

**sonova**  
HEAR THE WORLD



# Invitation

38<sup>th</sup> Annual General Shareholders' Meeting  
June 12, 2023

## Invitation

# 38<sup>th</sup> Annual General Shareholders' Meeting

## Sonova Holding AG

Dear shareholders,

We cordially invite you to this year's Annual General Shareholders' Meeting of Sonova Holding AG. We particularly look forward to welcoming you back, having not been able to hold an in-person meeting for three years due to the Covid-19 pandemic. This year's Annual General Shareholders' Meeting will take place on:

**Monday, June 12, 2023 at 3:00 p.m. (admittance at 2:00 p.m.)  
Messe Zürich Hall 7, Wallisellenstrasse 49, 8050 Zürich**

If you are attending in person, please complete and sign the reply form and return it to us in the enclosed envelope. Your admission card will then be sent to you.

If you do not attend in person, you may have your voting rights exercised by another person or by the Independent Proxy. In the latter case, you can issue your voting instructions to the Independent Proxy on the enclosed reply form. We ask that you kindly return the completed and signed reply form in the enclosed envelope. Alternatively, you can provide online voting instructions to the Independent Proxy by following the instructions on the reply form.

The Board of Directors invites you to submit your questions to it in advance of the Annual General Shareholders' Meeting via email at [agm@sonova.com](mailto:agm@sonova.com) until June 1, 2023. Questions that are also relevant to other shareholders will be responded to at the Annual General Shareholders' Meeting. You will find further information on organizational matters at the end of this invitation.

The Swiss Corporate Law Reform that became effective on January 1, 2023 means that the Board of Directors will be proposing several amendments to the Articles of Association of Sonova Holding AG ("**Articles of Association**"). The law has been revised to strengthen shareholder rights, to simplify and amend several processes, and to reflect technological developments.

The proposed amendments will be put to a vote of the shareholders in five different votes (following the principle of unity in subject matter); they can be found in the document titled "Annual General Shareholders' Meeting 2023 – Amendments to the Articles of Association of Sonova Holding AG" ("**2023 Amendments**"), which is available at [www.sonova.com/en/agm](http://www.sonova.com/en/agm). Therefore, this year's Annual General Shareholders' Meeting will require a little more time.

In addition, the Board of Directors proposes to amend the Articles of Association to allow the election of more than three members of the Nomination and Compensation Committee.

Please find enclosed the invitation, including the Agenda and the Motions of the Board of Directors, the reply form, and the Summary Report on the 2022/23 financial year. The complete and interactive 2022/23 Annual Report is available at [report.sonova.com/2023](http://report.sonova.com/2023).

We thank you for your continued trust and look forward to welcoming you to this year's Annual General Shareholders' Meeting.



**Robert Spoerry**  
Chair of the Board of Directors

# Agenda

## 1. Financial Reporting, Advisory Vote on the 2022/23 Compensation Report

### 1.1 Approval of the Annual Report, the Annual Consolidated Financial Statements of the Group, and the Annual Financial Statements of Sonova Holding AG for 2022/23

**Motion:** The Board of Directors proposes to approve the Annual Report, the Annual Consolidated Financial Statements of the Group, and the Annual Financial Statements of Sonova Holding AG for 2022/23.

**Explanation:** In accordance with article 698 para. 2 items 3 and 4 of the Swiss Code of Obligations (“CO”) and the Articles of Association, the General Shareholders’ Meeting is competent for approving the Annual Report, the Annual Consolidated and Annual Financial Statements. In its reports to the General Shareholders’ Meeting, Ernst & Young AG, as auditors, recommends without qualification that the Consolidated and Annual Financial Statements of Sonova Holding AG be approved.

### 1.2 Advisory Vote on the 2022/23 Compensation Report

**Motion:** The Board of Directors proposes to accept the Compensation Report for 2022/23 by a non-binding advisory vote.

**Explanation:** In line with best practice, the Board of Directors submits the compensation report to an advisory vote of the General Shareholders’ Meeting. The Compensation Report 2022/23 explains the governance and principles behind the remuneration system, including the link between pay and performance, as well as the compensation paid or granted to the members of the Board of Directors and the Management Board for 2022/23.

## 2. Appropriation of Retained Earnings

**Motion:** The Board of Directors proposes to appropriate the retained earnings as follows:

	CHF million
Balance carried forward from previous year	682.7
Net profit for the year	270.1
<b>Voluntary retained earnings</b>	<b>952.8</b>
Cancellation of treasury shares <sup>1)</sup>	(421.5)
Dividend distribution <sup>2)</sup>	(274.1)
<b>Balance to be carried forward</b>	<b>257.2</b>

**Explanation:** In accordance with article 698 para. 2 item 4 CO and the Articles of Association, the General Shareholders' Meeting is competent for passing resolutions on the appropriation of retained earnings and the payment of a dividend.

