

Collective Employment Agreement

between Swisscom

Swisscom Ltd

Headquarters, 3050 Bern

and the trade unions party to the Agreement

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1 Scope

1.1 Personal

This Collective Employment Agreement (CEA) applies directly to employees and apprentices of Swisscom who are members of a trade union party to the Agreement. For non-members, the standard provisions of this CEA apply as the provisions to an individual employment contract.

The employment conditions for apprentices are dealt with in Appendix 1.

1.2 Exceptions

This CEA does not apply to:

- > Group management members, executives (job level A–C) with line-manager responsibilities, technical specialists and project leaders with a comparable status;
- > Trainees;
- > Part-time employees working an average of less than eight hours per week;
- > Temporary staff who are employed for up to three months;
- > Students doing part-time work who are enrolled at a university (university or ETH/EPFL), or a university of applied sciences in accordance with the Swiss Federal Law on Universities of Applied Sciences (Fachhochschulgesetz, FHSG) dated 6 October 1995 and who do not work for Swisscom for more than 624 hours per calendar year.

1.3 Corporate

Swisscom shall exert its influence on the companies listed in Art. 3.9 to join this CEA, although departures from this CEA are permitted in the affiliation agreements.

Upon acquisition of a majority shareholding in a company in Switzerland with at least 30 full-time employees (not including executives), Swisscom and the trade unions party to the Agreement shall settle upon an appropriate transitional phase in which the previous employment conditions of the acquired company shall continue to apply unaltered. Prior to the expiry of this transitional phase, Swisscom shall exert its influence on said company to enter into negotiations with the trade unions party to the Agreement with the aim of finding an appropriate solution that reflects the interests of the said company.

Should parts of Swisscom be hived off (namely by means of demerger or transfer of assets) to an acquired, or newly formed company with headquarters in Switzerland in which Swisscom still holds a majority shareholding, Swisscom shall exert its influence on said company to conduct negotiations with the trade unions party to the Agreement to find an appropriate solution insofar as more than 50% of the employees in said company have been transferred from Swisscom into the new company. If less than 50% of the employees are from Swisscom, the regulation as specified in the second paragraph shall then apply. During the transitional phase, the standard provisions of this CEA shall continue to apply to Swisscom employees as individual employment contract provisions.

With the loss of a majority shareholding in a company affiliated to the Swisscom CEA, the affiliation of the company concerned to the Swisscom CEA expires automatically on completion of the transaction. At the same time, the obligation of Swisscom to exert its influence on the company concerned also expires.

2 Standard Conditions of Employment

2.1 Collective Employment Agreement/Individual Employment Contract

2.1.1 General

Swisscom concludes a written individual employment contract (IEC) based on the CEA with every employee covered by the CEA. The employee must sign in person, whereas Swisscom may sign electronically. An authenticated electronic signature is equivalent to a handwritten signature in accordance with Art. 14 Section 2^{bis} OR. In exceptional circumstances, Swisscom may conclude a IEC in accordance with Appendix 2.

The IEC covers at least the start of the employment relationship (or the entirety, in the case of a fixed term employment), the degree of employment, the duration of the probationary period, the job level, salary, area of activity and the place of work. Swisscom provides employees with a digital copy of the CEA and its related appendices on concluding an IEC. Employees shall confirm receipt with their signature. Employees who are not members of a trade union party to the Agreement, or an association affiliated to the CEA, shall by signing the IEC declare their consent to the standard provisions and to the deduction of the CEA contribution.

Employees shall receive prompt notification of any amendment to the CEA.

2.1.2 Probationary Period

The probationary period lasts for three months. The IEC may provide for a shorter probationary period or waive it entirely.

2.1.3 Fixed-Term Employment

In the case of a fixed-term IEC for a period of less than six months, no probationary period shall normally be required, and it may normally be extended once by establishing a new termination date.

The duration of a fixed-term employment shall be taken into account when calculating the total period of employment, unless there has been an interruption of more than twelve months between one period of employment and the next.

2.2 Working Hours

2.2.1 Standard Working Hours and Normal Business Hours

The standard working week for full-time employees is 40 hours (8 hours per day).

Normal business hours are from Monday to Friday: 6 a.m. to 8 p.m.

In order to meet operational requirements, Saturdays may be classified as extensions of business hours and/or the daily business hours altered. Business hours may be organised differently in exceptional cases (e.g. Sunday trading in shops). Within business hours, employees can primarily determine their own working time in consultation with their manager and team. The teams determine the individual contact times in consultation with their manager. Contact times are regulated blocks of time during business hours, during which it must be possible to reach the teams. For operational reasons, fixed working hours can be established for organisational units, or individual employees, within normal or exceptional business hours.

Swisscom upholds the right of employees not to be reachable during their free time.

2.2.2 Journeys for work undertaken on customer premises and Starting from home

If employees have to travel directly to an external place of assignment or should their working day end at such a location (in general, at a customer's premises), their working hours will begin/end at this location. If the resultant journey to this location is longer than their usual journey to work (from their place of residence to the contractually agreed place of employment), then the extra travelling time incurred will count as working hours. The used or available means of transport applies.

For employees who begin their work at home, the first 15 minutes of their journey to their place of assignment will not count as working hours, nor will the last 15 minutes of their journey home from the place of assignment. If, in justified cases, employees travel to the contractually agreed place of employment (e.g. a warehouse), their working day will begin and/or end at this location. Work performed by employees at home will count as working hours.

Swisscom and the signing trade unions shall record in the relevant affiliation agreement the areas or job families for which the aforementioned regulations apply.

2.2.3 Timekeeping

Working hours shall be recorded by a method appropriate to the respective working hour model.

The waiver of timekeeping according to Art. 73a ArGV 1 is regulated in the CEA on the waiver of timekeeping between Swisscom and the trade unions party to the Agreement.

2.2.4 Additional Time and Overtime

With the exception of overtime performed as the result of applying working hour models, working time in excess of 40 hours per week shall count as additional time. Overtime refers to working time which exceeds the weekly maximum working time of 45 hours.

Additional time and overtime must be authorised by the person responsible or subsequently approved as such.

Employees are obliged to work additional hours and overtime within the framework of the statutory regulations, provided they are asked in good faith to do so and it can be reasonably expected.

Additional time and overtime shall be compensated by time off of equal duration. If, for compelling reasons, time in lieu cannot be taken within an appropriate period, by the end of the following calendar half-year at the latest and by agreement with managers the time credit cannot be carried forward to a long-term account of working hours, at the employee's request compensation shall be rendered in the form of cash payment. In the case of additional time, remuneration is provided without supplements, whereas overtime pay includes a supplement of 25% of the respective basic salary.

Hourly rates are calculated as follows: annual basic salary by 100% divided by 2080 hours.

2.2.5 Part-Time Work

If employees wish to change their degree of employment, Swisscom shall review said wishes giving regard to their compatibility with working commitments. Rejections of changes to the degree of employment must be justified in writing by the superior via the portal or by e-mail.

Part-time employees may not be assigned duties which exceed the duration of their contractual working hours on a regular basis, or for an extended period, without prior consultation.

In the case of part-time employees, hours worked in excess of the weekly target working time as per degree of employment by more than five hours/week shall be remunerated with a bonus of 25% on the respective basic salary, and not be compensated by time off of an equal duration. Hours for which a supplement is due are determined on the basis of a monthly review of the target working time. This provision does not apply to the annual working time model.

2.2.6 Part-Time Work from the Age of 58

On reaching the age of fifty-eight, employees are entitled to reduce their current degree of employment by a maximum of 20% in one or two steps, provided that the degree of employment does not fall below 50% as a result. Further reductions to the degree of employment are possible by mutual consent between managers and employees.

