

Sunrise

Annual General Meeting 2020

Invitation for the Shareholders of Sunrise Communications Group AG

Opfikon, March 17, 2020

**Orders of the Company for the Annual General Meeting of April 8, 2020:
No personal attendance and exercise of rights exclusively by the independent proxy.**

As you could see from the media, it is prohibited to hold public or private events until April 19, 2020.

Based on Article 6a of the Ordinance 2 on measures to prevent coronavirus (COVID-19) as amended on March 16, 2020, the Board of Directors has therefore decided that the shareholders of the Sunrise Communications Group AG may exercise their rights at the Annual General Meeting on April 8, 2020 **exclusively through the Independent Proxy**. This measure makes it possible to hold the General Meeting despite the current situation.

Please refer to the invitation under "Organizational Notes" for information on how to authorize and instruct the Independent Proxy.

We thank you for your understanding.

For the Board of Directors



Peter Kurer
Chair of the Board of Directors

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

Message to Shareholders



Peter Kurer
Chair of the Board (right)



André Krause
Chief Executive Officer (left)

Dear Shareholders,

Sunrise looks back on a dynamic year. Thanks to innovative products and services, we were able to record many successes and acquire numerous new customers in the Consumer and B2B sectors. At the same time, we have successfully assumed technological leadership in the mobile sector with the rapid introduction and expansion of the latest mobile phone generation, 5G. This has enabled us to secure a worldwide 5G pioneering role for Switzerland. 2019 was the year of 5G. We started with good results at the 5G frequency auction. Notably, Sunrise was able to acquire frequencies in the 3.5 GHz band, which are essential for 5G. Thanks to a clever bidding strategy, Sunrise was able to secure the most important bands at a very advantageous price of CHF 0.077 per MHz/pop compared to the competition (CHF 0.114 or 0.100 per MHz/pop). Sunrise paid approximately CHF 89 million for the newly auctioned frequencies.

Auction revenues for the Confederation totaled around CHF 380 million. Compared to 5G frequency auction revenues in 2018 and

2019 (especially for 3.4–3.8 GHz bands) of over CHF 7.1 billion in Italy, over CHF 1.4 billion in the United Kingdom, over CHF 485 million in Spain and over CHF 4.6 billion in Germany, prices for 5G frequencies in Switzerland remained within an investment-friendly range and significantly below budget for Sunrise.

With these new and existing frequencies, we will continue to guarantee 4G coverage in over 96% of the Swiss national territory and further expand the fastest and largest 5G network in Switzerland for our customers.

Last year, Sunrise again invested in optimizing its service quality, which was rewarded by customers with top ratings in leading surveys. Three leading trade and business magazines – BILANZ, Computerworld and connect – attest to our top performance in terms of service and support.

These positive developments are also reflected in our financial results. Gross profit increased by 2.7% to CHF 1,252 million. Adjusted EBITDA amounted to CHF 668 million, which reveals a year-over-year increase of 11.2% or CHF 67 million (excl. IFRS 16: CHF 624 million; year-over-year increase of 3.9% or CHF 23 million).

Higher EBITDA thanks to rising service revenue

Despite increased competition, ongoing price pressure and an intense M&A process (UPC), Sunrise performed well in the market. Total revenue at Sunrise increased by 0.5% in the 2019 financial year to CHF 1,887 million compared to 2018. Revenue growth was mainly driven by higher service revenue (3.3%) in mobile postpaid, landline Internet and TV. The increase in service revenue is attributable to strong growth in customer numbers in the postpaid (+9.4%), Internet (+8.5%) and TV (+14.6%) segments. Customer growth was driven in part by new B2B customers, including Valora, Zurich University Hospital, TCS, FC Basel, GF Machining Solutions and ewl energie wasser luzern. Service revenue growth was also supported by the increasing demand for combined offers and benefited from strategic investments in network, service and product quality.

2019 dividend

An increased ordinary dividend of CHF 4.40 per share will be proposed to the 2020 Annual General Meeting. This represents a total dividend of approximately CHF 198.3 million and attractive dividend growth of 4.8% compared to the previous year. The

**2019 was
the year
of 5G and
Sunrise is at
the forefront.**

André Krause
Chief Executive Officer

Sunrise performed well this year and is proposing a 4.8% dividend increase for 2019.

Peter Kurer
Chair of the Board

dividend will be distributed tax-free from reserves from foreign capital contributions, which will also be the case in subsequent years.

Sunrise share performance in 2019

The price of Sunrise shares is up +12% from the IPO issue price in February 2015 by the end of 2019. It fell -12% in 2019. Together with the dividend paid in April, the total return (price change and dividend) for Sunrise shareholders was -7% in 2019, but amounts to +37% since the IPO. For comparison: In 2019, the STOXX Europe 600 Telecommunications Index (€) recorded a total return of +6% while the total return was -13% since February 2015.

