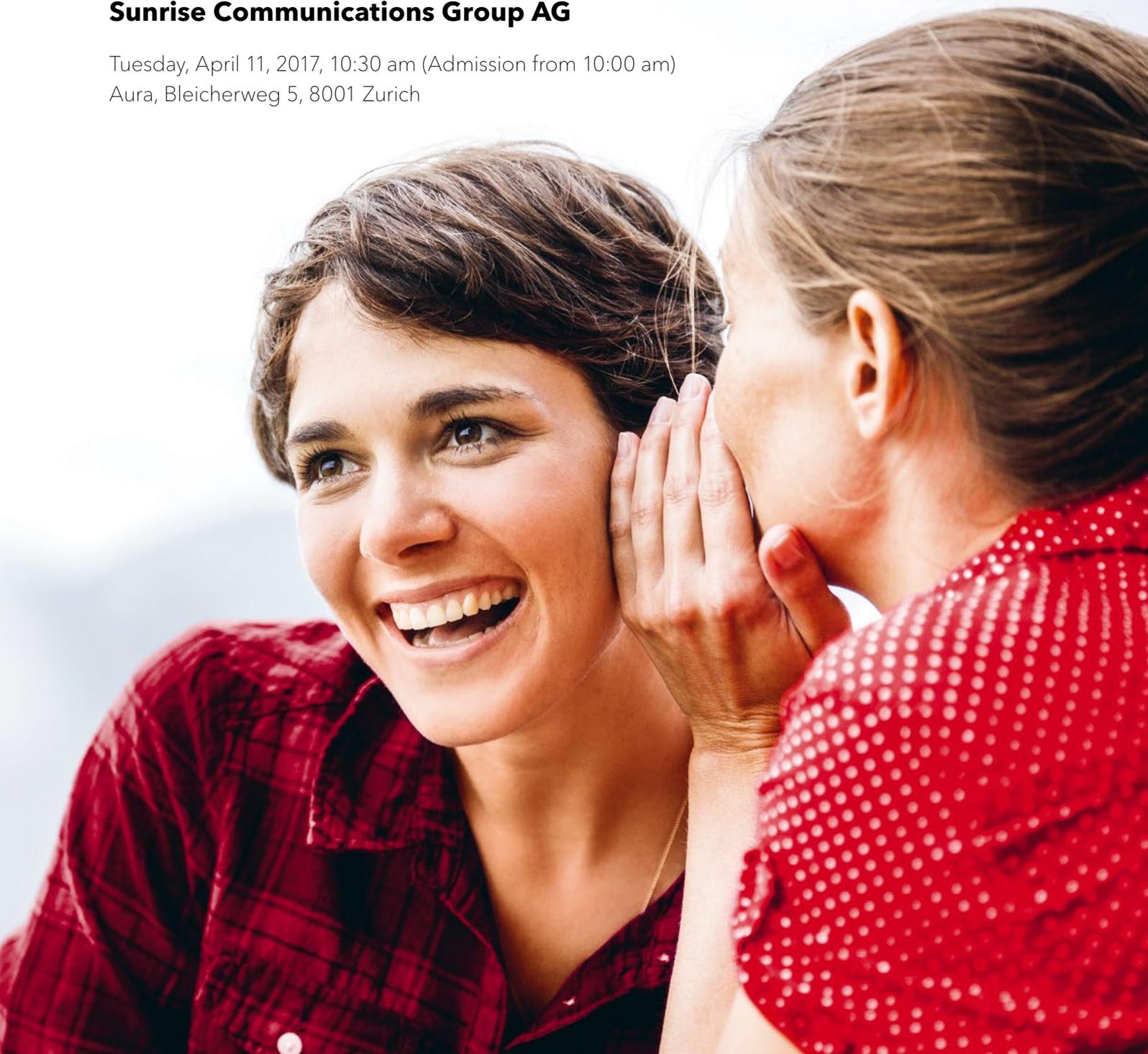


Sunrise

Annual General Meeting 2017

**Invitation for the Shareholders of
Sunrise Communications Group AG**

Tuesday, April 11, 2017, 10:30 am (Admission from 10:00 am)
Aura, Bleicherweg 5, 8001 Zurich



Overview

Agenda and Proposals

- 1 Approval of the Operational and Financial Review, the Consolidated Financial Statements and the Statutory Financial Statements for 2016**
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 - 4.1 Re-elections to the Board of Directors and Re-election of the Chairman of the Board of Directors
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- 7 Compensation**
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 - 7.2 Approval of the Maximum Aggregate Compensation for the Members of the Board of Directors for the Period until the following Annual General Meeting
 - 7.3 Approval of the Maximum Aggregate Compensation for the Members of the Executive Leadership Team for the 2018 Financial Year
- 8 Amendments to the Articles of Incorporation**
 - 8.1 Renewal of authorized Share Capital
 - 8.2 Creation of additional authorized Share Capital
 - 8.3 Statutory Provision related to Calling and Agenda
 - 8.4 Statutory Provision related to general Compensation Principles

The Invitation to the Annual General Meeting is published in English and German.
The German version shall prevail.

