

# Corporate governance

Good governance supports responsible corporate behavior, transparency, and sustainable business practices.

Sonova's mission is to have a positive effect on our consumers' lives. This closely aligns with our aspiration to have a positive impact on society as a whole by running our business in a sustainable, responsible manner. "We take accountability" is one of our core values: Continuously improving our Environmental, Social, and Governance (ESG) performance is embedded throughout our business, and we strive to optimize these factors with the same level of dedication as we do our financial objectives. We see good corporate governance as an essential pillar of our ESG strategy, ensuring that the company is managed in the long-term interests of its key stakeholders. The details of what constitutes good corporate governance continue to evolve, and the Board of Directors, the CEO, and the Group Management Board constantly monitor developments to ensure that our commitments keep pace with expectations.

At Sonova, we uphold a strong foundation of corporate governance that adheres to established standards and practices. The company meets its legal duties under the Swiss Code of Obligations, the SIX Swiss Exchange Directive on Information relating to Corporate Governance, and the standards defined in the Swiss Code of Best Practice for Corporate Governance. This report describes the principles of corporate governance for the Sonova Group and provides background information on the Group's executive officers and bodies as of March 31, 2024. All relevant documents can be accessed at the corporate governance section of the Sonova website [www.sonova.com/en/regulations-principles](http://www.sonova.com/en/regulations-principles). For clarity and transparency, the [Compensation Report](#) is presented as a separate chapter of the annual report.

## Group structure

### Operational group structure

The Sonova Group is headquartered in Stäfa, Switzerland, and is active in over 100 countries. Sonova has subsidiaries in over 30 countries and a network of independent distributors serving additional markets. Details of its business segments can be found in [Note 2.2](#) to the consolidated financial statements.

### Listed companies

Sonova Holding AG is listed on the SIX Swiss Exchange. Of all the companies in the Sonova Group, only the ultimate parent company of the consolidated Sonova Group, Sonova Holding AG, is listed on any stock exchange.

Key data for the shares of Sonova Holding AG as of March 31, 2024:

	2024	2023	2022
Market capitalization in CHF million	15,569	16,428	24,486
In % of equity	625%	736%	1,007%
Share price in CHF	261.10	268.60	387.60

Registered office	8712 Stäfa, Switzerland
Listed on	SIX Swiss Exchange
Security number	1254978
ISIN	CH0012549785
Ticker symbol	SOON
Par value	CHF 0.05

### Non-listed companies

[Note 7.7](#) to the consolidated financial statements provides a list of the significant companies of the Sonova Group as of March 31, 2024. Companies are only listed if, during the financial year, at least one of the following criteria are met: (i) turnover exceeding 1% of the Sonova Group's turnover; (ii) more than CHF 100 million in assets; (iii) more than 200 full time employees; or (iv) greater than CHF 50 million of equity.

# Shareholders

## Registered shareholders

As of March 31, 2024, the shareholdings of registered shareholders were distributed as follows:

Number of shares	Registered shareholders 31.3.2024	Registered shareholders 31.3.2023
1 – 100	15,594	17,198
101 – 1,000	9,419	9,728
1,001 – 10,000	1,251	1,321
10,001 – 100,000	200	178
100,001 – 1,000,000	26	18
> 1,000,000	4	3
<b>Total registered shareholders</b>	<b>26,494</b>	<b>28,446</b>

## Significant shareholders

According to notifications received from Sonova Holding AG shareholders under the Swiss Financial Market Infrastructure Act, the following shareholders held more than 3% of Sonova Holding AG's registered share capital as of March 31, 2024:

	2024 <sup>1)</sup>	2024 <sup>2)</sup>	2023 <sup>1)</sup>	2023 <sup>2)</sup>
	No. of shares	In %	No. of shares	In %
Beda Diethelm and Annamaria Diethelm-Pandiani <sup>3)</sup>	6,712,878	11.26	6,712,878	10.98
Family of Hans-Ueli Rihs <sup>3), 4)</sup>	3,683,649	6.18	3,683,649	6.02
BlackRock, Inc.	3,334,293	5.10	3,334,293	5.10
MFS Investment Management <sup>5)</sup>	1,847,415	3.02	1,847,415	3.02
UBS Fund Management (Switzerland) AG	1,825,453	3.06	n/a	<3

<sup>1)</sup> Or at last reported date if shareholdings are not registered in the share register.

<sup>2)</sup> On the basis of the shares of Sonova Holding AG registered in the commercial register at last reported date which may differ.

<sup>3)</sup> Beda Diethelm and Hans-Ueli Rihs were already shareholders before the Initial Public Offering in November 1994. There are no shareholders' agreements among these individuals and they can trade freely.

<sup>4)</sup> Hans-Ulrich Rihs, Gabriela Rihs and Stefan Rihs as a group jointly control 3,683,649 registered shares (corresponding to 6.18% of total Sonova share capital) pursuant to the last disclosure notice. These shares were previously controlled by Hans-Ulrich Rihs as a single shareholder.

<sup>5)</sup> MFS Investment Management, formerly known as Massachusetts Financial Services, is held by Sun Life Financial Inc. which is traded on the TSX, NYSE and PSE (ticker symbol SLF).

For information on shareholders of Sonova Holding AG who have reported shareholdings of over 3% or a reduction of shareholdings below 3% in the 2023/24 financial year, please refer to the website of the [Disclosure Office of the SIX Swiss Exchange](#).

## Cross-shareholdings

Sonova Holding AG has no cross-shareholdings with other companies.

## Articles of Association

The Swiss corporate law reform which became effective January 1, 2023, triggered several mandatory and voluntary amendments to the [Articles of Association](#) which have been discussed, put to a vote, and resolved by the shareholders at the 2023 AGM. Details on such amendments are available [here](#).

The Articles of Association are available [here](#).

## Capital structure

### Share capital

As of March 31, 2024, the ordinary share capital of Sonova Holding AG was CHF 2,981,340.45 fully paid up and divided into 59,626,809 registered shares with a par value of CHF 0.05 each.

Sonova Holding AG has issued neither participation certificates nor profit-sharing certificates.

With the exception of the treasury shares held by the company itself, each share entitles to one vote at the Annual General Shareholders' Meeting. All shares have equal dividend rights. As of March 31, 2024, the company held 13,587 treasury shares (1,566,263 in the previous year).

More information on the share capital can be found in Art. 3 of the [Articles of Association](#).

### Conditional share capital and capital range

#### Conditional share capital

The conditional share capital may be increased by a maximum amount of CHF 266,106.65 by issuing 5,322,133 registered shares with a par value of CHF 0.05 per share which equates to 8.92% of the existing share capital. Out of this conditional share capital an amount of CHF 101,050.65 (equaling 2,021,013 registered shares) may be used for distribution to key employees of the Sonova Group through an equity participation program, under exclusion of the subscription rights of shareholders. In addition, an amount of CHF 165,056 (equaling to 3,301,120 registered shares) may be used for exercising option and conversion rights granted in connection with bonds or similar debt instruments issued by the company. The subscription rights of shareholders are excluded. The advance subscription rights of shareholders may be excluded if such bonds are issued to finance the acquisition of companies, parts of companies or shareholdings.

More information on the conditional share capital can be found in Art. 4 of the [Articles of Association](#).

#### Capital range

Sonova Holding AG has a capital range of 10% of the share capital from CHF 2,683,206.45 (lower limit) to CHF 3,279,474.45 (upper limit). The Board of Directors shall be authorized within the capital range to increase (by issuing up to 5,962,680 registered shares, each with a nominal value of CHF 0.05) or to reduce the share capital (by cancelling up to 5,962,680 registered shares, each with a nominal value of CHF 0.05) once or several times in amounts or to acquire or dispose of shares directly or indirectly at any time until June 12, 2028 or until an earlier expiry of the capital range. The capital increase or decrease may also be effectuated by increasing or reducing the nominal value of the existing registered shares. In certain events, as defined in Art. 5 of the [Articles of Association](#), the Board of Directors is authorized to exclude or restrict the subscription rights of existing shareholders and allocate such rights to third parties, the company, or any of its group companies.

The Board of Directors did not make use of this authorization in the 2023/24 financial year.

More information on the capital range can be found in Art. 5 of the [Articles of Association](#).

### Limitations on exercising the conditional share capital and/or the capital range

If the conditional capital and/or the capital range is exercised and subscription or advance subscription rights are excluded or restricted, the total of the capital increase shall not exceed an amount of CHF 298,134 by issuing 5,962,680 registered shares, which correspond to 9.99% of the currently issued share capital.

