

Invitation

37th Annual General Shareholders' Meeting

June 15, 2022



Invitation

37th Annual General Shareholders' Meeting

Sonova Holding AG

Wednesday, June 15, 2022, 3:00 p.m.
Laubisrütistrasse 28, 8712 Stäfa

Dear shareholders,

The remaining uncertainty regarding the COVID-19 pandemic has prompted the Board of Directors to continue putting your safety and health first and to decide that this year's Annual General Shareholders' Meeting of Sonova Holding AG will be held without the presence of the shareholders.

Shareholders who are entitled to vote may exercise their rights exclusively through the Independent Proxy.

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 using the envelope provided. Alternatively, you can provide online voting instructions to the Independent Proxy by following the instructions on the reply form.

As the Annual General Shareholders' Meeting of Sonova Holding AG cannot take place in its usual format, the Board of Directors encourages and invites shareholders to address their questions to the Board of Directors via email up until June 3, 2022 to: agm@sonova.com. You will find further information on organizational matters at the end of this invitation.

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 2021/22 financial year. The complete and interactive 2021/22 Annual Report can be accessed at: report.sonova.com/2022.

We thank you for your understanding and look forward to your participation at the Annual General Shareholders' Meeting next year.



Robert Spoerry
Chair of the Board of Directors

Agenda

1. Financial Reporting, Advisory Vote on the 2021/22 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 2021/22

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 2021/22.

1.2 Advisory Vote on the 2021/22 Compensation Report

Motion: The Board of Directors proposes to accept the Compensation Report for 2021/22 by a non-binding advisory vote.

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	1,457.3
Net profit for the year	189.9
Voluntary retained earnings	1,647.2
Cancellation of treasury shares	(702.8) ¹⁾
Dividend distribution	(268.8) ²⁾
Balance to be carried forward	675.7

If the proposal of the Board of Directors is approved, the gross dividend will amount to CHF 4.40 per registered share for the 2021/22 financial year, representing a net amount of CHF 2.86 per registered share after deduction of the 35 % Swiss withholding tax.

Payment of the dividend is expected to take place as of June 21, 2022. As from June 17, 2022, 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 2021/22 financial year.

¹⁾ Subject to approval of Agenda Item 7.1 (Capital Reduction through Cancellation of Shares).

²⁾ 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 16, 2022. 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 (Board Composition)

Motion: The Board of Directors proposes to increase the minimum as well as the maximum number of members of the Board of Directors from 3 to 5 and 9 to 10 respectively by amending Art. 16 para. 1 of the Articles of Association as follows:

Current Wording

Art. 16: Composition, term of offices

The Board of Directors shall consist of at least three and a maximum of nine members.

[...]

Proposed Wording

Art. 16: Composition, term of offices

The Board of Directors shall consist of at least five and a maximum of ten members.

[...] (Remain unchanged)

Explanation: The increase in the minimum number of the members of the Board of Directors from 3 to 5 ensures compliance with good corporate governance practice by allowing the allocation of different tasks and responsibilities among the members of the Board (i.e. committee memberships) while avoiding double responsibilities for any member. The increase in the maximum number of members of the Board of Directors from 9 to 10 is part of the succession planning. If elected, and after a transition period of one year, Julie Tay will succeed Jinlong Wang, who will not stand for re-election at the 2023 Annual General Shareholders' Meeting. The Board of Directors therefore intends to reduce the number of members back to 9 after this overlapping term of office. Should the shareholders not approve this amendment to the Articles of Association and should all current members of the Board be re-elected, agenda item 5.2 below becomes obsolete and Julie Tay will not stand for election as a new member of the Board of Directors at this Annual General Shareholders' Meeting. In this case, Sonova's Board of Directors will not be able to achieve the targeted 30 % female representation.