Message to Shareholders



Peter Kurer
Chairman of the Board (left)

Olaf Swantee
Chief Executive Officer (right)

Dear Shareholders,

In 2016 we launched a number of initiatives to solidify our role as the leading market challenger, building on proven concepts and further strengthening our position as an agile, customer-oriented and cutting-edge telecommunications provider.

Strict cost control produces solid results

Despite growing competition, Sunrise added 85,700 new customers in the mobile postpaid sector (+6.1%). The landline Internet sector also grew compared to the previous year, with a total of 30,200 new customers (+8.9%). The strongest growth driver was Sunrise Smart TV, with 29,000 (+21.7%) new subscriptions. This growth, however, did not entirely compensate for the decline in revenue to CHF 1,897 million. Despite this contraction, adjusted EBITDA decreased only slightly to CHF 611 million thanks to streamlined organizational and management structures and higher cost efficiency. Following the loss in the previous year caused by the one-time impact of the IPO and of refinancing, Sunrise ended the year 2016 with a net profit of CHF 87 million which is a reflection of the Company's hard work.

Positive second year as a publicly listed company

Our second year on the exchange was marked by the exit of CVC Capital Partners as a shareholder along with above-average share price performance, leaving Sunrise in a significantly better position than the market as a whole. After more than five years under the control of CVC Capital Partners managed

funds, freenet AG ("freenet") became the new majority shareholder in March of 2016 by acquiring more than 23.8% of Sunrise shares (around 10.7 million shares). freenet is the largest network-independent provider of mobile telecommunications services in Germany.

The Sunrise share price rose by 13.9% in 2016. In comparison, the Swiss Performance Index showed only a slight increase of 1%. During the same timeframe, the STOXX Europe 600 Telecommunications Index (€) lost 11.7%. In terms of total return (stock price change plus profit distribution), Sunrise achieved above-average results due to the additional high dividend payout. At the Annual General Meeting, a higher ordinary dividend payout of CHF 3.33 per share will be proposed. This corresponds to a total dividend of approx. CHF 150 million and an attractive 11% dividend growth compared to the previous year.

Changes to the Board of Directors and management

After Dr. Dominik Koechlin's passing in the summer of 2015, Lorne Somerville stepped into the role of Chairman of the Board on an interim basis. In the spring of 2016, he handed the reins to Peter Kurer, the newly elected Chairman of the Board. At the 2016 Annual General Meeting, the existing members of the Board of Directors, Jesper Ovesen, Peter Schöpfer and Lorne Somerville, were re-elected for another year. Meanwhile, Robin Bienenstock, Michael Krammer, Joachim Preisig and Christoph Vilanek joined the Board as newly elected members.

On May 9, 2016, Libor Voncina handed over leadership of the organization to the new Sunrise CEO, Olaf Swantee.

With the goals of further strengthening the organization, developing its potential, streamlining structures and promoting diversity, Mr. Swantee reviewed and adapted the Sunrise management structure in collaboration with the Board of Directors.

Network and quality awards

Sunrise won several awards over the course of 2016:

- The Swiss business magazine Bilanz evaluated Sunrise in the areas of quality, innovation and flexibility, naming Sunrise the best mobile network and TV provider in Switzerland for the second consecutive year. Sunrise also received recognition for its Internet services and landline telephony. Subsequently, Sunrise was chosen as the best universal provider for private and business customers looking to obtain services from a single source.
- In 2016 Sunrise broke every record in the mobile network test published by connect, Europe's largest trade magazine, winning the overall test and beating out Swisscom for the first time. In another first, Sunrise became the first company ever to receive a rating of "Outstanding" in a connect test. In addition to the best mobile calling network, Sunrise also has the fastest mobile Internet in Switzerland as well as the entire DACH region.
- In 2016, Sunrise was the first Swiss mobile phone provider to become ISO 9001:2015 certified – evidence that it adheres to the strictest audit requirements in the mobile sector. Furthermore, an external audit confirmed the ISO 27001 certification of the Sunrise information security management system, making Sunrise the only telecom provider in Switzerland to have its entire organization (company-wide technology infrastructures and operational processes) certified under ISO 27001.

**In 2016,
Sunrise
received
wide
recognition
for its high-
quality
network.**

Olaf Swantee
Chief Executive Officer



Continuous investments and a focus on quality led to excellent ratings in 2016.