Best service and highest security

Sunrise goes the extra mile for its customers, both in terms of its network and its products and services. Meeting these expectations requires commitment, targeted innovation and the ambition to constantly improve customer service.

The fact that the investments we have made in optimizing our front line are paying off is demonstrated not only by the repeat awards received from the BILANZ Telekom Rating, the Computerworld Top 500 Satisfaction Study and the connect ratings for mobile customer satisfaction and service quality in Sunrise Shops but also by our Net Promoter Score (NPS) values. For example, our customer service and shop NPS have further improved and are at an all-time high. According to this measure, approximately 8 out of 10 customers who sought customer service support or visited a Sunrise shop would recommend Sunrise to others.

In order to provide our customers not only with a leading network and outstanding service but also with the highest level of security, Sunrise has centralized its cybersecurity competencies in a new Security Operation Center in Opfikon, incorporating over 40 full-time positions from the IT and network operations departments. In this new Security Operation Center, Sunrise is relying on the latest cyber defense technology, thus protecting corporate and customer data even more effectively, efficiently and with the necessary strategic priority.

First on 5G

In April 2019, Sunrise became the first provider in Europe to launch the fifth generation of mobile communications, 5G. Since then we have provided over 426 cities and towns with 5G. In line with our high quality requirements, Sunrise only counts as covered those cities and towns where coverage reaches at least 80% of the local population.

Many other areas are partially covered, including sections of large cities such as Zurich, Bern and Geneva.

The 5G study conducted by IHS Markit based on the RootMetrics® industry standard showed that Sunrise not only offers the most reliable mobile network in Switzerland across all technologies, it also has the largest and fastest 5G network in Switzerland. The mobile network test by connect also showed that Sunrise offers the fastest and most 5G connections. Thanks to the Sunrise 5G network, private and business customers can also benefit from fiber-optic-like broadband Internet where otherwise only slow DSL connections are available. The low latency times are also ideal for industrial applications, video applications or 4K cloud gaming.

Expansion of 5G leadership

To further strengthen its 5G leadership position, Sunrise has launched numerous initiatives in the “Year of 5G”, some of which are world premieres. These included, for example, the launch of Sunrise Home Internet 5G. This product allows customers to obtain landline services via 5G. The Sunrise Internet Box 5G used for this purpose is the first-ever commercial device in the world to combine Internet, TV and landline calling for home and business via 5G. For mobile applications, Sunrise launched a series of premieres with 5G smartphones from Xiaomi and Huawei. The mobile 5G portfolio was expanded with the addition of the HTC 5G Hub, a mobile 5G hotspot that functions as a home media center, a high-speed access point for business on the go, as well as a quick and easy corporate connectivity hub in the office. Another world premiere was the commercial launch of the first cloud gaming service with 4K resolution over 5G. Whereas previously online gaming with high-end graphics was only possible on consoles and PCs, Sunrise has pioneered the use of 5G in this area.

In addition, Sunrise introduced an unlimited 5G offer for prepaid customers in November. For business customers Sunrise provides 5G Indoor Coverage as a Service - high-performance 5G coverage inside buildings - which, as in the case of GF Machining Solutions, will lay the foundation for the factory of the future.

In the Joint Innovation Center, which Sunrise opened in the fall of 2019 together with its strategic technology partner Huawei, the development and commercialization of 5G applications in the private and business customer sector is being promoted. For this purpose, live applications from the fields of smart farming, smart manufacturing, and cloud gaming as well as AR and VR applications are on

display in the showroom. In the Openlab, which is part of the Joint Innovation Center, developers can test their applications under real conditions in a live end-to-end 5G network.

Meet customer needs

In addition to the 5G portfolio, Sunrise has also revamped its other offerings. Last year, for example, we introduced a very attractive data-roaming product for unlimited surfing in Europe known as Travel data unlimited Europe, as well as Sunrise Freedom Europe data, a flat-rate mobile subscription plan for Switzerland with unlimited surfing in Europe.

Other innovations included a collaboration with Plume to provide customers with smart home services and even better at-home Internet experience.

Sunrise has revolutionized the TV experience with its TV neo offering. TV neo is a 4K live OTT TV app that is available from the Samsung Smart TV App Store, Apple TV, iOS and Android devices and various Internet browsers with no set-top box required.

For the Unlimited Mobile Workplace, Sunrise expanded its Work Smart product for business customers with the addition of MOUNT 10 and Unify services. The former allows fully automated, encrypted online data backups via the Internet to two highly secure Swiss data center fortresses, while the Circuit solution from Unify enables modern, efficient and location-independent collaboration and only requires an Internet connection.