More information on the limitations of exercising the conditional share capital and/or the capital range can be found in Art. 6 of the [Articles of Association](#).

### Options

In the 2023/24 financial year, a total of 118,673 options and Stock Appreciation Rights (SARs) were granted as part of the Sonova Executive Equity Award Plan (EEAP). In the 2022/23 financial year, the number of options and SARs granted totaled 138,302. As of March 31, 2024, there were 904,085 options, performance options and SARs outstanding (compared with 960,106 in the previous year). Each of the options entitles the holder to purchase one registered share in Sonova Holding AG with a par value of CHF 0.05 at the respective exercise price and upon meeting certain performance criteria, while the SAR entitles to receive a cash settlement equal to the option value. The EEAP is described in greater detail in the [Compensation Report](#) and in [Note 7.4](#) to the consolidated financial statements.

### Convertible bonds

Sonova Holding AG has not issued any convertible bonds.

### Changes in capital

As of March 31, 2024 and the preceding three financial years, the share capital of Sonova Holding AG comprised the following (CHF amounts in this schedule are rounded up to whole numbers):

	2024	2023	2022	2021
Ordinary capital (in CHF)	2,981,340 <sup>1)</sup>	3,057,986 <sup>3)</sup>	3,158,608 <sup>5)</sup>	3,219,907 <sup>7)</sup>
Total shares	59,626,809	61,159,719	63,172,157	64,398,137
Difference in ordinary capital compared to the prior financial year (in CHF)	(76,645)	(100,622)	(61,299)	n.a.
Capital range (in CHF)				
lower limit	2,683,206			
upper limit	3,279,474	n.a.	n.a.	n.a.
equals cancellation / issuing of up to shares	5,962,680	n.a.	n.a.	n.a.
Authorized share capital (in CHF)	n.a. <sup>2)</sup>	305,799 <sup>4)</sup>	321,991 <sup>6)</sup>	321,991 <sup>6)</sup>
Authorized shares	n.a. <sup>2)</sup>	6,115,971 <sup>4)</sup>	6,439,813 <sup>6)</sup>	6,439,813 <sup>6)</sup>
Conditional capital (in CHF)	266,108	266,108	266,108	266,108
equals issuing of up to shares	5,322,133	5,322,133	5,322,133	5,322,133

<sup>1)</sup> The 2023 AGM approved a reduction of the share capital by CHF 76,645.50 through the cancellation of 1,532,910 registered shares. This capital reduction was the result of the share buyback program of 2022-2025, announced on April 14, 2022, under which the company repurchased 1,532,910 registered shares between April 19, 2022, and March 31, 2023.

<sup>2)</sup> The introduction of the capital range was resolved by the 2023 AGM and replaced the authorized capital (for details see the section capital range above).

<sup>3)</sup> The 2022 AGM approved a reduction of the share capital by CHF 100,621.90 through the cancellation of 2,012,438 registered shares. This capital reduction was the result of the share buyback program announced on May 18, 2021, under which the company repurchased 2,012,438 registered shares between June 4, 2021, and March 28, 2022.

<sup>4)</sup> The 2022 AGM approved the creation of authorized capital of CHF 305,798.55 allowing for the issuance of up to 6,115,971 registered shares until June 15, 2024.

<sup>5)</sup> The 2021 AGM approved a reduction of the share capital by CHF 61,299.00 through the cancellation of 1,225,980 registered shares. This capital reduction was the result of the share buyback program announced on August 31, 2018, under which the company repurchased a total of 1,843,090 registered shares between April 1, 2019, and March 31, 2021.

<sup>6)</sup> The 2020 AGM approved the creation of authorized capital of CHF 321,990.65 allowing for the issuance of up to 6,439,813 registered shares until June 11, 2022.

<sup>7)</sup> The 2019 AGM approved a reduction of the share capital by CHF 46,637.50 through the cancellation of 932,750 registered shares. This capital reduction was the result of the share buyback announced on August 31, 2018, under which the company repurchased 932,750 registered shares between April 1, 2018, and March 31, 2019.

## Share buyback program 2022 – 2025

On April 14, 2022, Sonova announced a share buyback program for the purpose of a capital reduction that started on April 19, 2022. The program allows to buy back shares worth up to CHF 1.5 billion and is scheduled to end on April 18, 2025 (details available [here](#)).

## Limitations on transferability and nominee registrations

### Limitations on transferability for each share category

To be recognized as a shareholder with full voting rights, the acquirer of shares must submit a written application for registration in the share register. The company may refuse registration in the share register if applicants do not explicitly declare that they have acquired and will hold the shares in their own name and for their own account. The company may further refuse entry of the acquirer as a shareholder or usufructuary with a voting right to the extent that the shares held would exceed 5% of the overall number of shares shown in the Commercial Register (Art. 8 para. 6 of the [Articles of Association](#)). Linked parties are considered as one person. This registration restriction does not apply to the founding shareholders. The Board of Directors may grant exceptions where there is justified cause, in which case no special quorum is required.

More information on the limitations on transferability and registrations can be found in Art. 8 of the [Articles of Association](#).

### Exceptions granted in the year under review

No exceptions were granted by the Board of Directors during the reporting period.

### Admissibility of nominee registrations

The Board of Directors can issue regulations specifying the conditions under which trustees/nominees are recognized as shareholders with voting rights (Art. 8 para. 5 of the [Articles of Association](#)).

### Procedure and conditions for cancelling statutory privileges and limitations on transferability

A resolution of the General Shareholders' Meeting approved by a relative majority of the votes cast is sufficient for cancellation or relaxation of the provisions for restricting the transferability of shares (Art. 15 para. 5 of the [Articles of Association](#)).

# Board of Directors

## Introduction

The Board of Directors of Sonova Holding AG sets the overall direction and supervision of the management (see Art. 716a para. 1 of the Swiss Code of Obligations). Its working methods are reflected in the Organizational Regulations (available [here](#)) and the Board Committee Charters (available [here](#) for the Audit Committee and [here](#) for the Nomination and Compensation Committee).

As determined in Art. 1 of the [Organizational Regulations](#), the Board of Directors plans the succession of its members and defines the criteria for selecting candidates so that the composition is well-balanced in terms of size, professional skills, international experience, and diversity. Sonova ensures that newly elected members receive appropriate introduction and orientation and that the members of the Board of Directors receive continuing training with respect to their responsibilities.

## Board of Directors independence

Members of the Board of Directors are considered to be independent, according to Section 15 of the [Swiss Code of Best Practice for Corporate Governance](#) and Art. 6 lit. c of the [Organizational Regulations](#), if they personally or in association with related persons have not been a member of the Management Board during the last three years, have not served as lead auditor of external auditor during the last two years, and have no or only comparatively minor business relations with the company. According to these rules, all members of Sonova's Board of Directors are considered to be independent.

## Board of Directors fees

Fees for members of the Board of Directors are structured to be consistent with the principle of independence; members therefore only receive fixed fees paid in the form of a cash retainer and non-discounted shares with a blocking period of five years and four months (Chair of the Board of Directors) or four years and four months (all other members of the Board of Directors). The allocation of shares strengthens alignment with shareholders' interests. In addition, members of the Board of Directors receive committee retainers for their services on Sonova's committees. Members of the Board of Directors do not receive performance-related compensation, severance payments, or benefits (see the relevant chapters in the [Compensation Report](#) for more information).

## Executive management positions

No member of the Board of Directors holds an executive management position with Sonova Holding AG or any of its subsidiaries and has not done so in the past three years.

## Business connections of members of the Board of Directors with Sonova Holding AG or its subsidiaries

In the 2023/24 financial year, there were no business connections between individual members of the Board of Directors, including companies or organizations represented by them, and Sonova Holding AG or its subsidiaries.

## Other activities and vested interests

Except as disclosed in the biographies of the members of the Board of Directors, no member of the Board of Directors holds any position in a governing or supervisory body of any important private or public sector organization, institution, or foundation; none holds any permanent management or consultancy position with an important interest group, or any public or political office.

## Mandates outside Sonova Holding AG

No member of the Board of Directors may hold more than four mandates in listed companies and no more than five mandates in other companies and organizations. Mandates shall mean mandates in comparable functions at other enterprises as well as in (trading) associations, organizations, foundations and similar legal entities with an economic purpose.

The following mandates are not subject to these limitations:

- Mandates in companies which are controlled by Sonova or in companies which control Sonova; and
- Mandates held at the request of Sonova or companies controlled by Sonova, whereby no member of the Board of Directors may hold more than ten such mandates.