Peter Kurer
Chairman of the Board

Continuous growth in customer base

Sunrise considers customer orientation one of its most important company values, and its customers once again demonstrated their high level of satisfaction with Sunrise products. Despite a highly competitive market environment, in 2016 Sunrise was able to increase its number of mobile postpaid customers by 6.1% (net growth of 85,700 customers), ending the year with a total of 1.49 million subscriptions. Thanks to the Company's first-rate Sunrise Smart TV offer and attractive rates, Internet and TV customer numbers posted increased as well. Altogether, net growth in TV subscriptions totaled 29,000 (+21.7%) in 2016.

Strategic partnerships with global leaders such as Microsoft, Cisco, Alcatel Lucent, Apple, IBM and Huawei were another important source of customer growth. In addition to its partnership with Telefónica, Sunrise has also become a member of the FreeMove Alliance, allowing the Company to increase its competitiveness and generate further growth. It also gives Sunrise access to the networks of the four large Alliance providers as well as their partner networks in more than 100 countries. This association benefits all of our customers, but especially our business customers.

Network quality, customer orientation and innovative products

Sunrise has the best mobile network, beating every record. The quality of the Sunrise mobile network has been improving continuously for a number of years now. For the second year in a row, the Sunrise mobile network earned a rating of "Very Good" and was chosen as the best network in the "mobile telephony" category. Sunrise also set a new record by receiving the highest score ever earned in a connect test (951 out of a maximum of 1000 points). Never in the 23-year history of connect network testing has a mobile network in Germany, Austria or Switzerland achieved such high results. Consequently, the Sunrise mobile network was rated not only "Very Good" but also "Outstanding."

Currently, the Sunrise mobile network provides 4G services to 99.4% of the Swiss population and supplies 4G+ high-speed mobile Internet speeds of up to 300 Mbit/s to Switzerland's largest cities. By expanding its mobile network with the customer in mind, Sunrise is ensuring its ability to offer top-quality services well into the future.

A warm thank-you

We look back on a challenging and intense year. Our continuous investments and consistent focus on quality earned us a first place ranking and a rating of "Outstanding" for our mobile network. For this, we give special thanks to our network team as well as our technology partner Huawei, who made this outstanding achievement possible with their great dedication and enthusiasm. We owe our success to our dedicated staff, the trust our customers place in us and the loyalty of our shareholders. We thank each and every one of you.

Looking ahead

2016 was a successful year for us. However, we should not become complacent, as there are huge challenges ahead of us. Instead, let us give our very best to continue to meet these challenges as we go forward.



Peter Kurer
Chairman of the Board



Olaf Swantee
Chief Executive Officer

Financial KPIs

CHF million	2016	2015	Change (%)
Revenue			
Mobile services	1,264	1,304	(3.1)
<i>Thereof mobile postpaid</i>	768	775	(1.0)
<i>Thereof mobile prepaid</i>	161	197	(18.3)
<i>Thereof mobile hardware</i>	253	260	(2.4)
Landline services (incl. voice)	419	472	(11.3)
<i>Thereof landline voice</i>	152	170	(10.6)
<i>Thereof hubbing</i>	132	142	(6.6)
Landline Internet and TV	214	200	7.0
Total revenue	1,897	1,976	(4.0)
Service revenue (excl. hubbing & mobile hardware)	1,511	1,575	(4.0)
Gross profit	1,193	1,244	(4.1)
% margin	62.9%	62.9%	
% margin (excl. hubbing & hardware revenue)	78.9%	79.0%	
EBITDA	599	616	(2.8)
EBITDA adjusted	611	627	(2.5)
% margin	32.2%	31.7%	
% margin (excl. hubbing & hardware revenue)	40.5%	39.8%	
Net income	87	(113)	177.1
Cash flow			
Reported EBITDA	599	616	(2.8)
Change in NWC (incl. factoring)	(68)	(29)	133.0
Net interest	(51)	(97)	(47.7)
Tax	(30)	(34)	(13.1)
Capex	(213)	(292)	(27.2)
Other financing activities	(8)	(11)	(29.5)
Equity free cash flow	230	153	50.2
Other	(262)	(31)	743.0
Total cash flow	(32)	122	(125.8)
Net debt	1,663	1,639	1.5
Net debt/adj. EBITDA (LTM)	2.7x	2.6x	

