

To the shareholders of  
William Demant Holding A/S

28 February 2017

Notice is hereby given of the Annual General Meeting of William Demant Holding A/S to be held on:

**Monday, 27 March 2017 at 4:00pm CET**  
at the Company's address  
**Kongebakken 9, 2765 Smørum, Denmark**

*Before the AGM, coffee and cake will be served from 3:00pm. Parking spaces will be reserved at the main entrance, and there will be free, regular transportation from the nearby Kildedal S-train station between 2:40pm and 3:20pm and back again after the AGM.*

*Please note that the entire AGM will be webcast on the Company's website, [www.demant.com](http://www.demant.com).*

#### **Agenda**

In accordance with Article 8.2 of the Articles of Association, the agenda is as follows:

1. The Board of Directors' report on the Company's activities in the past year.  
The Board of Directors recommends that the report be adopted.
2. Presentation for approval of the audited Annual Report 2016, including the consolidated financial statements.  
The Board of Directors recommends that the Annual Report 2016 be approved.
3. Approval of remuneration for the Board of Directors for the current financial year.  
The Board of Directors recommends that the proposed remuneration be approved.
4. Resolution on the appropriation of profit or payment of loss according to the approved Annual Report 2016.  
The Board of Directors proposes that the profit of DKK 1,115 million be transferred to the Company's reserves to the effect that no dividend be paid.
5. Election of members to the Board of Directors.  
Under Article 11.2 of the Articles of Association, Board members elected by the AGM are elected for one-year terms. At the 2017 AGM, Peter Foss, Niels B. Christiansen, Benedikte Leroy and Lars Rasmussen stand for re-election, whereas Lars Nørby Johansen does not stand for re-election. The Board proposes that Niels Jacobsen be elected new member of the Board.
6. Election of auditor.  
The Board of Directors proposes that Deloitte Statsautoriseret Revisionspartnerselskab be re-elected.

7. Any proposals from the Board of Directors or shareholders.

The Board of Directors has submitted the following proposals:

- a) Reduction of the Company's share capital
- b) Authorisation to the Board of Directors to let the Company acquire own shares
- c) Amendment of Article 9.2 of the Articles of Association
- d) Authority to the chairman of the AGM

8. Any other business

### Elaboration of the proposals

#### Re agenda item 3

The Board of Directors proposes that the basic fee for Board members remains DKK 350,000 for 2017 and that the Chairman will continue to receive three times the basic fee and the Deputy Chairman twice the basic fee.

In addition to this, the Board of Directors proposes that the basic fee for audit committee members remains DKK 50,000 and that the chairman of the audit committee will continue to receive three times the basic fee.

#### Re agenda item 5

Peter Foss, Niels B. Christiansen, Benedikte Leroy and Lars Rasmussen stand for re-election. Lars Nørby Johansen does not stand for re-election. The Board proposes that Niels Jacobsen be elected new member of the Board. Information on each of the Board candidates, their managerial posts etc. follows below:

**Peter Foss**, Deputy Chairman (born 1956). Joined the Board of Directors in 2007 and was most recently re-elected in 2016 for a term of one year. He is a member of the nomination committee and the audit committee. Because of his seat on the boards of the Oticon Foundation and William Demant Invest A/S (the Company's majority shareholder), he is not considered independent. Other managerial posts: *FOSS A/S and two affiliated companies, chairman; The Oticon Foundation, deputy chairman; William Demant Invest A/S, deputy chairman; A.R. Holding af 1999 A/S, board member; Track-Man A/S, board member.*

Peter Foss holds a Master of Science degree in Engineering from the Technical University of Denmark (DTU) and also holds a Graduate Diploma in Business Administration (Finance). He has extensive managerial experience from global, market-leading industrial companies with comprehensive product development. He has board experience from different lines of business.

**Niels B. Christiansen** (born 1966). Joined the Board of Directors in 2008 and was most recently re-elected in 2016 for a term of one year. He is chairman of the audit committee and is considered independent. Other managerial posts: *Danfoss A/S, President & CEO and board memberships in six subsidiaries; Axcel, chairman; A.P. Møller - Mærsk A/S, board member; Technical University of Denmark (DTU), board member.*

Niels B. Christiansen holds a Master of Science degree in Engineering from the Technical University of Denmark (DTU) and also holds an MBA from INSEAD in France. His international experience from the management of major, global, industrial, hi-tech corporations is comprehensive. He also has extensive board experience from listed companies as well as strong insight into industrial policy.

**Benedikte Leroy** (born 1970). Joined the Board of Directors in 2014 and was most recently re-elected in 2016 for a term of one year. She is a member of the audit committee and is considered independent. Other managerial posts: *Dell Technologies, SVP & EMEA General Counsel; Dell GmbH in Germany, chairman of the supervisory board.*

Benedikte Leroy holds a Master of Law degree from the University of Copenhagen. She has significant international management experience from large, global technology companies within both consumer and business-to-business segments, and she has lived and worked in the UK and Belgium for many years.