If the proposal of the Board of Directors is approved, the gross dividend will amount to CHF 4.60 per registered share for the 2022/23 financial year, representing a net amount of CHF 2.99 per registered share after deduction of the 35% Swiss withholding tax.

Payment of the dividend is expected to take place as of June 20, 2023. As from June 14, 2023, the shares will be traded ex-dividend.

## 3. Discharge of the Members of the Board of Directors and the Management Board

**Motion:** The Board of Directors proposes to discharge the members of the Board of Directors and the Management Board for the 2022/23 financial year.

**Explanation:** In accordance with article 698 para. 2 item 7 CO and the Articles of Association, the General Shareholders' Meeting is competent for granting discharge to the members of the Board of Directors and the Management Board.

<sup>1)</sup> Subject to approval of Agenda Item 7 (Capital Reduction through Cancellation of Shares).

<sup>2)</sup> The total payout amount is subject to the number of issued shares on the last trading day with entitlement to receive the dividend, i.e. June 13, 2023. Treasury shares held by Sonova Holding AG and its subsidiaries are not entitled to dividends. The payout amount will be reduced accordingly.

#### 4. Amendment to the Articles of Association (Composition Compensation Committee)

**Motion:** The Board of Directors proposes to amend Art. 22 para. 1 of the Articles of Association as follows:

**Current Wording**

**Art. 22: Composition, term of office**

*The Compensation Committee shall consist of three members of the Board of Directors.*

*[...] (remains unchanged)*

**Proposed Wording**

**Art. 22: Composition, term of office**

*The Compensation Committee shall consist of at least three members of the Board of Directors.*

*[...] (remains unchanged)*

**Explanation:** The Board of Directors proposes this amendment to the Articles of Association to be able to propose more than three members for election to the Compensation Committee instead of being limited to three members. This supports the long-term succession planning and allows a well-balanced diversity on the Compensation Committee. The Board of Directors intends to propose Julie Tay for election as a new member of the Compensation Committee if she is re-elected as a member of the Board of Directors. Should the General Shareholders' Meeting not approve this amendment to the Articles of Association and should all current members of the Compensation Committee be re-elected, Agenda Item 5.3 becomes obsolete, and Julie Tay will not stand for election as a new member of the Compensation Committee at the 2023 Annual General Shareholders' Meeting.

#### 5. Elections

##### 5.1 Re-election of the Board of Directors

Except for Jinlong Wang, all members of the Board of Directors stand for re-election.

**Motion:** The Board of Directors proposes the individual re-election of the following members of the Board of Directors, each for a term of office lasting until the completion of the 2024 Annual General Shareholders' Meeting:

5.1.1 Re-election of Robert F. Spoerry as Member and as Chair of the Board of Directors

5.1.2 Re-election of Stacy Enxing Seng as Member of the Board of Directors

5.1.3 Re-election of Gregory Behar as Member of the Board of Directors

5.1.4 Re-election of Lynn Dorsey Bleil as Member of the Board of Directors

5.1.5 Re-election of Lukas Braunschweiler as Member of the Board of Directors

5.1.6 Re-election of Roland Diggelmann as Member of the Board of Directors

5.1.7 Re-election of Julie Tay as Member of the Board of Directors

5.1.8 Re-election of Ronald van der Vis as Member of the Board of Directors

5.1.9 Re-election of Adrian Widmer as Member of the Board of Directors

**Explanation:** In accordance with article 698 para. 2 item 2 and para. 3 item 1 CO and the Articles of Association, the General Shareholders' Meeting is competent for the (re-)election of the members of the Board of Directors and its Chair. For detailed biographical information please refer to the 2022/23 Corporate Governance Report forming part of the 2022/23 Annual Report and to our website at [www.sonova.com/en/about-us/board-directors](http://www.sonova.com/en/about-us/board-directors).

## 5.2 Re-election of the Members of the Nomination & Compensation Committee

**Motion:** The Board of Directors proposes the individual re-election of Stacy Enxing Seng, Lukas Braunschweiler, and Roland Diggelmann as members of the Nomination & Compensation Committee for a term of office lasting until the completion of the 2024 Annual General Shareholders' Meeting.

5.2.1 Re-election of Stacy Enxing Seng

5.2.2 Re-election of Lukas Braunschweiler

5.2.3 Re-election of Roland Diggelmann

**Explanation:** In accordance with article 698 para. 3 item 2 CO and the Articles of Association, the General Shareholders' Meeting is competent for the (re-)election of the members of the Nomination & Compensation Committee. The Board of Directors intends to appoint Roland Diggelmann (if re-elected) as Chair of the Nomination & Compensation Committee.

