

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

On Thursday 22 March 2018 at 4 pm, the Annual General Meeting (the "AGM") of William Demant Holding A/S, Central Business Registration (CVR) no. 71 18 69 11, was held at Kongebakken 9, 2765 Smørum, Denmark.

The Chairman of the Board of Directors addressed a few words of welcome to the shareholders and thanked them for attending the meeting. He then gave a brief presentation of each member of the Board of Directors and the Executive Board.

The Board of Directors had appointed attorney Jesper Schultz Larsen as Chairman of the meeting.

The Chairman of the meeting announced that the notice of the AGM had been given in accordance with the Articles of Association and the Danish Companies Act (selskabsloven) and that the general meeting had been lawfully convened and formed a quorum for the transaction of the business on the agenda.

Shares in the nominal amount of DKK 38,626,367 were represented at the general meeting, corresponding to 76.81% of the share capital after adjustment for the Company's own shares.

The Company had issued 162 admission cards for the general meeting, of which 96 were present. The participants included 67 shareholders with voting rights. A total of 30 shareholders had granted a proxy to the Board of Directors, and 27 shareholders had completed a proxy form or cast their votes by post. 732 had granted a proxy to a third party.

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

1. Report of the Board of Directors on the Company's activities during the past year.
2. Presentation for approval 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 covering of loss according to the approved annual report.
5. Election of members to the Board of Directors.
6. Election of auditor.
7. Any proposal from the Board of Directors or shareholders.

The Board of Directors had 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) Authority to the Chairman of the AGM
8. Any other business.

## **Re 1: Report of the Board of Directors on the Company's activities during the past year**

The Chairman of the Board of Directors, Niels B. Christiansen, reported on the Company's activities during the past financial year and explained the Company's position on the Recommendations on Corporate Governance.

## **Re 2: Presentation for approval of the audited annual report, including the consolidated financial statements**

Søren Nielsen, President & CEO, presented the 2017 annual report. The Chairman of the meeting then opened the floor for questions and comments concerning both the report of the Board of Directors and the presentation of the annual report.

Jørgen Siiger took the floor on behalf of the Danish Shareholders' Association (*Dansk Aktionærforening*). He explained the objectives of the Danish Shareholders' Association and reflected on the past year. Jørgen Siiger requested the members of the Board of Directors elected by the general meeting, including the Chairman, to acquire and hold an adequate part of the shares in the Company. Jørgen Siiger then asked the management how the process of increasing the share of female managers at all levels is proceeding and what is actively being done on the part of the Company to obtain the email addresses of the shareholders. Jørgen Siiger also mentioned the general problem of many users not deriving maximum advantage from their hearing aids, and, in that connection, he asked the management what is being done to improve the situation and get more satisfied customers, which could help increase earnings. Finally, Jørgen Siiger asked the management whether it was not possible to describe risks to a greater extent in the Danish summary of the annual report.

Niels B. Christiansen, Chairman of the Board of Directors, thanked Jørgen Siiger and the Danish Shareholders' Association for their many positive comments and answered the questions regarding female managers, email addresses from the shareholders and the Danish summary of the annual report. Further, Niels B. Christiansen noted the request to hold an adequate part of the shares in the Company and took it into consideration. With respect to the question of female managers, Niels B. Christiansen referred to the report of the Board of Directors, and, further, stated that the objective of the Company is to have at least two women as members of the Board of Directors in 2020 and noted that positive work is being carried out for the purposes of increasing the share of female managers at the different management levels. As a result, inter alia, the share of female managers has increased from 11% in 2009 to 23% in 2017, and specific initiatives are being carried out to further increase the share. With respect to the question on email addresses from the shareholders, Niels B. Christiansen stated that it is very important to the Company and that, inter alia, a letter is sent to all new shareholders with a request for email addresses and that it is also easy to provide one's email address by means of the Company's website, but that it is of course optional for each shareholder to provide its email address. With respect to the question about describing risks to a greater extent in the Danish summary of the annual report, Niels B. Christiansen stated that the management, with a view to ensuring the short form and easy accessibility which are the purpose of the Danish summary of the annual report, has assessed that a detailed description of risks as seen in the English annual report would be too extensive to include in the Danish summary of the annual report, but that the request from the Danish Shareholders' Association is taken into consideration.

Søren Nielsen, President & CEO, answered the question about deriving full advantage from hearing aids and customer satisfaction. Søren Nielsen stated that the Company's hearing healthcare strategy is a sign of the Company's commitment to making a large difference for everybody suffering from hearing loss and that this is a long-term commitment including research and development efforts. Søren Nielsen also emphasized the Oticon Foundation's long-standing investment in the Ida Institute, which, inter alia, does research within this area. Søren Nielsen stated that there is a challenge in it not being possible for far from all customers to choose their own hearing aid or try the different hearing aid alternatives because a specific aid is being provided to them and that the customer's incentive to ensuring the best solution decreases concurrently with a minor or no user's fee. The Company and its employees have, on a daily basis, much focus on addressing this challenge and creating as much customer satisfaction as possible.

Then shareholder Jens Frederik Demant took the floor. Jens Frederik Demant repeated the request of the Danish Shareholders' Association that the Board of Directors, including the Chairman, increase its shareholding in the Company. Jens Frederik Demant then asked the management how many retail shops the Company has in Denmark and in the rest of the world. Jens Frederik Demant also posed questions in relation to the Company's relocation of activities from Switzerland to Warsaw, Poland, including as to which type of activities are being relocated, whether the relocation is made to an industrial area or a research park and whether a group of employees will be relocated as well or whether new employees from Warsaw have been employed.