**Lars Rasmussen** (born 1959). Elected to the Board of Directors in 2016 for a term of one year. He is a member of the audit committee and is considered independent. Other managerial posts: *Coloplast A/S, President & CEO; H. Lundbeck A/S, chairman; Committee on healthcare issues under the Confederation of Danish Industry, chairman.*

Lars Rasmussen holds a Bachelor of Science degree in Engineering from Aalborg University and an Executive MBA from SIMI. He has considerable executive management experience from global MedTech functions. Lars Rasmussen's qualifications include management and board experience from listed companies, innovation, globalisation, business-to-business and business-to-consumer sales models, and he has extensive experience with globalisation and efficiency improvements.

**Niels Jacobsen** (born 1957). Proposed as new member of the Board of Directors. If elected, he will not be considered an independent member of the Board, as he has been President & CEO of the Company. Other managerial posts: *LEGO A/S, chairman; A.P. Møller - Mærsk A/S, deputy chairman; KIRKBI A/S, deputy chairman; Thomas B. Thriges Fond, chairman; William Demant Invest A/S, managing director; Boston Holding A/S, board member; Jeudan A/S, deputy chairman; Össur hf., chairman; Sennheiser Communications A/S, board member; HIMPP A/S, chairman; HIMSA A/S, chairman; HIMSA II A/S, board member.*

Niels Jacobsen holds a Master of Science degree in Economics from Aarhus University. Niels Jacobsen has extensive leadership experience both as President & CEO and as chairman or member of the boards of directors of major international companies, including listed companies. His competencies include business management and in-depth knowledge of financial matters, accounting, risk management, mergers and acquisitions. He also has broad experience from the global healthcare and MedTech industries.

#### Re agenda item 6

The Board of Directors proposes that Deloitte Statsautoriseret Revisionspartnerselskab be re-elected in accordance with the recommendation of the audit committee. The audit committee has not been influenced by any third party and has not been subject to any agreements concluded with third parties that may limit the election by the AGM of certain auditors or accountancy firms.

#### Re agenda item 7a

The Board of Directors proposes a reduction of the Company's share capital by nominally DKK 1,423,110 divided into 7,115,550 shares of DKK 0.20, corresponding to the Company's holding of treasury shares as at 27 February 2017. The Company's holding of treasury shares was acquired as part of the Company's share buy-back programme in 2016 and 2017. The amount of the reduction will be distributed to the shareholders in accordance with section 188 of the Danish Companies Act (*selskabsloven*). The shares were acquired at a total price of DKK 926,028,672, meaning that DKK 924,605,562 was paid in addition to the nominal amount of the reduction.

As a result of the capital reduction, the Board of Directors proposes that Article 4.1 of the Articles of Association be amended accordingly after expiry of the time limit prescribed in section 192 of the Danish Companies Act to the effect that it will then be stated in Article 4.1 that the Company's share capital is DKK 51,793,255.

Before the capital reduction is implemented, the Company's creditors will be requested, through the IT system of the Danish Business Authority (*Erhvervsstyrelsen*), to file their claims within four weeks in accordance with section 192(1) of the Danish Companies Act. Under section 193(1) of the Danish Companies Act, the capital reduction and the resulting

amendment of the Company's Articles of Association will be registered as final by the Danish Business Authority no later than four weeks after expiry of the time limit for the filing of claims by creditors, unless the capital reduction cannot be implemented at such time under the provisions of the Danish Companies Act.

Re agenda item 7b

Until the next AGM, the Board of Directors is authorised to let the Company acquire own shares of a nominal value of up to 10% of the share capital. The bid price for the shares must not deviate by more than 10% from the price quoted on Nasdaq Copenhagen A/S at the time of acquisition. The price quoted on Nasdaq Copenhagen A/S at the time of the acquisition means the closing price – all transactions at 5:00pm CET.

Re agenda item 7c

The Board of Directors proposes that the last sentence in Article 9.2 of the Articles of Association regarding handing over of ballot papers be removed, meaning that for practical reasons ballot papers are not necessarily handed over together with admission cards, but could for example be handed over at the AGM. As a consequence of this amendment, Article 9.2 of the Articles of Association would then read:

“Anybody who at least one week prior to the AGM is registered as a shareholder in the register of shareholders or has at that time made a request to that effect and such request having reached the Company is entitled to attend and vote at the AGM. In order for a shareholder to exercise such rights is also contingent on the shareholder having procured an admission card no later than three days prior to the AGM.”

Re agenda item 7d

The chairman of the AGM is authorised to make any such amendments and additions to the resolutions passed by the AGM and to apply for registration of such amendments and additions with the Danish Business Authority (*Erhvervsstyrelsen*) that may be required by the Authority in connection with the registration of the amendments passed.