For further details please see Art. 30 of the [Articles of Association](#), and the [Compensation Report](#) for outside mandates to be disclosed under the Swiss Code of Obligations.

## Board of Directors competence and evaluation

The Nomination and Compensation Committee and the Board of Directors evaluate current and prospective members according to a skills and experience competency matrix to ensure that an appropriate mix of relevant skills and experience is represented in the Board of Directors. The matrix includes criteria relating to executive management expertise, board experience, relevant industry know-how, strategic thinking (including M&A), international/regional experience, technology/product development experience (hardware and software), digital expertise, IT expertise, Supply Chain Management expertise, financial expertise, sales/marketing expertise, retail and service expertise, HR expertise, and expertise in ESG. By following the matrix criteria in the nomination and evaluation processes, the Nomination and Compensation Committee and the Board of Directors are committed to consider characteristics including but not limited to, gender, age, nationalities or country of origin, ethnicity, cultural background, ways of believing and mindsets, in order to establish balance in terms of diversity and inclusion.

The Nomination and Compensation Committee and the Board of Directors make use of this information to identify potential gaps, and to help create profiles for new director searches.

The Board of Directors also conducts an annual self-assessment to:

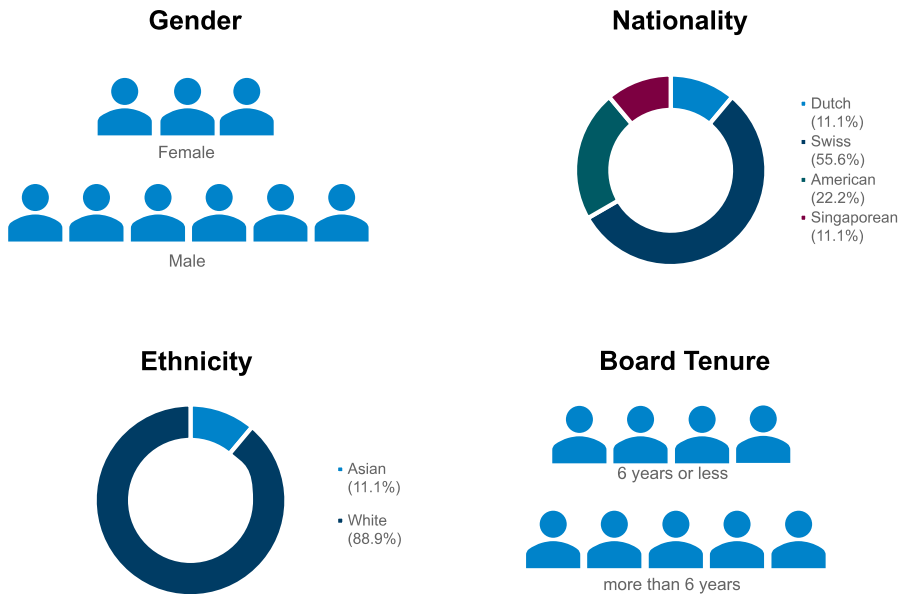
- Ensure and enhance its comprehensive understanding of the business and the company;
- Evaluate the work of the Board of Directors, its committees, the individual members of the Board of Directors and the Chair;
- Make the best use of the human capital represented on the Board of Directors; and
- Optimize efficiency, effectiveness of working methods, and cooperation among members of the Board of Directors and members of the Management Board.

The Chair of the Board of Directors initiates the annual Board of Directors self-assessment by distributing an evaluation questionnaire, previously approved by the Board of Directors. The Chair of the Board of Directors is responsible for collecting the assessments and for initiating the review of the consolidated results by the Nomination and Compensation Committee and subsequently the full Board of Directors.



## Composition of the Board of Directors

As of March 31, 2024, the composition of the Board of Directors is as follows:



	Robert F. Sperry	Stacy Enxing Seng	Gregory Behar	Lynn Dorsey Bleil	Lukas Braunschweiler	Roland Diggelmann	Julie Tay	Ronald van der Vis	Adrian Widmer
Age	68	59	54	60	67	56	57	56	55
Tenure (years)	21	10	3	8	6	3	2	15	4
<b>Gender</b>									
Female		x		x			x		
Male	x		x		x	x		x	x
<b>Race/Ethnicity</b>									
White	x	x	x	x	x	x		x	x
Non-White							x		
<b>Committee Member</b>									
Audit				x				x	x
Nomination & Compensation		x			x	x	x		
Independent	x	x	x	x	x	x	x	x	x

## Elections, terms of office and biographies

### Election procedure and limits on the terms of office

Art. 16 para. 1 of the [Articles of Association](#) of Sonova Holding AG states that the Board of Directors must consist of a minimum of five and a maximum of ten members. The members of the Board of Directors are elected by the shareholders at the General Shareholders' Meeting (Art. 10 no. 2 of the [Articles of Association](#)).

Re-elections for successive terms are possible. Members of the Board of Directors shall retire automatically at the first General Shareholders' Meeting following their seventieth birthday. In justified individual cases, the Board of Directors may make an exemption. For further details please see Art. 6 of the [Organizational Regulations](#).

### First election and remaining term of office

The following table shows the date of first election for each member of the Board of Directors. The [Articles of Association](#) require that the term of office of a member of the Board of Directors ends after completion of the next Annual General Shareholders' Meeting. As a consequence, each such member will have to be re-elected annually at the Annual General Shareholders' Meeting. All members of the Board of Directors were re-elected by the 2023 Annual General Shareholders' Meeting. Jinlong Wang (first elected 2013) decided not to stand for re-election at the 2023 AGM; further details on him can be found in last year's annual report, available [here](#).

Name	Position	First elected
Robert F. Spoerry	Chair	2003
Stacy Enxing Seng	Vice Chair	2014
Gregory Behar	Member	2021
Lynn Dorsey Bleil	Member	2016
Lukas Braunschweiler	Member	2018
Roland Diggelmann	Member	2021
Julie Tay	Member	2022
Ronald van der Vis	Member	2009
Adrian Widmer	Member	2020

### Robert F. Spoerry

(born 1955, Swiss citizen) has been Chair of the Board of Directors of Sonova Holding AG since March 30, 2011, and a non-executive member of the Board of Directors since 2003.

Robert F. Spoerry is also the non-executive Chair of the Board of Directors of Mettler Toledo International Inc., a leading global manufacturer and marketer of precision instruments and related services for use in laboratory, manufacturing, and food retailing applications. He joined Mettler Toledo in 1983 and was CEO from 1993 to 2007. He led the buyout of Mettler-Toledo from Ciba-Geigy in 1996, and the company's subsequent Initial Public Offering on the New York Stock Exchange (NYSE) in 1997. In 1998, he was nominated as Chair of the Board of Directors.

His long-standing experience in the technology sector, his deep knowledge of Sonova and his strong technical background with innovation-driven companies provides a substantial benefit to the Group and its shareholders. Robert F. Spoerry devotes a substantial amount of his time to his service as Chair of the Board of Directors.

Robert F. Spoerry graduated in mechanical engineering from the Swiss Federal Institute of Technology (ETH) in Zurich, Switzerland, and holds an MBA from the University of Chicago.



### Outside mandates

#### Listed companies:

- Member of the Board of Directors of Bystronic Holding AG (former Conzetta Holding AG)
- Non-executive Chair of the Board of Directors of Mettler Toledo International Inc.

#### Other mandates:

- n.a.

## Stacy Enxing Seng

(born 1964, US citizen) has been a non-executive member of the Board of Directors since 2014 and serves on the Nomination and Compensation Committee. She became Vice Chair of the Board of Directors at the 2021 AGM.

She previously served as President of Covidien's Vascular Therapies division. Stacy Enxing Seng joined Covidien as president of its vascular therapies division in July 2010 through its acquisition of ev3 where she was a founding member and executive officer responsible for leading ev3's Peripheral Vascular Division from inception. She has also held various positions at Boston Scientific, SCIMED Life Systems Inc., Baxter Healthcare, and American Hospital Supply.

With her broad experience in the medical technology sector and her strong track record in growing startups and leading multinational companies, she brings further important perspectives to the Group. Her expertise in working with regulatory agencies around the globe brings valuable insight to the Board of Directors.

Stacy Enxing Seng received an MBA from Harvard University and has a Bachelor of Arts in Public Policy from Michigan State University.



### Outside mandates

#### Listed companies:

- Member of the Board of Directors of LivaNova Inc.

