

Sunrise Communications Group AG

Organizational Regulations

Nomination and Compensation Committee (NCC) of the Board of Directors of Sunrise Communications Group AG

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for the Nomination and Compensation Committee (NCC) of the Board of Directors of Sunrise Communications Group AG

1. Principles

On the basis of the Articles of Incorporation and the Organizational Regulations of the Board of Directors (**Board**) of Sunrise Communications Group AG, the Board hereby issues the following regulations concerning the powers and duties and the organization of the Nomination and Compensation Committee (the **NCC**). This committee combines the functions of a nomination committee and a compensation committee.

2. Powers and Duties

2.1 In General

The NCC supports the Board in the fulfillment of its powers and duties as set forth in the law, the Articles of Incorporation and the Organizational Regulations in the area of compensation and personnel policy of the Sunrise Group.

The NCC has the following powers and duties (principles):

1. Establishment and periodical review of the Sunrise Group's compensation policy and principles and the performance criteria related to compensation and periodical review of their implementation as well as submission of proposals and recommendations to the Board;
2. Preparation of all relevant decisions of the Board in relation to the nomination and compensation of the members of the Board, the CEO and the other members of the Executive Leadership Team as well as submission of proposals and recommendations to the Board.

The Board may delegate further powers and duties to the NCC with respect to nomination and compensation and related matters.

The overall responsibility for the duties and powers assigned to the NCC shall remain with the Board.

The NCC reports to the Board regularly on its activities and submits the necessary proposals.

2.2 Powers and Duties in Detail

2.2.1 Compensation and Personnel Policy

The NCC accompanies and monitors for the Board the goals and principles of the compensation and personnel policy of the Sunrise Group. The goal of the compensation and personnel policy is to find, encourage and retain employees for the Sunrise Group and, by so doing, to ensure the competitiveness and long-term success of the Sunrise Group.

Once per year, the NCC shall receive information on the implementation of these goals and principles by the Executive Leadership Team. This also includes concepts concerning leadership and cooperation, salaries and incentives, training as well as internal communication.

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2.2.2 Performance Assessment, Training and Succession Planning

Once per year, the NCC shall review the assessment of the members of the Executive Leadership Team proposed by the CEO, and corresponding measures. The NCC shall carry out this evaluation for the CEO, and the CEO for the other members of the Executive Leadership Team.

Once per annum, the NCC shall receive information on the personnel development and the corresponding measures at management n-2 level.

The NCC reports to the Board at least once per year on succession planning, including planning and training for unforeseen and emergency situations, and management development for members of the Executive Leadership Team (including the CEO) and other key members of the management as the NCC shall determine.

2.2.3 Contracts with Members of the Board and of the Executive Leadership Team

The NCC proposes all contracts with the members of the Executive Leadership Team (including the CEO) and any contracts with the members of the Board to the Board for approval.

2.2.4 Compensation

2.2.4.1 In General

In accordance with the Articles of Incorporation, the NCC evaluates and prepares the compensation guidelines and the applicable performance criteria in the area of compensation and submits corresponding proposals to the Board. In addition to basic salary, this also includes variable cash compensation, compensation in options, shares and/or similar instruments pursuant to the applicable participation programs, pension plans and/or additional benefits within the meaning of the total compensation.

The NCC assesses the effect, attractiveness and competitiveness of these plans at least every two years.

The NCC reviews the compensation report to be drafted by the Executive Leadership Team and submits a corresponding proposal to the Board.

2.2.4.2 Compensation of the Board and the Executive Leadership Team

In connection with the compensation of the Board and the Executive Leadership Team (including the CEO), the NCC has the following powers and duties:

1. It proposes, in line with the maximum aggregate compensation for the Board as approved by the respective general meeting, the individual compensation of the members of the Board to the Board for approval. The proposition of the compensation of the Board members is based on their responsibilities and functions. In proposing so, the NCC shall also give appropriate consideration to the levels of Board member compensation at similar companies.
2. It proposes, in line with the maximum aggregate compensation amount for the Executive Leadership Team (including the CEO) as approved by the respective General Meeting, on the individual compensation of the members of the Executive Leadership Team as proposed by the CEO and submits corresponding proposals to the Board. The individual compensation of the CEO shall be proposed directly by the NCC to the Board.

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3. It proposes to the Board on an annual basis the maximum aggregate compensation amount in relation to each of the Board and the Executive Leadership Team (including the CEO) which has to be proposed by the Board to the General Meeting for approval.
4. It proposes to the Board, if necessary, the use of the additional amount for the compensation of new members of the Executive Leadership Team (including the CEO) in accordance with the Articles of Incorporation.
5. It recommends to the Board the performance metrics applicable to the CEO, and evaluates the CEO's performance based on such performance metrics during the relevant period and proposes the compensation of the CEO based on such evaluation. The performance metrics applicable to the other members of the Executive Leadership Team shall be set by the CEO. The Nomination and Compensation Committee reviews and proposes to the Board, taking into account the recommendation of the CEO, the individual compensation of the other members of the Executive Leadership Team, based on the evaluation of the other Executive Leadership Team members' performance undertaken by the CEO.

2.2.4.3 Compensation of the Head of Internal Audit

The NCC determines the compensation of the Head of Internal Audit and submits a corresponding proposal to the Board.

