

## **William Demant Holding A/S**

On Wednesday 11 April 2012 at 4 p.m., the Annual General Meeting of William Demant Holding A/S, Central Business Register (CVR) no. 71 18 69 11, was held at Kongebakken 9, DK-2765 Smørum.

The Chairman of the Board of Directors welcomed and thanked the shareholders for attending the meeting.

The Board of Directors had appointed lawyer Jørgen Boe as Chairman of the meeting.

The Chairman announced that notice of the general meeting had been given in accordance with statute and the Articles of Association, and that the general meeting had been duly convened and formed a quorum for the transaction of business.

Shares of DKK 38,491,479 nominal value were represented at the general meeting, corresponding to 67.3% of the share capital after adjustment for the company's own shares.

The company had issued 245 admission cards for the general meeting, of which 134 were used to attend the meeting. The participants in the meeting included 95 voting shareholders. A total of 63 shareholders had granted powers of attorney to the Board of Directors, and 17 shareholders had completed a proxy form or cast their votes by post. Proxies to third parties had been given by 351 shareholders.

In accordance with Article 8.2 of the Articles of Association, the agenda of the general meeting was as follows:

1. Report of the Board of Directors on the company's activities during the past financial year
2. Presentation and adoption of the audited annual report, including the consolidated financial statements
3. Approval of remuneration for the Board of Directors for the current financial year
4. Resolution on the appropriation of profit or loss as recorded in the adopted annual report
5. Election of members to the Board of Directors
6. Election of auditor
7. Any proposal by the Board of Directors or shareholders

The Board of Directors had submitted the following proposals:

- a) The company's acquisition of its own shares
  - b) Authority to the Chairman of the general meeting
8. Any other business

**Re 1: Report of the Board of Directors on the company's activities during the past financial year and**

**Re 2: Presentation and adoption of the audited annual report, including the consolidated financial statements**

The Chairman of the Board of Directors, Lars Nørby Johansen, reported on the company's activities during the past year.

Niels Jacobsen, President & CEO, went over the 2011 Annual Report.

The Chairman of the meeting then opened the floor for questions and comments.

Søren Lillemose of the Danish Shareholders Association first thanked for an informative and well-written annual report and for the Chairman's report, noting that William Demant Holding A/S supports active ownership, and that the annual report provides a good insight into the company's operations and management. He observed that the expectations for 2011 had been met, and that William Demant Holding A/S made progress in terms of both sales and earnings, and had gained market shares. He informed the meeting that the William Demant Holding A/S share is recommended as a growth share by the Danish Shareholders Association's "share school", and that the market value of the share has doubled over the past eight years despite crises and market unrest. As usual, the excellent results did not give rise to dividend distribution to William Demant Holding A/S' shareholders, but to resumption of the share buy-back programme. In this connection, Søren Lillemose asked whether this would involve delisting of the company's shares. He also asked how compliance with the company's control procedures, under which all material risks are submitted to the Board of Directors, is ensured. He noted that William Demant Holding A/S follows 74 out of the 79 Recommendations on Corporate Governance, and that information about and the reasons for not following the other recommendations is available on the company's website. He observed that the company's Audit Committee consists of all members of the Board of Directors, and that there is not a majority of independent members on the committee, but that the chairman of the committee is independent. He asked whether the Audit Committee would have a majority of independent members in the future. He noted that in William Demant Holding A/S, as one of only a few companies, the Chairman of the Board of Directors annually evaluates the performance of each individual board member. Søren Lillemose then asked how William Demant Holding A/S wishes to work in the future in relation to the establishment of a nomination committee, as the company has no nomination committee at present. He ended by wishing William Demant Holding A/S continued progress and all the best in the future.

In relation to the first question, Niels Jacobsen answered that last time share buy-back programmes were initiated, shares were delisted. He informed the meeting that the company's current holding of its own shares did not give rise to any delisting of shares, but that shares probably will be delisted next year.

Lars Nørby Johansen first thanked Søren Lillemose for his comments and questions, and then answered the other questions.

In relation to the question how compliance with the control procedures is ensured, Lars Nørby Johansen informed the meeting that the Board of Directors takes various steps to this end, first by formulating the procedures and next by ensuring that they are implemented and actually complied with. The follow-up action taken includes dialogue with the auditor and the Audit Committee's work. He pointed out that the company takes the control procedures, as well as corporate governance in general, very seriously.