#### Other mandates:

- Chair of the Board of Directors of Cala Health
- Executive Chair of the Board of Directors of Contego Inc.
- Member of the Board of Directors of Corza Inc.
- Member of the Board of Directors of Imperative Care
- Operating Partner of Lightstone Ventures

## Gregory Behar

Gregory Behar (born 1969, Swiss citizen) has been a non-executive member of the Board of Directors since 2021.

Since January 2024 he is the CEO of Recipharm AB, a leading Contract Development and Manufacturing Organization (CDMO) in the pharmaceutical industry. From 2014 until December 31, 2023, he served as CEO of Nestlé Health Science, a global leader in the science of nutrition, and became a member of the Nestlé Executive Board in 2017. From 2011 to 2014, he was President & CEO of Boehringer Ingelheim Pharmaceuticals Inc. (USA). Prior to that, he held various leadership positions with Boehringer Ingelheim GmbH (Germany), Novartis AG, and Nestlé SA.

With his broad international business and executive experience in the healthcare industry as well as his strong track record in leading successful global businesses, Gregory Behar brings valuable insight to the Board of Directors.

Gregory Behar earned an MBA from INSEAD, France, a Master of Science in mechanical engineering and manufacturing from EPFL Lausanne, Switzerland, and a Bachelor of Science in mechanical engineering from the University of California in Los Angeles, USA.



### Outside mandates

#### Listed companies:

- n.a.

#### Other mandates:

- CEO of Recipharm AB
- Member of the Board of Directors of Amazentis SA
- Member of the Board of Directors of New Biologix (mandate held at the direction of Recipharm AB as part of his role as its CEO and thus, shall not be considered as an additional outside mandate)

## Lynn Dorsey Bleil

(born 1963, US citizen) has been a non-executive member of the Board of Directors since 2016 and serves as a member of the Audit Committee.

She retired as Senior Partner (Director) from McKinsey & Company in the US in 2013 after more than 25 years of advising senior management and boards of leading healthcare companies on corporate and business unit strategy, mergers and acquisitions, and public policy across all segments of the healthcare value chain. She was also a member of the Board of Directors of Auspex Pharmaceuticals until its sale to Teva in March 2015, and DST Systems until its sale to SS&C in April 2018.

With her extensive experience in advising North American healthcare companies across the entire value chain and through her various board mandates in this sector, she brings very valuable strategic perspectives to the Group and contributes her broad knowhow as a Board member.

Lynn Dorsey Bleil holds a Bachelor's degree in Chemical Engineering from Princeton University and a Master's degree in Business Administration from the Stanford University Graduate School of Business.



### Outside mandates

#### Listed companies:

- Member of the Board of Directors of Alcon Inc.
- Member of the Board of Directors of Stericycle Inc.
- Member of the Board of Directors of Amicus Therapeutics Inc.

#### Other mandates:

- Chair of the Intermountain Healthcare Wasatch Back Hospitals Community Board (a non-profit organization)

## Lukas Braunschweiler

(born 1956, Swiss citizen) was the CEO of the Sonova Group from November 2011 until March 31, 2018 and has been a non-executive member of the Board of Directors since 2018 and serves as member of the Nomination and Compensation Committee.

Before joining the company, Lukas Braunschweiler was CEO of the Swiss technology group RUAG from 2009 until 2011. From 2002 to 2009, as President and CEO, he headed the Dionex Corporation. The California-based company, active in the life sciences industry, was listed on the Nasdaq stock exchange. Previously, from 1995 to 2002, he held various group executive positions in Switzerland and the US for Mettler Toledo, a precision instruments manufacturer.

Lukas Braunschweiler brings broad CEO experience from a variety of tech-oriented companies and industries in an international environment. Having served as CEO of Sonova from 2011 to 2018, he has not only a comprehensive knowledge of Sonova as a company and its business but also a broad experience in the global hearing aid industry.

Lukas Braunschweiler received a Master of Science in analytical chemistry (1982) and was awarded a Ph.D. in physical chemistry (1985) from the Swiss Federal Institute of Technology (ETH) in Zurich.

### Outside mandates

#### Listed companies:

- Chair of the Board of Directors of Tecan Group AG

#### Other mandates:

- n.a.



## Roland Diggelmann

(born 1967, Swiss citizen) has been a non-executive member of the Board of Directors since 2021 and serves as a member and Chair on the Nomination and Compensation Committee.

From 2019 until March 31, 2022, he has been CEO of Smith & Nephew plc, a UK-based leading global medical technology company active in orthopedics, sports medicine, and advanced wound management. From 2008 to 2012 he was managing director for the Asia/Pacific region and from 2012 until 2018 CEO of Roche Diagnostics. He previously held senior management positions in sales and marketing as well as strategic planning at Zimmer Holdings and Sulzer Medica (later known as Centerpulse).

With more than 20 years of executive experience in the medical device industry across many parts of the world and as CEO, Roland Diggelmann provides valuable input to the implementation of Sonova's strategy.

Roland Diggelmann studied Business Administration at the University of Bern, Switzerland.

### Outside mandates

#### Listed companies:

- Member of the Board of Directors of Mettler Toledo International Inc.

#### Other mandates:

- Member of the Board of Directors Berlin Heals AG
- Member of the Board of Directors of HeartForce AG
- Member of the Board of Directors Navignostics AG
- Member of the Board of Directors Osler Diagnostics Ltd.



## Julie Tay

(born 1966, Singapore citizen) has been a non-executive member of the Board of Directors since 2022 and serves as a member on the Nomination and Compensation Committee.

She served as Senior Vice President and Managing Director, Asia Pacific in Align Technology Inc from 2013 to 2022. She was also a member of the global Executive Management Committee. Align Technology is a leading global medical device company that designs, manufactures, and sells the Invisalign system of clear aligners, iTero intraoral scanners, and exocad CAD/CAM software for digital orthodontics and restorative dentistry.

Before that she held various management positions at Bayer Healthcare, JohnsonDiversey, and Johnson & Johnson Medical. With her broad executive experience in the medical device industry and her executive experience, Julie Tay brings valuable insight to the Board of Directors.

Julie Tay holds a BA from the National University of Singapore and an MBA in International Marketing from the Curtin University of Technology in Australia.



### Outside mandates

#### Listed companies:

- Member of the Board of Directors of EBOS Group Ltd.

#### Other mandates:

- n.a.

## Ronald van der Vis

(born 1967, Dutch citizen) has been a non-executive member of the Board of Directors since 2009 and serves as a member of the Audit Committee, which he chaired from 2019 to 2021.

Ronald van der Vis served as Group CEO of Esprit Holdings Limited, a global fashion and lifestyle company listed on the Hong Kong Stock Exchange, from 2009 until November 2012. Prior to this, since 1998, he held various general management positions at GrandVision NV, the world's leading optical retailer. He was Group CEO at GrandVision NV from 2004 to 2009.

With his extensive international expertise in the retail sector and his broad M&A, corporate finance and strategic experience, Ronald van der Vis provides valuable input to the Group's vertically integrated business strategy.

Ronald van der Vis graduated from the Nyenrode Business University in the Netherlands and received his Master's degree in business administration from the Alliance Manchester Business School in the UK. He has gained significant financial expertise both through his education and through his business experience as CEO and private equity partner.



### Outside mandates

#### Listed companies:

- n.a.

#### Other mandates:

- Operating Partner, Co-Investor and Industry Advisor
- Chair of the Supervisory Board of European Dental Group
- Chair of the Supervisory Board of Equipe Zorgbedrijven
- Chair of the Supervisory Board of United Veterinary Care
- Member of the Supervisory Board of HEMA BV

## Adrian Widmer

(born 1968, Swiss citizen) has been a non-executive member of the Board of Directors since 2020 and serves as a member and Chair on the Audit Committee.

Since 2014 he is Group CFO of Sika AG, a global specialty chemical company based in Switzerland. He previously served as Head Group Controlling and M&A at Sika from 2007 to 2014. Prior to joining Sika, he held various management positions at BASF, Degussa and Textron Inc. in the areas of finance and controlling, business development and general management.

With his broad management background, his experience in M&A and business development, and particularly his financial expertise as active CFO, Adrian Widmer is well qualified to serve on and lead the Audit Committee as a financial expert and is an ideal sparring partner for Sonova's CFO.

Adrian Widmer holds a Master of Science degree in Business and Economics from the University of Zurich, Switzerland and completed the Advanced Management Program of INSEAD Fontainebleau in France.