5. Elections

5.1 Re-election of the Board of Directors

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 next 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 Lynn Dorsey Bleil as Member of the Board of Directors](#)

AGENDA

- 5.1.4 Re-election of Gregory Behar 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 Ronald van der Vis as Member of the Board of Directors
- 5.1.8 Re-election of Jinlong Wang as Member of the Board of Directors
- 5.1.9 Re-election of Adrian Widmer as Member of the Board of Directors

For detailed biographical information please refer to the 2021/22 Corporate Governance Report and to our website: www.sonova.com/en/about-us/board-directors.

5.2 Election of Julie Tay as a New Member of the Board of Directors

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

Explanation: The Board is very pleased to propose Julie Tay, a highly qualified executive, for election to the Board of Directors. It is planned that she, after a transition period, will succeed Jinlong Wang, who will not stand for re-election at the 2023 Annual General Shareholders' Meeting. Julie has a strong affinity to our business activities and a successful track record of driving sustainable and profitable growth in the Asia Pacific region, particularly in China and Japan in the medical device sector. For over eight years, Julie served in various senior leadership roles at Align Technology, Inc. (Nasdaq: ALGN), including most prominently as Senior Vice President and Managing Director Asia Pacific. Prior to that she held various management positions at Bayer Healthcare, JohnsonDiversey, and Johnson & Johnson Medical. Julie Tay earned an MBA in International Marketing from Curtin University of Technology in Australia. Julie Tay's nomination is a further step in the rejuvenation of the Board of Directors as well as in advancing the diversity of the Board.

5.3 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 next Annual General Shareholders' Meeting.

- 5.3.1 Re-election of Stacy Enxing Seng
- 5.3.2 Re-election of Lukas Braunschweiler
- 5.3.3 Re-election of Roland Diggelmann

5.4 Re-election of the Auditors

Motion: The Board of Directors proposes to re-elect Ernst & Young AG, Zurich, as Auditors of Sonova Holding AG for a term of office of one year.

Explanation: At the request of the Audit Committee, the Board of Directors proposes to re-elect Ernst & Young AG 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 Partnership, Zurich, as Independent Proxy for a term of office lasting until the completion of the next Annual General Shareholders' Meeting.

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 3,450,000¹⁾ for the term of office from the 2022 Annual General Shareholders' Meeting to the 2023 Annual General Shareholders' Meeting.

Explanation: 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. 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 2021/22 Compensation Report.

¹⁾ 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 16,000,000 ¹⁾ for the 2023/24 financial year.

Explanation: 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. 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 2021/22 Compensation Report.

7. Capital Reduction through Cancellation of Shares and Authorized Share Capital

7.1 Capital Reduction through Cancellation of Shares

Motion: The Board of Directors proposes:

- a) to reduce the share capital of CHF 3,158,607.85 by CHF 100,621.90 to CHF 3,057,985.95 by way of cancellation of 2,012,438 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 May 18, 2021;
- b) to confirm, in agreement with the Auditors' report, that the claims of creditors are fully covered notwithstanding the capital reduction; and
- 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 3,158,607.85 and it is divided into 63,172,157 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 3,057,985.95 and it is divided into 61,159,719 registered shares each with a nominal value of CHF 0.05.

Explanation: Under its share buyback program announced on May 18, 2021, the company repurchased between June 4, 2021 and March 28, 2022 a total of 2,012,438 shares at an average price per share of CHF 347.50. It is now proposed to cancel these shares by way of a capital reduction.

7.2 Authorized Share Capital

Motion: The Board of Directors proposes to extend the authorized share capital in the amount of CHF 305,798.59 for an additional two years and to amend Art. 5 para. 1 and Art. 6 of the Articles of Association as follows:

Current Wording

Art. 5: Authorized share capital

The Board of Directors shall be authorized to increase the share capital at any time until 11th June 2022 by a maximum amount of CHF 321,990.65 by issuing a maximum of 6,439,813 registered shares that are to be fully paid up, each with a nominal value of CHF 0.05. Increases in partial amounts shall be permissible.

[...]