2.3 Working Hour Models and Salary/Overtime Supplements

2.3.1 Principles

Variable hours shall be regarded as the norm.

The model for annual working hours shall be agreed on an individual basis.

CEA parties can agree upon the introduction of other working hour models.

The organisational units shall establish the shifts or rotas. The number of shifts and where they are performed shall be based on operational requirements. As a rule, notification of shifts and rotas must be given at least 14 calendar days in advance.

Generally shifts must not be for less than four hours. Shorter shifts shall be agreed with the employee concerned.

Hours worked in excess of the normal weekly working hours are normally offset by days in lieu, taken whenever possible in conjunction with a regular rest day. Swisscom permits reasonable short breaks during working hours. These shall be regulated by the company. Short breaks must be provided for in the case of fixed working hours and shift work. The strain incurred from working continuously in front of a computer screen should be taken into account when determining when to take short breaks.

The right is reserved in respect of the statutory provisions (the Swiss Labour Act and Ordinances).

2.3.2 Variable Working Hours

The variable hour model is a flexitime model. Employees can perform their target working hours within the defined business hours, individually arranged consultation periods and taking into account operational requirements.

The working time account shows the difference between the contractual working hours and the hours actually worked or attributable to the employee.

Working time accounts shall be restricted to clocked hours ranging between +100 hours and -50 hours. Employees must notify their managers in due time if it is clear that the above-mentioned limits will be exceeded.

Employees may, in consultation with their manager, be compensated for the clocked hours on their time account in days or hours, or they can transfer such hours to a long-term account. Should workloads fluctuate, managers can arrange for compensation with the respective employee at least three days in advance.

2.3.3 Annual Working Hours

Annual working hours are based on variable daily, weekly and monthly working hours. This model may in particular be applied to operational areas where workload fluctuates significantly.

The annual target working hours shall be determined according to the degree of employment. The monthly salary shall be based on the agreed degree of employment, irrespective of the actual hours worked.

The organisational units shall plan the expected monthly target working hours on an annual basis and notify employees in writing. The monthly target working

hours shall be determined through joint consultation; any amendments shall normally be communicated to employees ten days in advance.

At the end of the year, the working time account shall not contain clocked time in excess of +100 hours or -50 hours, except in the case of long absences due to illness or accident.

On termination of the employment, all applicable additional hours and short-falls in hours shall be compensated for during the period of notice.

2.3.4 Home Office

Home Office is the term applied to temporary home-based work. There is no entitlement to Home Office, it is on a voluntary basis and subject to the approval of the respective employee's direct manager. Home Office is granted without a written agreement.

Employees practicing Home Office are integrated into Swisscom work processes and organisation. The same rules apply as for office work in respect of working hours, timekeeping, availability and compliance with security aspects (directive Use of ICT Resources, data backup, privacy and confidentiality). The target working hours shall be observed. There is no entitlement to salary or time-related bonuses, or other forms of recompense (e.g. for technical infrastructure and/or use of private premises). The regulations for mobile working apply.

2.3.5 Night and Sunday Work

Night work: from 11 p.m. to 6 a.m.

Sunday work: from Saturday 11 p.m. to Sunday 11 p.m.

Cantonal public holidays and Swiss National Day have the same status as Sundays.

At least 26 rest days per year must fall on a Sunday. The number of work-free Sundays can be reduced to 17, subject to individual arrangement. Sunday rest days and other days off shall be spread evenly over the year.

2.3.6 On-Call Service

Employees may be assigned on-call duties by their superiors due to operational requirements. On call means that employees must be ready to start work immediately outside normal working hours should the need arise.

2.3.7 Long-Term Account

The long-term account is a temporary time account in which the clocked hours can be redeemed subsequently for a specific purpose. In particular clocked hours can be redeemed for the following purposes:

- > Sabbatical leave;
- > Extension of maternity/paternity leave and/or resumption of employment following maternity/paternity leave, with a fixed period of reduced working hours, while retaining the contractually agreed degree of employment (and therefore salary);
- > Days off for training programmes;
- > Part-time work from the age of 58.

The following framework conditions apply:

- > To open a long-term account, a written agreement between the manager and employee is required. The agreement stipulates the key factors: purpose, time of redemption, balancing and any other terms.
- > The account can be credited with clocked hours, additional time and loyalty credits. It is not permitted to carry over hours from the overtime account.
- > The duration of the account must be limited, whereby a maximum duration of three years applies.
- > On opening a long-term account the time credits to be transferred must amount to a minimum of 80 hours and a maximum of 240 hours. A maximum time credit of 400 hours applies to part-time employment from the age of 58.

2.3.8 Supplements for Regular Night/Sunday Work

Employees working regular night and Sunday shifts are entitled to the following supplements:

Night work and day-time Sunday work: CHF 8.30/hour plus any holiday compensation (10.64%, 11.11%, 11.59%, 12.07%, 12.55% or 13.04%).

Night-time Sunday work: CHF 11.40/hour plus any holiday compensation (10.64%, 11.11%, 11.59%, 12.07%, 12.55% or 13.04%).

The time supplement for night work is 15%.

2.3.9 Supplements for On-Call Service

The on-call service consists of an on-call period and, if applicable, a period of deployment. The supplement for the on-call service may be taken in the form of time off in lieu or cash.

On-call time: CHF 5.20/hour or 15% time supplement.

Working hours: count as normal working hours, but with a supplement for night or Sunday work of 50% of the individual basic salary.

2.3.10 Supplements for Irregular Night/Sunday Work

Employees working nights or Sundays on an irregular basis shall receive a supplement of 75% based on their individual basic salary. The supplements for night work and Sunday work may not be accumulated.

2.4 Career Development/Vocational Training and Skills Training

Swisscom accepts its social responsibility as an employer and ICT company and aims to provide its employees with the best possible support on their way into the digitalised world of work. The aim of career development is to maintain and increase the individual's employable skills. This presumes a general willingness to learn and personal commitment on the part of the employee with the company requirements, which are based on the corporate strategy and company goals.

Career development at Swisscom comprises internal and external continuing training offers (off-the-job, near-the-job, on-the-job) aimed at maintaining existing capabilities and developing potential capabilities. Swisscom furthers and encourages employees and their skills by providing suitable support in terms of programmes, funding and/or time. From 2019, each employee is entitled to 5 working days' continuing training per calendar year for training and further education in accordance with the "Entitlement to 5 Days' Continuing Training" regulations.¹ Employees control their own career path and are prepared to make their own contribution and to strengthen their employability.

¹ Does not apply to apprentices.

During employee dialogues and appraisals which are conducted on a regular basis, career development plans and required training measures are discussed and recorded.

2.5 Leave, Public Holidays, Justified Leave and Absences

2.5.1 Holiday

Employees are entitled to the following amounts of leave per calendar year:

- > 25 working days up to and including the calendar year in which the employee reaches his/her 34th birthday;
- > 26 working days from the beginning of the calendar year in which the employee reaches his/her 35th birthday;
- > 27 working days from the beginning of the calendar year in which the employee reaches his/her 45th birthday;
- > 28 working days from the beginning of the calendar year in which the employee reaches his/her 50th birthday;
- > 29 working days from the beginning of the calendar year in which the employee reaches his/her 55th birthday;
- > 30 working days from the beginning of the calendar year in which the employee reaches his/her 60th birthday.

In principle, annual leave should be taken by 31 December. Employees must take two consecutive weeks of annual leave once in every calendar year. Managers must ensure that their employees take their annual leave entitlement.

If paid public holidays coincide with annual leave, these days may be taken at a later date.

If employment commences or ends during the calendar year, annual leave entitlement is reduced accordingly pro rata.