### Outside mandates

#### Listed companies:

- Group CFO of Sika AG

#### Other mandates:

- n.a.

## Internal organizational structure

### Allocation of tasks within the Board of Directors

As specified in Art. 17 para. 1 of the [Articles of Association](#), the Board of Directors constitutes itself, except for the Chair and the members of the Nomination and Compensation Committee, who must be elected by the shareholders. If the office of the Chair or a member of the Nomination and Compensation Committee is vacant, pursuant to Art. 16 para. 4 of the [Articles of Association](#), the Board of Directors appoints a replacement from among its members for the remaining term of office. The duties of the Chair are set out in Art. 16 of the [Organizational Regulations](#) and the duties of the Vice-Chair are set out in Art. 18 of the [Organizational Regulations](#).

In accordance with Art. 13 para. a of the [Organizational Regulations](#), which supplement the Articles of Association, the Board of Directors appoints an Audit Committee.

### Tasks and areas of responsibility of Board of Directors' committees

The duties and authorities of the committees are defined in the [Articles of Association](#), the [Organizational Regulations](#), and the Board Committee Charters (available [here](#) for the Audit Committee and [here](#) for the Nomination and Compensation Committee). The committees usually meet before the Board of Director's meetings, report regularly on activities and make proposals to the Board of Directors based on their findings. The overall responsibility for duties delegated to the committees remains with the Board of Directors.

## Audit Committee

The members of the Audit Committee are Adrian Widmer (Chair), Gregory Behar, Lynn Dorsey Bleil and Ronald van der Vis.

The duties of the Audit Committee include reviewing the performance and effectiveness of external and internal audit on behalf of the entire Board of Directors; evaluating the company's financial control systems, financial structure, and risk management control mechanisms; and verifying the interim and annual accounts and financial statements of the Sonova Group. The Audit Committee is also kept regularly informed on the company's compliance program. The Audit Committee Charter is available [here](#).

The Audit Committee meets as often as required but no fewer than four times per year. During the reporting period, the Audit Committee met four times. The Chair of the Board of Directors was invited to, and attended, every Audit Committee meeting as a guest.



## Nomination and Compensation Committee

The members of the Nomination and Compensation Committee are Roland Diggelmann (Chair), Lukas Braunschweiler, Stacy Enxing Seng, and Julie Tay.

The Nomination and Compensation Committee supports the mission of the Board of Directors to attract, retain, and motivate people with outstanding professional and human capabilities at the Board of Directors and top management levels. In the selection and nomination processes, the committee considers independence, expertise, experience, and skills (including those related to economic, environmental and social aspects) needed for the respective corporate body's tasks, seeking where possible to establish balance in diversity terms including but not limited to: gender, age, nationalities or country of origin, ethnicity, competencies, experiences, ways of believing and mindsets. The Nomination and Compensation Committee also supports the Board of Directors in preparing the [Compensation Report](#), establishing and reviewing the company's compensation principles, guidelines, and performance metrics, and preparing proposals to the Annual General Shareholders' Meeting on the compensation of the Board of Directors and Management Board. The committee may also submit proposals and recommendations to the Board of Directors on other compensation-related issues. The Nomination and Compensation Committee Charter is available [here](#).

The Nomination and Compensation Committee meets as often as required but no fewer than four times per year. During the reporting period, the committee met four times and held two additional conference calls on relevant subject matters. The Chair of the Board of Directors was invited to, and attended, every Nomination and Compensation Committee meeting as a guest.

## Working methods of the Board of Directors and its committees

During the reporting period, the Board of Directors held five regular meetings and one additional conference call on relevant subject matters. The table below shows the individual members' attendance at Board of Directors and committee meetings, as well as the average length of the meetings:

	BoD meet- ings <sup>1)</sup>	BoD add. calls <sup>2)</sup>	AC meet- ings	NCC meet- ings <sup>3)</sup>	NCC add. calls <sup>4)</sup>
No. of meetings in 2023/24	5	1	4	4	2
Robert F. Spoerry	5	1	4 <sup>5)</sup>	4 <sup>5)</sup>	2 <sup>5)</sup>
Stacy Enxing Seng	5	1		4	2
Gregory Behar	5	1	3 <sup>6)</sup>		
Lynn Dorsey Bleil	5	1	4		
Lukas Braunschweiler	5	1		4	2
Roland Diggelmann	5	1	4	4	2
Julie Tay	5	1		4 <sup>7)</sup>	1 <sup>8)</sup>
Ronald van der Vis	5	1	4		
Jinlong Wang <sup>9)</sup>	2				
Adrian Widmer	5	1	4		
Average meeting length	7 h	1 h	3 h	2 h	1 h

<sup>1)</sup> Regular Board of Directors meetings in person.

<sup>2)</sup> Additional calls of the Board of Directors.

<sup>3)</sup> Regular Nomination and Compensation Committee meetings in person.

<sup>4)</sup> Additional calls of the Nomination and Compensation Committee.

<sup>5)</sup> As guest.

<sup>6)</sup> From 2023 AGM.

<sup>7)</sup> Participated one meeting as a guest and after being elected at the 2023 AGM as a Member of the NCC.

<sup>8)</sup> Participated only one call because of being elected at the 2023 AGM as a Member of the NCC.

<sup>9)</sup> Did not stand for re-election at the 2023 AGM and thus did not participate in any such meeting thereafter.

Urgent business matters were discussed in various telephone conferences. In addition to formal meetings at which minutes were taken, members of the Board of Directors or of the committees also frequently met informally for other topics and discussions that required additional time.



These included but were not limited to, preparations for formal meetings, interviews and nomination of key individuals, and reviewing M&A projects.

The agenda for a meeting of the Board of Directors or of a Board committee is set by its respective Chair. Any member of the Board of Directors or a committee may request a meeting or ask that an item be put on the agenda. Members of the Board of Directors and the committees are provided in advance of meetings with all relevant documents that enable them to prepare for the discussion of the agenda items during the meeting. The Board of Directors and its committees constitute a quorum if at least half of the members are present. The Board of Directors and its committees approve resolutions by a majority of members present at the meeting. In the event of an equal number of votes, the Chair has the casting vote.

The Board of Directors works closely with the Management Board. In general, the meetings of the Board of Directors and its committees are also attended by the CEO and the CFO and, depending on the agenda, other members of the Management Board. The Board of Directors and the committees meet in executive session after every Board and committee meeting, respectively. The Board of Directors consults external experts in connection with specific tasks when necessary.

During the 2023/24 financial year, the five regular meetings of the Board of Directors were attended by the CEO, the CFO, and other members of the Management Board to review, amongst other topics, performance against plan, key initiatives, and strategic matters. If necessary, the Board of Directors also consults with other internal experts (such as the Group General Counsel) or external advisors.

All four meetings of the Audit Committee were attended by the Chair as guest. The CEO, the CFO, and the Head of Internal Audit and Risk participated in all four meetings of the Audit Committee. Representatives of the auditors have been invited to two out of four of these meetings.

All four meetings of the Nomination and Compensation Committee were attended by the Chair as a guest and were held in the presence of the CEO and the Group Vice President Corporate Human Resources.

## Definition of areas of responsibility

The Board of Directors of Sonova Holding AG is responsible for the overall direction of the company, except in matters reserved by law to the Annual General Shareholders' Meeting. The Board of Directors decides on all matters that have not been reserved for or conferred upon another governing body of the company by law, by the [Articles of Association](#), or by the company's [Organizational Regulations](#). The division of responsibility between the Board of Directors and the Management Board is set out in detail in the company's [Organizational Regulations](#).

## Information and control instruments vis-à-vis the Management Board

The Management Board reports regularly to the Board of Directors and its committees. At each Board of Directors' meeting, the Management Board informs the Board of Directors on the status of current business matters and financial results, and presents relevant strategic initiatives as well as major business transactions such as M&A. Each year a Board of Directors' meeting is reserved for presentation and discussion of the company's strategy and long-term financial plan. The Board of Directors is provided with monthly consolidated sales reports containing data on revenue, average selling prices, and units for each major product, subsidiary, and market. The Board of Directors also receives, on a monthly basis, the financial report with the full profit and loss statement, the balance sheet, and the cash flow statement, as well as the CEO's report on business performance, the competitive situation, updates on various initiatives, and an outlook. Telephone conferences are held as required between the members of the Board and the CEO or CFO. Furthermore, each member of the Board of Directors may request information on all matters concerning the company.

