

Annual General Meeting 2018

Invitation for the Shareholders of Sunrise Communications Group AG

Wednesday, April 11, 2018, 10:30 a.m. (admission from 10:00 a.m.)

Aura, Bleicherweg 5, 8001 Zurich



Agenda and Proposals

- 1 Approval of the Operational and Financial Review, the Consolidated Financial Statements and the Statutory Financial Statements for 2017**
- 2 Resolution on the Appropriation of Results and Distribution from Capital Contribution Reserves**
 - 2.1 Appropriation of Results
 - 2.2 Distribution from Capital Contribution Reserves
- 3 Discharge of the Members of the Board of Directors and of the Executive Leadership Team**
- 4 Election and 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 Election and Re-elections to the Board of Directors and Re-election of the Chairman of the Board of Directors
 - 4.2 Election and Re-elections to the Compensation Committee and Re-election of the Chairman of the Compensation Committee
- 5 Re-election of the Independent Proxy**
- 6 Re-election of the Auditor**
- 7 Compensation**
 - 7.1 Consultative Vote on the Compensation Report for the 2017 Financial Year
 - 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 2019 Financial Year
- 8 Amendments to the Articles of Incorporation**
 - 8.1 Statutory Provision related to Registration Restrictions for Nominees
 - 8.2 Amendment of the Powers of the General Meeting: Decision on Delisting of the Shares of the Company
 - 8.3 Change in the Number of Mandates of Members of the Board of Directors outside the Sunrise Group in Non-listed Companies
 - 8.4 Statutory Provision related to Mandates of Members of the Board of Directors and the Executive Leadership Team outside the Sunrise Group

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 (right)

Olaf Swantee
Chief Executive Officer (left)

Dear Shareholders,

Fiscal year 2017 was a positive and successful year for Sunrise. We were able to stabilize organic adjusted EBITDA, and our share price rose by 33%. Thanks to a number of initiatives Sunrise implemented, our customers now enjoy even better services than they did just one year ago. For example, they now have unlimited Internet access at top speeds, both at home and on the go. These initiatives have helped Sunrise expand its position as the leading competitor in the Swiss telecommunications market during the past year, thus also strengthening its position as an agile, refreshing, customer-focused and innovative alternative to Swisscom, the government-controlled market leader.

Solid results thanks to superior quality and competitive rates

Mounting competition did not keep Sunrise from growing its net customer base by 108,800 in the mobile postpaid sector (+7.3%) to a total of 3.4 million customers. Compared to the previous year, the Internet sector also grew by a total of 50,400 new subscriptions (+13.6%). Once again, one of the strongest growth drivers turned out to be Sunrise Smart TV with an increase of 50,700 (+31.1%) subscriptions. Overall, accelerated customer growth was able to compensate for ongoing price pressure in the market. This led to a MTR adjusted increase of 0.3% and revenue of CHF 1,854 million. Adjusted EBITDA declined by 1.6% to CHF 601 million due to higher service fees after the tower disposal in August 2017. Excluding this, adjusted EBITDA would have increased by 0.8% organically. Net profit increased to CHF 505 million. This high net profit contains a one-time gain of CHF 420 million from the sale of our antenna towers to an investment consortium.

Sunrise share performance in 2017

The Sunrise share price soared by 33% in 2017. By comparison, the Swiss Performance Index (SPI) reported an increase of 20% and the STOXX Europe 600 Telecommunications Index (€) decreased by 4% during the same period. Together with the dividend that was paid out in April, our shareholders earned a total return (share price change and dividend) of 39%.

2017 dividend

At the Annual General Meeting, the distribution of a higher ordinary dividend of CHF 4.00 per share will be proposed. This corresponds to a total dividend of approximately CHF 180 million and an attractive dividend growth of 20% over the previous year.

First-class infrastructure and high level of security

As in 2016, Sunrise won several awards in 2017: The Swiss business magazine BILANZ confirmed once more in its independent survey, the largest annual customer survey in the Swiss telecom market, that Sunrise offers the best mobile communications network for residential and business customers as well as the best TV service in Switzerland. Sunrise also took first place in the BILANZ Telekom Rating as the best full-service provider (universal provider) for residential customers and small and medium-sized enterprises.