2.2.5 Nomination of Members and Chairman of the Board and the Committees and of the Members of the Executive Leadership Team

In connection with the nomination of the members and the Chairman of the Board, the committees and the Executive Leadership Team (including the CEO), the NCC has the following powers and duties:

1. It determines the criteria for the selection of candidates (members and Chairman of the Board, members and Chairman of the NCC and of the AC) for election to the Board, election as Chairman of the Board or election to the NCC and as Chairman of the NCC by the General Meeting, prepares the selection in accordance with these criteria and submits corresponding proposals to the Board.
2. For its proposals, the NCC takes into account each proposed director's experience, independence, compatibility with other directors, culture, other commitments, and such other factors as the NCC deems relevant.
3. It evaluates candidates for the position as CEO who is to be appointed by the Board and submits corresponding proposals to the Board.
4. It evaluates, together with the CEO, candidates for the Executive Leadership Team (excluding the CEO) whose members are to be appointed by the Board and submits corresponding proposals to the Board.
5. It reviews on an annual basis the independence of the members of the Board and the committees and reports its assessment to the Board which shall decide.

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When determining the criteria of candidates for the Board of Directors, the NCC shall take into account the criteria for the composition of the board of directors as set forth in the Swiss Code of Best Practice.

2.2.6 Insurance and Pension Plans

The NCC evaluates appropriate insurance for the members of the Board and the Executive Leadership Team (including the CEO) (e.g., D&O insurance) at least every two years and proposes the necessary adjustments to the Board.

At least every two years, the NCC shall review the pension plans in place for the employees of the Sunrise Group.

2.2.7 Annual Evaluation of Corporate Governance and Board Performance

The NCC shall assist the Board in carrying out an annual review and evaluation of the corporate governance and the performance of the Board and its committees.

2.2.8 Mandates Outside the Sunrise Group

The NCC reviews the acceptance of mandates outside of the Sunrise Group by members of the Board (in case of a conflict of interest only) or of the Executive Leadership Team (including the CEO) and submits corresponding proposals to the Board.

3. Organization

3.1 Composition

The NCC shall be composed of at least three members of the Board as elected by the respective General Meeting.

The members of the NCC and the chairman of the NCC are elected annually and individually pursuant to the laws and the Articles of Incorporation.

Their term of office ends at the closing of the following ordinary General Meeting. If the NCC is not complete or the post of the chairman is vacant, the Board shall fill the positions for the remaining term of office.

The Board aims for proposing non-executive and independent members within the meaning of the Swiss Code of Best Practice for Corporate Governance to be elected by the General Meeting as member of the NCC in accordance with the provisions of the Swiss Code of Best Practice for Corporate Governance. The Board may propose members to be elected as member of the NCC who are significant shareholders or represent significant shareholders of the Company.

3.2 Procedures

The NCC shall meet whenever required by business, at least, however, three times per year.

The meetings shall be called by the Chairman of the NCC or, in his/her absence, by the most senior member of the NCC. Meetings shall also be called upon the request of a member of the NCC setting forth the reasons for the request.

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The meetings shall be held at the registered office of the Company or at other places as to which the NCC may from time to time agree. Meetings may also be held by telephone, video-conferencing or other electronic media.

The Chairman of the NCC or, in the event of incapacity, the most senior member of the NCC chairs the meeting.

A meeting shall be called with at least 72 hour notice (by e-mail, facsimile or courier) to all NCC members. Any such notice shall contain, inter alia, an agenda identifying in reasonable detail all of the matters to be discussed at the meeting and shall be accompanied by copies of any relevant papers to be discussed at the meeting. Any such notice may be sent by the secretary on behalf of the Chairman. In urgent matters, in particular if a business item does not allow a notice period, a meeting may be called with a shorter period of notice.

The NCC shall appoint a secretary who need not be a member of the Board. Unless otherwise determined by the NCC, the secretary of the NCC shall be the Head of HR.

The meetings shall be held in English.

The NCC shall regularly invite the CEO and may invite other members of the Executive Leadership Team or, subject to prior notification of the responsible member of the Executive Leadership Team, members of the Company's management to its meetings as it may deem desirable or appropriate. However, the CEO or other members of the Executive Leadership Team must not be present when the NCC reviews the compensation or other aspects of the employment of the respective person. The Chairman of the Board of Directors or the Chairman of the Nomination and Compensation Committee must not be present when the NCC reviews the compensation of the respective person.

The NCC may pass resolutions if a majority of its members are present. Resolutions are passed by a majority of the votes cast. In the event of a tied vote, the chairman of the meeting of the NCC shall cast the deciding vote.

Resolutions of the NCC may also be taken by means of circular resolutions, be it in writing, by facsimile or by e-mail, provided that no member of the NCC requests deliberations in a meeting. Any member of the NCC who wishes to object against taking a resolution by means of circular NCC resolution shall request (by e-mail, phone or facsimile) deliberations in a meeting as soon as possible and no later than three days after becoming aware of the proposed resolution. A circular board resolution shall be deemed passed if the majority of all the members of the NCC approves such circular NCC resolution.

Minutes must be taken of the discussions and resolutions. The minutes must be signed by the chairman of the meeting of the NCC and the secretary, and must be circulated to all members of the NCC and the Board and to the Secretary of the Board, and where appropriate to the CEO. The minutes must be approved by the NCC at its next meeting.

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4. Entry into Effect

These regulations were amended by the Board as of 8 November 2016 and shall come into effect upon approval.

Zurich, as of 8 November 2016

For the Board of Directors



Peter Kurer
(Chairman of the Board of Directors)



Dominik Rubli
(Secretary of the Board of Directors)