

SONOVA HOLDING. AGM Date: 2013-06-18

1.1 Accept Financial Statements and Statutory Reports

For

1.2 Approve the Remuneration Report

Oppose

Non-executive directors receive fixed fees. In addition they participate in the same Long-term incentive programme (LTIP) as the executives. It is contrary to guidelines of best practice to remunerate nonexecutive directors with performance related incentives.

Executives' remuneration consists of a fixed base salary, an annual bonus and a long-term incentive plan (LTIP). Individual remuneration of executives, except the CEO, is not disclosed. The variable cash compensation is based on sales, operating profit (EBITA) and individual achievement of objectives, and it is capped at 125% of base salary for the CEO. There is no disclosure of quantifiable targets.

Under the LTIP, participants now receive either 50 % of the grant value in options and 50 % in RSUs (higher levels of management and Board of Directors) or 100 % of the grant value in RSUs (middle management). The CEO receives 63% of the grant value in options and 37% in RSUs, while the equity grant to the Chairman of the Board of Directors is entirely in restricted shares. These rewards are not linked to performance criteria, which is contrary to best practices.

At grant, the value of the rewards is equal to 100% for base salary for the CEO, which makes the overall variable remuneration, under the annual bonus and LTIP, potentially excessive.

It is stated that severance packages are generally not granted. In case of a change of control and a related termination of employment, unvested equity instruments granted under the LTIP would vest on a pro-rata basis only.

Due to a lack of disclosure of quantifiable performance targets of the annual bonus, of performance criteria for the long-term incentive plan, and the potential excessiveness of the remuneration, we oppose.

2.1 Approve Allocation of Income and Omission of Dividends

For

2.2 Approve the dividend

For

3 Discharge the Board and Senior Management

For

4.1 Reelect Beat Hess and John Zei as Directors (Bundled)

For

4.2 Elect Jinlong Wang as Director

For

4.3 Appoint the auditors

Oppose

PricewaterhouseCoopers proposed. Non-audit fees were approximately 53% of audit fees during the year under review. Nonaudit fees over a three year basis were approximately 48% of audit fees. This level of non-audit fees may create a potential conflict of interest on the part of the independent auditor.