Satisfied employees

We are also particularly proud of our Great Place to Work award. Sunrise took part in the certification program for the first time in 2019 and received top marks from employees in all five areas - credibility, respect, fairness, pride and team spirit.

One of the many things our employees appreciate at Sunrise is that everyone enjoys the same opportunities and possibilities regardless of gender, age, origin or handicap. The outside impacts of this inclusive atmosphere were demonstrated by the naming of Ingrid Deltre as Woman Board Member of the Year. In addition to her wide-ranging responsibilities and qualifications, she was also chosen because of the culture of accountable leadership that she promotes and exemplifies.

With over 8% of full-time positions, Sunrise trains more apprentices than any other company in the telecom sector. This also applies to companies outside the telecom sector. In 2019, 40 apprentices completed their vocational training, signifying a 100% success rate, as was already the case in the previous year.

UPC transaction

On February 27, 2019, Sunrise signed a share purchase agreement with Liberty Global with the aim of acquiring the cable network operator UPC Switzerland, a wholly owned subsidiary of Liberty Global. On September 26, 2019, we received unconditional approval from the Competition Commission (WEKO). The Extraordinary General Meeting (EGM) was convened for October 23, 2019, to carry out an ordinary capital increase of CHF 2.8 billion through the partial financing of the acquisition by means of a subscription rights offering.

Based on clear indications received from shareholders and Freenet's announced intent to vote against the capital increase at the EGM, the Board of Directors of Sunrise concluded on October 22, 2019, that a clear majority of shareholders who have registered their shares to vote at the EGM do not support the capital increase. The EGM was therefore cancelled with the agreement of Liberty Global. The share purchase agreement with Liberty Global was terminated on November 12, 2019, resulting in a penalty payment of CHF 50 million to Liberty Global. The total costs amount to CHF 112 million, including the penalty (CHF 50 million), underwriting fees (CHF 18 million), advisory and legal fees, as well as already incurred integration costs of about CHF 44 million. All costs are reflected in the consolidated financial statements for the 2019 financial year, thereof CHF 107 million in EBITDA as "other operating expenses" and "other expenses". Of the total costs, 98% have already been paid in 2019.

Changes in Management and the Board of Directors

Following the termination of the UPC transaction, Olaf Swantee has informed about his intention to step down as CEO. The Board of Directors has appointed André Krause as new CEO who has taken over with immediate effect on January 3, 2020. Olaf Swantee will support André Krause until the 2020 Annual General Meeting to ensure a smooth change of leadership. Uwe Schiller, previously Senior Vice President of Finance and Investor Relations, was appointed the new CFO. Peter Kurer, Peter Schöpfer and Jesper Ovesen have decided to no longer run for election as Chair, Vice Chair of the Board of Directors and Chair of the Audit Committee, respectively, at the 2020 Annual General Meeting. Robin Bienenstock has also decided not to stand for re-election as a member of the Board of Directors and the Audit Committee.

Outlook

As in the past, Sunrise continues to operate as an independent telecom provider and the most successful challenger in the market. Our ambitions remain unchanged from previous years: We want to become the most recommended telecommunications provider by customers in Switzerland. To achieve this goal, we will continue to focus on our strategic priorities in the fiscal year 2020: to offer the highest quality networks and best customer service and continue to drive customer growth with innovative products.

A heartfelt thank you

2019 was a special year for Sunrise. We were able to retain our strong market momentum and gain market share while preparing for the UPC transaction. This enabled us to further strengthen our position in the market. Our employees and partners have delivered this extraordinary performance with the highest level of commitment. We would therefore like to take this opportunity to thank them sincerely.

A big thank you also goes out to our customers and to you, our shareholders, for placing your trust in us every day and loyally supporting us on our journey.