## Internal audit, risk, and compliance

The mandates of the Internal Audit and Risk Management functions, along with their reporting lines and scope of activities, are defined in the Internal Audit & Risk Charter approved by the Audit Committee and the Board of Directors. Internal Audit carries out compliance and operational audits and assists the business units in attaining their goals by providing assurance from independent evaluation of the effectiveness of internal control processes. The Management is responsible for the control of business risks and for compliance with laws and regulations. The Audit Committee approves the annual work plans of Internal Audit and ensures that the relevant Group companies are adequately reviewed according to their risk scoring. The Audit Committee also reviews and discusses the reports on completed audits submitted by Internal Audit. Internal Audit, together with Business Controlling, monitors the implementation by Group companies of any measures necessary to address findings from previous audits, and regularly reports progress to the Audit Committee. The Head of Internal Audit & Risk reports to the Chair of the Audit Committee. In addition, the Chair of the Board of Directors is invited to the Audit Committee as a guest and is thus kept fully informed but has no voting rights.

The Group has implemented an efficient and comprehensive system to identify and assess strategic, operational, financial, legal, cyber, and compliance risks related to the Group's business activities. Risk management and mitigation proposals are prepared by the Management Board, reviewed by the Audit Committee and subsequently approved by the entire Board of Directors. The risk management function categorizes risks by severity and probability and supports the Management Board in determining the measures necessary to address or mitigate them.

The Board of Directors approves the risk assessment and provides guidance from a strategic point of view. To continuously monitor key risks and their mitigation, Risk Management prepares risk status reports which are presented to the Audit Committee on an ad hoc basis.

Risk Management also assumes responsibility for the Internal Control System (ICS) for financial reporting risks. The Board of Directors receives annual updates on the Group companies' compliance with the ICS guidelines.

The Group compliance program supports Sonova's core values of ethical behavior and unquestionable integrity. The program is administered by the Head Group Compliance & Data Privacy and ultimately overseen by the Group General Counsel. Among other activities, the program administers the ethics hotline and other reporting channels and ensures that reports are adequately addressed; structures the policy framework for ethical business conduct and trains the businesses on it; counsels and advises on proposed business approaches; and supports the businesses in their vetting of business partners. Quarterly compliance reports are provided to the Audit Committee and an annual compliance report is addressed to the Board of Directors. The Group General Counsel has an activity-specific or "dotted-line" reporting relationship to the Chair of the Audit Committee with respect to compliance responsibilities.

## Environmental, Social and Governance Management (ESG)

Sonova's environmental, social and governance (ESG) strategy is integrated into its overall strategy and is an essential part of Sonova's way of doing business. "We take accountability" is one of our core values: ESG improvement indicators are therefore embedded throughout our business, and we strive to optimize them with the same intensity as we do our financial ones, making significant efforts and setting ambitious targets.

Sonova has established an ESG Council, which oversees and further develops the Group's ESG strategy, including commitments and targets, and monitors progress on key performance indicators and initiatives. The ESG Council meets at least on a quarterly basis and consists of the Group CEO, selected members of the Management Board, the Group General Counsel, and the Corporate Sustainability team. Progress on ESG targets is also regularly reviewed by the full Management Board and ESG targets are an element of each Management Board member's variable compensation. The Board of Directors approves the ESG strategy, initiatives, and targets, and regularly receives progress updates from the Management Board (see the comprehensive [ESG Report](#)).

Some of the key ESG topics at Sonova include climate change, diversity and inclusion (D&I), talent and engagement, sustainable supply chain management, data privacy and digital ethics. Among other reports, a comprehensive D&I report including initiatives and specific targets is prepared by the CEO and Corporate Human Resource Management and reviewed annually by the entire Board of Directors.

Responsible behavior also includes full compliance with tax laws and regulations at all times. Sonova's tax principles (available [here](#)) provide high level information on procedures and internal guidelines for tax compliance throughout the Sonova Group (see the relevant chapters in the [ESG Report](#) for more information on the specific ESG topics).

Good governance is supported by a regular dialogue on ESG topics with proxy advisors, investors, and rating agencies, and by Sonova's continuously active risk management and our compliance functions.

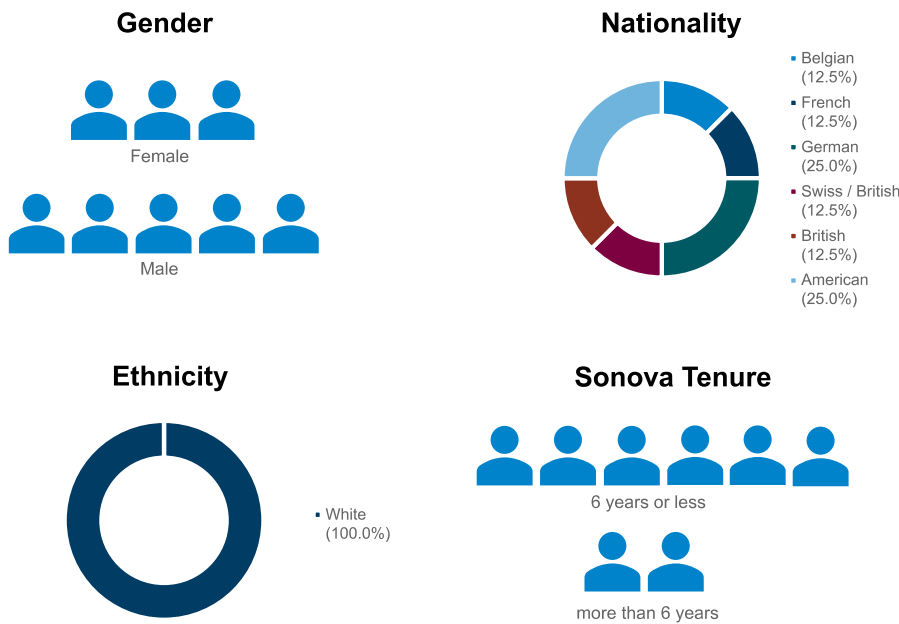
# Management Board

The Management Board is responsible for the business and affairs of the company and the preparation, implementation, and monitoring of Sonova’s strategy, the management of the members’ respective Group functions, and the preparation, implementation, and delivery of the annual plan and budget. The Management Board also prepares for and executes decisions made by the Board of Directors. In accordance with the [Organizational Regulations](#) of Sonova Holding AG, the Management Board is chaired by the CEO and comprises at least the CFO, plus such additional members as appropriately reflect the company’s structure and activities. The members of the Management Board are proposed by the CEO and are appointed by the Board of Directors based on the recommendation of the Nomination and Compensation Committee (NCC).

The yearly evaluation of the CEO is based on the input of each member of the Board of Directors addressed to the Chair. The consolidated input is reviewed first by the NCC and subsequently finalized by the entire Board of Directors. Finally, the results are reviewed and discussed between the Chair and the CEO.

## Composition of the Management Board

As of March 31, 2024, the composition of the Management Board is as follows:



**Arnd Kaldowski**  
Chief Executive Officer

(born 1967, German citizen) joined the Sonova Group in October 2017 as Chief Operating Officer and became CEO as of April 1, 2018.

He joined Sonova from Danaher Corporation, where he served in various leadership capacities since 2008, as Group Executive of the Diagnostics Platform and President Beckman Coulter Diagnostics from 2013 until 2017. Arnd Kaldowski led significant sales growth, innovation and productivity initiatives. He also brings significant experience and a successful track record in M&A, commercial excellence, and new product introduction, which he gained during his career at Danaher and as SVP Point-of-Care Solutions at Siemens Medical, following his previous assignments as Investment Director of Atila Ventures and as a Manager with the Boston Consulting Group.

Arnd Kaldowski holds a Master of Science in Physics from the Technical University Darmstadt, Germany, and an MBA from INSEAD in Fontainebleau, France.



**Outside mandates**

**Listed companies:**

- n.a.

**Other mandates:**

- President of European Hearing Instrument Manufacturers Association (EHIMA) (mandate held at the direction of Sonova as part of his role as its CEO and thus, shall not be considered as an additional outside mandate)

**Birgit Conix**  
Chief Financial Officer

(born 1965, Belgian citizen) joined the Sonova Group in May 2021 and assumed the CFO position mid-June of the same year.

She was previously Chief Financial Officer and member of the Executive Board of TUI AG, a global leader in tourism, from 2018 to 2021. Before joining TUI AG, she was Chief Financial Officer of the Belgian media, cable and telecommunications group Telenet Group NV from 2013 until 2018. Prior to that, she held various top-level positions in finance, strategy and business operations in the pharmaceuticals and medical devices business units at Johnson & Johnson, and in finance at Heineken, Tenneco and Reed Elsevier.