Operational KPIs

CHF million	2016	2015	Change (%)
ARPU (CHF)			
Mobile blended (excl. installment)	32.2	33.3	(3.2)
Mobile blended (incl. installment)	37.4	36.9	1.5
Postpaid (excl. installment)	44.5	47.6	(6.5)
<i>Thereof origination</i>	39.1	42.3	(7.6)
<i>Thereof termination</i>	5.4	5.3	2.5
Postpaid (incl. installment)	53.2	54.1	(1.6)
Prepaid	13.9	15.2	(8.8)
Landline blended	69.2	72.1	(4.0)
Retail Voice	30.8	35.0	(12.1)
Internet	35.8	36.9	(3.2)
Internet and IPTV	46.1	45.9	0.4
Subscription base (in '000)			
Mobile			
Postpaid	1,485.2	1,399.6	6.1
– Primary	1,240.4	1,189.9	4.2
– Secondary	244.8	209.7	16.8
Prepaid (3-month rule)	909.8	1,014.2	(10.3)
Prepaid (12 month rule)	1,482.2	1,662.8	(10.9)
Landline			
Retail voice	416.7	394.3	5.7
Internet	371.8	341.5	8.9
<i>Thereof coupled to IPTV</i>	162.8	133.8	21.7
<i>Thereof without IPTV</i>	209.0	207.7	0.6
LTM Churn (%)			
Postpaid	14.1	13.9	0.9
Landline	12.5	13.7	(8.8)
Employees			
FTEs	1,656	1,701	(2.6)
Apprentices	109	108	0.9
Customer recommendation rate and Customer Service			
Customer experience development (NPS)	144.10%	132.40%	8.8
Availability (callers spoke to an agent)	92%	90%	2.2
Efficiency (issues were resolved on first contact)	84%	82%	2.4
Offices and retail stores			
Offices and retail stores	89	90	(1.1)

Agenda and Proposals

1 Approval of the Operational and Financial Review, the Consolidated Financial Statements and the Statutory Financial Statements for 2016

Proposal: The Board of Directors proposes to approve the Operational and Financial Review, the Consolidated Financial Statements and the Statutory Financial Statements for the 2016 financial year.

2 Resolution on the Appropriation of Results and Distribution from Capital Contribution Reserves

2.1 Appropriation of Results

Proposal: The Board of Directors proposes to appropriate the accumulated earnings for the 2016 financial year as follows:

Balance brought forward from previous year	CHF	-53,226,208
Income of the year	CHF	70,813,993
Total available earnings	CHF	17,587,785
Allocation to general reserves	CHF	-879,389
Accumulated earnings to be carried forward	CHF	16,708,396

If this proposal is approved, the accumulated earnings for the 2016 financial year in the amount of CHF 16,708,396 will be carried forward.

2.2 Distribution from Capital Contribution Reserves

Proposal: The Board of Directors proposes the allocation of reserves from capital contribution to dividend reserves and distribution as follows:

Reserves from capital contributions	CHF	2,524,163,473
Allocation to dividend reserves	CHF	-149,850,000
Balance of reserves from capital contributions to be carried forward	CHF	2,374,313,473

Dividend reserves at the end of the financial year	CHF	0
Allocation of reserves from capital contributions	CHF	149,850,000
Distribution proposed by the Board of Directors	CHF	-149,850,000
Balance of dividend reserves to be carried forward	CHF	0

If this proposal is approved, the distribution from reserves from capital contributions will be made, without deduction of Swiss withholding tax, on April 19, 2017. The last trading day with entitlement to receive a distribution is April 12, 2017. The shares will be traded ex-dividend as of April 13, 2017.

3 Discharge of the Members of the Board of Directors and of the Executive Leadership Team

Proposal: The Board of Directors proposes to discharge the members of the Board of Directors and of the Executive Leadership Team for their activities in the 2016 financial year.

4 Re-elections to the Board of Directors, Re-election of the Chairman of the Board of Directors, Election and Re-elections to the Compensation Committee and Re-election of the Chairman of the Compensation Committee

4.1 Re-elections to the Board of Directors and Re-election of the Chairman of the Board of Directors

4.1.1 Re-election of Mr. Peter Schöpfer as a Member of the Board of Directors

Proposal: The Board of Directors proposes that Mr. Peter Schöpfer be re-elected as a member of the Board of Directors until the closing of the following Annual General Meeting.

4.1.2 Re-election of Mr. Jesper Ovesen as a Member of the Board of Directors

Proposal: The Board of Directors proposes that Mr. Jesper Ovesen be re-elected as a member of the Board of Directors until the closing of the following Annual General Meeting.

4.1.3 Re-election of Ms. Robin Bienenstock as a Member of the Board of Directors

Proposal: The Board of Directors proposes that Ms. Robin Bienenstock be re-elected as a member of the Board of Directors until the closing of the following Annual General Meeting.

4.1.4 Re-election of Mr. Michael Krammer as a Member of the Board of Directors

Proposal: The Board of Directors proposes that Mr. Michael Krammer be re-elected as a member of the Board of Directors until the closing of the following Annual General Meeting.

4.1.5 Re-election of Mr. Joachim Preisig as a Member of the Board of Directors

Proposal: The Board of Directors proposes that Mr. Joachim Preisig be re-elected as a member of the Board of Directors until the closing of the following Annual General Meeting.

4.1.6 Re-election of Mr. Christoph Vilanek as a Member of the Board of Directors

Proposal: The Board of Directors proposes that Mr. Christoph Vilanek be re-elected as a member of the Board of Directors until the closing of the following Annual General Meeting.