Peter Kurer
Chair of the Board



André Krause
Chief Executive Officer

Financial KPIs

CHF million	2019 as reported	2019 without IFRS 16	2018 ¹	Change of reported figures (%)
Revenue				
Mobile services	1,271	1,271	1,271	0.0
– Thereof mobile postpaid	835	835	802	4.1
– Thereof mobile prepaid	76	76	96	(21.5)
– Thereof mobile hardware	262	262	279	(6.2)
– Thereof other	98	98	93	5.4
Landline services (incl. voice)	307	307	325	(5.7)
– Thereof landline voice	124	124	126	(1.5)
– Thereof hubbing	74	74	96	(22.5)
– Thereof other	109	109	104	4.8
Landline Internet and TV	309	309	280	10.2
Total revenue	1,887	1,887	1,876	0.5
Revenue excl. mobile hardware and hubbing	1,551	1,551	1,501	3.3
Gross profit	1,252	1,252	1,219	2.7
% margin	66.4%	66.4%	65.0%	
% margin (excl. hubbing & hardware revenue)	80.8%	80.7%	81.2%	
EBITDA	588	544	602	(2.4)
EBITDA adjusted	668	624	601	11.2
% margin	35.4%	33.1%	32.0%	
% margin (excl. hubbing & hardware revenue)	43.1%	40.3%	40.0%	
Net income	56	59	107	(48.0)
Net income excl. UPC costs ²	163	166	107	52.3
Cash flow				
Reported EBITDA	588	544	602	(2.4)
Change in NWC	(27)	(21)	(49)	(45.7)
Net interest	(39)	(28)	(30)	30.6
Tax	(46)	(46)	(50)	(8.6)
CAPEX ³	(460)	(460)	(303)	51.8
Repayments of lease liabilities ⁴	(32)	(5)	-	-
Other financing activities	(6)	(6)	(21)	(71.5)
Equity free cash flow	(22)	(22)	149	(114.8)
Other ⁵	(199)	(199)	(2)	9,609.3
Total cash flow	(221)	(221)	147	(250.6)
Net debt	1,673	1,419	1,194	
Net debt / adj. EBITDA (LTM)	2.5×	2.3×	2.0×	

¹ The Company has initially applied IFRS 16 using the modified retrospective approach. Under this method, the comparative information is not restated.

² Costs related to the cancelled acquisition of UPC Switzerland in 2019.

³ 2019 year-over-year YTD increase mainly due to CHF 91 million for Spectrum concessions and related consultancy fees as well as Swisscom Access deal of CHF 60 million.

⁴ In 2018 repayments related to financial leases were not part of Equity free cash flow.

⁵ 2019 consists mainly of sale of property, plant and equipment of CHF +5 million, movement in pension and provision (CHF –14 million) and dividend payment of CHF –189 million. 2018 consists of dividend payment (CHF –180 million), refinancing cash inflow (CHF +185 million), sale of property, plant and equipment (CHF +10 million), movement in pension and provisions of CHF –9 million as well as repayment of capital leases of CHF –7 million.

	2019 as reported	2018	Change of reported figures (%)
ARPU (CHF)			
Mobile blended	31.6	31.8	(0.8)
Postpaid	38.4	40.3	(4.7)
– Thereof origination	35.9	37.5	(4.2)
– Thereof termination	2.5	2.8	(11.5)
Prepaid	10.6	11.5	(7.9)
Landline			
Landline voice	20.9	22.9	(8.7)
Internet	35.7	36.1	(1.1)
TV	25.0	26.1	(4.2)
Subscription base (in thousand)			
Mobile			
Postpaid	1,891.4	1,728.8	9.4
– Primary	1,522.2	1,406.5	8.2
– Secondary	369.1	322.3	14.5
Prepaid (3-month rule)	562.8	627.5	(10.3)
Prepaid (12-month rule)	929.8	1,067.6	(12.9)
Landline			
Landline voice	502.5	468.2	7.3
Internet	496.2	457.3	8.5
TV	279.3	243.7	14.6
LTM Churn (%)			
Postpaid	13.3	13.8	(3.6)
Landline	13.8	13.8	0.4
Employees			
FTEs	1,739	1,611	7.9
Apprentices	137	140	(2.1)

Agenda and Proposals

1 Approval of the Operational and Financial Review, the Consolidated Financial Statements and the Statutory Financial Statements for 2019

Proposal: The Board of Directors proposes to approve the Operational and Financial Review, the Consolidated Financial Statements and the Statutory Financial Statements for the 2019 financial year.

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

2.1 Appropriation of Results

Proposal: The Board of Directors proposes to appropriate the accumulated earnings for the 2019 financial year as follows:

Balance brought forward from previous year	CHF	339,133,905
Income from the year 2019	CHF	181,911,246
Total available earnings	CHF	521,045,151
Allocation to general reserves	CHF	–
Accumulated earnings to be carried forward	CHF	521,045,151

If this proposal is approved, accumulated earnings for the 2019 financial year in the amount of CHF 521,045,151 will be carried forward.

2.2 Distribution from Foreign Capital Contribution Reserves

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

Reserves from foreign capital contributions	CHF	1,325,000,000
Allocation to dividend reserves	CHF	–198,303,723
Balance of reserves from foreign capital contributions to be carried forward	CHF	1,126,696,277
Dividend reserves at the end of the financial year	CHF	0
Allocation of reserves from capital contributions	CHF	198,303,723
Distribution proposed by the Board of Directors (i. e., a distribution of CHF 4.40 per share entitled to a dividend)	CHF	–198,303,723
Balance of dividend reserves to be carried forward	CHF	0

If this proposal is approved, the distribution from reserves from foreign capital contributions will be made, without deduction of Swiss withholding tax, on April 16, 2020. The last trading day with entitlement to receive a distribution is April 9, 2020. The shares will be traded ex-dividend as of April 14, 2020.