In the mobile network test conducted by connect, Europe's largest trade journal, Sunrise was named the "test winner" yet again. Swisscom earned the same distinction and made up for last year's lost ground, but was unable to get ahead of Sunrise. By scoring 973 out of a maximum of 1,000 points, Sunrise surpassed its top result of the previous year and was again rated Outstanding. Additionally, it earned the highest number of points ever achieved in any mobile network test in more than 70 countries.

Having attained an excellent geographic coverage of 95% of Switzerland, Sunrise currently offers the highest 4G area coverage in Switzerland and supplies the Swiss population with top-quality mobile broadband services. This also means that Sunrise offers mobile broadband Internet connections in areas where satisfactory Internet access cannot be provided over the landline network. At up to 900 Mbit/s (4G+), the Sunrise mobile network already offers fiber-optic network speeds in the five largest Swiss cities.

An external audit again confirmed the certification of the Sunrise information security management system (ISMS). This makes Sunrise the first and only telecom provider in Switzerland to satisfy the technical infrastructure and operational process requirements of the stringent ISO 27001 certification standard on a company-wide basis. Business customers, in particular, consider this an essential indicator of quality.

Seizing new opportunities

In response to a challenging economic environment, Sunrise has continued to adjust and refine its business strategy. With new and innovative products and a sustained network infrastructure expansion, Sunrise has been able to position itself as the leading full-service competitor in the Swiss market. In this context, the Company's digitalization strategy represents a vital pillar of innovation. The new Sunrise website is one of the digital transformation projects that is clearly visible from the outside. More personalization, a mobile-friendly display, and a compre-

**Sunrise is
on its way
to becoming
the most
recommended
telecom
company in
Switzerland.**

Olaf Swantee
Chief Executive Officer



Sunrise has achieved financial stability and is proposing a 20% higher dividend for 2017.

Peter Kurer
Chairman of the Board

hensive online shop and service area – all this, plus the accompanying app, make it easy for our customers to access their accounts and make changes directly online, anytime and from anywhere. Those features earned Sunrise the prestigious Swiss Digital Transformation Award from the jury of the Best of Swiss Web Awards. Every year, this award honors the company that has made the most impressive advances in the area of digital transformation.

Sunrise took another step toward digitalization with the launch of its ID Checker, the first entirely digital customer identification tool in Switzerland. The Sunrise ID Checker makes it easy to digitalize identification processes and correspondence, and, going forward, will allow the end-to-end digital processing of orders and owner changes without requiring the customer to be present at any particular time or location.

Strengthening our brand for a digital future

To illustrate its accomplishments as a digital pioneer and its positioning as The Unlimited Company, Sunrise revamped its online presence last spring. The Company's new values of bold, intuitive and positive are inspired by its journey into the digital future. Boldly exploring new paths, intuitively offering customers simple and exciting experiences, positively responding to customer requirements with optimism and a focus on solutions – all this is what defines the new Sunrise values. To highlight these company values externally, as well, Sunrise also introduced a new logo, new colors and new brand principles to the public.

Innovation and customer orientation for the ultimate customer experience

Sunrise shapes the market through its investments and innovations, and also promotes competition. With the rollout of Sunrise One in early March, the Company introduced its first fully convergent offer in the market that bundles landline, Internet, TV and mobile services, thus allowing customers to purchase all their telecom services conveniently from a single source. Regardless of the technology, Sunrise One always offers the maximum available connection speed at the lowest package price. Customers with fiber-optic connections can now enjoy transmission speeds of 1 Gbit/s.

Moreover, Sunrise Prepaid Unlimited was the first prepaid offer in Switzerland with a scope of services that is just as good as that of a flat-rate subscription. For 24 hours, 30 or 90 days following the initial chargeable activity, Prepaid Unlimited customers can make unlimited calls to all Swiss networks, use SMS/MMS services and surf the Internet on the go at the full 4G+ high speed of up to 300 Mbit/s - all at one flat rate.

