web application of Computershare Switzerland Ltd. They will be dispatched between 6 and 28 March 2019. If you do not receive the documents in due time, you can collect them in person from the information desk (GV desk) before the start of the Shareholders' Meeting, upon presentation of proof of identity. Admission cards that have already been issued are no longer valid should the corresponding shares be sold and the disposal of the shares be recorded in the Share Register before the Shareholders' Meeting.

Representation

If you cannot attend in person, you can be represented by:

- > another shareholder who is entitled to vote;
- > the independent proxy Reber Rechtsanwälte KIG, 8034 Zurich.

The proxy can be issued in writing with the enclosed registration form, with the admission card or electronically via the shareholders' platform. The required login data can be found in the invitation documents. A web application from Computershare Switzerland Ltd will be used. Computershare Switzerland Ltd supports the independent voting proxy. If instructions are sent to the independent proxy both electronically via the shareholders' platform and in writing, only the electronic instructions will be taken into account. The instructions can be amended at any time up until 31 March 2019, 11.59 p.m. (CET). Voting representation by the corporate proxy and/or custodian is not permitted.

Translation

The Shareholders' Meeting will be held in German and will be interpreted simultaneously into French and English.

Webcast

The Shareholders' Meeting will be broadcast live at <http://www.swisscom.ch/shareholdersmeeting>.

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.

Refreshments

We invite all participants to partake of refreshments following the Shareholders' Meeting.

Contact

For information on the Shareholders' Meeting

Telephone: 0800 800 512 (free from within Switzerland)

E-mail: gvswisscom19@computershare.ch

www.swisscom.ch/shareholdersmeeting

For changes in address

Telephone: +41 (0)62 205 77 08

E-mail: gvswisscom19@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 shareholder's platform

Details on reaching the venue

Arrival by public transport

St. Jakobshalle is easily accessible by public transport. The “St. Jakob” stop for tram line 14 and bus line 36 is right in front of St. Jakobshalle.

Arrival by train

Nearest stations: Basel SBB (Switzerland) and Badischer Bahnhof (Germany).

➤ From SBB railway station to St. Jakobshalle Basel

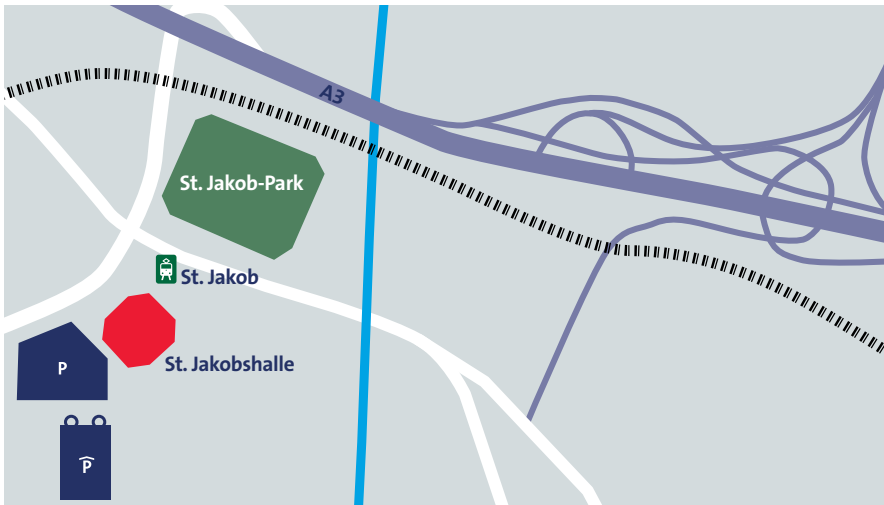
Take tram line 8, 10 or 11 from Basel’s main station one stop to “Aeschenplatz”, then change to tram no. 14 to “St. Jakob” (journey time approx. 20 minutes).

➤ Route from Badischer Bahnhof to St. Jakobshalle Basel

By bus line 36 (bus stop in front of McDonald’s) to St. Jakob (journey time approx. 15 minutes).

Arrival by car

St. Jakobshalle can be reached by car via the Basel Süd /St. Jakob motorway exit. The address for the navigation device is St. Jakobs-Strasse 390, Münchenstein. Paid parking is available in the multi-storey car park of St. Jakobshalle.





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