4.1.7 Re-election of Mr. Peter Kurer as a Member of the Board of Directors

Proposal: The Board of Directors proposes that Mr. Peter Kurer be re-elected as a member of the Board of Directors until the closing of the following Annual General Meeting.

4.1.8 Re-election of Mr. Peter Kurer as Chairman of the Board of Directors

Proposal: The Board of Directors proposes that Mr. Peter Kurer be re-elected as Chairman of the Board of Directors until the closing of the following Annual General Meeting.

Short CVs of the persons proposed to be re-elected as members of the Board of Directors are available on www.sunrise.ch.

Mr. Lorne Somerville will not be standing for re-election.

4.2 Election and Re-elections to the Compensation Committee and Re-election of the Chairman of the Compensation Committee

4.2.1 Re-election of Mr. Peter Schöpfer as a Member of the Compensation Committee

Proposal: The Board of Directors proposes that Mr. Peter Schöpfer be re-elected as a member of the Compensation Committee until the closing of the following Annual General Meeting.

4.2.2 Re-election of Mr. Peter Kurer as a Member of the Compensation Committee

Proposal: The Board of Directors proposes that Mr. Peter Kurer be re-elected as a member of the Compensation Committee until the closing of the following Annual General Meeting.

4.2.3 Re-election of Mr. Christoph Vilanek as a Member of the Compensation Committee

Proposal: The Board of Directors proposes that Mr. Christoph Vilanek be re-elected as a member of the Compensation Committee until the closing of the following Annual General Meeting.

4.2.4 Election of Mr. Michael Krammer as a Member of the Compensation Committee

Proposal: The Board of Directors proposes that Mr. Michael Krammer be elected as a member of the Compensation Committee until the closing of the following Annual General Meeting.

4.2.5 Re-election of Mr. Peter Schöpfer as Chairman of the Compensation Committee

Proposal: The Board of Directors proposes that Mr. Peter Schöpfer be re-elected as Chairman of the Compensation Committee until the closing of the following Annual General Meeting.

Sunrise Communications Group AG has a combined Nomination and Compensation Committee. When electing and/or re-electing the members of the Compensation Committee, you will elect and/or re-elect the members of the combined Nomination and Compensation Committee.

5 Re-election of the Independent Proxy

Proposal: The Board of Directors proposes that Mr. Andreas G. Keller, Attorney at Law, Zurich, be re-elected as the Independent Proxy until the closing of the following Annual General Meeting.

6 Re-election of the Auditor

Proposal: The Board of Directors proposes that Ernst&Young AG, Zurich, be re-elected as Auditor for the 2017 financial year.

7 Compensation

7.1 Consultative Vote on the Compensation Report for the 2016 Financial Year

Proposal: The Board of Directors proposes that the Annual General Meeting accept the Compensation Report for the 2016 financial year in a consultative vote.

Explanation: In line with the recommendations of the Swiss Code of Best Practice for Corporate Governance, the Board of Directors has decided to submit the 2016 Compensation Report to the shareholders for a consultative vote. The 2016 Compensation Report provides information on the decision-making process as well as the compensation principles and details of the Board of Director's and the Executive Leadership Team's compensation for the 2016 financial year.

The vote on the 2016 Compensation Report is non-binding. The 2016 Compensation Report can be found as a separate chapter in the 2016 Annual Report at www.sunrise.ch/annualreport2016.

7.2 Approval of the Maximum Aggregate Compensation for the Members of the Board of Directors for the Period until the following Annual General Meeting

Proposal: The Board of Directors proposes that the Annual General Meeting approve the maximum aggregate compensation of CHF 1.40 million for the members of the Board of Directors for the period until the next Annual General Meeting.

Explanation: The proposed maximum aggregate amount of CHF 1.40 million is based on the compensation of seven members of the Board of Directors. The level of base compensation and committee membership compensation for the forthcoming term of office from the Annual General Meeting 2017 to the Annual General Meeting 2018 remain unchanged from the proposal to the Annual General Meeting 2016.

The proposed maximum aggregate amount is comprised of the following sub-amounts:

- Gross base compensation and committee membership compensation of CHF 1.19 million.
The Board of Directors Chairman's base compensation will be paid $\frac{1}{3}$ in shares and $\frac{2}{3}$ in cash and the member's base compensation will be paid $\frac{1}{2}$ in shares and $\frac{1}{2}$ in cash. Shares are subject to a blocking period of three years. The number of shares is calculated based on the 10-day average of the closing prices prior to the Annual General Meeting.
- Estimated mandatory employer contributions of CHF 0.09 million.
- A reserve of CHF 0.12 million for unforeseen events has been included in the proposed maximum aggregate amount. The Board of Directors will only make use of the reserve amount in case of exceptional circumstances (e.g. changes in social security contributions, currency exchange rates and any other unforeseen events).

The actual compensation paid to the members of the Board of Directors for the term of office from the Annual General Meeting 2017 to the Annual General Meeting 2018 will be disclosed in the Compensation Reports 2017 and 2018.