Expansion of business customer sector

Sunrise continues to expand its services for business customers as well. The Company must remain agile and flexible to hold on to its competitive edge over the long term. Nearly no company will be capable of managing the radical changes of the digital revolution without any help. Instead, the situation calls for partnerships that open up new opportunities and are beneficial for everybody involved. Strategic partnerships with global leaders, such as Microsoft, Cisco, Alcatel Lucent, Apple, IBM and Huawei, were a crucial contributor to customer growth as well. In addition to its partnership with Telefónica, Sunrise is now also a member of the FreeMove Alliance, where leading providers unite to offer their customers coordinated services throughout the world. Together with FreeMove, Sunrise has been able to win over some international companies with its top-notch network quality and exemplary service management.

Looking ahead

2017 was a successful year for us. Our goal, however, remains unchanged: We aim to become the most popular telecommunications provider in Switzerland. There are tremendous challenges ahead of us. We will not be deterred, however, and plan to impress our customers with innovative products and an even higher level of service quality. On behalf of both our shareholders and customers, we will once again go that extra mile.

A sincere "thank you"

Despite the challenging market environment, we had many successes in 2017. This shows that we are on the right path with our customer-oriented quality strategy. We will leverage this positive starting point to promote the targeted development of Sunrise as a company. Our achievements are due in no small part to our employees and partners - they are the factors that guarantee our Company's success. At this point, we would like to thank all of them very much for their tremendous commitment. We would also like to say "thank you" to our customers for their trust in us, and to our shareholders for their loyalty.



Peter Kurer
Chairman of the Board



Olaf Swantee
Chief Executive Officer

Financial KPIs

CHF million	2017	2016	Change (%)
Revenue			
Mobile services	1,231	1,264	(2.6)
– Thereof mobile postpaid	768	768	0.0
– Thereof mobile prepaid	122	161	(24.0)
– Thereof mobile hardware	256	253	0.9
Landline services (incl. voice)	378	419	(9.6)
– Thereof landline voice	137	152	(9.5)
– Thereof hubbing	128	132	(3.2)
Landline Internet and TV	245	214	14.2
Total revenue	1,854	1,897	(2.2)
Service revenue excl. hubbing & mobile hardware	1,470	1,511	(2.7)
Gross profit	1,193	1,193	(0.0)
% margin	64.3%	62.9%	
% margin (excl. hubbing & hardware revenue)	81.1%	78.9%	
EBITDA	592	599	(1.1)
EBITDA adjusted	601	611	(1.6)
% margin	32.4%	32.2%	
% margin (excl. hubbing & hardware revenue)	40.9%	40.5%	
Net income	505	87	479.6
Cash flow			
Reported EBITDA	592	599	(1.1)
Change in NWC (incl. factoring)	32	(68)	147.6
Net interest	(39)	(51)	22.2
Tax	(31)	(30)	(5.3)
CAPEX	(315)	(213)	(48.2)
Other financing activities	(20)	(8)	(162.9)
Equity free cash flow	219	230	(4.9)
Other	(159)	(262)	39.4
Total cash flow	60	(32)	290.4
Net debt	1,147	1,663	(31.0)
Net debt/adj. EBITDA (LTM)	1.9x	2.7x	
Net debt/pro forma adj. EBITDA (LTM) ¹	2.0x		

¹ Pro forma adjusted EBITDA taking into account annualized network service fees related to tower disposal.

Operational KPIs

	2017	2016 ¹	Change (%)
ARPU (CHF)			
Mobile blended	31.7	33.1	(4.2)
Postpaid	41.6	44.5	(6.4)
– <i>Thereof origination</i>	38.3	39.1	(1.9)
– <i>Thereof termination</i>	3.3	5.4	(39.2)
Prepaid	12.7	14.9	(14.7)
Landline blended	68.1	69.2	(1.7)
Landline voice	26.4	30.8	(14.4)
Internet	35.3	35.8	(1.3)
Internet and TV	47.7	46.1	3.5
Subscription base (in thousand)			
Mobile			
Postpaid	1,594.0	1,485.2	7.3
– <i>Primary</i>	1,313.3	1,240.4	5.9
– <i>Secondary</i>	280.6	244.8	14.6
Prepaid (3-month rule)	755.6	841.7	(10.2)
Prepaid (12-month rule)	1,281.5	1,431.1	(10.5)
Landline			
Landline voice	440.9	416.7	5.8
Internet	422.2	371.8	13.6
– <i>Thereof coupled to TV</i>	213.5	162.8	31.1
– <i>Thereof without TV</i>	208.7	209.0	(0.1)
LTM churn (%)			
Postpaid	13.3	14.1	(5.4)
Landline	15.6	12.5	25.0
Employees			
FTEs	1,645	1,656	(0.6)
Apprentices	122	109	11.9