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

Proposal: The Board of Directors proposes to discharge the members of the Board of Directors and the Executive Leadership Team for their activities in the 2019 financial year.

4 Elections and Re-elections to the Board of Directors, Election of the Chair of the Board of Directors, Elections and Re-elections to the Compensation Committee and Election of the Chair of the Compensation Committee

On behalf of the Board of Directors the current and remaining members of the Nomination and Compensation Committee (Ingrid Deltenre, Michael Krammer and Christoph Vilanek) conducted an independent selection process and proposed the replacements for the four outgoing independent Directors to the 2020 Annual General Meeting. The four members of the Board of Directors who had decided to not stand for re-election (Peter Kurer, Peter Schöpfer, Robin Bienenstock and Jesper Ovesen) did not participate in the recruitment of the newly proposed Board members. They abstained from voting on all of the below nomination proposals and and refrained from making any recommendations regarding such proposals.

4.1 Elections and Re-elections to the Board of Directors and Election of the Chair of the Board of Directors

4.1.1 Re-election of Mr. Ingo Arnold as a Member of the Board of Directors

Proposal: The Board of Directors proposes that Mr. Ingo Arnold 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 Ms. Ingrid Deltenre as a Member of the Board of Directors

Proposal: The Board of Directors proposes that Ms. Ingrid Deltenre 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 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.

4.1.4 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.

4.1.5 Election of Mr. Thomas D. Meyer as a Member of the Board of Directors

Proposal: The Board of Directors proposes that Mr. Thomas D. Meyer be elected as a member of the Board of Directors until the closing of the following Annual General Meeting.

4.1.6 Election of Mr. Thomas Karlovits as a Member of the Board of Directors

Proposal: The Board of Directors proposes that Mr. Thomas Karlovits be elected as a member of the Board of Directors until the closing of the following Annual General Meeting.

4.1.7 Election of Ms. Sonja Stirnimann as a Member of the Board of Directors

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

4.1.8 Election of Ms. Henriette Wendt as a Member of the Board of Directors

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

4.1.9 Election of Mr. Thomas D. Meyer as Chair of the Board of Directors

Proposal: The Board of Directors proposes that Mr. Thomas D. Meyer be elected as Chair of the Board of Directors until the closing of the following Annual General Meeting.

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

as new members of the Board of Directors are available in the Appendix to this invitation. The candidates proposed for election and re-election are independent according to the guidelines of the Company.

4.2 Elections and Re-elections to the Compensation Committee and Election of the Chair of the Compensation Committee

4.2.1 Re-election of Ms. Ingrid Deltenre as a Member of the Compensation Committee

Proposal: The Board of Directors proposes that Ms. Ingrid Deltenre 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. Michael Krammer as a Member of the Compensation Committee

Proposal: The Board of Directors proposes that Mr. Michael Krammer 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. Thomas D. Meyer as a Member of the Compensation Committee

Proposal: The Board of Directors proposes that Mr. Thomas D. Meyer be 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 Chair of the Compensation Committee

Proposal: The Board of Directors proposes that Ms. Ingrid Deltenre be elected as Chair 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 Anwaltskanzlei Keller KLG, 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 2020 financial year.

7 Compensation

7.1 Consultative Vote on the Compensation Report for the 2019 Financial Year

Proposal: The Board of Directors proposes that the Annual General Meeting accept the Compensation Report for the 2019 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 2019 Compensation Report to the shareholders for a consultative vote. The 2019 Compensation Report provides information on the decision-making process as well as the principles and details behind the compensation of the Board of Directors' and Executive Leadership Team's members for the 2019 financial year.

The vote on the 2019 Compensation Report is non-binding. The 2019 Compensation Report can be found as a separate section of the 2019 Annual Report at sunrise.ch/en/corporate-communications/investor-relations/AGM.

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 1.49 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 1.49 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 2020 to the Annual General Meeting 2021 remain unchanged from the proposal to the Annual General Meeting 2019.

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 Chair'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 0.05 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 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 2020 to the Annual General Meeting 2021 will be disclosed in the 2020 and 2021 Compensation Reports.

7.3 Approval of the Maximum Aggregate Compensation for the Members of the Executive Leadership Team for the 2021 Financial Year

Proposal: The Board of Directors proposes that the Annual General Meeting approve the maximum aggregate compensation of CHF 13.50 million for the members of the Executive Leadership Team for the 2021 financial year.

Explanation: The proposed maximum aggregate amount of CHF 13.50 million is based on the compensation of nine members of the Executive Leadership Team.