Entitlement to annual leave shall be reduced in proportion to the duration of absence, if employment is interrupted for more than 90 consecutive calendar days in any calendar year as a result of illness, accident, military service, civil protection or alternative civilian service. The same applies if female employees are absent for more than 90 calendar days as a result of pregnancy. There is no reduction for the first 90 calendar days. Unpaid leave results in a reduction in annual leave entitlement.

Reductions shall be rounded down to half days.

2.5.2 Public Holidays

Employees are entitled to a maximum of ten paid public holidays (including Swiss National Day). If a public holiday falls on a day when employees are not normally required to work, they are not entitled to payment or compensation. If employees are unable to work on a paid public holiday, they are not entitled to it retroactively.

2.5.3 Company Loyalty

Employees shall be granted one week of paid leave on completion of five years of employment and a further week for each subsequent period of five years completed.

2.5.4 Maternity Leave

Employees are entitled to 18 weeks paid maternity leave. Entitlement to compensation ends on the day employment is resumed regardless of the degree of employment.

If required, up to two week's leave may be taken immediately before the mother is due to give birth. If the newborn child needs to be hospitalised for at least three weeks, the employee can apply to have entitlement to maternity benefits deferred (Art. 24 of the Replacement of Earnings Ordinance, Verordnung zum Erwerbsersatzgesetz, EOV). During the period of deferred maternity benefits, maternity leave shall also be deferred. During the period of deferred maternity benefits, the employee shall be entitled to continuation of full salary payment. Swisscom shall be entitled to payments made under the income replacement scheme (Erwerbsersatzordnung, EO), equivalent to the continuation of payment of salary.

If operational conditions allow, additional unpaid leave may be granted.

2.5.5 Paternity Leave

Employees are entitled to 15 working days paid paternity leave. In addition, he is entitled to unpaid paternity leave of 20 working days. Paid and unpaid paternity leave must be taken within a year of the child being born. Paternity leave can be taken in one go or on a daily basis.

2.5.6 Paid Leave of Absence

Special leave of absence for family matters or special events shall be granted in the following cases:

- > Employee's own wedding: two days;
- > Death of spouse or partner, child, parent or other close relative: up to three days;
- > Adoptive parents after completion of adoption procedures: ten days;
- > Moving house: one day.

as well as the following paid leave of absence if the latter fall on a working day:

- > Sudden serious illness of spouse or partner, child or parent: up to two days;
- > In the case of single parents, for events that cannot be postponed, per calendar year: up to 5 days;
- > Recruitment draft and return of military equipment: as per call-up papers.

As part of Swisscom's Corporate Volunteer Programme employees can perform charitable work. One day per calendar year is granted as paid leave.

2.5.7 Absence due to Illness or Accident

If employees are unable to work for more than seven calendar days as a result of illness or accident, they must provide Swisscom with a sick note from a doctor no later than by the eighth day off work. In exceptional cases Swisscom may request a sick note from a doctor from the first day the employee is absent. Swisscom also reserves the right to request the employee to undergo a medical examination, the expenses of which shall be paid by Swisscom.

2.5.8 Public Office

Any employee assuming public office must duly inform Swisscom of this fact insofar as it may affect their job. If possible, the duties of a public office should be undertaken outside working hours. Swisscom shall grant a basic allowance of up to 15 days paid leave per calendar year for performing a public office. In the event of extended absences and/or time-consuming duties continuation of salary payment and/or adjustment of the degree of employment shall be agreed on an individual basis.

2.5.9 Unpaid Leave

Should unpaid leave last less than three months, Swisscom and the employee shall continue to make their social security contributions to the pension fund. From the fourth month of unpaid leave, employees shall be liable to pay the employer's contributions to the pension fund, with the exception of the risk contribution and the conversion rate contribution.

2.5.10 Work & Care

Swisscom offers its employees specific work & care working hour models for the care of relatives or related persons.

2.6 Leave for Trade Union Business

Members of executive bodies are granted the following paid leave per calendar year:

- Up to ten days for trade union activities including trade union training courses.

The other members of a trade union party to the Agreement are granted the following paid leave per calendar year:

- Up to six days for attending company conferences/executive meetings and trade union conferences;
- Up to two days for trade union training courses.

2.7 Salary and Family Allowances

2.7.1 Salary Determination and Equal Treatment

Employees are entitled to receive equal salary for work of the same value.

The salary shall be based on the function, experience and individual performance of the employee, as well as on collective success and is oriented towards market rates.

2.7.2 Minimum Salary

The annual minimum salary is CHF 52 000 gross.² Swisscom may agree with the trade unions party to the Agreement that a salary should be less than the minimum wage in individual cases.

2.7.3 Basic Salary

The basic salary is determined on the basis of the job role and employee's performance. The requirements of the role are decisive in determining the salary scale for the relevant job level. Within this salary scale, rises in salary are determined on the basis of individual performance in the course of salary negotiations.

Individual performance is assessed annually by appraisal in a personal interview between employees and their direct managers and recorded in writing.

2.7.4 Performance-Related Component

The variable performance-related component is based on the collective agreement of objectives (by the company, organisational unit and the team) and – depending on the function – on personal goal achievement. The standard rate as a percentage of the basic salary, negotiated with the trade unions party to the Agreement, is laid down in the salary regulations. Swisscom and trade unions party to the Agreement may define alternative standard performance-related components for specific groups of employees.

Deviations in the standard performance-related salary component are possible by agreement with the employee. However, the minimum basic salary is guaranteed up to and including job level H.

If the objectives are met, 100% of the performance bonus shall be paid out (target performance bonus). If the agreed objectives are exceeded the performance bonus may be up to double this amount (200%). The effective amount is determined by the degree to which the agreed objectives are achieved.

In addition to collective goals, personal targets may be agreed with the employee.

² The minimum salary regulation does not apply to apprentices.

2.7.5 Target Salary

The target salary is made up of the basic salary plus the target performance bonus (100% target achievement). It forms the basis for calculating the insured salary in the pension plan.

When employees start, leave or are transferred within Swisscom, the individual basic salary and performance-related component shall be calculated for the year in question on a pro rata basis. The performance-related component may be reduced for employees who are leaving Swisscom.

2.7.6 Payments

The individual basic salary is paid in 13 monthly instalments (13th instalment with the November salary) by bank transfer. At the beginning of any year, employees may request that their salary be paid in 12 instalments.

The performance-related component based on the attainment of objectives is normally paid out in April of the following year, after Swisscom has presented its annual accounts.

2.7.7 Family Allowances

Unless cantonal law prescribes higher allowances, the child allowance is CHF 240 and the education allowance CHF 250 per month and child.

Entitlement, duration of entitlement and any special reasons for reducing such benefit (e.g. for children living abroad) is governed by federal legislation on family allowances and the applicable cantonal law.

Entitlement to any allowances for the birth or adoption of a child is governed by federal legislation on family allowances and the applicable cantonal law.

2.8 Continued Payment of Salary

2.8.1 Continuation of Payment of Salary in the Event of Illness and Accident

If an employee is unfit for work due to illness or accident, Swisscom will continue to pay his/her salary for a maximum period of 730 days at a rate of 100% of the (net) basic salary.³

In order to cover these benefits, Swisscom shall take out a collective insurance policy providing daily sickness and accident benefits (Supplement to the Swiss Federal Law on Accident Insurance, Unfallversicherungsgesetz, UVG), subject to a waiting period of a maximum of 180 days. Employees shall contribute one half of the premiums for daily sickness insurance, calculated on the basis of a waiting time of 180 days, together with one half of the premiums for non-occupational accident insurance.