¹ Restatement of prepaid ARPU and prepaid subscription base as well as mobile blended ARPU (see H1 2017 report for additional information).

Agenda and Proposals

1 Approval of the Operational and Financial Review, the Consolidated Financial Statements and the Statutory Financial Statements for 2017

Proposal: The Board of Directors proposes to approve the Operational and Financial Review, the Consolidated Financial Statements and the Statutory Financial Statements for the 2017 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 2017 financial year as follows:

Balance brought forward from previous year	CHF	16,708,396
Income of the year 2017	CHF	150,178,097
Total available earnings	CHF	166,886,493
Allocation to general reserves	CHF	-8,120,611
Accumulated earnings to be carried forward	CHF	158,765,882

If this proposal is approved, the accumulated earnings for the 2017 financial year in the amount of CHF 158,765,882 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	2,374,313,473
Allocation to dividend reserves	CHF	-180,276,112
Balance of reserves from capital contributions to be carried forward	CHF	2,194,037,361
Dividend reserves at the end of the financial year	CHF	0
Allocation of reserves from capital contributions	CHF	180,276,112
Distribution proposed by the Board of Directors (i.e. a distribution of CHF 4 per each share entitled to a dividend)	CHF	-180,276,112
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 18, 2018. The last trading day with entitlement to receive a distribution is April 12, 2018. The shares will be traded ex-dividend as of April 13, 2018.

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 2017 financial year.

4 Election and 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 Election and 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 Election of Ms. Ingrid Deltenre as a Member of the Board of Directors

Proposal: The Board of Directors proposes that Ms. Ingrid Deltenre be elected as a member of the Board of Directors until the closing of the following Annual General Meeting.

4.1.9 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. A short CV of Ms. Ingrid Deltenre is available in the appendix of this invitation.

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 Re-election of Mr. Michael Kramer as a Member of the Compensation Committee

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

4.2.5 Election of Ms. Ingrid Deltenre as a Member of the Compensation Committee

Proposal: The Board of Directors proposes that Ms. Ingrid Deltenre be elected as a member of the Compensation Committee until the closing of the following Annual General Meeting.

4.2.6 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 2018 financial year.

7 Compensation

7.1 Consultative Vote on the Compensation Report for the 2017 Financial Year

Proposal: The Board of Directors proposes that the Annual General Meeting accept the Compensation Report for the 2017 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 2017 Compensation Report to the shareholders for a consultative vote. The 2017 Compensation Report provides information on the decision-making process as well as the compensation principles and details of the Board of Directors' and the Executive Leadership Team's compensation for the 2017 financial year.

The vote on the 2017 Compensation Report is non-binding. The 2017 Compensation Report can be found as a separate chapter in the 2017 Annual Report at www.sunrise.ch/annualreport2017.

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 1.50 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 1.50 million is based on the compensation of eight 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 2018 to the Annual General Meeting 2019 remain unchanged from the proposal to the Annual General Meeting 2017.

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

- Gross base compensation and committee membership compensation of CHF 1.32 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 members' 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 0.06 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 2018 to the Annual General Meeting 2019 will be disclosed in the 2018 and 2019 Compensation Reports.

7.3

Approval of the Maximum Aggregate Compensation for the Members of the Executive Leadership Team for the 2019 Financial Year

Proposal: The Board of Directors proposes that the Annual General Meeting approve the maximum aggregate compensation of CHF 11.53 million for the members of the Executive Leadership Team for the 2019 financial year.