## 5.3 Election of Julie Tay as a new Member of the Nomination & Compensation Committee

**Motion:** The Board of Directors proposes to elect Julie Tay as a new member of the Nomination & Compensation Committee for a term of office lasting until the completion of the 2024 Annual General Shareholders' Meeting.

**Explanation:** The Board of Directors is very pleased to propose Julie Tay (if re-elected as a member of the Board of Directors) as a new member of the Nomination & Compensation Committee. The Board of Directors is convinced that, based on her senior executive experience in international companies, she is well suited for this position. Moreover, her presence assures an equal representation of the global regions and genders on the Nomination & Compensation Committee.

### 5.4 Re-election of the Auditors

**Motion:** The Board of Directors proposes to re-elect Ernst & Young AG, Zürich, as Auditors of Sonova Holding AG for a term of office lasting until the completion of the 2024 Annual General Shareholders' Meeting.

**Explanation:** In accordance with article 698 para. 2 item 2 CO and the Articles of Association, the General Shareholders' Meeting is competent for the (re-)election of the auditors. At the request of the Audit Committee, the Board of Directors proposes to re-elect Ernst & Young AG, Zürich, as Auditors for a further term of office of one year. Ernst & Young has confirmed to the Audit Committee that it possesses the independence required to carry out the assignment.

### 5.5 Re-election of the Independent Proxy

**Motion:** The Board of Directors proposes to re-elect the Law Office Keller AG <sup>1)</sup>, Zürich, as Independent Proxy for a term of office lasting until the completion of the 2024 Annual General Shareholders' Meeting.

**Explanation:** In accordance with article 698 para. 3 item 3 CO and the Articles of Association, the General Shareholders' Meeting is competent for the (re-)election of the Independent Proxy. Law Office Keller AG has confirmed its independence required for this mandate.

## 6. Compensation of the Board of Directors and the Management Board

### 6.1 Approval of the Maximum Aggregate Amount of Compensation of the Board of Directors

**Motion:** The Board of Directors proposes to approve a maximum aggregate amount of compensation of the Board of Directors of CHF 3,230,000 <sup>2)</sup> for the term of office from the 2023 Annual General Shareholders' Meeting to the 2024 Annual General Shareholders' Meeting.

**Explanation:** In accordance with Art. 26 of the Articles of Association, the General Shareholders' Meeting is competent to approve the maximum aggregate amount of compensation of the Board of Directors for the next term of office. Further information on the proposed compensation is included in the Appendix to this invitation. In addition, the compensation paid and the method of determining compensation are described in the 2022/23 Compensation Report.

<sup>1)</sup> Formerly Law Office Keller KLG.

<sup>2)</sup> For further details see Appendix to Agenda Item 6.

## 6.2 Approval of the Maximum Aggregate Amount of Compensation of the Management Board

**Motion:** The Board of Directors proposes to approve a maximum aggregate amount of compensation of the Management Board of CHF 16,500,000 <sup>1)</sup> for the 2024/25 financial year.

**Explanation:** In accordance with Art. 26 of the Articles of Association, the General Shareholders' Meeting is competent to approve the maximum aggregate amount of compensation of the Management Board for the following financial year. Further information on the proposed compensation is included in the Appendix to this invitation. In addition, the compensation paid and the method of determining compensation are described in the 2022/23 Compensation Report.

## 7. Capital Reduction through Cancellation of Shares

**Motion:** The Board of Directors proposes:

- a) to reduce the share capital of CHF 3,057,985.95 by CHF 76,645.50 to CHF 2,981,340.45 by way of cancellation of 1,532,910 registered shares, with a nominal value of CHF 0.05 each, that were bought back by the company under the share buyback program announced on April 14, 2022;
- b) to confirm, in agreement with the Auditors' report, that the claims of creditors are fully covered notwithstanding the capital reduction;
- c) to amend Art. 3 para. 1 of the Articles of Association according to the following wording as of the date of entry of the capital reduction in the commercial register:

### **Current Wording**

#### **Art. 3: Share Capital**

*The share capital of the Company shall be CHF 3,057,985.95 and it is divided into 61,159,719 registered shares each with a nominal value of CHF 0.05.*

### **Proposed Wording**

#### **Art. 3: Share Capital**

*The share capital of the Company shall be CHF 2,981,340.45 and it is divided into 59,626,809 registered shares each with a nominal value of CHF 0.05.*

- d) to amend the number of shares in Art. 6 of the Articles of Association where, in case of a capital increase, subscription rights or advance subscription rights were excluded or restricted, from 6,115,971 shares to 5,962,680 shares corresponding to the proposed reduction of the share capital.

<sup>1)</sup> For further details see Appendix to Agenda Item 6.



**Explanation:** Under its share buyback program announced on April 14, 2022, the company repurchased between April 19, 2022 and March 31, 2023 a total of 1,532,910 shares. It is now proposed to cancel these shares by way of a capital reduction and to reduce the number of shares in Art. 6 of the Articles of Association accordingly to ensure that any capital increase where the subscription rights or advance subscription rights were excluded or restricted does not exceed 10% of the share capital.