The right to continuation of payment of salary from Swisscom applies only during the period of employment. After termination of employment the right to daily benefits may then only be claimed from the insurance company according to the applicable insurance provisions (in the case of fixed-term IECs, the right to daily sickness benefits shall end no later than on termination of the IEC). Employees must be able to transfer to a personal insurance policy unconditionally.

Swisscom is entitled to daily sickness insurance and other benefits by nature of compensating loss of earnings (such as pensions) from the statutory social security offices (accident insurance, federal invalidity insurance, military insurance, income compensation scheme) and collective daily sickness insurance and additional accident insurance for as long as Swisscom continues to pay the employee's salary and it is credited to the continuation of salary paid by Swisscom. Swisscom may reduce its continuation of salary payment by the same degree as the insurance reduces its insurance benefits.

2.8.2 Military Service, Civil Protection or Alternative Service

During basic training as part of all compulsory Swiss military, or civil protection services, the following continuation of payments shall be made per calendar year:

- > 100% of the basic salary for 30 days;

³ If daily benefits are paid in lieu of a salary, the payment received for unfitness for work may not be higher than what the employee would have been paid for working. In this context, differences between deductions made when employees are working and when they are unfit to work must be taken into account, particularly with regard to social security contributions, which are not payable while employees are unfit to work.

subsequently

- > for unmarried employees: 80% of the basic salary;
- > for married employees or unmarried employees who have a duty to pay maintenance: 100% of the basic salary.

Swiss civil protection, as well as military service or Red Cross service, undertaken by female members of the Swiss army, is regarded as equivalent to military and civil protection service.

Continuation of payment of salary for those participating in voluntary training and events shall be agreed on an individual basis.

Swisscom shall be entitled to payments made under the income replacement scheme (Erwerbsersatzordnung, EO) equivalent to the continuation of payment of salary.

2.8.3 Additional Payment in the Event of Death

In the event of the death of an employee, Swisscom shall pay one sixth of the annual target salary in the event that the deceased employee leaves behind a spouse, partner or dependent children. Should there be no such persons and in the event that the deceased employee paid maintenance to another person, that person shall receive the additional payment.

2.9 Rights and Obligations

2.9.1 Confidentiality and Return of Documents

Employees may not disclose to unauthorized employees, third parties or competitors confidential or business information relating to Swisscom and in particular accounting and balance sheet figures, business plans, cost-accounting principles, technical procedures, contractual relationships with other companies, joint ventures, information about business partners, employees, customers and suppliers, or archived, payroll or production data. Telecommunications secrecy must be respected at all times.

The above duty of confidentiality shall continue to apply even after termination of the employment, provided this is necessary to preserve the legitimate interests of Swisscom.

If requested by Swisscom, and at any event on termination of the employment, the employee must return all papers, documents or records belonging to Swisscom. No copies thereof may be made without Swisscom's express consent.

2.9.2 Personal Integrity and Data Protection

The employment shall be governed by respect and tolerance. No employee may be discriminated against, either directly or indirectly, on the basis of gender, age, nationality, language, culture or their degree of employment. It is the duty of all employees to contribute towards the achievement of this objective.

Swisscom shall respect and protect the personal integrity of its employees and endeavour to protect their health by providing a suitable working environment.

In the interests of both the employees and the company, Swisscom shall endeavour to minimise the negative impact of ill health resulting from sickness or accident by carrying out preventive and rehabilitation measures as part of its company healthcare management system. Swisscom shall strive to reintegrate employees who have suffered ill health into the working process by taking appropriate measures.

In the event of any disputes with Swisscom, employees shall have recourse to a personal representative. This applies in particular in relation to the following matters:

- > Employee classification under the salary system and staff appraisal;
- > Violations against the person by superiors or colleagues, including in particular sexual harassment and mobbing;
- > Termination of employment without notice;
- > Changes to place of work or nature of duties.

Employees are obliged to provide Swisscom with all personal information it requires to employ them and to inform Swisscom of any changes to this information. Swisscom guarantees data privacy. Employees are entitled in particular to examine their personnel file and the information it contains about them.

The principles for smart data processing of employees' personal data are laid down in separate regulations.

Swisscom does not use coded language in letters of reference.

2.10 Duty of Loyalty and Liability

2.10.1 Receipt and Acceptance of Gifts and other Advantages

Employees are not permitted to accept gifts or offer, promise or grant other privileges should these be connection with their business activities and might be deemed to constitute bribery or granting undue privileges.

Employees are also not permitted to demand, obtain assurances of, or accept gifts or other undue privileges.

2.10.2 Secondary Occupation

Employees are obliged to inform Swisscom of any other gainful employment in which they are involved. Secondary occupations are not permitted if they are in breach of the duty of loyalty. The maximum statutory working hours may not be exceeded.

2.10.3 Liability

Employees shall be liable to Swisscom for any damage/loss caused wilfully, or as a result of gross negligence.

2.11 Intellectual Property Rights

2.11.1 Copyright

Employees shall assign to Swisscom any copyright and associated rights, in particular rights to software, including all partial rights, provided that these rights originated within the scope of the employee's duties at Swisscom. Such provision applies to all items developed by employees during their employment, either alone or in partnership with others.

If Swisscom has no interest in the rights it has acquired, the employees' right to use of the work shall be contractually granted.

2.11.2 Inventions and Designs

Any inventions and designs which employees make, or contribute to in the course of their employment and in fulfilment of their contractual duties, shall

be the property of Swisscom. Such provision applies irrespective of the time and place of the activity which leads to the invention or design, or whether the invention or design is capable of being legally protected. Swisscom shall be permitted to modify or add to any invention, design or other technical creation made by its employees at any time.

On conclusion of the IEC, Swisscom reserves the right to acquire and make use of any invention and design made by employees in the course of their work, including work which is not in specific fulfilment of the employees' contractual duties. In such cases, employees must inform Swisscom in writing of the invention or design; Swisscom shall notify employees within six months as to whether it intends to waive its right to acquire the invention or design. If Swisscom does not waive its claim to the inventions or designs, it shall pay employees appropriate compensation, which shall be determined by taking into account all circumstances, such as the business value of the invention or design, Swisscom's participation, the use made of Swisscom's staff and operational facilities, as well as the employees' expenses and their positions within the company. Employees can contact Swisscom's internal patent management if they have any questions about inventions and designs.

Employees shall continue to be obliged to provide any necessary details and complete any formalities required to secure the patent, or protect the design, even after termination of employment. Swisscom shall reimburse any expenses incurred and pay appropriate compensation for any loss of earnings.

2.12 Amendment of Termination of Employment

2.12.1 Temporary Change of Workplace or Nature of Work

For operational reasons, all employees may be requested to undertake different work for a temporary period to which they are suited but which is not part of their normal duties under their employment contract. Employees may likewise be temporarily allocated a different place of work. Any additional travelling time to the temporary place of work qualifies as working time; any additional expenses as a result thereof shall be reimbursed by Swisscom.

2.12.2 Assumption of a Lower-Paid Function

If, on account of company restructuring or reasons which have nothing to do with the individual employee, an employee accepts a different position or agrees to a change in function, the insured salary will not be reduced, provided that the employee has reached his or her 58th birthday at the time of the

change; Swisscom shall assume responsibility for the difference in pension fund contributions.

2.12.3 Amendment of Employment Conditions

Should employees become partially disabled, Swisscom shall attempt to amend the conditions of employment in the employees' field of work in accordance with their level of ability to work, or shall seek an alternative solution.

2.12.4 Expiry of Employment

Employment shall cease automatically when the employee reaches statutory retirement age, on the death of the employee, or expiry of the fixed-term of employment. Employment shall also cease automatically when the employee becomes entitled to claim a full-time disability pension.

By mutual agreement, employment may be continued upon reaching the statutory retirement age.