Explanation: The proposed maximum aggregate amount of CHF 11.53 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 essentially unchanged for 2019. A detailed review of the current Management Long-Term Investment Program for Executives (MLTIPE) was performed in 2017 and it has been decided to continue the MLTIPE on an amended basis as of 2018. As before, the MLTIPE provides newly appointed Executive Leadership Team members with the opportunity to privately invest into Sunrise shares on a one-time basis. The performance criteria of the MLTIPE will be aligned with those of the MLTIP revised. Thus, the vesting of the Performance Share Awards for the Executive Leadership Team will newly be linked to the performance metric of three-year cumulative equity free cash flow. Additionally, the maximal 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). 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 MLTIPE will essentially remain unchanged.

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

- Gross base salaries of CHF 3.59 million for the eight members of the Executive Leadership Team.
- Variable performance-related compensation of CHF 5.74 million is comprised of:
 - Short-term incentive of CHF 3.59 million should all members of the Executive Leadership Team in 2019 outperform their targets and achieve the maximum of 200% of the target incentive, but in any case not higher than the base salary. 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 2020. There is no discount on the share value at allocation. Thus, the amount of CHF 3.59 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 2.15 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 2022 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 2019 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 8.41 million comprising of gross base salaries of CHF 3.59 million, variable performance related compensation of CHF 2.82 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 3.12 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 2019 Compensation Report.

8 Amendments to the Articles of Incorporation

8.1 Statutory Provision related to Registration Restrictions for Nominees

Proposal: The Board of Directors proposes to amend article 5 paragraph 3 in the Articles of Incorporation as follows:

Art. 5 Share Register and Registration Restrictions

Current wording

Revised wording (changes in bold print)

Art. 5 paragraph 3

The Board of Directors may register nominees as shareholder with voting rights in the share register up to a maximum of 3% of the total share capital outstanding at the time. Nominees are persons who in the registration request do not explicitly declare to hold the shares for their own account and with whom the Company has entered into a respective agreement. The Board of Directors may register a nominee as a shareholder with voting rights in excess of such registration limitation provided the nominee discloses the names, addresses, nationality and shareholdings of the persons for which it holds 0.5% or more of the total share capital outstanding at the time.

Art. 5 paragraph 3

The Board of Directors **shall, to the extent permitted by law**, register nominees as shareholder with voting rights in the share register up to a maximum of 3% of the total share capital outstanding at the time. Nominees are persons who in the registration request do not explicitly declare to hold the shares for their own account. The Board of Directors **shall, to the extent permitted by law**, register a nominee as a shareholder with voting rights in excess of such registration limitation provided **such** nominee **declares in writing that it will disclose** the names, addresses, nationality and shareholdings of the persons for which it holds 0.5% or more of the total share capital outstanding at the time.

Explanation: In order to ensure transparent handling of the registration of nominees, the Board of Directors shall not have any discretionary powers when registering nominees. Accordingly, to the extent permitted by law, nominees up to a maximum of 3% of the total share capital outstanding at the time shall be entered in the share register as shareholders with voting rights. In excess of such registration limitation, the Board of Directors shall, to the extent permitted by law, register a nominee as a shareholder with voting rights provided such nominee declares in writing that it will disclose the names, addresses, nationality and shareholdings of the persons for which it holds 0.5% or more of the total share capital outstanding at the time.

8.2 Amendment of the Powers of the General Meeting: Decision on Delisting of the Shares of the Company

Proposal: The Board of Directors proposes that, going forward, the general meeting may decide on the delisting of the shares of the Company from the SIX Swiss Exchange or its successor, whereby such decision is subject to the qualified quorum of article 704 paragraph 1 CO and article 10 paragraph 5 of the Articles of Incorporation, respectively, and the Articles of Incorporation be amended as follows:

Art. 8 Powers

Current wording	Revised wording (changes in bold print)
No provision	Art. 8 paragraph 1 sub-paragraph 7
The general meeting shall have the following inalienable powers:	The general meeting shall have the following inalienable powers:
(...)	(...)
--	7. the delisting of the shares of the Company from the SIX Swiss Exchange or its successor;
No provision	Art. 8 paragraph 2
--	In case of a delisting decision within the meaning of paragraph 1 sub-paragraph 7, the Board of Directors shall determine the date and other modalities of the delisting, in accordance with applicable rules and regulations of SIX Swiss Exchange or its successor.

