

# Company Announcement No 20010-04

## Notice convening the Annual General Meeting

12 March 2010

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

**Wednesday 7 April 2010 at 4 p.m.**  
at the Company's address  
**Kongebakken 9, DK-2765 Smørum**

### Agenda

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

1. The directors' report on the Company's activities during the past financial year.  
The Board of Directors recommends that the report be adopted.
2. Presentation and adoption of the audited annual report, including the consolidated financial statements.  
The Board of Directors recommends that the annual report be adopted.
3. Resolution on the appropriation of profit or loss as recorded in the adopted annual report.  
The Board of Directors proposes that the profit of DKK 756 million be transferred to the Company's reserves to the effect that no dividend will be paid.
4. Election of directors.  
Under Article 11.2 of the Articles of Association, directors elected by the general meeting are elected for one-year terms. At the 2010 annual general meeting, all directors stand for re-election.
5. Election of auditor.  
It is proposed that Deloitte Statsautoriseret Revisionsaktieselskab be re-elected.
6. Any proposal by the Board of Directors or shareholders.
7.  
The Board of Directors has submitted the following proposals:
  - a) Amendments to the Articles of Association by reason of the new Danish Companies Act and general updating.
  - b) The Company's acquisition of own shares.
  - c) Capital reduction by way of a reduction of the nominal value of the Company's own shares.
  - d) Authorisation to the chairman of the general meeting.
8. Any other business.

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## Elaboration of the proposals

### *Re agenda item 4*

Lars Nørby Johansen, Peter Foss, Niels B. Christiansen, and Thomas Hofman-Bang stand for re-election. Information on the individual board members and their managerial posts is available on the Company's website, including the annual report, page 29.

### *Re agenda item 6a*

Based on the new Danish Companies Act (selskabsloven) and for general updating purposes, the Board of Directors proposes that the Articles of Association be amended as follows:

1. In Article 1.2, "*William Demant Holding A/S*" should be deleted as part of the secondary name.
2. In Article 4.3, "*Værdipapircentralen*" should be replaced by "*VP SECURITIES A/S (Central Business Register (CVR) no. 21599336)*".
3. In the Danish versions of Articles 5.1, 5.3 and 5.4, "*aktiebog*" should be replaced by "*ejerbog*". (No such change will be required in the English version).
4. In Article 5.4, "*Aktiebog Danmark A/S, Kongevejen 118, DK-2840 Holte*" should be replaced by "*Computershare A/S (Central Business Register (CVR) no. 27088899)*".
5. In Article 7.3 on shareholders' right to request extraordinary general meetings, "*1/10*" should be replaced by "*5%*".
6. Article 7.4 should be amended to read as follows:
 

*" General meetings shall be convened by the Board of Directors giving no less than three weeks' and no more than five weeks' notice. Notice of the meeting shall be published on the Company's website and in the electronic information system of the Danish Commerce and Companies Agency (Erhvervs- og Selskabsstyrelsen), and, where requested, notice shall also be provided in writing to all shareholders registered in the register of shareholders. The notice shall set out the agenda of the meeting and the essential contents of any proposed amendments to these Articles of Association. If any resolution amending the Articles under sections 77(2), 92(1), 92(5), 107(1) or 107(2) of the Danish Companies Act (selskabsloven) is proposed, the notice shall include the full text of the proposed resolution."*
7. Article 7.5 should be amended to read as follows:
 

*" All shareholders are entitled to have specific issues considered at the annual general meeting, subject to submitting a written request to such effect to the Board of Directors no later than six weeks before the date of the meeting. If such request is made later than six weeks before the general meeting, the Board of Directors decides whether the issue should be included on the agenda."*
8. Article 8.1 should be amended to read as follows:
 

*" No later than three weeks before the date of any general meeting, the following documents shall be published on the Company's website: 1) The notice convening the general meeting; 2) the total number of shares and voting rights at the date of the notice; 3) all documents to be submitted to the general meeting, including, in the case of the annual general meeting, the audited annual*