2.12.5 Termination of Employment Contract

The periods of notice are as follows:

- > During the probationary period: seven days, to any given day;
- > In the first year of employment: one month, to the end of a given month;
- > From the second year of employment: three months, to the end of a given month;
- > From the second year of employment and after the employee's 50th birthday: five months, to the end of a given month.

The period of notice shall be six months for those employees who are members of the executive board of a trade union party to the Agreement and who have been reported as such to Swisscom.

Termination at an inopportune time, or without notice shall be governed by the applicable statutory regulations (Art. 336c et seq. OR).

Discussions must be held with employees prior to standard notice of termination on grounds for which employees are personally responsible (inadequate performance, unsatisfactory conduct). The minutes of these discussions shall be kept in the employees' personnel files. Notice must be given in writing. Swisscom shall provide justification for termination in every case.

The employment may be terminated by mutual consent at any time regardless of any other provisions. The termination agreement must be made in writing.

2.12.6 Protection of Members

Members of employee committees, members of employee representative bodies on the board of trustees of the pension fund and employees who are members of an executive board of a trade union party to the Agreement and who have been reported to Swisscom as such may neither be dismissed nor suffer any disadvantage on account of their official activities, either during their term in office or for a period of one year thereafter.

3 Contractual Provisions

3.1 Equality, Equal Opportunities and Protection of Personal Integrity

The parties to the CEA believe in promoting equal opportunities. In this context Swisscom undertakes to:

- > protect the personal integrity of its employees;
- > promote equality;
- > adopt measures to prevent discrimination, sexual harassment and mobbing and provide any assistance where necessary;
- > strive for a balanced representation of the sexes, languages and cultures in committees, projects and work teams;
- > take appropriate action to implement equal opportunities.

At the request of a party to the CEA, a meeting on equality, equal opportunities, personal protection or health protection may be convened.

Swisscom shall nominate contacts for employees who feel they have been penalised, or have been the victims of sexual discrimination.

3.2 Salary Negotiations

Up to 31 October any party to the CEA can request negotiations regarding salary changes to take effect as per 1 April of the following year. Criteria for salary negotiations include for instance the company's performance, market situation and rising living costs (inflation).

Apprentices' salaries are not the subject of salary negotiations. Any salary changes shall be determined by Swisscom.

Should the parties to the CEA be unable to reach an agreement, any party to the CEA may appeal to the Arbitration Court up to 31 January.

3.3 Redundancy Scheme

In the event of large-scale redundancies, or large-scale dismissals of employees for reasons not related to individual employees, or should large numbers of employees be transferred to other operational locations, negotiations must be held in good time with the trade unions party to the Agreement in order to agree a redundancy scheme to avoid, or reduce any negative impact on the employees affected.

Should large-scale redundancies or dismissals occur, Swisscom undertakes to provide a minimum of 60% of the annual minimum salary per employee affected in order to finance the redundancy scheme. No individual rights can be derived from the terms of such provision.

The redundancy scheme shall regulate the way in which these funds are used (for example, to assist in finding new employment, or to finance retraining or severance payments), together with the formation, composition and responsibilities of the joint committees appointed to decide on how the funds are used and how the redundancy scheme is implemented.

3.4 Duty to Observe Industrial Peace

The parties to the CEA give a commitment to industrial peace. Any industrial disputes such as strikes or lockouts are prohibited as long as this CEA is in force, even in relation to matters which are not regulated by this CEA and its Appendices.

3.5 Participation

3.5.1 General

The parties to the CEA promote employee participation and thus foster a good working atmosphere. They implement the provisions of the Collective Employment Agreement.

The areas, extent and levels of participation are regulated in Appendix 3 (Participation).

No participation is envisaged in the vocational training concepts and models and in salary issues for Swisscom apprentices.

3.5.2 Trade Unions

As a general rule the trade unions party to the Agreement shall jointly assert their rights of participation to Swisscom (at group and company level). They are the contacts for Group and company management teams on important matters that relate to the social partnership.

3.5.3 Employee Committees

Members of the ranks of the employee committees are generally and freely elected from among the employees and exercise their rights of co-determination in the respective companies or business units.

3.6 Implementation Contribution (CEA Contribution)

3.6.1 CEA Contribution

Swisscom levies a monthly CEA contribution of 0.3% of the basic salary from every employee who falls under the CEA.

Apprentices do not pay a CEA contribution.

CEA contributions are paid into a fund that is administered by the parties to the CEA by means of a joint representative committee. The parties to the CEA shall ensure that all employees subject to this CEA benefit from the payments financed by the fund. The fund may be used to finance expenditures directly connected with the fulfilment and implementation of the terms of this CEA and with the collective interests of the employees. In particular, the following expenditures may be financed in part by the fund:

- > Maintaining social partnership relations;
- > Printing costs of the CEA and related materials together with the costs of further information measures;
- > Costs incurred by the signing trade unions for joint bodies of the redundancy scheme;
- > The administration of the fund;
- > Costs incurred by the trade unions party to the Agreement in connection with the negotiations and the development of the CEA;
- > Costs for trade union courses and training costs for members of the Employee Committees;
- > Costs of leave for trade union members who attend trade union meetings, or training courses and for employees who act as members of an executive body for a trade union party to the Agreement.

Implementation contributions from members of employee associations that are not parties to, or affiliated to the CEA, or for which Swisscom does not collect association contributions, will be reimbursed from the fund on request.

3.6.2 Collection

The implementation contribution shall not be deducted from the salary of an employee if a deduction is made from the salary of the employee in respect of a membership contribution to a trade union party to the Agreement (collection of association contribution by Swisscom).

In the event that no deduction in respect of the contribution to the association is made from the salary of a member of a trade union party to the Agreement, the association shall reimburse the member with the CEA contribution.

Swisscom shall make the details of members (name, address, commencement and termination of employment) available to the trade unions party to the Agreement for administrative purposes, provided that it has received the relevant authorisation from the member. Likewise, the signing trade unions shall inform Swisscom which employees are members and the level of membership contributions.

3.6.3 Joint Committee

The Joint Committee on CEA contributions shall be composed of four members. It shall fulfil its duties in terms of this Appendix independently. It shall also decide on the appropriation of any assets remaining in the event of dissolution of the fund.

The joint committee shall appoint the auditors.

3.7 Arbitration

3.7.1 Arbitration Court

In the event of dispute between parties to the CEA in relation to the interpretation and application of this CEA and its appendices, an arbitration court with its seat in Bern shall have jurisdiction to the exclusion of the ordinary courts.

The arbitration court shall additionally be responsible for deciding on the change to salaries in the event that the parties to the CEA cannot reach agreement in salary negotiations.

In the case of disputes in relation to a redundancy scheme, the arbitration court shall only have jurisdiction to determine whether there has been a breach of the provisions of this CEA.

3.7.2 Election and Constitution

The arbitration court consists of three members. Should a party to the CEA wish to refer a dispute to the arbitration court, it shall notify the defendant(s) of the same by registered post and nominate an arbitrator at this time. The defendant(s) shall likewise nominate an arbitrator within 30 days of receipt of notification and notify the CEA appellant of this by registered post. The opposing parties must accept the appointed arbitrator unless reasonable doubts exist as to the neutrality or impartiality of the arbitrator. The parties to the proceedings must jointly appoint a president of the arbitration court within a further 30 days. Should the defendant(s) delay nominating an arbitrator, or in the event that the parties cannot agree on a president, the President of the Federal Supreme Court of Bern Canton shall be requested to make the required appointment.

3.7.3 Procedure

The arbitration court shall itself determine the procedure to be followed. This process shall be straightforward and swift. In general a simple exchange of correspondence (plaint and answer) shall take place, followed by oral proceedings for the hearing of any witnesses and experts, and for the oral presentation of the parties' viewpoints.