Art. 6: Exclusion of subscription or advance subscription rights

Until 11th June 2022, the total of new registered shares issued from (i) conditional share capital according to Art. 4 where the subscription or advance subscription rights were excluded, and (ii) authorized share capital according to Art. 5 where the subscription rights were excluded or restricted, may not exceed 6,439,813 new shares.

Proposed Wording

Art. 5: Authorized share capital

The Board of Directors shall be authorized to increase the share capital at any time until 15th June 2024 by a maximum amount of CHF 305,798.59 by issuing a maximum of 6,115,971 registered shares that are to be fully paid up, each with a nominal value of CHF 0.05. Increases in partial amounts shall be permissible.

[...] (Remain unchanged)

Art. 6: Exclusion of subscription or advance subscription rights

Until 15th June 2024, the total of new registered shares issued from (i) conditional share capital according to Art. 4 where the subscription or advance subscription rights were excluded, and (ii) authorized share capital according to Art. 5 where the subscription rights were excluded or restricted, may not exceed 6,115,971 new shares.

Explanation: The company wishes to maintain its financial flexibility by means of authorized share capital. The Board of Directors therefore proposes to extend the term of the authorized share capital for an additional two years, until June 15, 2024, in the amount of CHF 305,798.59, corresponding to 10 % of the currently issued share capital.

Stäfa, May 17, 2022

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 2022 Annual General Shareholders' Meeting to the 2023 Annual General Shareholders' Meeting. For further details, beyond those disclosed below, please refer to the 2021/22 Compensation Report.

The Board of Directors proposes to approve a maximum aggregate amount of compensation of the Board of Directors of CHF 3,450,000 for the 2022/23 term of office.

in CHF 1,000	Approved for AGM 2021 – AGM 2022	Expected for AGM 2021 – AGM 2022	Proposal for AGM 2022 – AGM 2023
AGM approval year	2021	n/a	2022
Cash retainer, committee fees, and travel allowance ¹⁾	1,456	1,421	1,566
Market value of restricted shares	1,684	1,649	1'883
Total amount²⁾	3,140	3,070	3,450
Number of members of the Board of Directors	9	9	10

¹⁾ The travel allowance will be discontinued with effect as of the 2022 AGM.

²⁾ 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 increase in the proposed maximum aggregate amount compared with the prior term of office is solely based on the increase in the number of the members of the Board of Directors. The aggregate amount of compensation is stated in gross and is calculated for 10 members of the Board of Directors (2021/22 term of office: 9 members) assuming that all those proposed are (re-)elected as members of the Board of Directors at the 2022 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 forecast. 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 2022/23 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 2023/24 financial year. For further details, beyond those disclosed below, please refer to the 2021/22 Compensation Report.

The Board of Directors proposes to approve a maximum aggregate amount of compensation of the Management Board of CHF 16,000,000 for the 2023/24 financial year.

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

in CHF 1,000	Approved for 2021/22 FY	Effective for 2021/22 FY	Approved for 2022/23 FY	Proposal for 2023/24 FY
Maximum amount of fixed salaries, including base salary, fringe benefits, employer’s pension contributions	5,260	5,425	5,439	5,260
Maximum amount of variable cash compensation	4,924	2,399	5,068	5,583
Fair value at grant of options and performance share units (PSUs) to be granted under the Executive Equity Award Plan (EEAP)	5,016	4,976	5,293	5,157
Total amount^{1), 2)}	15,200	12,800	15,800	16,000
Number of Management Board members	9	9	9	8

¹⁾ 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.

²⁾ 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 2023/24 financial year.

APPENDIX TO AGENDA ITEM 6

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 underachievement. The options vest in equal annual installments over a period of 4 years and 4 months, conditional 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 maximum vesting level of 200 % (two shares per PSU). The PSUs and options are subject to a post-vesting restriction period (total restriction period of 5 years from the date of grant).