As of 2019, the Board of Directors implemented a new compensation structure for members of the Executive Leadership Team to better meet the requirements for supporting the Sunrise growth and income strategy. The main change consisted of separating the short-term incentive (STI) from the long-term incentive (LTI) and establishing two independent compensation components.

The selected performance metrics, adjusted EBITDA and equity free cash flow support the business strategy by driving long-term performance: EBITDA is the most important short and long-term measure of success for operational performance in the telecommunications sector, whereas equity free cash flow is the basis for supporting the Sunrise long-term dividend strategy. In addition to the new LTI plan and in line with market practice, the Board of Directors introduced minimum shareholding ownership guidelines (SOG), which define the obligations of the members of the Executive Leadership Team to hold Sunrise shares to further ensure their alignment with shareholder interests.

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

- Gross base salaries of CHF 3.80 million for the nine members of the Executive Leadership Team.
- Variable performance-related compensation of CHF 7.12 million comprised of:
 - Short-term incentive of CHF 3.80 million should all members of the Executive Leadership Team in 2021 outperform their targets and achieve the maximum 200% of the target incentive.
 - Long-term incentive of CHF 3.32 million providing the targets of the new LTI are achieved at the maximum 200% level. Conversion of the Performance Share Units into Sunrise shares in 2024 is subject to service and performance conditions as well as a good and bad leaver provision.
- Estimated grossed-up employer social security and pension contributions as well as other benefits (housing, car allowance, etc.) of CHF 2.22 million. This figure represents the legal and contractual obligation to pay employer contributions and to provide benefits according to individual employment contracts.
- A reserve of CHF 0.36 million for unforeseen events has been kept in the proposed maximum aggregate amount.

Proposed maximum aggregate amount compared to 100% target achievement:

- If short-term incentive targets in 2021 are achieved at 100% and the targets of the long-term incentive plan are achieved at 100%, then the total compensation is expected to amount to CHF 9.50 million comprised of gross base salaries of CHF 3.80 million, variable performance-related compensation of CHF 3.56 million, social security and pension contributions as well as other benefits of CHF 1.96 million and a reserve of CHF 0.18 million.
- Under this scenario, the difference from the proposed maximum aggregate amount is CHF 4.00 million.
- The actual total compensation amount paid will be disclosed in the 2021 Compensation Report.

8 Amendment to the Articles of Incorporation: 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)

Art. 3a

Art. 3a **Authorized Share Capital**

[Deleted by resolution of the Board of Directors on May 14, 2019.]

The Board of Directors is authorized to increase the share capital, at any time until April 9, 2022, by a maximum amount of CHF 4,200,000 through the issue of a maximum of 4,200,000 fully payable registered shares, each with a par value of CHF 1. An increase in partial amounts is permitted.

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.

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 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 along with 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.

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; the acquisition of intellectual property rights, licenses or concessions, including concessions for the use of the radio frequency spectrum; new investments; or a share placement with one or more investors for the purpose of financing or refinancing such transactions.

Explanation: According to the current Articles of Incorporation, the Company already has authorized share capital, which is, however, 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; the acquisition of intellectual property rights, licenses or concessions, including concessions for the use of the radio frequency spectrum; for new investments; or a share placement with one or more investors for the purpose of financing or refinancing of such transactions.

As the overall existing authorized share capital of Sunrise shall not exceed 10% of the issued share capital of Sunrise of CHF 45,069,028 representing 45,069,028 fully paid registered shares, each with a par value of CHF 1, the Board of Directors, in accordance with corporate governance principles, proposes to create authorized share capital in the amount of CHF 4,200,000 representing 4,200,000 fully payable registered shares, each with a par value of CHF 1.

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 2019 and the Compensation Report 2019 at the registered offices of Sunrise Communications Group AG located at Thurgauerstrasse 101B, 8152 Glattpark (Opfikon). Registered shareholders may also request a copy of these documents. In addition, all documents are available online at sunrise.ch/en/corporate-communications/investor-relations/AGM.

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 whose names are entered in the share register by April 3, 2020 (until 11:59 p.m. CET). No entries will be made to the share register between April 4, 2020, and April 8, 2020. Holders of registered shares who sell their shares before the Annual General Meeting are no longer eligible to vote.

Documents and Admission Cards

Shareholders of the Sunrise Communications Group AG may exercise their rights at the Annual General Meeting on April 8, 2020 exclusively through the independent proxy. Therefore, no admission cards or voting documents will be sent.

Representation and Proxy

Shareholders must be represented as follows: by the Independent Proxy, Anwaltskanzlei Keller KLG, 8002 Zürich.

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 any time until 12:00 p.m. (noon) CET on April 6, 2020.

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, you are authorizing the Independent Proxy to vote in favor of the proposals of the Board of Directors unless written instructions to the contrary are given. This also applies in the case of any votes taken at the Annual General Meeting regarding proposals not included in the invitation.