In the event of disagreements relating to the collective salary negotiations, the arbitration court shall issue its decision within 30 days of its being convened, following an oral hearing of the parties to the CEA and without any exchange of written communication.

The arbitration court can at any time attempt to reach an agreement.

The decision of the arbitration court is final, with the right reserved for appeal to the Federal Supreme Court according to Art. 389 et seq. of the Swiss Code of Civil Procedure (ZPO).

Costs and compensation shall be determined by the arbitration court. During the arbitration procedure, all parties shall refrain from discussing the dispute in public.

3.7.4 Applicable Subsidiary Provisions

Unless laid down otherwise in the aforementioned, the provisions of Part 3 of the ZPO (Art. 353 et seq.) shall apply.

3.8 Willingness to Negotiate

If, in the opinion of a party to the CEA, a significant question relating to the contractual relationship requires clarification, or if a party to the CEA requests the amendment of a provision of the CEA or one of its Appendices, the parties to the CEA shall be obliged to discuss the matter and to make every effort in good faith to find a solution. In the event that no agreement is reached, or no solution has been found and entered into force, the existing provisions shall continue to apply.

3.9 Duty to Exert Influence in accordance with Art. 1.3 of the CEA

Swisscom shall exert its influence on the following companies to become party to this CEA:

- > Swisscom (Switzerland) Ltd
- > Swisscom Broadcast Ltd
- > Swisscom Event & Media Solutions Ltd
- > Swisscom Health Ltd
- > Swisscom Services Ltd
- > Billag Ltd
- > WORKLINK Ltd

4 Term and Transitional Provisions

4.1 Term of the CEA

This CEA comes into effect on 1 July 2018 and will remain in force until 30 June 2021. Unless one of the parties to the CEA issues a written request for negotiations about an amendment hereto by 31 December 2020, this CEA will be extended automatically by one year to 30 June 2022.

The parties to the CEA declare their willingness to hold talks regarding its extension or revision at least six months prior to the termination of the CEA.

4.2 Transitional Provisions

4.2.1 Continuation of Payment of Salary in the Event of Illness and Accident

Continued salary payments or insurance benefits for illnesses and accidents whose claim date lies prior to 1 April 2015 shall be subject to the regulations on continued salary payments or insurance cover applicable on the claim date. The same applies to subsequent consequences of illnesses and accidents whose original claim date lies prior to 1 April 2015.

In the daily sickness benefit insurance, the claim date is considered to be the date on which the doctor established inability to work in connection with a new illness, or a maximum of five calendar days prior to the first medical consultation.

In the supplementary sickness benefit accident insurance, according to the Federal Law on Accident Insurance (UVG), the date on which the accident occurred is considered to be the claim date.

In the compulsory accident insurance, according to the Federal Law on Accident Insurance (UVG), the statutory provisions of the Federal Law on Accident Insurance are definitive.

5 Appendices

The following appendices are an integral part of this CEA:

Appendix 1: Employees with an Apprenticeship Contract (Apprentices)

Appendix 2: Employees engaged for a maximum of 12 months

Appendix 3: Participation

This CEA together with its appendices has been drafted in German, French, Italian and English. The German version is the authoritative version.

3050 Bern, June 2018

Swisscom Ltd

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Communication Sector

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Appendix 1

Employees with an Apprenticeship Contract (Apprentices)

1 Scope

Apprentices are employees with a Swisscom apprenticeship contract who complete their basic vocational training in the Swisscom Group, culminating in the award of the Swiss Federal Certificate of Competence or Swiss Federal Vocational Certificate.

The CEA does not apply to apprentices with a cablex apprenticeship.

2 Employment Contract Provisions

2.1 Applicable Law

Aside from the provisions in this Appendix, apprentices are subject in particular to the Swiss Code of Obligations [OR] (therein in particular Art. 344–346a), the Federal Labour Act (ArG), the Vocational Training Act (BBG) and corresponding ordinance (BBV), the Cantonal Vocational Education Acts (kBBG) and constituent ordinances.

The spirit of the provisions of the Swisscom CEA apply in cases in which this Appendix does not supply any explicit provisions.

2.2 Probationary Period

The probationary period is three months. Prior to its expiry, it may be extended in exceptional cases to six months by mutual agreement and consent of the cantonal authorities.

2.3 Continued Employment

Although high priority is placed on continued employment following basic vocational training, there is no guarantee.

3 Working Hours

With the exception of the following points, the provisions of the Swisscom CEA apply.

3.1 Standard Working Hours

Swisscom's standard working hours apply. Time spent at college counts as working hours. A whole college day is the equivalent of a full working day (eight hours); a half day at college counts as half a work day (four hours). Work time per day must not exceed nine hours (any overtime work and class periods included).

Working hours shall be recorded in an appropriate manner. Swisscom relies upon the apprentices' sense of responsibility.

3.2 Travel Time

Regardless of whether to the company place of work, according to Appendix 1 Art. 3.3, or to the training location in line with the apprenticeship contract – if travelling to work takes longer than 60 minutes, the time in excess of 60 minutes per journey is credited as work time (from place of residence to place of work or training, using public transport).

When journeys to work take more than 60 minutes, apprentices are expected to use the time for training purposes, e.g. to deal with operational matters.

3.3 Place of Employment

Any further places of employment, other than the place of training specified in the apprenticeship agreement, arise from the selected projects and are agreed with the apprentice.

If necessary and by mutual consent, apprentices may be deployed in a third-party company in order to obtain vocational qualifications. During their period of deployment in the third-party company, apprentices enjoy the same degree of integration in the latter's operational organisation as the latter's own apprentices. Swisscom shall ensure the appropriate provisions and shall conclude an agreement with the individual apprentices.

3.4 Overtime/Night and Sunday Work

Only in exceptional cases (i.e. to render exceptional services, in the event of seasonal peaks, unforeseeable events and to prevent damage/loss) may apprentices be expected to do overtime. Such overtime shall be approved in advance by the apprentice mentor. Overtime shall be compensated by time off in lieu of the same duration taken within the following 14 days and in agreement with the apprentice mentor. Night and Sunday work shall only be permitted in exceptional cases and in observance of the statutory provisions.

4 Working Hour Models and Forms

4.1 Variable Working Hours

Variable working hours regulations apply to a limited extent also to apprentices. Flexitime credit is limited to 30 hours; a negative balance of up to -10 hours is permissible. If necessary, the apprentice mentor responsible can agree measures related to working hours with the apprentice and within the framework of the statutory provisions. Such measures shall be aimed at optimally supporting the apprentice's acquisition of skills, while at the same time taking into account operational requirements.

By consent of the apprentice mentor, clocked hours in the time account can be taken in the form of half or full days. At the end of the apprenticeship the time account should have a zero balance.

4.2 Home Office

Home Office is the term applied to temporary home-based work. It is a possible form of work and can be approved by the apprentice mentor, provided that all involved (apprentice, project provider and legal representative) are agreed. Furthermore, reference is also made to Art. 2.3.4. CEA Swisscom.

5 Training

5.1 Vocational College and Vocational Baccaulaureate

Attendance at a vocational college is compulsory. Apprentices work for Swisscom when college is cancelled for more than half a day and during the holidays.

Swisscom enables apprentices to obtain the vocational baccaulaureate, provided that company training targets are not jeopardised in the process. These provisions for vocational colleges thus also apply in spirit to baccaulaureate colleges.

Optional subjects at vocational colleges may only be attended following consultation with the apprentice mentor responsible. Extra courses are of a temporary nature and can be authorised by the vocational college in agreement with the company's training unit. Optional subjects or extra courses are always considered as working hours. If optional subjects or extra courses are held in off-peak hours or in the evenings, the corresponding time is not credited as working time. The scope of optional and extra courses must not exceed an average of half a day per week during working hours.

