

**ARTICLES OF ASSOCIATION**

FOR

**WILLIAM DEMANT HOLDING A/S**

## Table of contents

1. Name .....	2
2. Registered office.....	2
3. Objects.....	2
4. Company capital .....	2
5. Shares in the Company.....	2
6. Authorisation for increase of capital.....	2
7. General meeting, powers, location and calling.....	3
8. General meeting, agenda .....	4
9. General meeting, admittance card and voting rights .....	4
10. General meeting, chairman, resolutions and minutes.....	5
11. The Board of Directors .....	5
12. Management .....	6
13. Power to bind the Company.....	6
14. Auditing and accounting year.....	7
15. Electronic communication.....	7

**1. Name**

1.1 The Company's name is William Demant Holding A/S.

1.2 The Company's secondary name is Oticon Holding A/S.

**2. Registered office**

2.1 The Company's registered office is in the municipality of Egedal.

**3. Objects**

3.1 The objects of the Company are to own other businesses, either wholly or in part, and international trade and industry.

**4. Company capital**

4.1 The share capital of the Company amounts to DKK 58,956,257 split into 58,349,875 shares of DKK 1 each or multiples thereof.

4.2 The share capital is fully paid-up.

4.3 The shares shall be registered with VP SECURITIES A/S (Central Business Register (CVR) no. 21599336).

**5. Shares in the Company**

5.1 Shares in the Company shall be issued to the bearer, but the name of the bearer may be entered in the Company's register of shareholders.

5.2 Shares in the Company are freely transferable negotiable instruments.

5.3 The Board of Directors shall ensure that a register of shareholders is kept which shall contain a list of all shares in the Company.

5.4 The Company's register of shareholders shall be kept by Computershare A/S (Central Business Register (CVR) no. 27088899).

**6. Authorisation for increase of capital**

6.1 The Board is, until 1 January 2016, authorised to increase the share capital by up to a total of DKK 1,179,527 on one or more occasions and without preferential rights of subscription for any of the Company's shareholders. Such increase shall be made in connection with new shares being offered to employees of the Company and of those companies, which are regarded by the Board as being affiliated to the Company. The

new shares shall be issued at a subscription rate to be fixed by the Board, however for a minimum of DKK 1.05 per DKK 1 share.

6.2 The Board is authorised, once or in more portions, to increase the share capital by issuing new shares up to a nominal value of DKK 6,664,384. The authorisation is valid until 1 January 2016. By using this authorisation the Board may decide that the preferential right of the present shareholders shall not apply in full or in part, so that the new shares may be used as payment in connection with the Company taking over an existing business. The issue price shall be set by the Board.

6.3 New shares issued under article 6.1 or 6.2 shall be issued to the bearer, but the name of the bearer may be entered in the Company's register of shareholders. Shares in the Company shall be freely transferable negotiable instruments, and no shareholder shall be obliged to allow his shares to be either partially or wholly redeemed. No shares shall bear special rights.

The rights applicable to the new shares shall commence from the date on which the shares are fully paid-up.

The Board shall establish other detailed provisions for any increase of capital, which is to be carried out under the above authorisations.

## **7. General meeting, powers, location and calling**

7.1 The general meeting has the supreme authority in all matters relating to the Company subject to the limits set by law and by these Articles of Association.

7.2 General meetings shall be held in Region Hovedstaden (capital region of Denmark). Subject to the legislation in force at any time the ordinary general meetings must be held each year not later than the end of April.

7.3 Extraordinary general meetings shall be held when found appropriate by the Board or by the auditor. Extraordinary general meetings shall also be called where requested by shareholders representing at least 5 per cent of the share capital. The request shall be submitted in writing to the Board and specify the matter to be discussed at the general meeting. This shall be called no later than 14 days after receipt of the request.

7.4 General meetings shall be convened by the Board of Directors giving no less than three weeks' and no more than five weeks' notice. Notice of the meeting shall be published on the Company's website and in the electronic information system of the Danish Business Authority (Erhvervsstyrelsen), and, where requested, notice shall also be provided in writing to all shareholders registered in the register of shareholders. The notice shall set out the agenda of the meeting and the essential contents of any proposed amendments to these Articles of Association. If any resolution amending the Articles under sections 77(2), 92(1), 92(5), 107(1) or 107(2) of the Danish Companies Act (selskabsloven) is proposed, the notice shall include the full text of the proposed resolution.