7.3

Approval of the Maximum Aggregate Compensation for the Members of the Executive Leadership Team for the 2018 Financial Year

Proposal: The Board of Directors proposes that the Annual General Meeting approve the maximum aggregate compensation of CHF 11.92 million for the members of the Executive Leadership Team for the 2018 financial year.

Explanation: The proposed maximum aggregate amount of CHF 11.92 million is based on the compensation of eight members of the Executive Leadership Team.

The compensation system implemented for members of the Executive Leadership Team after the IPO in 2015 remains in principle unchanged for 2018. In the year 2017 a detailed review of the current Management Long-Term Investment Program (MLTIP) has taken place and it has been decided to continue the MLTIP on an amended basis. In order to more strongly align the MLTIP revised with the overall business strategy of Sunrise, the vesting of the Performance Share Awards for the Executive Leadership Team will newly be linked to the performance metric of 3-year cumulative Equity Free Cash Flow. Additionally, the Performance Share vesting will be lowered to a maximum of 1.2 shares for each Investment Share acquired (i.e. a reduction of the previous maximum of 1.5 shares to a new maximum of 1.2 shares for each Investment Share acquired). Under the MLTIP revised dividend equivalents will be paid in cash at the actual share allocation date of the Performance Shares. During the vesting period good and bad leaver provisions will apply in case of termination of employment. The other key elements and terms of the MLTIP will in principle remain unchanged.

The MLTIP revised will be offered for the first time for the short-term incentive 2016 with grants of Performance Shares in the year 2017, this is in line with the maximum aggregate compensation approved by the 2015 Extraordinary Shareholders' Meeting for the 2016 financial year and approved by the 2016 Annual General Meeting for the 2017 financial year.

The following only applies to 2017: The election window and the purchase of Investment Shares will take place in May 2017 due to share trading restrictions applicable to the members of the Executive Leadership Team. The relevant share price for the allocation of Investment Shares is based on the average closing prices of the shares on the SIX Swiss Exchange in the ten trading days immediately preceding the payout of the May 2017 salary (i.e. on May 25).

The proposed maximum aggregate amount is comprised of the following sub-amounts:

- Gross base salaries of CHF 3.74 million for the eight members of the Executive Leadership Team.
- Variable performance-related compensation of CHF 5.98 million is comprised of:
 - Short-term incentive of CHF 3.74 million should all members of the Executive Leadership Team in 2018 outperform their targets and achieve the maximum of 200% of the target incentive. On a voluntary basis, between 25% and 50% of the before-mentioned cash incentive can be invested in Investment Shares under the revised Management Long-Term Investment Program (MLTIP revised). The number of Investment Shares allocated is calculated based on the 10-day average of the closing prices prior to the incentive payout date in March 2019. There is no discount on the share value at allocation. Thus, the amount of CHF 3.74 million includes the cash portion and the value of the Investment Shares – if any shares are elected by the Executive Leadership Team.

- Long-term incentive – Performance Shares – of CHF 2.24 million providing that a) all members of the Executive Leadership Team opt to invest the maximum of 50% of their short-term cash incentive (see above) in Investment Shares under the MLTIP revised and b) the targets of the MLTIP revised are achieved at the maximum level of 120% (i.e. for each Investment Share there are 1.2 Performance Shares). The vesting of these Performance Shares in 2021 is subject to service and performance conditions as well as good and bad leaver provisions as described in the plan rules of the MLTIP revised.
- Estimated grossed-up employer social security and pension contributions as well as other benefits (housing, car allowance, etc.) of CHF 2.20 million. This figure represents the legal and contractual obligation to pay employer contributions and to provide benefits according to the individual employment contracts.

Proposed maximum aggregate amount compared to 100% target achievement:

If short-term incentive targets in 2018 will be achieved at 100% and a) all members of the Executive Leadership Team opt to invest the maximum of 50% of their short-term incentive in Investment Shares under the MLTIP revised and b) the targets of the MLTIP revised are achieved at 100% (i.e. for each Investment Share there is 1 Performance Share), then the total compensation is expected to amount to CHF 8.68 million comprising of gross base salaries of CHF 3.74 million, variable performance related compensation of CHF 2.94 million and social security and pension contributions as well as other benefits of CHF 2.00 million.

Under this scenario, the difference to the proposed maximum aggregate amount is CHF 3.24 million.

The actual compensation amounts paid and the elected portion of the short-term incentive invested in the MLTIP revised will be disclosed in the 2018 Compensation Report.

