

**ARTICLES OF ASSOCIATION**

FOR

**WILLIAM DEMANT HOLDING A/S**

April 2014

## Table of contents

1. Name .....	2
2. Registered office.....	2
3. Objects.....	2
4. Company share capital .....	2
5. Shares in the Company.....	2
6. Authorisation for increase of capital.....	2
7. General meeting, powers, location and convening notice .....	3
8. General meeting, agenda .....	4
9. General meeting, admission card and voting rights.....	4
10. General meeting, chairman, resolutions and minutes.....	5
11. The Board of Directors .....	5
12. Executive Board.....	6
13. Power to bind the Company.....	6
14. Auditing and financial 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 in full or in part, and to carry on international trade and industrial activities.

**4. Company share capital**

- 4.1 The Company's share capital is DKK 56,661,638, divided into shares of DKK 1 or multiples thereof.
- 4.2 The share capital is fully paid-up.
- 4.3 The shares must be registered with VP SECURITIES A/S (Central Business Register (CVR) no. 21599336).

**5. Shares in the Company**

- 5.1 Shares in the Company are issued to the bearer, but may be entered in the Company's register of shareholders in the name of the holder.
- 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, containing a list of all shares in the Company.
- 5.4 The Company's register of shareholders is kept by Computershare A/S (Central Business Register (CVR) no. 27088899).

**6. Authorisation for increase of capital**

- 6.1 The Board of Directors is authorised until 1 January 2016 to increase the share capital by a total amount of up to DKK 1,179,527 in one or more rounds and without preferential rights of subscription for any of the Company's shareholders, provided that such increase is made in connection with the new shares being offered to employees of the Company and of any company which is regarded as being affiliated to the Company by

the Board of Directors. The new shares must be issued at a subscription price to be fixed by the Board of Directors, however no less than DKK 1.05 per share of DKK 1.

6.2 The Board of Directors is authorised to increase the share capital in one or more rounds by issuing new shares of up to a nominal value of DKK 6,664,384. The authorisation is valid until 1 January 2016. When exercising this authorisation, the Board of Directors may decide that the present shareholders' preferential right of subscription will not apply, in full or in part, including to the effect that the new shares may be used as payment in connection with the Company taking over an existing business. The issue price will be fixed by the Board of Directors.

6.3 New shares issued under article 6.1 or 6.2 will be issued to the bearer, but may be registered in the name of the holder. The shares must be freely transferable, negotiable instruments, and no shareholder will be obliged to accept redemption of his shares, in full or in part. No shares must hold any special rights.

The rights attaching to the new shares will take effect from the date on which the shares are fully paid-up.

Moreover, the Board of Directors shall lay down the specific terms for any capital increase to be implemented under the above authorisations.

## **7. General meeting, powers, location and convening notice**

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

7.2 General meetings of the Company must be held in Region Hovedstaden (capital region of Denmark). Subject to the legislation in force at any time, the annual general meetings must be held each year before the end of April.

7.3 Extraordinary general meetings must be held when deemed appropriate by the Board of Directors or by the auditor. Moreover, extraordinary general meetings must be convened when requested by shareholders holding at least 5% of the share capital. The request must be submitted in writing to the Board of Directors and specify the issue to be discussed at the general meeting. Such meeting must be convened no later than 14 days after receipt of the request.

7.4 General meetings must be convened by the Board of Directors giving no less than three weeks' and no more than five weeks' notice on the Company's website, by way of announcement in the IT system of the Danish Business Authority (*Erhvervsstyrelsen*) and in writing to all shareholders registered in the register of shareholders having made a request to that effect. The notice must set out the agenda of the meeting and the main substance of any proposed resolution to amend these Articles of Association. If any resolution amending the Articles of Association under sections 77(2), 92(1), 92(5), 107(1) or 107(2) of the Danish Companies Act (*selskabsloven*) is proposed, the notice must include the full text of the proposed resolution.

7.5 Each shareholder is entitled to have a specific matter discussed at the annual general meeting if the shareholder makes a written request to that effect to the Board of Directors no later than six weeks before the general meeting. If such request is made later than six weeks before the general meeting, the Board of Directors will decide whether the issue should be included on the agenda.

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

8.1 No later than three weeks before the general meeting, the following documents must be published on the Company's website: 1) the convening notice; 2) the total number of shares and voting rights as at the date of the convening 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 complete proposed resolutions; and 5) postal and proxy voting forms.

8.2 The agenda for the annual general meeting must include:

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

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

9.1 Each share of DKK 1 carries one vote.

9.2 Any shareholder registered as a shareholder in the register of shareholders one week before the general meeting or, at such time, having made a request to the Company for the purpose of being registered in the register of shareholders and such request having reached the Company is entitled to attend and vote at the general meeting. In order to attend the general meeting, shareholders must also have obtained an admission card from the Company no later than three days before the general 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 will be available on the Company's website no later than three weeks before the general meeting. Postal votes must reach the Company no later than 12 noon one business day before the general meeting.

9.4 Shareholders are entitled to attend general meetings together with an adviser or by proxy. The proxy must produce a written and dated instrument of proxy. The Compa-

ny 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 the general meeting.

9.6 The press is admitted to the Company's general meetings.

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

10.1 The general meeting is chaired by a chairman appointed by the Board of Directors, and such chairman will decide all matters relating to procedures and the casting of votes. Voting will be by poll (i.e. in writing) when ordered by the chairman or when resolved by two-thirds majority of the attending and represented shareholders.