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Adoption of the proposed resolutions under agenda items 7a and 7c is subject to at least 51% of the share capital being represented at the AGM and the resolution being passed by at least two-thirds of both the votes cast and the voting share capital represented at the AGM, cf. Article 10.3 of the Articles of Association. The other proposed resolutions on the agenda may be passed by a simple majority of votes, cf. Article 10.2 of the Articles of Association.

The Company's share capital is DKK 53,216,365, divided into shares of DKK 0.20 or multiples thereof, cf. Article 4.1 of the Articles of Association. Each share of DKK 0.20 carries one vote, cf. Article 9.1 of the Articles of Association.

Under Article 9.2 of the Articles of Association, shareholders who are registered as shareholders in the register of shareholders on the date of registration, 20 March 2017 or have made a request to that effect and such request having reached the Company are entitled to attend and vote at the AGM.

Shareholders entitled to attend and vote at the AGM under Article 9.2 of the Articles of Association are entitled to attend the AGM, subject to having obtained an admission card for themselves and for any adviser accompanying them to the meeting no later than on 23 March 2017 at 11:59pm CET.

Please note that only shareholders registered in the register of shareholders on the date of registration and having obtained an admission card prior to the AGM are entitled to attend.

Admission cards may be obtained electronically through the Company's website, [www.demant.com/investor-relations](http://www.demant.com/investor-relations), *Shareholder Portal* by submitting the order form by post to Computershare A/S, Kongevejen 418, 2840 Holte, Denmark, as a scanned copy by e-mail to [gf@computershare.dk](mailto:gf@computershare.dk) or by fax to +45 4546 0998, by written request to the Company's office or by personal application to Kongebakken 9, 2765 Smørum, Denmark, on weekdays between 10:00am and 12:00pm CET (noon).

As a new initiative, the Company will send out electronic admission cards by e-mail to the e-mail address indicated by the shareholder on registration in the *Shareholder Portal*. The admission card must be presented at the entrance either electronically on a smartphone/tablet or as a print-out. If it is not possible to receive the admission card electronically or to print it out, an admission card can be collected upon arrival to the AGM against presentation of appropriate identification.

Shareholders will get physical voting papers upon arrival at the annual general meeting.

The Company has designated Danske Bank A/S as its custodian bank through which the Company's shareholders may exercise their financial rights.

By 3 March 2017, the following information and documents will be made available on the Company's website, [www.demant.com/media](http://www.demant.com/media), *Document Library, Annual General Meeting*: 1) Notice convening the AGM; 2) the total number of shares and voting rights as at the date of the notice; 3) all documents to be submitted to the AGM, including the audited Annual Report 2016; 4) the agenda and the complete proposed resolutions to be submitted to the AGM; and 5) postal and proxy voting forms.

All shareholders may ask written questions about the agenda and the documents to be used for the AGM. Any questions may be sent by post to the Company or by e-mail to [william@demant.com](mailto:william@demant.com). Questions will be answered in writing before or orally at the AGM, unless the answer is made available on the Company's website, [www.demant.com](http://www.demant.com), prior to the AGM.

If you are unable to attend the AGM, the Company's Board of Directors would be pleased to act as proxy to cast the votes attaching to your shares. Proxies may be appointed electronically on the Company's website, [www.demant.com/investor-relations/share-information/investor-services](http://www.demant.com/investor-relations/share-information/investor-services), *Shareholder Portal*, no later than on 23 March 2017 at 23:59pm CET. You may also complete, date and sign a proxy form and return it by post to Computershare A/S, Kongevejen 418, 2840 Holte, Denmark, as a scanned copy by e-mail to [gf@computershare.dk](mailto:gf@computershare.dk) or by fax to +45 4546 0998, for receipt no later than on 23 March 2017 at 23:59pm CET. If you wish to appoint proxies other than the Board of Directors, you may use the form for appointing a third-party proxy. Please note that you must also request an admission card for the proxy. The above proxy forms are available on the Company's website, [www.demant.com](http://www.demant.com).

You may also vote by post. Postal votes may be cast electronically on the Company's website, [www.demant.com/investor-relations/share-information/investor-services](http://www.demant.com/investor-relations/share-information/investor-services), *Shareholder Portal*, no later than on 24 March 2017 at 12:00pm CET (noon). You may also complete, date and sign a postal voting form – the same form as the proxy form – and return it by post to Computershare A/S, Kongevejen 418, 2840 Holte, Denmark, as a scanned copy by e-mail to [gf@computershare.dk](mailto:gf@computershare.dk) or by fax to +45 4546 0998, for receipt no later than on 24 March 2017 at 12:00pm CET (noon). Postal voting forms are available on the Company's website, [www.demant.com/media](http://www.demant.com/media), *Annual General Meeting*.

Smørum, 28 February 2017

*The Board of Directors*