*report; 4) the agenda and the full text of all proposals to be submitted to the meeting; and 5) postal and proxy voting forms."*

9. Article 9.2 should be amended to read as follows:

*"Anyone who is a registered shareholder one week prior to the general meeting or has at such time made a request to such effect that has reached the Company is entitled to attend and vote at the general meeting. In order to attend the general meeting, shareholders shall also obtain an admission card from the Company no later than three days prior to the date of the meeting. A ballot paper will be provided together with the admission card, specifying the number of votes to which the shareholder is entitled."*

10. Article 9.3 should be amended to read as follows:

*"Shareholders entitled to vote under Article 9.2 may vote by post. Postal voting forms shall be available on the Company's website no later than three weeks before the date of the general meeting. Postal votes shall reach the Company no later than 12 noon one business day before the general meeting."*

11. Article 9.4 should be deleted, which gives rise to consequential changes to the article numbering in Article 9.

12. Article 9.5 (which becomes Article 9.4) should be amended to read as follows:

*"All shareholders are entitled to attend general meetings together with an adviser or by proxy. The proxy shall produce a written and dated instrument of proxy. Proxy instruments issued to the Board of Directors shall be valid only for one particular general meeting for which the agenda is known in advance, and may not be given for more than one year. The Company shall provide the shareholders with a written or electronic proxy form, which may be issued to either the Board of Directors or a third party."*

13. In Article 10.3, the reference to "*section 79 of the Public Companies Act*" should be replaced by "*section 107 of the Companies Act*".

14. In Article 10.6, the following should be inserted as a new second sentence:

*"The minutes of general meetings and the results of votes shall be made available on the Company's website within two weeks of the date of the meeting."*

15. In Article 11.1, "*the Public Companies Act*" should be replaced by "*the Companies Act*".

16. In Article 15.1, "*the Danish Public Companies Act*" should be replaced by "*the Companies Act*".

#### *Re agenda item 6b*

It is proposed that the Board of Directors be authorised until the next annual general meeting to allow the Company to acquire own shares of a nominal value of up to 10% of the share capital. The bid price of the shares may not differ by more than 10% from the price quoted on Nasdaq OMX Copenhagen A/S at the time of the acquisition. The price quoted on Nasdaq OMX Copenhagen A/S at the time of the acquisition means the closing price – all transactions at 5 p.m.

*Re agenda item 6c*

It is proposed that the Company's share capital be reduced by nominally DKK 606,382 corresponding to the Company's holding of own shares. The Company's own shares were acquired as part of the Company's share buy-back programme in 2008. The amount of the reduction was paid out to the shareholders in accordance with section 188 of the Danish Companies Act. The shares were acquired for DKK 170,110,124 in total, meaning that DKK 169,503,742 has been paid out in addition to the nominal value of the reduction amount.

As a result of the capital reduction, it is proposed that Article 4.1 of the Articles of Association be amended as follows after expiry of the deadline stipulated in section 192 of the Danish Companies Act:

*"The Company's share capital is DKK 58,349,875, divided into shares of DKK 1 or any multiple thereof."*

*Re agenda item 6d*

It is proposed that the chairman of the general meeting 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 the Danish Commerce and Companies Agency (*Erhvervs- og Selskabsstyrelsen*) as the Agency may require for registration.



Proposals under agenda item 6a), as far as concerns the proposals required to comply with the Companies Act including proposals 5, 6, 7, 9 and 12, requires acceptance by at least one shareholder. The other proposals under agenda item 6a) is subject to no less than 51% of the share capital being represented at the general meeting and the proposal being passed by no less than two thirds of both the votes cast and of the voting share capital represented at the meeting as provided by Article 10.3 of the Articles of Association and Article 10.4 on the convening of a new, extraordinary general meeting. The other proposals may be passed by a simple majority of votes as provided by Article 10.2 of the Articles of Association.