10.2 Matters transacted at the general meeting is decided by a simple majority of votes.

10.3 The adoption of a resolution to amend the Articles of Association other than those set out in section 107 of the Companies Act relating to the Company's dissolution, demerger or merger with another company, is subject to at least 51% of the share capital being represented at the general meeting and the resolution being passed by at least two-thirds of both the votes cast and of the voting share capital represented at the general meeting.

10.4 If the said share amount is not represented at the general meeting, but two-thirds of both the votes cast and of the voting share capital represented at the general meeting have approved the resolution, the Board of Directors shall convene an extraordinary general meeting within 14 days at which the resolution may be passed by two-thirds of the votes cast irrespective of the share amount represented at the extraordinary general meeting.

10.5 Proxies to attend the first general meeting are to be considered valid also in respect of the second general meeting provided that they have not been expressly revoked.

10.6 The matters transacted at the general meeting must be recorded in a minute book to be signed by the Chairman. The minute book and the voting results will be made available on the Company's website no later than two weeks after the general meeting.

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

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

11.1 The Company is managed by a Board of Directors of 4-6 members elected by the general meeting as well as any members elected by the employees under the relevant rules of the Companies Act. The general meeting does not elect alternate members for the members of the Board of Directors elected by the general meeting.

- 11.2 Members of the Board of Directors elected by the general meeting are elected for terms of one year. The members of the Board of Directors are eligible for re-election.
- 11.3 The Board of Directors appoints a chairman and a vice-chairman from among its members.
- 11.4 A member of the Board of Directors must resign its position on the Board of Directors no later than at the first annual general meeting after such member has reached the age of 70.
- 11.5 Board meetings are convened in writing and, generally, with at least eight days' notice.
- 11.6 If a meeting has been duly convened in accordance with article 11.5, the Board of Directors forms a quorum when more than half of all members, including either the chairman or the vice-chairman, are present.
- 11.7 Any matter transacted by the Board of Directors is decided by a simple majority of votes.
- 11.8 In the event of a tied vote, the chairman, or in his absence the vice-chairman, will have the casting vote.
- 11.9 The Board of Directors shall lay down the rules of procedure for the performance of its duties.
- 11.10 The Board of Directors may grant sole or joint power of procuration.
- 11.11 Members of the Board of Directors receive an annual fee to be approved by the general meeting.

## **12. Executive Board**

- 12.1 The Board of Directors appoints 1-3 members to the Executive Board to be responsible for the day-to-day management of the Company. The Board of Directors determines the employment terms and the details of powers relating to such members. One member of the Executive Board is appointed as Chief Executive Officer.

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

- 13.1 The Company is bound by the signature of the chairman of the Board of Directors alone, by the signature of the Chief Executive Officer alone, by the signatures of four members of the Board of Directors jointly, by the signatures of a member of the Board of Directors and a member of the Executive Board jointly, or by the signatures of the entire Board of Directors jointly.

#### **14. Auditing and financial year**

- 14.1 Subject to the legislation in force at any time, the auditing is carried out by one or two public accountants of whom at least one must be state-authorised. Such accountants are eligible for re-election.
- 14.2 The Company's financial year is the calendar year.
- 14.3 As from and including the financial year 2013, the Company's annual report and interim reports will be prepared and presented in English. The Board of Directors may decide that the Company's annual report and interim reports are also prepared and presented in Danish.

#### **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 available 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 Accordingly, notices convening annual and extraordinary general meetings, including the complete proposed resolutions to amend the Articles of Association, submission of the agenda, subscription lists, annual reports, company announcements, admission cards and other general information from the Company to the shareholders may be sent electronically, including by email, from the Company to the shareholders. Except for admission cards for the general meeting, the above documents will be available on the Company's website, [www.demant.com](http://www.demant.com).
- 15.3 The Company shall request registered shareholders to provide an email address to which notices etc. may be sent. It is the responsibility of each shareholder to ensure 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 Company's annual general meeting held on 15 May 1997. Later amended at the meeting of the Board of Directors on 30 June 1997, at the meeting of the Board of Directors on 1 October 1997, at the annual general meeting on 12 May 1998, at the annual general meeting on 11 May 1999, at the annual general meeting on 25 April 2000, at the meeting of the Board of Directors on 20 November 2000, at the annual general meeting on 4 April 2001, at the annual general meeting on 21 March 2002, at the annual general meeting on 25 March 2003, at the annual general meeting on 25 March 2004, at the annual general meeting on 5 April 2005, at the annual general meeting on 30 March 2006,



on 27 November 2006 in connection with the implementation of the capital increase on the basis of the issue of employee shares which were issued in accordance with the Board of Directors' decision of 26 June 2006; cf. article 6.1 of the Articles of Association, at the annual general meeting on 29 March 2007, on 2 July 2007 in connection with the implementation of a capital reduction, at the annual general meeting on 31 March 2008, on 4 July 2008 in connection with the implementation of a capital reduction, at the annual general meeting on 26 March 2009, at the annual general meeting on 7 April 2010, in connection with the implementation of a capital reduction on 13 July 2010, at the annual general meeting on 13 April 2011, by a resolution of 19 April 2012 when "the Danish Commerce and Companies Agency" was changed to "the Danish Business Authority" in articles 7.4 and 10.7 of the Articles of Association, at the annual general meeting on 9 April 2013 and at the annual general meeting on 9 April 2014.

9 April 2014

---

Jesper Schultz Larsen, Attorney-at-Law