7.5 All shareholders are entitled to have specific issues considered at the annual general meeting, subject to submitting a written request to such effect to the Board of Directors no later than six weeks before the date of the meeting. If such request is made later than six weeks before the general meeting, the Board of Directors decides whether the issue should be included on the agenda.

## **8. General meeting, agenda**

8.1 No later than three weeks before the date of any general meeting, the following documents shall be published on the Company's website: 1) The notice convening the general meeting; 2) the total number of shares and voting rights at the date of the notice; 3) all documents to be submitted to the general meeting, including, in the case of the annual general meeting, the audited annual report; 4) the agenda and the full text of all proposals to be submitted to the meeting; and 5) postal and proxy voting forms.

8.2 The agenda for an ordinary general meeting shall include:

1. Report of the Board on the Company's activities during the past year.
2. Presentation of the audited annual report including consolidated financial statement for approval.
3. Approval of remuneration for the Board of Directors for the current financial year.
4. Decision on the appropriation of profit or settlement of loss according to the approved annual report.
5. Election of members to the Board.
6. Election of auditor.
7. Any proposals from the Board and/or the shareholders.
8. Any other business.

## **9. General meeting, admittance card and voting rights**

9.1 Each share of DKK 1 shall carry one vote.

9.2 Anyone who is a registered shareholder one week prior to the general meeting or has at such time made a request to such effect that has reached the Company is entitled to attend and vote at the general meeting. In order to attend the general meeting, shareholders shall also obtain an admission card from the Company no later than three days prior to the date of the meeting. A ballot paper will be provided together with the admission card, specifying the number of votes to which the shareholder is entitled.

9.3 Shareholders entitled to vote under Article 9.2 may vote by post. Postal voting forms shall be available on the Company's website no later than three weeks before the date of the general meeting. Postal votes shall reach the Company no later than 12 noon one business day before the general meeting.

9.4 All shareholders are entitled to attend general meetings together with an adviser or by proxy. The proxy shall produce a written and dated instrument of proxy. Proxy instruments issued to the Board of Directors shall be valid only for one particular general

meeting for which the agenda is known in advance, and may not be given for more than one year. The Company shall provide the shareholders with a written or electronic proxy form, which may be issued to either the Board of Directors or a third party.

9.5 All members of the Board of Directors are entitled to attend general meetings.

9.6 Journalists shall be admitted to general meetings of the Company.

## **10. General meeting, chairman, resolutions and minutes**

10.1 The general meeting shall be chaired by a chairman appointed by the Board, who shall decide all questions relating to the way in which matters are dealt with and the casting of votes. Voting shall be by poll (i.e. in writing) where decreed by the chairman or where demanded by two thirds of the present and represented shareholders.

10.2 Matters dealt with at the general meeting shall be decided by simple majority.

10.3 The adoption of a resolution to make amendments to the articles other than those listed in section 107 of the Companies Act or of a resolution relating to the Company's dissolution, division, or merger with another company, shall require that at least 51% of the share capital is represented at the general meeting, and that the resolution is approved by a two thirds majority of the votes cast and of the represented share capital which is entitled to vote.

10.4 Where the above-mentioned level of shares is not represented at the general meeting, but two thirds of the votes cast and of the represented share capital which is entitled to vote has approved the proposal, the Board shall call an extraordinary general meeting within 14 days, at which meeting the proposal may be adopted by a two thirds majority of the votes cast irrespective of the number of shares represented.

10.5 Proxies to attend the first general meeting shall be deemed to be valid in respect of the second general meeting insofar as not expressly revoked.

10.6 Minutes of the proceedings at the general meeting shall be kept, and shall be signed by the Chairman. The minutes of general meetings and the results of votes shall be made available on the Company's website within two weeks of the date of the meeting.

10.7 Amendments and additions required by the Danish Business Authority as a condition for registration of amendments to the Articles of Association may be undertaken by the Board without the consent of the general meeting.

## **11. The Board of Directors**

11.1 The Company shall be directed by a Board of 4-6 directors elected by the general meeting, plus any directors elected by the employees under the relevant rules of the

Companies Act. No alternate directors shall be elected for directors elected by the general meeting.

