

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

On Wednesday 9 April 2014 at 4.00 pm, the annual general meeting 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.

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

The Chairman announced that the notice of the general meeting 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 41,410,173 were represented at the general meeting, corresponding to 73.9% of the share capital after adjustment for the Company's treasury shares.

The Company had issued 201 admission cards for the general meeting, of which 118 were present. The participants included 118 shareholders with voting rights. A total of 52 shareholders had granted a proxy to the Board of Directors, and 27 shareholders had completed a proxy form or cast their votes by post. 365 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. Annual report in English.
3. Presentation for approval of the audited annual report, including the consolidated financial statements.
4. Approval of remuneration for the Board of Directors for the current financial year.
5. Resolution on the appropriation of profit or covering of loss according to the approved annual report.
6. Election of members to the Board of Directors.
7. Election of auditor.
8. Any proposal from the Board of Directors or shareholders.

The Board of Directors had submitted the following proposals:

- a) Authorisation to the Board of Directors to let the Company acquire own shares.

- b) Authority to the Chairman of the annual general meeting.
9. 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, Lars Nørby Johansen, 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: Annual report in English**

The Chairman of the meeting went over the proposal submitted by the Board of Directors to present the annual report in English.

The Chairman then opened the floor for questions and comments. No shareholder wished to take the floor with respect to this agenda item.

The proposal was adopted. As a result of the adoption, the following is inserted as a new article 14.3 in the Company's Articles of Association:

*"As from and including the financial year 2013, the Company's annual report and interim reports will be prepared and presented in English. The Board of Directors may decide that the Company's annual report and interim reports are also prepared and presented in Danish."*

**Re 3: Presentation for approval of the audited annual report, including the consolidated financial statements**

Niels Jacobsen, President & CEO, went over the 2013 annual report. The Chairman then opened the floor for questions and comments concerning both the report of the Board of Directors and the presentation of the annual report.

Jens Frederik Demant, shareholder, took the floor and asked the management what the expenses had amounted to in the previous financial year with respect to the preparation of the annual report for the financial year 2012. Niels Jacobsen, President & CEO, answered the question and stated that it was difficult to calculate the actual expenses as a distinction had to be made between expenses for preparation of the financial statements and expenses for auditor etc. The Company made an effort to keep the expenses as low as possible and obtain the best possible results, and e.g. the Company no longer had any printing expenses since the annual report was only available in digital form. However, the reason for the decision was not the financial aspect but the complexity/risk of having two language versions, and therefore, the Board of Directors' position was that, in future,

the English version of the annual report should prevail in line with the proposal adopted under agenda item 2.

Jørgen Siiger took the floor on behalf of Dansk Aktionærforening (*the Danish Shareholders' Association*) and commented on the Chairman's report and the annual report presented. In that connection, Jørgen Siiger stated that it had been noted that the Company had a large number of patents just as the other players on the market as well as a large number of patent dispute cases, the major part of which were directed against Siemens and only to a minor extent against the other players on the market. In that connection, Jørgen Siiger asked the management whether this was due to the fact that a collective scheme had been made within the hearing aid area without the participation of Siemens, and that under this scheme the participants could more or less freely use the patents of the other participants in the scheme without paying a licence fee. Niels Jacobsen, President & CEO, answered the question and stated that, at present, the Company had no pending patent disputes with Siemens. He then explained the reason for the said collective scheme and stated that, to the extent possible, the Company tried to avoid patent disputes by concluding licence agreements and cross-licence agreements. The Chairman of the Board of Directors, Lars Nørby Johansen, also commented on the submission by Dansk Aktionærforening (*the Danish Shareholders' Association*) with respect to the question concerning the annual report in English and the diversity in the Board of Directors.

Otto Vang took the floor on behalf of the company G.N.A.V. ApS and raised the question as to whether the Board of Directors would state its reasons for the choice of a share buy-back programme instead of distribution of dividends. The Chairman of the Board of Directors, Lars Nørby Johansen, stated that one of the reasons for the choice of this model was that the Board of Directors wished to keep any acquisition possibilities open and that, in the opinion of the Board of Directors, the share buy-back model constituted a more flexible instrument.

Jens Frederik Demant, shareholder, then took the floor once more and commented on the submission by Dansk Aktionærforening (*the Danish Shareholders' Association*). He then asked the management what it would cost to prepare the Company's annual report in Danish if this report was only made available through the Internet and not until the weekday after the publication of the annual report in English to the effect that only the final version of the annual report had to be translated into Danish and ongoing adjustments to the annual report did not have to be made in both Danish and English. The Chairman of the Board of Directors, Lars Nørby Johansen, answered the question and stated that, according to the Board of Directors' assessment, it would be most appropriate in future to prepare the annual report in one language and that the Board of Directors had experienced a decline in the demand for the Danish version of the annual report. A Danish summary of the English annual report would still be made available, and in the event of an increase in demand for a Danish version of the annual report, this matter will be addressed again.

The Chairman of the meeting then announced that the general meeting had taken note of the Chairman's report and that the 2013 annual report had been approved.

#### **Re 4: Approval of remuneration for the Board of Directors for the current financial year**

The Board of Directors proposed that the basic remuneration for 2014 should remain at DKK 300,000, and that the Chairman should receive three times and the Deputy Chairman twice the basic remuneration.

The proposal was adopted.

#### **Re 5: 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 1,157m should be transferred to the Company's reserves.

The proposal was adopted.

#### **Re 6: 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. Mr Lars Nørby Johansen, Mr Peter Foss and Mr Niels B. Christiansen stood for re-election. Mr Thomas Hofman-Bang did not stand for re-election, and, in that connection, the Board of Directors proposed that Ms Benedikte Leroy be elected as a new member of the board of directors.

The Chairman of the meeting provided information on any change to the managerial posts of the candidates in the period between the date of the notice convening the general meeting and the date of the general meeting.

Section 120 of the Danish Companies Act had been observed.

The proposed candidates were elected and re-elected, respectively.

The Board of Directors then consists of:

- Lars Nørby Johansen
- Peter Foss
- Niels B. Christiansen

- Benedikte Leroy
- Ole Lundsgaard (elected by the employees)
- Jørgen Møller Nielsen (elected by the employees)
- Karin Ubbesen (elected by the employees)

#### **Re 7: Election of auditor**

The Board of Directors proposed re-election of Deloitte Statsautoriseret Revisionspartnerselskab.

The proposal was adopted.

#### **Re 8: Any proposal from the Board of Directors or shareholders**

##### **Re 8a) – Company's acquisition of own shares**

The Board of Directors proposed that the Board of Directors is 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 deviate 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 pm.

The proposal was adopted.

##### **Re 8b) – Authority to the Chairman of the annual general meeting.**

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

The proposal was adopted.

#### **Re 9: Any other business**

As no one else wished to take the floor, the Chairman of the meeting announced 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 general meeting by thanking the Chairman of the meeting and the shareholders for attending.

The Chairman of the Board of Directors closed the general meeting at 5.05 pm.

Chairman of the meeting:

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Jesper Schultz Larsen, Attorney-at-Law