The numbering of article 8 sub-paragraph 7 of the current Articles of Incorporation shall be changed to article 8 paragraph 1 sub-paragraph 8.

Art. 10 Resolutions and Elections

Current wording	Revised wording (changes in bold print)
No provision	Art. 10 paragraph 5 sub-paragraph 8
A resolution of the general meeting passed by at least $\frac{2}{3}$ of the votes represented shall be required for:	A resolution of the general meeting passed by at least $\frac{2}{3}$ of the votes represented shall be required for:
(...)	(....)
--	8. the delisting of the shares of the Company from the SIX Swiss Exchange or its successor;

The numbering of article 10 paragraph 5 sub-paragraph 8 of the current Articles of Incorporation shall be changed to article 10 paragraph 5 sub-paragraph 9.

Explanation: At present, the authority to decide on the delisting of the shares of the Company lies with the Board of Directors. The Board of Directors is of the view that a delisting of shares has a strong impact on the Company and its shareholders. In particular, following a delisting, shareholders may no longer trade their shares on a stock exchange. For this reason, the Board of Directors believes that resolutions on the delisting of shares should be within the general meeting's powers and, accordingly, the Board of Directors proposes to assign the power to pass resolutions on a delisting of the shares of the Company from SIX Swiss Exchange or its successor to the general meeting (proposed amendment to article 8 paragraph 1 sub-paragraph 7 of the Articles of Incorporation).

The proposed new article 8 paragraph 2 of the Articles of Incorporation provides that the Board of Directors shall, as is the case today, determine the timing and modalities of a delisting in accordance with the applicable rules and regulations of the SIX Swiss Exchange or its successor organization. In this context, it should also be noted that the Board of Directors remains responsible for any suspension of trading, whereby, in accordance with the current regulations of the SIX Swiss Exchange, the competent SIX Exchange Regulation decides on the granting and duration of the suspension of trading at its own discretion.

To take into account the impact of a delisting decision of this nature, the Board of Directors is of the view that such a decision must be subject to higher quorum. The Board of Directors therefore proposes that the delisting of the shares of the Company from the SIX Swiss Exchange or its successor shall be subject to the qualified two-thirds majority requirement of article 10 paragraph 5 of the Articles of Incorporation.

8.3 Change in the Number of Mandates of Members of the Board of Directors outside the Sunrise Group in Non-listed Companies

Proposal: The Board of Directors proposes to reduce the number of permitted mandates of members of the Board of Directors outside the Sunrise Group in non-listed companies from currently eight permitted mandates to six permitted mandates and to amend the Articles of Incorporation as follows:

Art. 23 Mandates of Members of the Board of Directors and the Executive Leadership Team outside the Sunrise Group

Current wording	Revised wording (changes in bold print)
Art. 23 paragraph 1	Art. 23 paragraph 1
No member of the Board of Directors may hold more than four additional mandates in listed companies and more than eight mandates in non-listed companies.	No member of the Board of Directors may hold more than four additional mandates in listed companies and more than six mandates in non-listed companies.

Explanation: Pursuant to the Articles of Incorporation as of today, no member of the Board of Directors may hold more than four additional mandates in listed companies and more than eight mandates in non-listed companies. The Board of Directors considers the number of a total of twelve additional mandates too high in view of the developments observed since the entry into force of the Ordinance against Excessive Compensation with respect to Listed Stock Corporations (OaEC). Therefore, the Board of Directors proposes to reduce the number of mandates outside the Sunrise Group in non-listed companies from currently eight to six mandates so that a maximum of ten additional mandates may be held by a member of the Board of Directors.

8.4 Statutory Provision related to Mandates of Members of the Board of Directors and the Executive Leadership Team outside the Sunrise Group

Proposal: The Board of Directors proposes that art. 23 paragraph 7 of the Articles of Incorporation be amended as follows:

Art. 23 Mandates of Members of the Board of Directors and the Executive Leadership Team outside the Sunrise Group

Current wording

Revised wording (changes in bold print)

Art. 23 paragraph 7

Members of the Board of Directors or the Executive Leadership Team who at the time of their election/appointment do not fulfil the requirements of this provision shall, until the next ordinary general meeting, reduce the number of their mandates to the number permitted under this provision. During this time, they are members of the Board of Directors or the Executive Leadership Team, respectively, with all powers and duties.