Birgit Conix holds an MBA from the Booth School of Business, University of Chicago, USA and a Master of Science in Business Economics from the University of Tilburg, Netherlands.



**Outside mandates**

**Listed companies:**

- Member of the Supervisory Board of ASML Holding N.V.

**Other mandates:**

- n.a.

## Ludger Althoff

### Group Vice President Operations

(born 1964, German citizen) joined the Sonova Group in January 2019 as Vice President (VP) Operations and became Group Vice President Operations as of April 1, 2019.

Before joining Sonova, he was Senior VP Quality and Operations at ABB Power Grids from 2016 until 2018 where he held functional responsibility for all factories and engineering centers of the business. Before that, he held various key operation leadership positions within the Danaher Corporation from 2001 until 2016, including the role of VP Global Operations of Danaher's Dental Group and the role of VP Global Operations of Leica Microsystems. Ludger Althoff brings with him over 25 years of international management experience in operations, global sourcing and logistics as well as continuous improvement.

Ludger Althoff completed his education at the City of Mönchengladbach Technical School and was certified Quality Manager (EOQ) by the European Organization for Quality.



#### Outside mandates

##### Listed companies:

- n.a.

##### Other mandates:

- Member of the Advisory Board of QuestW

## Victoria E. Carr-Brendel

### Group Vice President Cochlear Implants and President of Advanced Bionics

(born 1964, US citizen) was appointed Group Vice President Cochlear Implants and President of Advanced Bionics as of April 1, 2019.

She is an accomplished medical device executive with vast experience across several therapeutic areas, in both 510K and PMA devices. She started her career as a scientist in research and development and took on increasingly larger business and management roles throughout her career. Before joining Sonova, she worked for JenaValve Technology Inc., a global and innovative transcatheter heart valve company, where she became CEO in mid-2015. Prior to that, she worked at Boston Scientific from 2004 until 2015 in roles spanning R&D, project management, franchise general manager/general manager for the neurovascular, electrophysiology, and peripheral interventions divisions, and the Bayer acquisition.

Victoria E. Carr-Brendel holds a Ph.D. in microbiology and immunology from University of Illinois at Chicago.

As further described in the shareholder letter, Alistair Simpson will succeed Victoria Carr-Brendel as Group Vice President Cochlear Implants as of July 2024.



#### Outside mandates

##### Listed companies:

- Member of the Board of Directors of Vicarious Surgical Inc.

##### Other mandates:

- Member of the Medical Device Manufacturers Association (MDMA)

## Christophe Fond

### Group Vice President Audiological Care

(born 1966, French citizen) joined the Sonova Group in February 2017 as Group Vice President Audiological Care.

Before joining Sonova, he held the role of President Latin America and was a member of the Executive Board at GrandVision, a global leader in optical retailing from 2008 until 2016. In the course of his career, he gained extensive experience in global retail management, leading transformational growth of large-scale retail enterprises, including acquisitions, mergers, and integrations.

Prior to joining GrandVision he held various roles of international responsibility at Pearle, Bata, and FNAC.

Christophe Fond received a Master of Business Administration from IMD-Switzerland and graduated from the Superior School of Military Engineering (ESAG) in France.

As further described in the shareholder letter, Oliver Lux will succeed Christophe Fond as Group Vice President Audiological Care as of June 2024.



#### Outside mandates

##### Listed companies:

- n.a.

##### Other mandates:

- n.a.

## Martin Grieder

### Group Vice President Consumer Hearing

Martin Grieder (born 1965, Swiss and British citizen) joined Sonova as Group Vice President Phonak in August 2014. Between September 2016 and March 2022, he was Group Vice President Hearing Instruments Marketing. In April 2022, he was appointed Group Vice President Consumer Hearing.

He joined Sonova from Nestlé, where he was Vice President and Global Head of Nestlé BabyNes from 2009 until 2014. Martin Grieder joined Nestlé in 1992 and brings over 20 years of experience in senior management roles within the company. His diversified cross-functional work experience in 18 countries ranges from leading the global Nespresso professional division to managing Nestlé Nespresso North America. Further senior roles at Nestlé included Vice President, Head of Finance for the Americas and Head Nestlé Group Audit as well as R&D Head for Food & Beverage systems solutions for the Nestlé Group.

Martin Grieder received a Master of Business Administration degree from IMD-Switzerland and a Bachelor's degree in business and economics from the University of Applied Sciences and Arts (FHNW) in Basel.

As further described in the shareholder letter, Lilika Beck will succeed Martin Grieder as Group Vice President Consumer Hearing, after he passed away in a tragic accident at the beginning of April 2024.



#### Outside mandates

##### Listed companies:

- n.a.

##### Other mandates:

- n.a.



## Katya Kruglova

### Group Vice President Human Resources & Communications

(born 1971, British citizen) joined the Sonova Group in March 2023 and was appointed Group Vice President Human Resources & Communications in May 2023.

She has more than 25 years of global HR experience in large-scale organizations and various industries, including medical devices, life sciences and financial services. She joined Sonova Group from GE Healthcare, a global medical technology company, where she led a global HR team located in more than 30 countries as VP Human Resources from 2017 until 2023. She also played a key role in the spin-off of GE Healthcare into a publicly listed company in 2022. Prior to that, from 1998 until 2017, Katya Kruglova held HR positions with growing responsibilities in various General Electric entities, including GE Healthcare Life Sciences and GE Capital.

Katya Kruglova has a Master's degree in English/Spanish Linguistics and Psychology from the State Linguistic University in Moscow, Russia.

Katya Kruglova succeeded Claudio Bartesaghi; further details on him can be found in the last year's annual report, which is available [here](#).



#### Outside mandates

##### Listed companies:

- n.a.

##### Other mandates:

- n.a.

## Robert Woolley

### Group Vice President Hearing Instruments

(born 1976, US citizen) joined the Sonova Group in January 2022 and was appointed Group Vice President Hearing Instruments in April 2022.

He previously held the position of Executive Vice President for North America from September 2019 until December 2020 and became Executive Vice President Western Europe in January 2021. Prior to Straumann, Robert worked for Stryker as the Global Vice President and General Manager of Stryker ENT. He has longstanding experience in leadership roles in the medical device and healthcare sector, both in the USA and Switzerland, among others at Stryker, Trivascular and Medtronic. Robert has a broad range of functional experiences including roles with increasing responsibility in general management, sales and marketing, product portfolio management and business development.

Robert Woolley is an engineer by training with a BSc in Mechanical Engineering from Brigham Young University and holds an MBA from Harvard Business School.



#### Outside mandates

##### Listed companies:

- n.a.

##### Other mandates:

- n.a.



## Other activities and vested interests

Except as disclosed in the biographies of the members of the Management Board, no member of the Management Board holds any position in a governing or supervisory body of any important private or public sector organization, institution, or foundation; none holds any permanent management or consulting position with an important interest group, or any public or political office.

## Mandates outside Sonova Holding AG

No member of the Management Board may hold more than one mandate in a listed company and no more than three mandates in other companies and organizations. Each of these mandates shall be subject to approval by the Board of Directors. Mandates shall mean mandates in comparable functions at other enterprises as well as in (trading) associations, organizations, foundations and similar legal entities with an economic purpose.

The following mandates are not subject to these limitations:

- Mandates in companies which are controlled by Sonova or in companies which control Sonova; and
- Mandates held at the request of Sonova or companies controlled by Sonova, whereby no member of the Management Board may hold more than ten such mandates.

For further details please see Art. 30 of the [Articles of Association](#).

## Management contracts

The Board of Directors and the Management Board conduct business directly and have not delegated any management tasks to companies outside the Group.

## Compensation, shareholdings and loans

Details of Board and Management compensation are contained in the [Compensation Report](#). In accordance with the Articles of Association, no loans were granted to the members of the Board of Directors or the members of the Management Board.

# Shareholders' participation rights

## Voting rights and representation restrictions

### Voting rights restrictions

When exercising voting rights, no shareholder can combine, with their own and represented shares, more than 10% of the total number of shares as shown in the Commercial Register (Art. 14 para. 2 of the [Articles of Association](#)). Linked parties are considered as one person. This voting rights restriction does not apply to purchasers or usufructuaries if the seller of the shares or the ordering party of the usufruct was already a shareholder at the time when the above provision was introduced. The Board of Directors may approve other exceptions if it has good reason to do so, in which case no special quorum is required.