Executive body and deposit proxies are not permitted.

No Translation Service

The Annual General Meeting will be held in German.

Location

The Annual General Meeting will take place at Hallenstadion Zürich,
Wallisellenstrasse 45, 8050 Zurich.

Contact

For information on the Annual General Meeting:

Phone: +41 (0)58 777 99 99

E-mail: agm@sunrise.net

www.sunrise.ch/ir

Opfikon, March 17, 2020

For the Board of Directors



Peter Kurer

Chair of the Board

Appendix to the Annual General Meeting Invitation

Thomas D. Meyer



Title and function (proposed)

Chair of the Board of Directors

Member of the Nomination and Compensation Committee

Independent Non-Executive Member

Year of birth

1962

Nationality

Swiss

Education

1983 – 1987: Master of Business Administration (lic. oec. HSG), University of St. Gallen, Switzerland

Professional background

Since 2020: Accenture AG, Zurich, Switzerland, Managing Director / Senior Advisor (retiring June 2020)

2003 – 2019: Accenture AG, Zurich, Switzerland, Senior Country Managing Director

2016 – 2018: Accenture AG, Zurich, Switzerland, Geographic Unit Lead for Accenture Digital DACH

2011 – 2016: Accenture, Zurich, Switzerland, Insurance Industry Lead for Europe, Latin America and Africa

1987: Arthur Andersen AG, Zurich, Switzerland, Consultant

Other activities and functions

Since 2018: Osterwalder AG, Lyss, Switzerland (not listed), Member of the Board of Directors

Since 2010: Avenir Suisse Foundation, Zurich, Switzerland (not listed), Member of the Board of Trustees

Since 2005: Accenture Stiftung, Zurich, Switzerland (not listed), Chair of the Board of Trustees

Since 2003: Stoosbahnen AG, Stoos, Switzerland (not listed), Chair of the Board of Directors

2007 – 2019: Switzerland Global Enterprise, Zurich, Switzerland (not listed), Member of the Board of Directors

In his more than 30-year consulting career, Thomas D. Meyer has gained all-round experience in the execution of complex international projects in various sectors such as public administration, the automotive industry and, especially, banking and insurance. He has worked with clients in Switzerland, Germany, Austria, Great Britain, the USA, France and Belgium as well as in Scandinavia. As CEO of Accenture Switzerland AG and managing director of the Accenture Digital division in the DACH region, in addition to management duties his consulting activities have focused on conception, planning and implementation of new business models and business processes.

Thomas Karlovits



Title and function (proposed)

Member of the Board of
Directors

Independent
Non-Executive Member

Year of birth
1969

Nationality
Austrian

Education

1996: Master in Social and Economic
Science, Vienna University, Austria

Professional background

Since 2014: Blackwall Capital
Investment AG, Zug, Switzerland,
Founder and CEO

2013–2014: Kepler Cheuvreux,
Frankfurt, Germany, Head of
European Equity Research

2007–2013: Kepler Cheuvreux,
Frankfurt, Germany, Deputy Head of
European Research

2008–2013: Kepler Cheuvreux,
Frankfurt, Germany, Head of
Investment Strategy

2003–2007: Kepler Cheuvreux,
Frankfurt, Germany, Head of
European Telecoms Sector

2002–2003: Santander, Head of
European Telecoms Sector

1998–2002: Cheuvreux, Senior Analyst,
Coverage of German Telecoms

1996–1998: SMH Schröder
Münchmeyer Hengst, Senior Analyst,
Coverage of German Telecoms &
Utilities

1991–1996: Raiffeisen Zentralbank,
Vienna, Austria, Analyst, Coverage of
various sectors

Thomas Karlovits started his career in 1991 at Raiffeisen Zentralbank, Vienna, as an Analyst and holds a Master's Degree from the Vienna University of Economics and Business. He founded Blackwall in 2014, having worked in the equity research sector for over 23 years. Most recently, he held the role of Head of European Equity Research from 2013 and was Deputy Head from 2007 at Kepler Cheuvreux. During this time, Kepler Cheuvreux became one of the leading equity research houses in Europe.