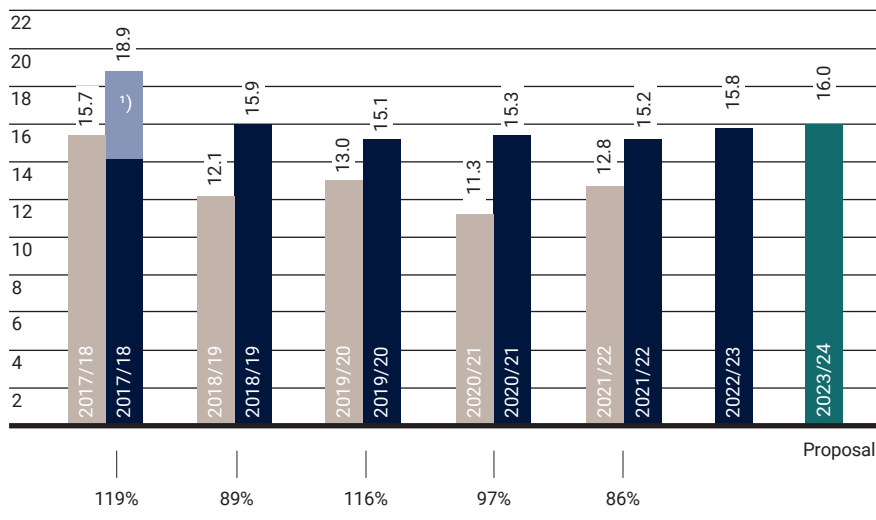
The proposed maximum aggregate compensation for the Management Board includes an appropriate reserve for potential salary adjustments (in line with those across the organization), as well as for unforeseen events. The proposed maximum aggregate amount shows an increase when compared to the prior compensation period despite the reduction by one in the number of Management Board members. This is mainly due to the fact that one member, based in Switzerland, in the best interest of the company, has agreed to take on an expanded role in our new Sennheiser business on equal terms. The additional impact of this international assignment on his individual income taxes will be reimbursed by the company, to an amount in the range of CHF 700,000.

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 forecast. 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 2023/24 financial year aside from what is disclosed in the 2021/22 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 2023/24 financial year:

Total compensation in CHF million



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

■ Effective
 ■ Max. approved
 ■ Additional reserve amount
 ■ Proposal

The actual payout and grants for the 2023/24 financial year will be disclosed in the 2023/24 Compensation Report.

¹⁾ Additional reserve amount for changes in the Management Board according to Art. 27 of the Articles of Association.

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 2021/22, will be available for review by the shareholders from May 17, 2022 at the company's registered office in Laubisrütistrasse 28, CH-8712 Stäfa, Switzerland. These documents may also be downloaded at: www.sonova.com.

Share Register

Shareholders with voting rights who are recorded in the share register by end of the day of June 9, 2022 will receive this invitation to the Annual General Shareholders' Meeting directly, including the agenda and the motions of the Board of Directors. From June 10, 2022 to June 15, 2022, 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 vote.

Representation/Proxy

Shareholders shall be represented by the Independent Proxy, Law Office Keller Partnership, Alfred-Escher-Strasse 11, Postfach 1889, CH-8027 Zürich, Switzerland. Proxy is granted by completing the enclosed reply form accordingly. To the extent that no specific instructions have been provided, 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, 2022.

Shareholder Questions on Agenda Items

As the current COVID-19 situation has caused the Board of Directors to hold the Annual General Shareholders' Meeting without the presence of the shareholders, Sonova is giving its shareholders the opportunity to address questions regarding the Annual Report and the agenda items to: agm@sonova.com up until June 3, 2022. 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 relevant to the other shareholders at the Annual General Shareholders' Meeting. The answers will be minuted and the minutes will be available at: www.sonova.com/agm. As far as possible, some or all of the remaining questions will be addressed with a direct reply to the shareholder. Sonova may answer questions in aggregated form or individually, possibly mentioning the name and place of residence of the shareholder who submitted the question.

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 10, 2022 at 3:00 p.m.

Sonova Holding AG

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