In response to the question about the independence of the Audit Committee, Lars Nørby Johansen said that it was correct that there is not a majority of independent members on the committee, but that half of the members are independent, including the chairman.

With respect to the question about the establishment of a nomination committee, Lars Nørby Johansen informed the meeting that according to the Recommendations on Corporate Governance a nomination committee should be set up, but that the Recommendations do not reflect a statutory requirement. The Board of Directors has a good and efficient dialogue, including with the Oticon Foundation, about which qualifications are required on the Board, how the Board is most appropriately composed, and how the Board's qualifications can best be used. Therefore, all members of the Board of Directors of William Demant Holding A/S are responsible for the duties which otherwise should be performed by a nomination committee.

As no one else wished to speak, the Chairman of the meeting announced that the report of the Board of Directors had been adopted, and that the 2011 Annual Report had been approved.

### **Re 3: Approval of remuneration for the Board of Directors for the current financial year**

The Board of Directors proposed that the basic remuneration for 2012 should be DKK 300,000, and that the Chairman should receive three times and the Deputy Chairman two times the basic remuneration.

No one wished to speak.

The Chairman of the meeting announced that the Board of Directors' proposal had been adopted.

### **Re 4: Resolution on the appropriation of profit or loss as recorded in the adopted annual report**

The Board of Directors proposed that the profit for the year, DKK 1,074 million, should be transferred to the company's reserves.

No one wished to speak.

The Chairman of the meeting announced that the Board of Directors' proposal had been adopted.

**Re 5: Election of members to the Board of Directors**

Under Article 11.2 of the Articles of Association, board members elected by the general meeting are elected for one-year terms. Lars Nørby Johansen, CEO, Peter Foss, CEO, Niels B. Christiansen, CEO and Thomas Hofman-Bang, CEO, stood for re-election.

The requirements of section 120 of the Danish Companies Act (*selskabsloven*) were satisfied.

The proposed candidates were re-elected.

The Board of Directors thus consists of:

- Lars Nørby Johansen
- Peter Foss
- Niels B. Christiansen
- Thomas Hofman-Bang
- Ole Lundsgaard (employee representative)
- Jørgen Møller Nielsen (employee representative)
- Karin Ubbesen (employee representative)

**Re 6: Election of auditor**

The Board of Directors proposed that Deloitte Statsautoriseret Revisionspartnerselskab should be re-elected.

No one wished to speak.

The Chairman of the meeting announced that the Board of Directors' proposal had been adopted.

**Re 7: Any proposal by the Board of Directors or shareholders**

**Re 7a) – The company's acquisition of its own shares**

The Board of Directors proposed that the Board should be authorised until the next annual general meeting to allow the company to acquire its own shares of a nominal value of up to 10% of the share capital. The purchase price for the shares must not differ by more than 10% from the price quoted on NASDAQ OMX Copenhagen A/S at the time of the acquisition, meaning the closing price – all transactions at 5 p.m.

No one wished to speak.

The Chairman of the meeting announced that the Board of Directors' proposal had been adopted.

**Re 7b) – Authority to the Chairman of the general meeting**

The Board of Directors proposed that the Chairman of the general meeting should be authorised to make such additions, alterations or amendments to or in the resolutions passed by the general meeting and the application for registration of the resolutions to be filed with the Danish Business Authority (*Erhvervsstyrelsen*) as the Authority may require for registration.

No one wished to speak.

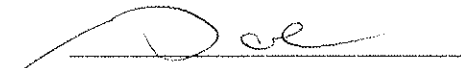
The Chairman of the meeting announced that the Board of Directors' proposal had been adopted.

**Re 8: Any other business**

As no one wished to speak, the Chairman of the meeting announced that there was no further business to transact, thanked the shareholders for an orderly meeting, and gave the floor to the Chairman of the Board of Directors.

Thanking the Chairman of the Board of Directors and the shareholders for attending, the Chairman of the Board of Directors closed the general meeting at 4.47 p.m.

Chairman of the meeting:



Jørgen Boe, Lawyer