Niels B. Christiansen, Chairman of the Board of Directors, again took into consideration the request to hold more shares in the Company and answered the question about the number of retail shops. Niels B. Christiansen stated that the actual number is competitively sensitive information and, as such, cannot be provided, but that the Company has a satisfactory number of retail shops. Søren Nielsen, President & CEO, answered the questions regarding the relocation to Warsaw. Søren Nielsen stated that the Company is building a technology center and, thus, not relocating employees. A number of skilled and competent software employees from Warsaw have been employed. Søren Nielsen stated that Warsaw had been chosen because a lot of activity is currently happening in relation to software development and that many large corporate groups have development companies in Warsaw, which provides a good basis for recruitment. The relocation will be made to a modern office environment in the city of Warsaw.

The Chairman of the meeting then ascertained that the discussions were concluded, that the AGM had taken note of the Chairman's report and that the 2017 annual report was approved.

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

The Board of Directors proposed that the basic fee for 2018 should remain DKK 350,000 and that it be maintained that the Chairman receives three times and the Deputy Chairman twice the basic fee.

In addition to this, the Board of Directors proposed that the remuneration for the members of the audit committee of an annual basic fee of DKK 50,000 and three times the basic fee for the Chairman of the audit committee be maintained.

The proposal was adopted.

**Re 4: Resolution on the appropriation of profit or covering of loss according to the approved annual report**

The Board of Directors proposed that the profit for the year of DKK 1,378m be transferred to the Company's reserves to the effect that no dividend should be paid.

The proposal was adopted.

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

Under Article 11.2 of the Articles of Association, members of the Board of Directors elected by the general meeting are elected for one-year terms. Niels B. Christiansen, Niels Jacobsen, Peter Foss, Benedikte Leroy and Lars Rasmussen stood for re-election.

Section 120(3) of the Danish Companies Act was observed.

The proposed current candidates were re-elected.

The Board of Directors now consists of:

- Niels B. Christiansen
- Niels Jacobsen
- Peter Foss
- Benedikte Leroy
- Lars Rasmussen
- Thomas Duer (elected by the employees)
- Ole Lundsgaard (elected by the employees)
- Jørgen Møller Nielsen (elected by the employees)

**Re 6: Election of auditor**

The Board of Directors proposed re-election of Deloitte Statsautoriseret Revisionspartnerselskab in accordance with the recommendation of the audit committee.

The proposal was adopted.

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

No shareholders had submitted proposals.

### **Re 7a) – Reduction of the Company's share capital**

The Board of Directors proposed a reduction of the Company's share capital by DKK 1,319,660 nominal value, divided into 6,598,300 shares of DKK 0.20 each corresponding to the Company's holding of own shares as at 21 February 2018 excluding shares of the Board of Directors' retention programme and the employee share remuneration. The Company's holding of own shares was acquired in connection with the Company's share buy-back in 2017 and 2018. The amount of the reduction will be distributed to the shareholders in accordance with section 188 of the Danish Companies Act. The shares were acquired at a total amount of DKK 1,085,085,366, meaning that DKK 1,083,765,706 was paid in addition to the nominal amount of the reduction.

As a result of the capital reduction, it was proposed 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 would then be stated in Article 4.1 that the Company's share capital is DKK 50,473,595.

The proposal was adopted with the required majority of votes.

### **Re 7b) – Authorisation to the Board of Directors to allow the Company to acquire own shares**

The Board of Directors proposed that the Board of Directors should be authorised until the next AGM to allow the Company to acquire own shares of a nominal value of up to 10% of the share capital. The purchase price for the shares must not deviate by more than 10% from the price quoted on Nasdaq Copenhagen A/S at the time of the acquisition. The price quoted on Nasdaq Copenhagen A/S at the time of the acquisition means the closing price – all transactions at 5 pm.

Shareholder Jens Frederik Demant took the floor and asked the management why the 10% deviation margin was required in relation to the share price.

Niels B. Christiansen, Chairman of the Board of Directors, answered the question. Niels B. Christiansen explained that it is a standard wording, which, inter alia, makes it possible to implement a share buy-back programme in a flexible manner. Niels B. Christiansen emphasised that the price quoted is to be understood as the closing price and that the price fluctuates during the day. The Company's intention is always to try to purchase at a price which is as close as possible to the price at which the shareholders trade.

The proposal was then adopted.

**Re 7c) – Authority to the Chairman of the AGM**

The Board of Directors proposed that the Chairman of the meeting be authorised to make any such amendments and additions to the resolutions passed at the AGM and the application for registration with the Danish Business Authority that may be required by the Authority in connection with the registration of the amendments passed.

The proposal was adopted.

**Re 8: Any other business**

As no one else wished to take the floor, the Chairman of the meeting concluded that there was no further business to transact and gave the floor to the Chairman of the Board of Directors.

The Chairman of the Board of Directors then closed the meeting by thanking the Chairman of the meeting and the shareholders for attending and closed the general meeting at 5.06 pm.

Chairman of the meeting:

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Jesper Schultz Larsen, Attorney-at-Law