

To the shareholders of  
William Demant Holding A/S

16 March 2011

Notice is hereby given of the annual general meeting of William Demant Holding A/S to be held on:

**Wednesday, 13 April 2011 at 4 p.m.**  
at the Company's address  
**Kongebakken 9, DK-2765 Smørum**

*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 free regular transport from and to the nearby Kildedal S-train station between 2.40 and 3.20 p.m. and after the general meeting.*

*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.*

## Agenda

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

1. Report by the Board of Directors on the Company's activities during the past financial year.  
The Board of Directors recommends that the report should 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 should 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 917 million should be transferred to the Company's reserves to the effect that no dividend will be paid.
4. Election of members to the Board of Directors.  
Under Article 11.2 of the Articles of Association, board members elected by the shareholders in general meeting are elected for one-year terms. At the 2011 annual general meeting, all members of the Board of Directors stand for re-election.
5. Election of auditor.  
The Board of Directors proposes that Deloitte Statsautoriseret Revisionsaktieselskab should be re-elected.
6. Any proposals by the Board of Directors or shareholders.  
The Board of Directors has submitted the following proposals:
  - a) Amendment to Article 8.2 of the Articles of Association regarding the agenda for annual general meetings.
  - b) Approval of remuneration to the Board of Directors for the current year.
  - c) Amendment to Article 11.11 of the Articles of Association based on the proposal in agenda item 6a.
  - d) Renewal of the authority to increase the capital, cf. Articles 6.1 and 6.2 of the Articles of Association.

- e) The Company's acquisition of own shares.
  - f) Authority to the chairman of the general meeting.
7. 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. The board candidates hold the following managerial posts, etc.:

**Lars Nørby Johansen**, Chairman (born in 1949). Joined the Board in 1998 and was most recently re-elected in 2010 for one year. Because of his seat on the Board for more than 12 years, he is not considered an independent director. Other executive offices: Falck A/S, chairman of the board; Georg Jensen A/S, chairman of the board; DONG Energy A/S, deputy chairman of the board; Arp-Hansen Hotel Group A/S, director; Codan A/S, director; Index Award A/S, director; The Danish Growth Council, chairman; The Rockwool Foundation, deputy chairman of the board.

Lars Nørby Johansen has a degree in social sciences. His strengths include extensive international experience as a corporate manager and a board member in multiple lines of business as well as profound knowledge of the challenges resulting from globalisation. He is also well versed in the political aspects of business.

**Peter Foss**, Deputy Chairman (born in 1956). Joined the Board in 2007 and was most recently re-elected in 2010 for one year. Because of his seat on the Board of the Company's principal shareholder, the Oticon Foundation, he is not considered an independent director. Other executive offices: FOSS A/S, President & CEO and chairman of the board in two subsidiaries; The Oticon Foundation, deputy chairman of the board; N. Foss & Co. A/S, deputy chairman of the board; A.R. Holding af 1999 A/S, director.

Peter Foss has a degree in engineering from the Technical University of Denmark (DTU) and a diploma degree in finance and credit law. He has extensive managerial experience from global, market-leading industrial companies with high product development content. In addition, he has directorship experience from different lines of business.

**Niels B. Christiansen** (born in 1966). Joined the Board in 2008 and was most recently re-elected in 2010 for one year. Niels B. Christiansen is considered an independent director. Other executive offices: Danfoss A/S, President & CEO and directorships in seven subsidiaries; Axcel A/S, chairman of the board; B&O A/S, deputy chairman of the board; Sauer Danfoss Inc., deputy chairman of the board.

Niels B. Christiansen has a degree in engineering from the Technical University of Denmark (DTU) and an MBA from INSEAD in France. His experience with international management of major, global, industrial hi-tech corporations is comprehensive. In addition, he has directorship experience from various lines of business.

**Thomas Hofman-Bang** (born in 1964). Joined the Board in 2009 and was most recently re-elected in 2010 for one year. Thomas Hofman-Bang is considered an independent director. Other executive offices: NKT Holding A/S, President & CEO and chairman of the board in three subsidiaries; NeuroSearch A/S, chairman of the board; Committee on Corporate Governance, member.

Thomas Hofman-Bang has a degree in business economics and auditing, and is also a state-authorised public accountant. He has considerable experience in management of large, global industrial corpora-

tions, including special knowledge of economic and financial affairs. In addition, he has directorship experience from multiple lines of business.

Re agenda item 6a

Based on paragraph 6.2.6 in the Recommendations on Corporate Governance, which recommends that the proposal for remuneration of a board of directors for the current financial year should be approved by the shareholders at the general meeting, the Board of Directors proposes that the following should be included as a new paragraph 3 in Article 8.2 of the Articles of Association regarding the agenda for annual general meetings:

"3. Approval of remuneration for the Board of Directors for the current financial year."