Art. 23 paragraph 7

Members of the Board of Directors or the Executive Leadership Team who at the time of their election/appointment **to the Company or who, because of the acceptance of a mandate in an entity outside the Sunrise Group,** do not/**no longer** fulfil the requirements of this provision shall, until the next ordinary **resignation date for one of the surplus mandates, but within 12 months since the election/appointment/acceptance at the latest,** reduce their number of mandates to the extent permitted. During this time, they are members of the Board of Directors or the Executive Leadership Team, respectively, with all powers and duties.

Explanation: Pursuant to the Articles of Incorporation as of today, new members of the Board of Directors or the Executive Leadership Team shall reduce the number of their mandates to the number permitted under the Articles of Incorporation until the next ordinary general meeting. The Board of Directors proposes that this provision be amended so that members of the Board of Directors and the Executive Leadership Team who accept a new mandate outside the Sunrise Group and therefore no longer not fulfill the requirements of the Articles of Incorporation may also benefit from a transitional provision. In order to guarantee that the transition of mandates is as smooth as possible, the member of the Board of Directors or the Executive Leadership Team concerned shall reduce the number of mandates to the extent permitted until the next ordinary resignation date of the surplus mandate which the respective member of the Board of Directors or the Executive Leadership team wishes to resign from, but within 12 months since election/appointment/acceptance at the latest. As under the current Articles of Incorporation, during this time, the person concerned shall be a member of the Board of Directors or the Executive Leadership Team, respectively, with all powers and duties.

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 2017 and the Compensation Report 2017 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/annualreport2017.

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, 2018 (until 5:00 pm CET). No entries will be made to the share register between April 7, 2018, and April 11, 2018. 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 26, 2018. 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 2018 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. Proxy and voting instructions may be given or changed at any time up until 12:00 pm (noon) CET on April 9, 2018.

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 insofar 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.

No Translation Service

The Annual General Meeting will be held in German.

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. Exit 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. No on-site parking is 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 1, 2018

For the Board of Directors



Peter Kurer
Chairman of the Board

Appendix to the Annual General Meeting Invitation

Ingrid Deltenre



Title and function (proposed)
Member of the Board of Directors

Member of the Nomination and Compensation Committee

Non-Executive Member

Year of birth
1960

Nationality
Dutch, Swiss

Education
1982 - 1989: BA, Journalism and Educational Sciences, University of Zurich, Switzerland

Professional background
Since 2017: Focus on Board Mandates

2010 - 2017: European Broadcasting Union, Geneva, Switzerland, Director General

2004 - 2009: Swiss Television, Zurich, Switzerland, CEO

1999 - 2004: publisuisse SA, Berne, Switzerland, CEO

1998 - 1999: Swisscard AECS GmbH, Horgen, Switzerland, Chief Marketing Officer and Member of the Executive Committee

1991 - 1998: Ringier AG, Zurich, Switzerland, Managing Director, Cash, Head of Marketing, Cash, Project Manager Business Development

1989 - 1991: Swiss Association of Newspapers and Magazines, Zurich, Switzerland, Project Manager Market Research & Electronic Media

Other activities and functions
Since 2017: Agence France Press, Paris, France (unlisted), Non-Executive Member of the Board of Directors

Since 2016: Deutsche Post AG, Bonn, Germany (listed), Non-Executive Member of the Supervisory Board

Since 2015: Givaudan SA, Vernier, Switzerland (listed), Non-Executive Member of the Board of Directors and of the Compensation Committee and the Nomination and Governance Committee

Since 2014: Banque Cantonale Vaudoise, Lausanne, Switzerland (listed), Non-Executive Member of the Board of Directors and Member of the Nomination and Compensation Committee

Sunrise Communications Group AG

Binzmühlestrasse 130

8050 Zurich

www.sunrise.ch