## 8. Amendments to the Articles of Association

**Explanation:** On June 19, 2020, the Swiss Parliament adopted the federal act to revise the Swiss corporate law, which became effective on January 1, 2023. Swiss corporations are required to revise their articles of association to comply with the new law by the end of 2024 at the latest.

The Board of Directors therefore proposes various amendments to the Articles of Association to: (i) implement changes which are required under the new law, (ii) grant the company the specific flexibilities provided under the new law, (iii) amend the Articles of Association to align with prevailing market standards in Switzerland, and (iv) further strengthen corporate governance. The proposed amendments are grouped by topic (following the principle of unity in subject matter) under five different agenda items (Agenda Items 8.1 to 8.5).

The Appendix to Agenda Item 8 provides a detailed explanation of the proposed amendments.

A comparison of the current language with the proposed revised wording of the Articles of Association can be found in our document titled “Annual General Shareholders’ Meeting 2023 – Amendments to the Articles of Association of Sonova Holding AG” (“**2023 Amendments**”), which is available at [www.sonova.com/en/agm](http://www.sonova.com/en/agm) and was published, together with this invitation, in the Swiss Official Gazette of Commerce. The proposed revised Articles of Association as a whole are also available at [www.sonova.com/en/agm](http://www.sonova.com/en/agm).

## 8.1 Creation of long-term and sustainable value

**Motion:** The Board of Directors proposes to amend Art. 2 of the Articles of Association as set forth in the **2023 Amendments**.

## 8.2 Introduction of a capital range

**Motion:** The Board of Directors proposes to amend Art. 5, Art. 6, and Art. 25 of the Articles of Association as set forth in the **2023 Amendments**.

## 8.3 Board of Directors and Management Board

**Motion:** The Board of Directors proposes to amend Art. 18, Art. 20, Art. 21, Art. 26, Art. 27, and Art. 30 of the Articles of Association as set forth in the **2023 Amendments**.

## 8.4 Certificates, General Shareholders' Meeting, shareholder's rights, and communication with the shareholders

**Motion:** The Board of Directors proposes to amend Art. 7, Art. 10, Art. 11, Art. 12, Art. 13, Art. 15, Art. 33, and Art. 35 of the Articles of Association as set forth in the **2023 Amendments**.

## 8.5 Introduction of the possibility of virtual General Shareholders' Meetings

**Motion:** The Board of Directors proposes to introduce a new Art. 12a into the Articles of Association as set forth in the **2023 Amendments**.

Stäfa, May 16, 2023

For the Board of Directors  
The Chair



Robert Spoerry

## Appendix to Agenda Item 6

### 6.1 Approval of the Maximum Aggregate Amount of Compensation of the Board of Directors

Pursuant to Art. 26 of the Articles of Association, the General Shareholders' Meeting shall approve the maximum aggregate amount of compensation of the Board of Directors for the next term of office, i.e. from the 2023 Annual General Shareholders' Meeting to the 2024 Annual General Shareholders' Meeting. For further details, beyond those disclosed below, please refer to the 2022/23 Compensation Report.

The Board of Directors proposes to approve a maximum aggregate amount of compensation of the Board of Directors of CHF 3,230,000 for the 2023/24 term of office.

in CHF 1,000	Approved for AGM 2022 – AGM 2023	Expected for AGM 2022 – AGM 2023	Proposal for AGM 2023 – AGM 2024
<b>AGM approval year</b>	<b>2022</b>	<b>n/a</b>	<b>2023</b>
Cash retainer, committee fees	1,566	1,510	1,510
Market value of restricted shares	1,883	1,810	1,720
<b>Total amount<sup>1)</sup></b>	<b>3,450</b>	<b>3,320</b>	<b>3,230</b>
Number of members of the Board of Directors	10	10	9

<sup>1)</sup> The proposal of the Board of Directors relates only to the maximum aggregate amount. The subtotals shown for each compensation component are included for illustration purposes only and are not legally binding.

The aim is to ensure careful use of resources. The proposed amount reflects the maximum aggregate amount of compensation that could arise. The aggregate amount of compensation is stated in gross and is calculated for 9 members of the Board of Directors (2022/23 term of office: 10 members) assuming that all those proposed are (re-)elected as members of the Board of Directors at the 2023 Annual General Shareholders' Meeting.

The proposed maximum aggregate amount includes the following fixed compensation components: a cash retainer, committee fees – each as applicable – and the market value of the restricted shares at grant. It also includes a modest reserve for unforeseen events and unexpected additional expenses.