- 11.2 Directors elected by the general meeting shall be elected for one year at a time. Re-election to the Board shall be possible.
- 11.3 The Board shall elect among themselves a chairman and a vice-chairman.
- 11.4 Directors shall retire from their position on the Board no later than the first general meeting following their 70th birthday.
- 11.5 Board meetings shall be called in writing and generally with at least eight days' notice.
- 11.6 Where a meeting has been called in accordance with article 11.5, the Board shall form a quorum when more than half of all the directors, of them the chairman or the vice-chairman, are present.
- 11.7 Matters dealt with by the Board shall be decided by simple majority of votes.
- 11.8 In the event of a parity of votes, the chairman, or in his absence the vice-chairman, shall exercise a casting vote.
- 11.9 The Board shall lay down rules of procedure to make detailed provision for the performance of its duties.
- 11.10 The Board may grant both individual and group authorisations to sign on behalf of the Company.
- 11.11 Directors shall receive an annual fee to be approved by the general meeting.

## **12. Management**

- 12.1 The Board shall appoint 1-3 registered managers to be responsible for the day-to-day management of the Company. The Board shall set conditions for their employment and the details of their powers. One manager shall be appointed as general manager.

## **13. Power to bind the Company**

- 13.1 The Company may be bound by the chairman of the Board acting alone, by the general manager acting alone, by four directors acting together, by one director acting together with a registered manager, or by the entire Board.

**14. Auditing and accounting year**

- 14.1 Subject to the legislation in force at any time the auditing shall be made by one or two public accountants of whom at least one must be state-authorized. Re-election shall be possible.
- 14.2 The Company's accounting year is the calendar year.

**15. Electronic communication**

- 15.1 All communications from the Company to the individual shareholders may be sent electronically, including by email, and general information will be accessible to the shareholders on the Company's website, [www.demant.com](http://www.demant.com), unless otherwise provided by the Companies Act. The Company may at any time choose to communicate by regular post.
- 15.2 Notices convening annual and extraordinary general meetings, including the full text of proposed amendments to the Articles of Association, the agenda, subscription lists, annual reports, company information, admission cards and other general information from the Company to the shareholders may thus be sent electronically, including by email from the Company to the shareholders. Except for admission cards for the general meeting, above documents will be accessible on the Company's website, [www.demant.com](http://www.demant.com).
- 15.3 The Company shall ask registered shareholders to provide an email address to which notices, etc. may be sent. Each shareholder will be responsible for ensuring that the Company has received the correct email address.
- 15.4 On the Company's website, [www.demant.com](http://www.demant.com), the shareholders may find additional information about the system requirements and about the procedure for electronic communication.



The foregoing Articles of Association adopted at the ordinary general meeting of the Company held on 15 May 1997. Later amended at a board meeting on 30 June 1997, at a board meeting on 1 October 1997, at the ordinary general meeting on 12 May 1998, at the ordinary general meeting on 11 May 1999, at the ordinary general meeting on 25 April 2000, at a board meeting on 20 November 2000, at the ordinary general meeting on 4 April 2001, at the ordinary general meeting on 21 March 2002, at the ordinary general meeting on 25 March 2003, at the ordinary general meeting on 25 March 2004, at the ordinary general meeting on 5 April 2005, at the ordinary general meeting on 30 March 2006, on 27 November 2006 in connection with the capital increase on the basis of the issue of employee shares, which have been issued in accordance with the Board's decision of 26 June 2006, cf. article 6.1 in the Articles of Association, at the ordinary general meeting on 29 March 2007, on 2 July 2007 in connection with a share capital decrease, at the ordinary general meeting on 31 March 2008, on 4 July 2008 in



connection with a share capital decrease, at the ordinary general meeting on 26 march 2009, at the ordinary general meeting on 7 April 2010, in connection with a share capital decrease on 13 July 2010, at the ordinary general meeting on 13 April 2011 and by decision of 19 April 2012 where "Danish Commerce and Companies Agency" is changed to "Danish Business Authority" in articles 7.4 and 10.7.

19 April 2012

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Jørgen Boe, Attorney-at-Law