

# **ARTICLES OF ASSOCIATION**

**FOR**

**WILLIAM DEMANT HOLDING A/S**

4 July 2008

## 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. Powers, location and calling of the general meeting.....	3
8. General meeting of shareholders, agenda.....	4
9. General meeting, admittance card and voting rights .....	4
10. The general meeting, chairman, resolutions and minutes.....	5
11. The Board .....	6
12. Management .....	6
13. Power to bind the Company.....	7
14. Auditing and accounting year.....	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 (William Demant 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 58,956,257 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 the Danish Securities Centre (Værdipapircentralen) (central computer register of shares).

**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 Aktiebog Danmark A/S, Kongevejen 118, DK-2840 Holte.

**6. Authorisation for increase of capital**

- 6.1 The Board is, until 1 January 2011, 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 2012. 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. Powers, location and calling of the general meeting**

- 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 from time to 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 10 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 called by the Board with notice of not less than eight days and not more than four weeks by announcement in the computer information system of the Danish Commerce and Companies Agency, a national daily newspaper to be selected by the Board, and also by normal letter to each individual shareholder entered in the register of shareholders who has submitted a request that he be notified. The notice calling the meeting shall contain the agenda for the meeting and state the main contents of any proposed amendments to the articles of association. Where there are any proposals to make the amendments to the articles of association contained in ss. 79(1) or (2) of the Da-

nish Public Companies Act, the notice shall contain the full wording of the proposal and shall be sent to every shareholder entered in the register of shareholders.

- 7.5 Every shareholder has the right to have a specific matter dealt with at an ordinary general meeting, provided that the shareholder submits a written request therefor to the Board within 2 months of the end of the accounting year.

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

- 8.1 The agenda and the complete proposals - and as regards the ordinary General Meeting also the audited annual report including the consolidated financial statements - to be presented at the General Meeting shall be available for inspection at the offices of the Company not later than eight days before such general meeting when such documents must also be send to each registered shareholder who has asked that such documents be submitted.

- 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. Decision on the appropriation of profit or settlement of loss according to the approved annual report.
4. Election of members to the Board.
5. Election of auditor.
6. Any proposals from the Board and/or the shareholders.
7. Any other business.

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

- 9.1 Each share of DKK 1 shall carry one vote.

- 9.2 Any shareholder is entitled to attend a general meeting, provided he has, no later than five days before the date of the general meeting, requested an admittance card at the offices of the Company. Presentation of an extract from the Danish Securities Centre or the bank through which the dividends are paid shall be proof of identity of a shareholder. The extract must not be older than 5 days and must be accompanied by a written declaration that the shares have not and will not be assigned to a third party before the general meeting has been held.

- 9.3 Shareholders who are entitled to attend and have entered their shares in the register of shareholders shall be entitled to vote. A ballot paper stating the number of votes which the shareholder has shall be issued together with the admittance card.

- 9.4 Shareholders who have acquired shares through transfer can not exercise voting rights on the shares in question at a general meeting which is called under article 7.4 before the shares are entered in the register of shareholders or the shareholder has reported and documented his acquisition.
- 9.5 Shareholders are entitled to attend with an adviser or by proxy. The proxy shall present a written and dated instrument of proxy, which may only be granted for one year at a time.
- 9.6 All members of the Board of Directors are entitled to attend general meetings.
- 9.7 Journalists shall be admitted to general meetings of the Company.

**10. The 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 (ie. 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 s.79 of the Public 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.
- 10.7 Amendments and additions required by the Commerce and Companies Agency 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**

- 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 Public 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 not 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 salary to be fixed by the general meeting in connection with the approval of the accounts.

## **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 from time to time the auditing shall be made by one or two public accountants of whom at least one must be state-authorised. Re-election shall be possible.

14.2 The Company's accounting year is the calendar year.



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, and on 4 July 2008 in connection with a share capital decrease.

4 July 2008

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