Sonova pays mandatory employer's social security contributions (AHV/ALV) for the members of the Board of Directors in accordance with applicable law. These are not included in the proposed maximum aggregate amount, because contributions to governmental social security systems cannot be accurately forecasted. However, actual employer social security costs will be disclosed in the reporting years when they are due and paid.

The actual compensation paid will be disclosed in the Compensation Report for the 2023/24 financial year, which will be submitted to a non-binding advisory shareholders' vote.

## 6.2 Approval of the Maximum Aggregate Amount of Compensation of the Management Board

Pursuant to Art. 26 of the Articles of Association, the General Shareholders' Meeting shall approve the maximum aggregate amount of compensation of the Management Board for the following financial year, i.e. the 2024/25 financial year. For further details, beyond those disclosed below, please refer to the 2022/23 Compensation Report.

The Board of Directors proposes to approve a maximum aggregate amount of compensation of the Management Board of CHF 16,500,000 for the 2024/25 financial year.

The proposed maximum aggregate amount consists of the following compensation components:

in CHF 1,000	Approved for 2022/23 FY	Effective for 2022/23 FY	Approved for 2023/24 FY	Proposal for 2024/25 FY
Maximum amount of fixed salaries, including base salary, fringe benefits, and employer's pension contributions	5,439	5,156	5,260	5,450
Maximum amount of variable cash compensation	5,068	842	5,583	5,560
Fair value at grant of options and performance share units (PSUs) to be granted under the Executive Equity Award Plan (EEAP)	5,293	5,284	5,157	5,490
<b>Total amount <sup>1), 2)</sup></b>	<b>15,800</b>	<b>11,282</b>	<b>16,000</b>	<b>16,500</b>
Number of Management Board members	9	8	8	8

<sup>1)</sup> The proposal of the Board of Directors for the compensation of the Management Board relates only to the maximum aggregate amount. The subtotals shown for each compensation component are included for illustration purposes only and are not legally binding.

<sup>2)</sup> One Management Board member currently receives compensation in US Dollars (USD) and another in Euro (EUR). Any exchange rate fluctuation until final payment will be disregarded.

The aim is to ensure careful use of resources considering the continued growth efforts. The proposed maximum aggregate amount, stated in gross, is calculated for 8 members of the Management Board in the 2024/25 financial year.

The proposed amount reflects the maximum aggregate amount of compensation that could arise.

The proposed maximum aggregate amount is based on the maximum potential variable cash compensation payout (i.e. the 200% payout cap) and on the targeted value at grant of 100% achievement for the long-term incentive. This target amount is divided by the fair value of the options and of the PSUs to determine the number of units at grant. Both the fair value of the options and of the PSUs at grant date are determined by third parties. For the options it is based on the Enhanced American pricing model. For the PSUs it is based on the Monte Carlo pricing model, taking into account the possibility of either over- or under-achievement. The options vest in equal annual installments over a period of 4 years and 4 months, conditional

## APPENDIX TO AGENDA ITEM 6

upon the achievement of a predetermined ROCE target, and their maximum vesting level is 100%. The PSUs vest over a period of 3 years and 4 months, conditional upon the relative TSR, and have a maximum vesting level of 200%. The PSUs and options are subject to a post-vesting restriction period (total restriction period of 5 years from the date of grant).

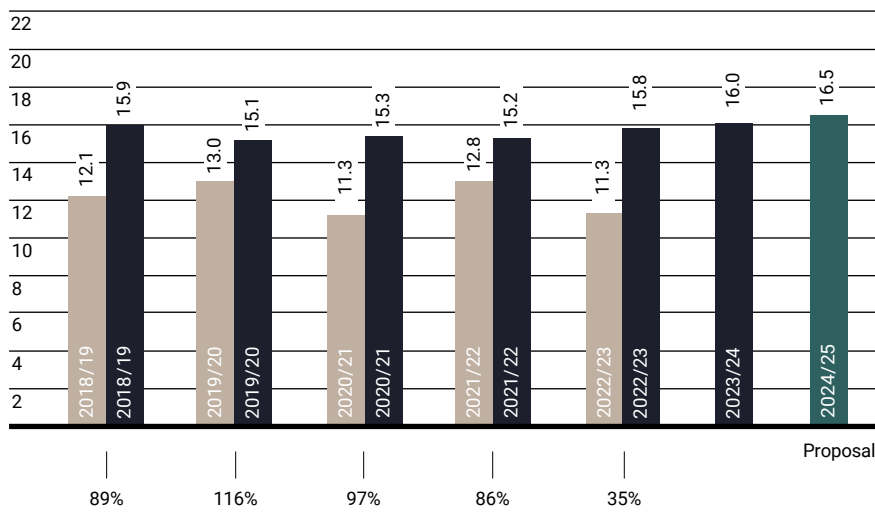
The proposed maximum aggregate amount for the Management Board includes uncommitted reserves for increases in line with expected market salary movements as well as for unforeseen events.