Re agenda item 6b

The Board of Directors proposes that the basic remuneration for 2011 should be DKK 300,000, and that the Chairman should receive three times and the Deputy Chairman two times the basic remuneration.

Re agenda item 6c

In consequence of the proposal in agenda item 6a that the remuneration to the Board of Directors for the current financial year must be approved by the general meeting, the Board of Directors proposes that Article 11.11 of the Articles of Association should be amended to read as follows:

"Directors shall receive an annual fee to be approved by the general meeting."

Re agenda item 6d

The Board of Directors proposes that the authority to increase the capital set out in Articles 6.1 and 6.2 of the Articles of Association, which authority expires on 1 January 2011 and 1 January 2012, respectively, should be renewed so as to remain in force on unchanged terms until 1 January 2016.

Re agenda item 6e

It is proposed that the Board of Directors should 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 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. 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 6f

It is 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 the Danish Commerce and Companies Agency (*Erhvervs- og Selskabsstyrelsen*) as the Agency may require for registration.

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Any resolution amending the Articles of Association is subject to no less than 51% of the share capital being represented at the general meeting and the proposed resolution being passed by no less than two-thirds of both the votes cast and of the voting share capital represented at the general 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 proposed resolutions may be passed by a simple majority of votes (Article 10.2 of the Articles).

The Company's share capital is DKK 58,349,875, divided into shares of DKK 1 or any multiple thereof (Article 4.1 of the Articles of Association). Each share of DKK 1 carries one vote (Article 9.1 of the Articles).

Under Article 9.2 of the Articles of Association, anyone who is registered as a shareholder in the register of shareholders on the date of registration, 6 April 2011, or has made a request to such effect that has reached the Company on that date, is entitled to attend and vote at the general meeting.

Shareholders entitled to attend and vote at the general meeting under Article 9.2 of the Articles of Association are entitled to attend the general meeting, subject to having obtained an admission card for themselves and for any adviser accompanying them to the meeting by 8 April 2011. A ballot paper will be provided together with the admission card, specifying the number of votes to which the shareholder is entitled.

Please note that only shareholders who are registered in the register of shareholders on the date of registration and have obtained an admission card prior to the general meeting may attend.

For the purpose of obtaining an admission card, shareholders should specify - on the order form or otherwise - the nominal value of their shares. Admission cards may be obtained from Computershare A/S, Kongevejen 418, DK-2840 Holte (or by fax to +45 4546 0998), by written request to the Company's office, or in person at Kongebakken 9, DK-2765 Smørum, on weekdays between 10 a.m. and 12 noon. Admission cards and ballot papers will then be sent by post.

The following information and documents will be made available on the Company's website, [www.demant.com](http://www.demant.com), on or before 22 March 2011: 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 general meeting; and 5) postal and proxy voting forms.

All shareholders may ask questions in writing about the agenda and the documents to be used for the general meeting. Questions may be sent by post or by e-mail to [william@demant.dk](mailto:william@demant.dk). 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.dk](http://www.demant.dk).

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. Proxy form for the Board of Directors and third parties is available on the Company's website, [www.demant.com](http://www.demant.com), under *Annual General meeting*. The form may be printed out, completed and sent to Computershare A/S, Kongevejen 418, DK-2840 Holte, for receipt by 8 April 2011. The form may also be sent by fax to +45 4546 0998, or it may be scanned and sent by e-mail to [gf@computershare.dk](mailto:gf@computershare.dk). Please remember to provide your *shareholder information* on the form. If you wish to appoint proxies other than the Board of Directors, e.g. by using the proxy form to appoint a third party, an admission card must also be required for the proxy holder. Finally, proxies may be appointed electronically on the Company's website, [www.demant.com](http://www.demant.com), *Shareholder Portal*, on or before 8 April 2011.

You may also vote by post. A postal voting form, which is identical to the proxy form, is available on the Company's website, [www.demant.com](http://www.demant.com), under *Annual General meeting*. The form may be printed out, completed and sent to Computershare A/S, Kongevejen 418, DK-2840 Holte, for receipt by 12 April 2011 before 12 noon. The form may also be sent by fax to +45 4546 0998, or it may be scanned and sent by e-mail to [gf@computershare.dk](mailto:gf@computershare.dk). Finally, postal votes may be cast electronically on the Company's website, [www.demant.com](http://www.demant.com), *Shareholder Portal*, on or before 12 April 2011 at 12 noon.

Smørum, 16 March 2011

*The Board of Directors*