Attendance of any external courses is compulsory.

5.2 Leave for Vocational Training and Training Courses

A maximum of five additional paid days' leave per apprenticeship year shall be granted for vocational training and training courses.

5.3 Appraisals

Apprentices are entitled to regular personal appraisals at least every six months.

6 Salary, Supplements and Reimbursement of Expenses

Salary, supplements and expenses details are laid down in the «Salaries, Supplements and Reimbursement of Expenses for Swisscom Apprentices» regulations.

7 Continuation of Payment of Salary

The right to continuation of payment of salary from Swisscom applies only during the period of apprenticeship. After termination of the apprenticeship the right to benefits from the insurance company expires. After termination of the apprenticeship, apprentices are entitled at their request and without a further medical examination, to transfer from the collective insurance policy to a personal insurance policy.

8 Leave, Public Holidays, Justified Leave and Absences

8.1 Leave

Apprentices are entitled to six weeks' leave per calendar year. If the apprenticeship is commenced or terminated during the year, leave entitlement is shortened proportionately on a pro rata basis.

Leave may not be taken during days when vocational college is attended. Leave shall be taken by the end of the calendar year, at least two weeks must be taken consecutively.

8.2 Public Holidays

The public holidays in the Swisscom List of Public Holidays apply to apprentices in accordance with the apprenticeship contract. In the case of deployment, in accordance with Art. 3.3 Appendix 1, apprentices are subject to conditions that prevail locally.

8.3 Paid Absences

In addition to Art. 2.5.6 of the CEA, apprentices are entitled to attend the information venue for the recruitment draft (max. one day).

Swisscom shall be entitled to payments made under the income replacement scheme (Erwerbsersatzordnung, EO), equivalent to the continuation of payment of salary.

8.4 Illness, Accident and Doctor's Visits

As far as possible, doctor's and dentist's appointments, therapy appointments and visits to public authorities should be arranged to take place in the apprentice's spare time. The latter always count as unpaid absences.

Apprentices must furnish proof of absence due to illness or accident. If said absence is for longer than four calendar days, apprentices must furnish a doctor's certificate to the apprentice mentor without any prompting. In exceptional cases Swisscom may request a doctor's certificate from the first day the employee is absent. Swisscom also reserves the right to request the employee to undergo a medical examination, the expenses of which shall be paid by Swisscom.

8.5 Military Service

No extended periods of military service (e. g. recruit training/alternative civilian service) shall take place during the apprenticeship. Advanced military training (NCO training college, officer training college etc.) may not be completed or pursued.

8.6 Unpaid Leave

With the exception of youth vacation in accordance with Art. 329e OR no unpaid leave shall be granted.

9 Duty of Loyalty

9.1 Property Rights

All materials and business documents, created by apprentices themselves in the course of training, including electronic equipment like laptops, mobile phones etc. provided for their use, remain the property of Swisscom (training documentation excepted).

9.2 Secondary Occupation

Secondary occupations are not permitted if they are in breach of the duty of loyalty, or jeopardise the attainment of training goals. Apprentices must notify Swisscom of any other employment they pursue.

The maximum statutory working hours may not be exceeded.

9.3 Use of IT Media

Apprentices shall be familiar with the wide range of uses of these media and be able to make best use of them in their work. Swisscom therefore encourages the use of these tools. Appropriate provisions govern the use of IT and telecommunication media. Disciplinary action under labour law shall be taken in the event of infringements.

Appendix 2

Employees engaged for a maximum of 12 months

In the event of continued employment beyond the maximum period of 12 months, a permanent contract IEC based on the CEA shall be concluded with the employee.

1 Permissible Departures from the CEA Provisions

- a) IEC Conclusion, Art. 2.1
Swisscom shall conclude a written individual employment contract (IEC max. 12 months) with employees engaged for a maximum of 12 months.
- b) Company Loyalty, Art. 2.5.3
No departure from the CEA. The duration of IEC max. 12 months employment will be taken into account in the event of further employment by Swisscom.
- c) Maternity Leave, Art. 2.5.4
There is only entitlement to statutory benefits (Art. 329f OR and EOG).
- d) Paternity Leave, 2.5.5
Employees shall be entitled to paid paternity leave of two days.
- e) Salary, Arts. 2.7.1, 2.7.3, 2.7.4 & 2.7.5
A target salary (basic salary and performance-related component) or a fixed salary (without performance-related component) can be agreed. Should a basic salary be agreed, Art. 2.7.1 and 2.7.3 shall be applicable analogously; Art. 2.7.4 and 2.7.5 shall not be applicable.
- f) Minimum Salary Art. 2.7.2
Employees are entitled at least to the annual salary corresponding to the minimum basic salary for their job level.
- g) Payments, Art. 2.7.6
Salaries are transferred to a bank account in 12 monthly instalments. An agreed performance related component based on the attainment of objectives is normally paid out in April of the following year, after Swisscom has presented its annual accounts.

- h) Continued Salary Payment, Military Service, Civil Defence Service and Alternative Civilian Service, Art. 2.8.2
There is only an entitlement to statutory benefits (Art. 329f OR and EOG).
- i) Termination, Art. 2.12.5
The IEC max. 12 months employment may be terminated subject to a notice period of one month to the end of a calendar month. Notice must be given in writing. The contract ends without notice on expiry of the agreed period, no later than after 12 months.

2 Non-Application of CEA Provisions

- a) Fixed-term Employment, Art. 2.1.3
- b) Career Development/Vocational Training and Skills Training, Art. 2.4
- c) Assumption of a Lower-paid Function, Art. 2.12.2
- d) Salary Negotiations, Art. 3.2
- e) Redundancy Scheme (and entitlements from the redundancy scheme 2018), Art. 3.3

Appendix 3

Participation

1 General

By conducting a dialogue, the participation partners – Swisscom, the Employee Committees and the trade unions party to the Agreement wish to devote their collective intelligence to the well-being of the employees.

During the term of the CEA Swisscom 2018, Employee Committees are to be involved to a greater extent in the issues agreed upon by Swisscom and the trade unions party to the Agreement, and direct participation encouraged. The Employee Committees support Swisscom in its continuous drive to professionalise the participation process. The Employee Committees should be involved as early as possible.

Responsibilities are assigned to the trade unions party to the Agreement and the Employee Committees as follows:

- > the trade unions party to the Agreement are the dialogue and negotiating partners of Swisscom for matters relevant to the CEA and strategic participation.
- > The Employee Committees are the dialogue partners for operative matters with an impact on employees. The statutory provisions (Participation Law, Code of Obligations, Labour Act) shall be reserved.

2 Participation Forms

2.1 Direct participation

«Direct participation» is the continuous involvement of employees and Employee Committees by managers in work and projects with an impact on working methods and conditions. The manner of involvement is not regulated, and results from the corporate culture, management decisions, the organisational or professional know-how of employees and Employee Committee members.

2.2 Regularised participation

«Regularised participation» is set out in this Appendix (Appendix 3), and is detailed in the concluding Section 9 entitled «Areas, extent and levels of participation».

3 Extent of Participation

Information (level 1)

Information is defined as the right to be informed comprehensively and in good time in the language of the place of work (German, French or possibly Italian); information in written form will be explained in greater detail at the employee's request.

Employee Participation (level 2)

Employee participation is defined as the right to be heard and to make proposals before Swisscom makes a final decision; if it makes a decision which is not consistent with the proposals made, it shall provide justification, either verbally or in writing.