Sonova pays mandatory employer's social security contributions (AHV/ALV) for the members of the Management Board in accordance with applicable law. These contributions to governmental social security systems are not included in the proposed maximum aggregate amount as they cannot be accurately forecasted. However, actual employer social security costs will be disclosed in the reporting years when they are due and paid.

No other change of relevance to the compensation structure, system and components of the Management Board is planned for the 2024/25 financial year, aside from what is disclosed in the 2022/23 Compensation Report.

The following overview shows the Management Board compensation (excluding employer's social security contributions) for the past five years and the proposed maximum aggregate amount for the 2024/25 financial year:

**Total compensation in CHF million**



Average payout ratio for the variable cash compensation plan (VCC)

■ Effective    ■ Max. approved    ■ Proposal

The actual payout and grants for the 2024/25 financial year will be disclosed in the 2024/25 Compensation Report.

## Appendix to Agenda Item 8

### Overview and Explanations of the Amendments to the Articles of Association

On June 19, 2020, the Swiss Parliament adopted the Swiss Corporate Law Reform, which became effective on January 1, 2023. This revision of the Swiss Code of Obligations (“CO”) is targeted at strengthening shareholder rights, improving corporate governance, and modernizing the Swiss corporate law in general. It provides for a transitional two-year period during which Swiss companies are required to amend their articles of association and other corporate documents to comply with the new law.

The Board of Directors therefore proposes to the 2023 Annual General Shareholders’ Meeting that the Articles of Association be amended to reflect the changes mandated by the new law. The Board of Directors also proposes further amendments to the Articles of Association to bring them in line with Swiss market standards, and to take advantage of the enhanced flexibility provided under the new law.

The proposed amendments are grouped by topic under five separate agenda items (Agenda Items 8.1 to 8.5), following the principle of unity in subject matter. A detailed explanation of the proposed amendments can be found below.

A comparison of the current language with the proposed revised wording of the Articles of Association can be found in our document titled “Annual General Shareholders’ Meeting 2023 – Amendments to the Articles of Association of Sonova Holding AG” (“**2023 Amendments**”), which is available at [www.sonova.com/en/agm](http://www.sonova.com/en/agm). The proposed Articles of Association as a whole are available at [www.sonova.com/en/agm](http://www.sonova.com/en/agm).

#### Explanation relating to Agenda Item 8.1 Creation of long-term and sustainable value

The company aims to set itself clear targets and is committed to considering the environmental and social impact of its activities, and to making decisions that balance the interests of stakeholders with the company’s long-term financial goals. The Board of Directors therefore proposes to reflect this commitment in the Articles of Association and to implement it in Art. 2 of the Articles of Association with a new para. 6, as set forth in the **2023 Amendments** (page 1).

#### Explanation relating to Agenda Item 8.2 Introduction of a capital range

The new Swiss corporate law provides the basis for the so-called “capital range.” In essence this capital range serves a purpose similar to authorized capital, which was abolished by the new law. By implementing a capital range, shareholders authorize the Board of Directors to increase or decrease the share capital within a certain range for a period of up to five years. By law, this range can be between 150% (upper limit) and 50% (lower limit) of the share capital recorded in the commercial register at the time the capital range was introduced.

As the current authorized capital expires on June 15, 2024 and cannot be renewed thereafter, the Board of Directors proposes to implement a capital range with an upper limit of 110% and a lower limit of 90% of the company's share capital recorded in the commercial register at the time the capital range is introduced (i.e., immediately following the registration in the commercial register of the capital reduction proposed under Agenda Item 7). The capital range will allow the company to maintain its financial flexibility and to be able to react quickly and appropriately to changing circumstances.

The Board of Directors therefore proposes to amend Art. 5, Art. 6, and Art. 25 para. 2 of the Articles of Association, as set forth in the **2023 Amendments** (pages 2, 3).

Note: Art. 6 of the Articles of Association which limits any capital increase where the subscription rights or advance subscription rights were excluded or restricted at 10% of the share capital remains effective.

### **Explanation relating to Agenda Item 8.3 Board of Directors and Management Board**

The new Swiss corporate law has also liberalized the format in which the resolutions of boards of directors may be passed. The Board of Directors intends to take advantage of this opportunity and proposes to implement the possibility of resolutions by the Board of Directors also being passed electronically (Art. 18).

The powers of the board of directors have been slightly revised with the new Swiss corporate law, and it is proposed that these amendments be incorporated into the Articles of Association (Art. 20).

Furthermore, the formal requirements for the delegation of the management of the company to an executive committee have been revised and the Board of Directors intends to allow the company to make use of the new flexibility created by this (Art. 21).