8 Amendments to the Articles of Incorporation

8.1 Renewal of authorized Share Capital

Proposal: The Board of Directors proposes to renew the authorized share capital and to amend the Articles of Incorporation as follows:

Current wording	Revised wording (changes in bold print)
Art. 3a, paragraph 1, sentence 1 The Board of Directors shall be authorized to increase the share capital in an amount not to exceed CHF 350,000 through the issuance of up to 350,000 fully paid-in registered shares with a par value of CHF 1 at any time until April 15, 2018.	Art. 3a, paragraph 1, sentence 1 The Board of Directors shall be authorized to increase the share capital in an amount not to exceed CHF 350,000 through the issuance of up to 350,000 fully paid-in registered shares with a par value of CHF 1 at any time until April 12, 2019 .

Explanation: According to the current Articles of Incorporation, the Board of Directors is authorized to increase the share capital in an amount not to exceed CHF 350,000 whereby the shares may only be used for the participation in Sunrise of employees and members of the Board of Directors or the Executive Leadership Team of Sunrise or its subsidiaries. This authorization expires on April 15, 2018. As additional authorized share capital shall be created for two years pursuant to agenda item 8.2, the existing authorized share capital shall be renewed for a period of two years at the same time.

8.2 Creation of additional authorized Share Capital

Proposal: The Board of Directors proposes to create additional authorized share capital and to amend the Articles of Incorporation as follows:

Current wording	Revised wording (changes in bold print)
[No provision]	<p>Art. 3a Authorized Share Capital</p> <p>The Board of Directors is authorized to increase the share capital, at any time until April 12, 2019, by a maximum amount of CHF 4,500,000 through the issue of a maximum of 4,500,000 fully payable registered shares, each with a par value of CHF 1. An increase in partial amounts is permitted.</p> <p>Subscription and acquisition of the new shares, as well as each subsequent transfer of shares, are subject to the restrictions of article 5 of the Articles of Incorporation.</p> <p>The Board of Directors determines the date of issue of new shares, the issue price, type of payment, conditions of exercising subscription rights, and the beginning of the dividend entitlement. The Board of Directors may issue new shares by means of a firm underwriting or by other means through a banking institution or syndicate with subsequent offer of those shares to current shareholders or third parties. The Board of Directors may allow the expiry of subscription rights which have not been exercised or it may place these rights as well as shares, the subscription rights of which have not been exercised, at market conditions or it may use them for other purposes in the interest of the Company.</p> <p>The Board of Directors is authorized to restrict or withdraw the subscription rights of shareholders and allocate them to third parties or selected shareholders if the shares are to be used for the acquisition of enterprises, parts of enterprises, or participations, for the acquisition of intellectual property rights, licenses or concessions, including concessions for the use of the radio frequency spectrum, for new investments, or for a share placement with one or more investors for the purpose of financing or refinancing of such transactions.</p>

The numbering of article 3a of the current Articles of Incorporation shall be changed to article 3b and the heading of such article shall be changed from "Authorized Share Capital" to "Authorized Share Capital for Employee Participation".

Explanation: According to the current Articles of Incorporation, the Company already has authorized share capital, which, however, is reserved exclusively for the purpose of the participation of employees as well as members of the board of directors and the executive management of the Company or its subsidiaries pursuant to one or more regulations adopted by the Board of Directors. With additional authorized share capital under the proposed new article 3a of the revised Articles of Incorporation, the Board of Directors shall have the authority to increase the share capital during a period of two years, whereby the Board of Directors shall be authorized to restrict or withdraw the subscription rights of shareholders and allocate them to third parties or selected shareholders if the shares are to be used for the acquisition of enterprises, parts of enterprises, or participations, for the acquisition of intellectual property rights, licenses or concessions, including concessions for the use of the radio frequency spectrum, for new investments, or for a share placement with one or more investors for the purpose of financing or refinancing of such transactions.

8.3 Statutory Provision related to Calling and Agenda

Proposal: The Board of Directors proposes to amend article 7, paragraph 4 in the Articles of Incorporation as follows:

Current wording	Revised wording (changes in bold print)
Art. 7, paragraph 4 Shareholders representing at least 1% of the total share capital outstanding at the time may request items to be included in the agenda. Such request must be made at least 40 days prior to the meeting in writing by stating the items of the agenda and the motions.	Art. 7, paragraph 4 Shareholders representing at least 1% of the total share capital outstanding at the time may request items to be included in the agenda. Such request must be received by the Company at least 30 days prior to the meeting in writing by stating the items of the agenda and the motions.

Explanation: According to the current Articles of Incorporation, a request to include items in the agenda must be made at least 40 days prior to the meeting in writing by stating the items of the agenda and the motions. With the amendment of the Articles of Incorporation, such request may be made up to 30 days prior to the meeting, giving shareholders more time to request items to be included in the agenda. The deadline is deemed to be met if the Company receives such request in writing no later than 30 days prior to the meeting.