Co-Decision-Making (level 3)

Co-decision-making is defined as decisions made equally by employers, the trade unions party to the Agreement and/or the Employee Committees.

Self-management (level 4)

Self management is defined as the right to act and make decisions autonomously in the organisational and financial affairs of the Employee Committees.

4 Employee Committees in the Companies

4.1 Number of Members

There is at least one Employee Committee in every company affiliated to the Swisscom CEA, insofar as the minimum number of members is reached.⁴ An Employee Committee consists of at least three members. Swisscom and the Employee Committees determine the number of members per Employee Committee on the basis of the size and structure of the company or business sector in the election rules. Each Employee Committee member represents around 400 employees. Companies with up to 4,000 employees have one Employee Committee; companies with more than 4,000 employees have two or correspondingly more Employee Committees.

⁴ If there is no Employee Committee in a company, employees are directly entitled to statutory participation rights.

4.2 Constitution and Quorum

The Employee Committees are responsible for their own constitution, which as a minimum must include the positions of Chairperson and Deputy Chairperson.

Employee Committees shall have a quorum when more than half of all members are present. Written resolutions require a three-quarters majority of all Employee Committee members. In the event of a tied vote, the Chairperson shall have the casting vote.

Within the framework of Appendix 3, Employee Committees can resolve organisational rules and guidelines for the assignment of duties among their members and submit them to Employment Relations Management for their information.

4.3 Duties

The Employee Committees fulfil their duties independently. They maintain contact to the employees whom they represent, listen to their concerns and broach them with the contact persons at Swisscom.

The Employee Committees deal with all matters presented to them by the contact persons responsible at Swisscom. The Employee Committee and Swisscom shall exchange information and shall pass on such information in the appropriate form, unless it has been expressly designated as confidential.

5 Position and Protection

5.1 Duty of Confidentiality

The members of the Employee Committee are obliged not to disclose any information relating to operational matters which comes to their knowledge due to their position to any persons outside the company, unless these persons have been entrusted with safeguarding the interests of the employees.

Swisscom and Employee Committee members are obliged to maintain confidentiality towards all persons:

- > if this has been expressly requested by Swisscom or the Employee Committee out of legitimate interest;

- > if it regards the personal concerns of individual employees.
- Members shall continue to be bound by this duty of confidentiality after they have ceased to serve on the Employee Committee.

5.2 Leave of Absence

The following leave of absence rules apply for terms of office pursuant to Art. 8:

Swisscom Ltd (Group Functions) and Swisscom (Switzerland) Ltd:

Employee Committee members may avail themselves of the following leave for their Employee Committee duties:

- > Per Chairperson 30% of the contractually agreed employment level;
- > Per Deputy Chairperson: 20% of the contractually agreed employment level;
- > Other members: 10% of the contractually agreed employment level respectively.

The individual allocation of the leave of absence for the individual Employee Committee members is carried out by the respective Employee Committee.

Employee Committee members pursue further training during their agreed percentage-based leave of absence. Newly elected Employee Committee members are entitled to two additional training days in their first year of office.

The scope of Employee Committee duties is fixed in the employee's individual employment contract. If the percentage-based leave of absence is not required for Employee Committee duties, the time will be used to perform the employee's principal duties.

For the remaining companies affiliated to the Swisscom CEA (pursuant to Art. 3.9 CEA Swisscom):

Employee Committee members may perform their duties during work time as the occasion demands. The Employee Committees may hold up to six meetings a year during working hours. Employee Committee members are released from their professional duties to carry out their activities (including training) per calendar year as follows:

Chairperson	up to 4 days
Deputy Chairperson	up to 3 days
Other members, each	up to 2 days

5.3 Protection of Members

No member of an Employee Committee shall be discriminated against by Swisscom during his or her term of office or after ceasing to serve as a mem-

ber. This also applies to all those who stand as candidates in Employee Committee elections. Termination of employment by Swisscom for reasons unrelated to the employee personally (e.g. due to restructuring) is prohibited in the sixweek period (see Employee Committee election rules) between the announcement of the Election Committee candidacy and the election day.

6 Training

Swisscom is responsible for training Employee Committee members. The costs are funded through the CEA contribution fund according to Art. 3.6.1 CEA Swisscom. The trade unions party to the Agreement may participate in conducting training courses.

7 Infrastructure, Cost and Expenses

Employee Committee members may use the infrastructure at their place of work in order to fulfil their duties. Expenses may be settled according to Swisscom's current expenses rules.

Further costs are budgeted for annually by the Chairperson, whereby each Employee Committee is furnished with a budget limit of CHF 10/represented employees. The budget is approved by the Head of Employment Relations.

8 Term of Office

The term of office of Employee Committee members is four years. Members may be re-elected. Elections generally take place in the autumn, with the term of office beginning 1 January.

Termination of the employment relationship results in withdrawal from the Employee Committee. The transfer of Employee Committee members to another group company or another business division is regulated in the Employee Committee election rules.

Should an Employee Committee member resign during their term of office, not assume office or leave the company, the next candidate is appointed according to the regulations in the Employee Committee election rules.

9 Areas, Extent and Levels of Participation

In the case of general company matters or those which affect several business divisions or group companies, the following participation rights are exercised by the respective Chairpersons of the Employee Committees in question, or by ad hoc working parties drawn from the respective Employee Committees.

Area of Participation	Trade Unions Party to the Agreement	Employee Committee
General		
CEA, appendices and affiliation agreements	3	1
Salary negotiations	3	1
Salary regulations	1	1
Regulations on working hours	2	1
Working hours regulations, which by Labour Law (ArG) entail a right of codetermination	–	2
Determination on public holidays	–	2
Expenses regulations / fringe benefits	1	2
Equal opportunities regulations	1	2
Regulations for mobile working	2	2
Regulations on smart data principles	3	1
“Entitlement to 5 Days’ Continuing Training” regulations	3	1
Employee appraisal systems	2	2
Manager appraisal systems	–	1
Implementation of employee survey results	–	2
Company strategy, business development, staffing policy		
Business development, current developments and challenges, company strategy	1	half-yearly by the CEO on the occasion of a general meeting
Major changes in the company structure, foundations of companies, shareholdings, company acquisitions, disinvestments	1	1
Staffing policy	1	1
Staffing planning / restructuring / reorganisation		
Annual staffing planning	2	–
Staffing planning case by case / impact of restructuring on employees (within the meaning of Art. 335d ff. OR)	2	2
Short-time work as per Art. 33 AVIG	2	2
Transfer of operations/part of operations to third parties, mergers, demergers, transfer of assets as per Art. 333a Section 1 OR	1	1
Transfer of operations/part of operations to third parties, mergers, demergers, transfer of assets as per Art. 333a Section 2 OR	1	2

Area of Participation	Trade Unions Party to the Agreement	Employee Committee
Redundancy Scheme	see Art. 3.3 CEA	1
Site relocations and closures	1	2
Health / occupational safety		
Ergonomics: design of work places and occupational safety aspects	–	2*
Annual road map of company health management	–	1
Occupational safety, health at work, accident prevention (as per Art. 48 ArG and Art. 82 UVG)	–	2
Accident and illness insurance / daily benefits insurance (memorandums and AVB)	1	1
Social aspects		
Childcare concept	–	2*
Recreational areas (changing rooms, wash room facilities, showers, recreation rooms)	–	2*
Staff catering concept	–	2
Staff discount concept	–	2
Employee Committee		
Job requirements for employee committee members	–	3
Employee Committee election rules	–	3
Employee Committee organisation rules	–	4
Assignment of remits and leave of absence within the employee committee incl. formation of ad hoc working parties	–	4
Administration of approved budget	–	4
Employee Committee – employee communication	–	4

* Extended co-determination through participation/involvement in the relevant project



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