### Exceptions granted in the year under review

During the reporting period, no exceptions to the above-listed rules were granted.

### Statutory rules on participation in the General Shareholders' Meeting

According to Art. 14 para. 4 of the [Articles of Association](#), shareholders entered in the share register with voting rights may have their shares represented by a person with written authorization from them who does not need to be a shareholder, or by the Independent Proxy. All the shares owned by a shareholder can only be represented by one person.

## Independent Proxy and electronic voting

Anwaltskanzlei Keller AG, Zurich, was elected as the Independent Proxy by the 2023 AGM for the period until completion of the 2024 AGM.

Sonova Holding AG offers shareholders the option of using an online platform for granting proxy and providing voting instructions to the Independent Proxy electronically.

The Board of Directors determines the venue of the General Shareholders' Meeting. In case the Board of Directors may determine to hold a virtual or hybrid General Shareholders' Meeting, shareholders who are not present in person may exercise their rights by electronic means (Art. 12a para. 2 of the [Articles of Association](#)).

## Statutory quorums

According to Art. 15 of the [Articles of Association](#), resolutions and elections by the Annual General Shareholders' Meeting require the approval of a relative majority of the votes cast, except as otherwise provided by law or the Articles of Association.

## Convocation of the General Shareholders' Meeting

The ordinary Annual General Shareholders' Meeting is held within six months following the close of the financial year.

Extraordinary General Shareholders' Meetings may be called as often as necessary, especially if required by law.

General Shareholders' Meetings are convened by the Board of Directors and, if necessary, by the auditors. Shareholders with voting rights, who together represent at least 5% of the share capital or votes, may issue a written demand to the Board of Directors to convene an Extraordinary General Shareholders' Meeting, indicating the matters to be discussed and the corresponding proposals, and, in case of elections, the names of the nominated candidates (Art. 11 of the [Articles of Association](#)).

## Inclusion of items on the agenda

According to Art. 12 para. 3 of the [Articles of Association](#), shareholders with voting rights who represent at least 0.5% of the share capital or the votes may demand that an item be included on the agenda with a statement of the motions or that a motion relating to an agenda item be included in the invitation convening the General Shareholders' Meeting. Such requests must be addressed in writing to the Chair of the Board of Directors no later than 60 days before the meeting.

## Registration in the share register

For administrative reasons, the share register is closed approximately one week prior to the date of the Annual General Shareholders' Meeting, which is scheduled to be held on June 11, 2024. Admission cards and voting forms are sent to shareholders during this period. The shares can be traded at any time and are not blocked. Detailed information on the invitation to the 2024 AGM is available [here](#).

# Changes of control and defense measures

## Duty to make an offer

The [Articles of Association](#) of Sonova Holding AG do not contain provisions for opting out or opting up. The result is that an investor who directly, indirectly, or in concert with third parties acquires shares in the company and, together with the shares he/she/it already possesses, thereby exceeds the 33⅓% threshold of voting rights in the company, is required to submit an offer for all shares outstanding, according to Swiss stock exchange law.

## Clauses on changes of control

In case of a change of control and a related termination of employment (double trigger), unvested equity instruments granted under the Sonova Executive Equity Award Plan (EEAP) vest on a pro-rata basis only. The EEAP is described in more detail in the Compensation Report and in [Note 7.4](#) to the consolidated financial statements.

# Auditors

## Duration of the mandate and term of office of the lead auditor

At the Annual General Meeting on June 12, 2023 Ernst & Young AG, Zürich, was re-elected as auditor for Sonova Holding AG and the Sonova Group for the 2023/24 financial year. Ernst & Young AG, Zürich, was first elected at the Annual General Shareholders' Meeting on June 11, 2020. Martin Mattes has served as lead auditor for the auditing mandate since then.

## Fees

The auditors charged the following fees during the 2023/24 and the 2022/23 financial year:

1,000 CHF	Ernst & Young 2023/24	Ernst & Young 2022/23
Audit services	2,968	2,644
Audit-related services	259	232
Tax services	0	17
Other non-audit services	187	1,511
<b>Total</b>	<b>3,414</b>	<b>4,404</b>

Audit services are defined as the standard audit work performed each year in order to issue an audit opinion on the parent company and consolidated financial statements of the Sonova Group, as well as opinions on the local statutory financial accounts or statements. Also included is extra work within the audit that can only be provided by the Sonova Group auditor, such as auditing of non-recurring transactions or the implementation of new accounting policies, as well as consents and comfort letters in relation to regulatory filings.

Audit-related services consist of support to the audit, such as providing advice on new accounting rules; this could be provided by sources other than the auditor who signs the audit report.

Tax services consist of services in connection with compliance with tax laws.

Other non-audit services in the financial year 2022/23 mainly consisted of development services rendered by Digital Detox Ventures Limited, a third party company unrelated to Sonova. Due to the acquisition of the said company by an Ernst & Young affiliate, Sonova had to disclose all fees paid subsequent to the effective date of the acquisition (August 1, 2022). This led to a significant increase in the disclosed fees for non-audit services in the 2022/23 financial year. In order to continue to ensure Ernst & Young' AG's independence as auditors while at the same time trying to minimize the impact on the timeline of Sonova's project, Sonova swiftly initiated the mutual termination of the development agreement with effect still during the 2022/23 financial year and avoided any spillover to the 2023/24 financial year.

The values of audit, audit-related, tax, and non-audit services are in line with ratios suggested by commonly applied good practice standards that relate to the independence of auditors. A formal policy issued by the Audit Committee is in place that regulates all non-audit assignments of the auditors.

### Informational instruments pertaining to the external audit

The external auditors report their findings semi-annually directly to the Audit Committee of the Board of Directors. In the 2023/24 financial year, the external auditors attended three out of four Audit Committee meetings physically or by telephone conference. The Audit Committee of the Board of Directors reviews the performance, compensation, and independence of the external auditors on a regular basis. The Audit Committee reports its findings to the Board of Directors on a quarterly basis.

## Information policy

The Sonova Group pursues an open and active information policy. A governing principle of this policy is to treat all stakeholders alike and to inform them at the same time. It is our aim to inform our shareholders, employees, and business partners in the most direct, open, and transparent way possible about our strategy, our global activities, and the current state of the company.

All publications are made available to all shareholders, the media, and the stock exchange at the same time. All shareholders entered in the share register automatically receive the summary report and an invitation to the Annual General Shareholders' Meeting of Sonova Holding AG. Sonova uses a news service that delivers press releases to interested stakeholders.

The website of the Sonova Group, [www.sonova.com](http://www.sonova.com), contains information on the company results and the financial calendar as well as current investor presentations. The Investor Relations function includes presentations of annual and interim results, investor presentations, and presentations held at other events.

The official means of publication of Sonova Holding AG is the Swiss Official Gazette of Commerce.

On the [www.sonova.com/en/registration-sonova-news-alert](http://www.sonova.com/en/registration-sonova-news-alert) website, it is possible to subscribe to news alerts about Sonova via email. Messages are sent in English and German, and it is possible to state theme preferences for the alerts received. All Sonova media releases can be found at [www.sonova.com/en/media/news](http://www.sonova.com/en/media/news).

More information tools, permanent sources of information, and contact addresses are shown at the [end of this annual report](#).

## Securities trading policy and black-out periods

The Board of Directors maintains a policy that prohibits the use of confidential information by corporate insiders. It institutes blocking periods to prevent insiders from trading in securities of Sonova Holding AG during sensitive time periods and requires pre-trading clearance for members of the Board of Directors, the Management Board, and selected employees.

This policy defines general trading black-out periods, during which the members of the Board of Directors and the Management Board as well as certain employees of Sonova Group are prohibited from trading in securities of Sonova Holding AG and/or related financial instruments, subject to exemptions provided by Swiss law (e.g., for share buyback programs). The recurring trading black-out periods begin one month prior to the end of any half year or full year reporting period of Sonova and end two full trading days following the respective public release. The exact dates are communicated by email to all persons involved. Sonova may impose additional special trading black-out periods at any time for any reason.

In cases of personal hardship, the CEO and the CFO, acting jointly and following consultation with the Group General Counsel, may allow exceptions to a black-out period upon a reasoned request by the employee concerned. In case options or warrants granted under any employment compensation plan falls within a black-out period and if the applicable plan provides for the automatic exercise or sale of such options or warrants during the black-out period, such options or warrants may be automatically exercised or sold during the black-out period by the plan administrator and as provided for in the relevant plan.