The agenda of the general meeting, the full text of all proposals to be submitted to the meeting as well as the audited annual report, including the 2009 consolidated financial statements, will be made available for inspection by the shareholders at the Company's office at Kongebakken 9, DK-2765 Smørum, no later than on 29 March 2010. The documents will also be sent to any registered shareholder upon request. In addition, the following information and documents will be made available on the Company's website [www.demant.com](http://www.demant.com) no later than on 16 March 2010: 1) The notice convening the general meeting; 2) the total number of shares and voting rights at the date of the notice; 3) all documents to be submitted to the general meeting, including the audited annual report; 4) the agenda and the full text of all proposals to be submitted to the meeting; and 5) proxy voting forms.

All shareholders are entitled to attend the general meeting subject to having obtained an admission card for himself and for any adviser accompanying him to the meeting by 6 April 2010. A ballot paper will be provided together with the admission card. Please note that only shareholders having obtained an admission card before the general meeting are entitled to attend.

All shareholders who are entitled to attend the general meeting and have had their shares registered in the register of shareholders, or have given notice to the Company of the acquisition of their shares and have established good title to them, before 12 March 2010, will be entitled to vote at the general meeting. A ballot

paper will be provided together with the admission card, specifying the number of votes to which the shareholder is entitled.

Admission cards and ballot papers will be issued to holders of registered shares upon receipt of information from the shareholders, in the order form for an admission card or otherwise, on the nominal value of their shares. Admission cards will be issued to holders of unregistered shares who can produce a transcript no older than five days from VP SECURITIES A/S or from the account-holding bank (depository bank) as evidence of their shareholding. The transcript must be accompanied by a written statement that the shares have not been and will not be transferred to any third party before the general meeting.

Admission cards may be obtained via the Company's website [www.demant.com/Shareholders' Portal](http://www.demant.com/Shareholders'Portal); or from Computershare A/S, Kongevejen 418, DK-2840 Holte (or by fax at +45 4546 0998); or by written request to the Company's office; or in person at Kongebakken 9, DK-2765 Smørum on weekdays between 10.00 a.m. and 12.00 p.m. Admission cards and ballot papers will then be sent by post.

If you are prevented from attending the general meeting, the Board of Directors would be pleased to act as proxy to cast the votes attaching to your shares, in which case the proxy form, duly completed and signed, must reach Computershare A/S, Kongevejen 418, DK-2840 Holte, by 6 April 2010. The proxy form may also be found on the Company's website. Proxies may also be appointed electronically on [www.demant.com/Shareholders' Portal](http://www.demant.com/Shareholders'Portal) on or before 6 April 2010.

All shareholders may ask questions in writing about the agenda and the documents to be submitted to the general meeting. Such questions may be sent by post or by e-mail to [william@demant.dk](mailto:william@demant.dk). The questions will be answered in writing or orally at the general meeting, unless prior to the meeting the answer is available via a "questions/answers" function on the Company's website, [www.demant.com](http://www.demant.com).

As per 12 March 2010, the Company's share capital is DKK 58,956,257, divided into shares of DKK 1 or any multiple thereof, as provided by Article 4.1 of the Articles of Association. Each share of DKK 1 carries one vote as provided by Article 9.1.

*Before the general meeting, coffee and cake will be served from 3 p.m. Parking spaces have been reserved at the main entrance, and there will be regular bus transport to and from the nearby Kildedal S-train station between 2.40 and 3.20 p.m. The whole general meeting will be transmitted live on the Company's website [www.demant.com](http://www.demant.com). From shortly before 4 p.m., you can find live coverage with audio of the proceedings throughout the meeting.*

Smørum, 12 March 2010

*The Board of Directors*

Further information:

Niels Jacobsen, President & CEO

Phone +45 39 17 71 00

[www.demant.com](http://www.demant.com)