One objective of the Corporate Law Reform was to embody the Ordinance Against Excessive Remuneration in Listed Corporations ("**VegüV**") into the federal law. Most of the provisions of the VegüV have been transferred into federal law unchanged, with only a few being modified. The Board of Directors proposes to amend the Articles of Association to appropriately reflect these changes, explicitly stating that the compensation report must be submitted to the general shareholders' meeting for a consultative vote if the variable compensation is approved prospectively. This is proposed to be implemented by a new para. 5 in Art. 26 of the Articles of Association. In addition, the Board of Directors proposes to amend Art. 27 to reflect that the revised law prohibits using the additional reserve amount for promotions within the Management Board.

Finally, the Board of Directors intends to reduce the permitted number of mandates outside the Sonova Group for members of its Board of Directors and its Management Board, to continue to ensure proper corporate governance (Art. 30).



The Board of Directors therefore proposes to amend Art. 18 paras. 1 and 3, Art. 20, Art. 21 para. 1, Art. 26 para. 5, Art. 27 and Art. 30 of the Articles of Association as set forth in the **2023 Amendments** (pages 4 to 6).

#### **Explanation relating to Agenda Item 8.4 Certificates, General Shareholders' Meeting, shareholder's rights, and communication with the shareholders**

The Board of Directors proposes to amend Art. 7 para. 1 to allow more flexibility regarding the legal and technological basis of its shares and to align this provision with the revised wording of the new corporate law. Among other things, the possibility of issuing tokenized shares in the form of securities based on distributed ledger technology shall be included in the Articles of Association. Although the Board of Directors currently does not intend to issue shares in such form, it believes that it is in the interest of the company and its shareholders to have this option for the future. Furthermore, the Board of Directors proposes to clarify that shareholders are entitled to request a written confirmation of their shareholdings but not to have their membership certified in an actual share certificate (Art. 7 para. 3), as this would cause unnecessary expenses for the Company.

The revision of the corporate law not only strengthens existing shareholder rights but also expands the powers of the general shareholders' meeting. The Board of Directors proposes to update Art. 10 accordingly, mirroring the new law.

The Corporate Law Reform aims at strengthening shareholder rights by, among other things, lowering the thresholds for exercising certain shareholder rights. Pursuant to the revised law, the threshold for the right to convene an extraordinary general meeting has been reduced from 10% to 5% of the share capital or votes. This is reflected in Art. 11 para. 4 of the Articles of Association. In addition, shareholders holding at least 0.5% of the share capital or votes may request that an agenda item be included in the invitation. This is reflected in Art. 12 para. 3 of the Articles of Association.

The revised law allows for more flexibility with regards to communication with shareholders and publications. Whilst the Swiss Official Gazette of Commerce will continue to be the company's official means of publication, the Board of Directors proposes to allow the company to make use of more flexible and modern communication methods, such as e-mail (Art. 12 para. 1 and Art. 35 para. 3). The remaining amendments to Art. 12 paras. 1, 2, and 3 reflect the new law.

Under the new law, listed companies must make shareholder resolutions and election results available electronically within 15 days of a general meeting, stating the exact proportion of votes. In addition, any shareholder may request that the minutes be made available to them within 30 days after the general meeting. For purposes of transparency, the Board of Directors proposes to incorporate these new statutory requirements in Art. 13 para. 4 of the Articles of Association. The remaining amendments to Art. 13 paras. 1 and 2 are of formal nature or reflect the law.

The proposed amendments to Art. 15 para. 4 and Art. 33 reflect the wording of the revised corporate law.

The Board of Directors therefore proposes to amend Art. 7 paras. 1 and 3, Art. 10, Art. 11 para. 4, Art. 12 paras. 1, 2 and 3, Art. 13 paras. 1, 2 and 4, Art. 15 para. 4, Art. 33, and Art. 35 para. 3 of the Articles of Association as set forth in the **2023 Amendments** (pages 7 to 11).

#### **Explanation relating to Agenda Item 8.5** [Introduction of the possibility of virtual General Shareholders' Meetings](#)

The new corporate law allows companies to hold virtual general shareholders' meetings, meaning that such meetings can be conducted without a physical venue exclusively by electronic means. During the Covid-19 pandemic, companies worldwide recognized the need to remain flexible in terms of the format of their corporate meetings.

Although the Board of Directors currently does not plan to hold virtual or hybrid general shareholders' meetings, it proposes to establish the framework to provide additional flexibility. This appears to be especially important to the Board of Directors, as the Covid Ordinance, which had allowed Swiss corporations to hold virtual general meetings during the pandemic by excluding personal attendance of shareholders, expired at year-end 2022.

If a virtual meeting were to be held, the Board of Directors would ensure that shareholders have the same rights when participating electronically as they would have for an in-person meeting (including the right to speak, receive information, vote and elect).

The Board of Directors therefore proposes to implement a new Art. 12a into the Articles of Association as set forth in the **2023 Amendments** (page 12).