8.4 Statutory Provision related to general Compensation Principles

Proposal: The Board of Directors proposes to amend article 20, paragraph 2 in the Articles of Incorporation as follows:

Current wording	Revised wording (changes in bold print)
Art. 20, paragraph 2 The compensation of the members of the Executive Leadership Team shall comprise fixed and variable compensation elements. The fixed compensation constitutes of a base salary payable in cash and additional compensation elements and benefits. The variable compensation shall comprise short-term and/or long-term variable compensation elements.	Art. 20, paragraph 2 The compensation of the members of the Executive Leadership Team shall comprise fixed and variable compensation elements. The fixed compensation constitutes of a base salary payable in cash and additional compensation elements and benefits. The variable compensation shall comprise short-term and/or long-term variable compensation elements. The variable compensation can amount to a maximum of 160% of the fixed compensation, except in the first year of the employment of a member of the Executive Leadership Team in connection with his/her participation in the Company's Management Long-Term Investment Program for Executives or a similar long-term incentive participation plan.

Explanation: The Board of Directors proposes to amend article 20, paragraph 2 in the Articles of Incorporation in order to reflect the Company's current compensation policy according to which the variable compensation of a member of the Executive Leadership Team can amount to a maximum of 160% of the fixed compensation, except in the first year of his/her employment in connection with his/her participation in the Company's Management Long-Term Investment Program for Executives or a similar long-term incentive participation plan.

All other provisions of the Articles of Incorporation shall remain unchanged.

Organizational Notes

Annual Report

Shareholders may view the Annual Report including the Operational and Financial Review, the Consolidated Financial Statements, the Statutory Financial Statements, the Auditor's Reports for 2016 and the Compensation Report 2016 on the premises of Sunrise Communications Group AG at Binzmühlestrasse 130, 8050 Zurich. Registered shareholders may also request a copy of these documents. In addition, all documents are available online at www.sunrise.ch/annualreport2016.

Voting Rights

This invitation to the Annual General Meeting, together with the agenda items and proposals by the Board of Directors, will be sent directly to shareholders with voting rights who are entered into the share register by April 6, 2017. No entries will be made to the share register between April 7, 2017, and April 11, 2017. Holders of registered shares who sell their shares before the Annual General Meeting are no longer eligible to vote.

Documents and Admission Cards

Admission cards and voting documents can be ordered upon registration with the enclosed reply form or electronically via the shareholder platform Indirect Voting System. Admission cards will be mailed starting on March 21, 2017. If you do not receive the documents in due time, you may obtain your admission card in person on-site at the information desk before the start of the Annual General Meeting by presenting proof of identity. If the disposition of a shareholder's shares and the recording of this disposition in the share register take place after the issuance of the shareholder's admission card to the 2017 Annual General Meeting, this admission card is no longer valid.

Representation and Proxy

Shareholders who do not participate in the Annual General Meeting in person can be represented by proxy as follows:

- a) by another shareholder who has voting rights.
- b) by the Independent Proxy, Mr. Andreas G. Keller, Attorney at Law, 8055 Zurich.

Electronically: You may exercise your voting rights electronically on the shareholder platform Indirect Voting System. The reply form sent to you contains your personal access details. Voting instructions may be given or changed at any time up until 12:00 pm (noon) CET on April 7, 2017.

In hard copy: You may exercise your voting rights in writing by filling out, signing and returning the reply form sent to you with the enclosed reply envelope.

By signing the reply form, the Independent Proxy is being authorized to vote in favor of the proposals of the Board of Directors as far as no written instructions to the contrary are given. This also applies in case of any votes taken at the Annual General Meeting in relation to proposals which were not included in the invitation.

Executive body and deposit proxies are not permissible.

Translation Service

The Annual General Meeting will be held in German. For presentations made in German, simultaneous interpreting services will be available in English. Headsets may be obtained in the main hall.

Speaker's Desk

Shareholders who wish to speak during the Annual General Meeting are kindly asked to notify the speaker's desk (Wortmeldeschalter) located in the main hall.

Shareholder Proposal

Shareholder proposal on agenda items can only be made and submitted to the Annual General Meeting by a shareholder or by an individual proxy acting on a shareholder's behalf. The Independent Proxy will not act as an individual proxy for this purpose.

Location

The Annual General Meeting will take place at AURA (Alte Börse), Bleicherweg 5, 8001 Zurich.

Directions**Arrival by train and tram**

Take the train to the Zurich main station, exit there and transfer to tram line 6, 7, 11 or 13 and exit at the Paradeplatz stop and walk approximately 2 minutes to the venue.

Arrival by car

Zurich can be reached by car from the North and South via A4 and from the East and West via A3.

Parking

There are parking lots in the immediate vicinity of the AURA. Parking on-site is not available.

Contact

For information on the Annual General Meeting:

Phone: +41 (0)58 777 99 99

E-mail: agm@sunrise.net

www.sunrise.ch/ir

Zurich, March 2, 2017

For the Board of Directors



Peter Kurer
Chairman of the Board

Sunrise Communications Group AG

Binzmühlestrasse 130

8050 Zurich

www.sunrise.ch