Sonja Stirnimann



Title and function (proposed)

Member of the Board of Directors

Independent
Non-Executive Member

Year of birth

1975

Nationality

Swiss

Education

2010–2012: International Executive MBA Financial Services & Insurance, University of St. Gallen, HEC Montreal, Vlerick Business School Ghent

2008–2009: Certified Fraud Examiner, Association of Certified Fraud Examiners (ACFE), USA

2002–2004: Swiss Certified Public Accountant, Switzerland

Professional background

Since 2015: Structuul AG, Risch-Rotkreuz, Switzerland, Founder and CEO

2014–2015: Fidinter Treuhand AG, Zurich, Switzerland, Vice Director

2013–2014: Cementia Trading, Lafarge Ltd., Zurich, Switzerland, Head of Finance

2008–2013: EY, Zurich, Switzerland, Senior Manager

2007–2008: UBS AG, Zurich, Switzerland, International Group Tax Advisor

2004–2008: Holcim Group Support AG, Zurich, Switzerland, Financial Controller (OpCo), Head of Financial Controlling & Reporting (Financial Holdings)

2001–2004: Deloitte AG, Zurich, Switzerland, Auditor

1998–2001: BDO AG, Lucerne, Switzerland, Auditor

Other activities and functions

Since 2019: Glarner Kantonalbank AG, Glarus, Switzerland (listed), Member of the Board of Directors, Member of the Audit Committee

Since 2019: EXPERTsuisse, Zurich, Switzerland (Association), Member of the Board of Directors

Since 2018: APIAX AG, Zurich, Switzerland (not listed), Member of the Board of Directors

Since 2017: InCore Bank AG, Schlieren / Zurich, Switzerland (not listed), Member of Board of Directors, Chair of Audit Committee, Member of Risk Committee

Sonja Stirnimann is the founder and CEO of Structuul AG, a globally active consulting firm in the areas of governance, risk, compliance and communication. She has more than two decades of professional experience in various industries. Her roles and responsibilities at global corporates as well as auditing and consulting firms contribute to her sound national and international experience. Sonja Stirnimann is an economist, Swiss Certified Public Accountant and holds an international Executive MBA in Financial Services & Insurance from the Universities of St. Gallen, HEC Montreal and Vlerick Business School Ghent. Additionally, she holds a certificate in financial mathematics and statistics, is a Certified Fraud Examiner and a business mediator. She also teaches at various universities, universities of applied sciences and in professional associations for their executive programs.

Henriette Wendt



Title and function (proposed)

Member of the Board of
Directors

Independent
Non-Executive Member

Year of birth
1969

Nationality
Danish

Education

2014 & 2019: Executive Training/
Board Management Training, IMD
Business School, Lausanne,
Switzerland

1992 - 1994: Master of Business
Administration, Essec Business
School, Paris, France

1989 - 1992: Bachelor of Economics,
Copenhagen Business School,
Denmark

Professional background

Since 2019: Microsoft Switzerland,
Zurich, Switzerland, Head of
Marketing and Operations

2016 - 2018: Telia Company,
Stockholm, Sweden, Member of the
Executive Board, Head of Denmark,
Lithuania and Estonia

2014 - 2016: Telia Company,
Stockholm, Sweden, Member of the
Executive Board, Head of Corporate
Development

2012 - 2014: Swisscom AG,
Berne, Switzerland, Head of
Corporate Strategy and Participations

2009 - 2012: Swisscom AG, Berne,
Switzerland, Group Strategy

2004 - 2009: Motorola Mobile Devices,
UK, Head of Strategy and Business
Intelligence, Smartphone Division

2001 - 2004: SeCo Mobile, UK,
Managing Director

1999 - 2000: BT, UK, Strategy Manager

1995 - 1999: Monitor Company,
France, Strategy Consultant

Other activities and functions









2017 - 2018: Telia Lietuva, Vilnius,
Lithuania (listed), Chair of the Board of
Directors

2017 - 2018: MegaFon, Moscow, Russia
(listed), Member of the Board of
Directors

2015 - 2016: Yoigo, Madrid, Spain (not
listed), Member of the Board of
Directors

Henriette Wendt is a highly experienced tech executive with a long history in strategy consulting, telecom, hardware and services across Europe and USA. Her strengths lie in business operations, strategy, portfolio management, business development, M&A and business transformation. She is passionate about digital transformation, building sustainable growth and organizational development.

Skill Matrix of the Board of Directors

Thomas D. Meyer proposed	Thomas Karlovits proposed	Sonja Stirnimann proposed	Henriette Wendt proposed	Ingo Arnold Since 2019	Ingrid Deltenre Since 2018	Michael Kramer Since 2016	Christoph Vilanek Since 2016
							

Memberships

Chair	proposed							
Nomination and compensation committee	proposed					•	•	•

Professional criteria (at least one member experienced in each dimension)

Banking/ asset management/ insurance		•	•					
TMT Industry	•	•		•	•	•	•	•
Financial expert		•	•		•			
Strategic management	•			•		•	•	•
Law and regulation, corporate governance			•		•			
Human Resources	•			•		•	•	•
Risk Management	•		•		•	•	•	•
Cyber Security	•		•	•				
Corporate Social Responsibility				•	•			•

Sunrise Communications Group AG

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