# Organizational Matters

## Documents

The Annual Report, including the Compensation Report, the Annual Consolidated Financial Statements of the Group, and the Annual Financial Statements of Sonova Holding AG, as well as the Auditors' reports for 2022/23, will be available for review by the shareholders from May 16, 2023 at the company's registered office in Laubisrütistrasse 28, CH-8712 Stäfa, Switzerland. These documents may also be downloaded at [www.sonova.com](http://www.sonova.com).

## Share Register

Shareholders with voting rights who are recorded in the share register by end of the day on June 7, 2023 will receive this invitation to the Annual General Shareholders' Meeting directly, including the agenda and the motions of the Board of Directors. From June 8, 2023 to June 12, 2023, no entries will be made in the share register. Registered shareholders who sell their shares before the Annual General Shareholders' Meeting will no longer be entitled to attend or to vote.

## Representation / Proxy

Shareholders who do not attend the Annual General Shareholders' Meeting in person may be represented as follows:

- by another person who does not need to be a shareholder: To grant such proxy, the completed and signed reply form is sufficient. The admission card will be sent directly to the proxy.
- by the independent proxy, Law Office Keller AG<sup>1)</sup>, Splügenstrasse 8, CH-8002 Zürich, Switzerland: Such proxy is granted by completing the enclosed reply form accordingly. To the extent that the signed reply form does not contain any specific instructions, the Independent Proxy is instructed by the shareholder to vote in favor of the motions by the Board of Directors. The final deadline for providing instructions to the Independent Proxy is June 8, 2023.

## Shareholder Questions on Agenda Items

Sonova Holding AG gives its shareholders the opportunity to send in questions regarding the Annual Report and the agenda items via e-mail at [agm@sonova.com](mailto:agm@sonova.com) up until June 1, 2023. Shareholders are asked to provide their full name and place of residence to allow Sonova to verify shareholdings. The Board of Directors will respond to questions that are also relevant to other shareholders at the Annual General Shareholders' Meeting. As far as possible, some or all of the remaining questions will be addressed by a direct reply to the shareholder.

<sup>1)</sup> Formerly Law Office Keller KLG.

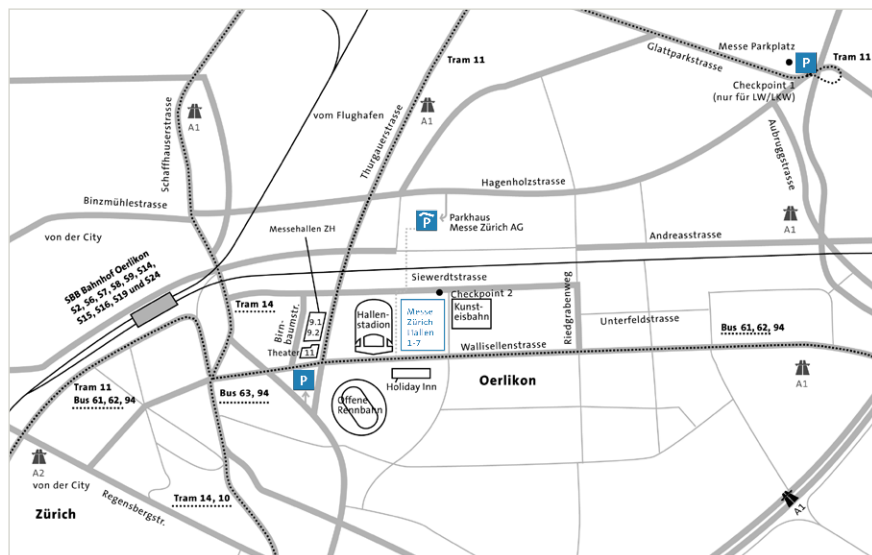
## Use of the Online Platform

Sonova Holding AG provides an online platform for its shareholders. Shareholders registered in the share register with voting rights may use this platform to provide voting instructions to the Independent Proxy. Personal access data for the online platform is printed on the enclosed reply form. The final deadline for providing instructions to the Independent Proxy electronically is June 8, 2023 at 11:59 p.m.

## Language

The Annual General Shareholders' Meeting will be held in German. An FM system is provided for attendees with hearing loss. FM receivers can be borrowed at the entrance.

## ARRIVAL/JOURNEY



## Notes for participants

Shareholders are asked to use public transport as there will be limited parking facilities at the meeting location Messe Zürich.

## Public transport

From Zürich central station to Zürich Oerlikon train station use train number S2, S6, S7, S8, S9, S14, S15, S16, S19 or S24. From Zürich Oerlikon train station use tram no. 11, bus no. 61, bus no. 62 or bus no. 94 to the stop Messe/Hallenstadion. On foot: about 10 minutes' walk from Zürich Oerlikon station to Messe Zürich.

**Sonova Holding AG**

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