Articles of Association of Sonova Holding AG as of 14th June 2016

I. General

Art. 1: Company name, registered office, duration

Under the Company name Sonova Holding AG (Sonova Holding SA) (Sonova Holding Ltd.) there is an *Aktiengesellschaft* (similar to public limited company) with registered office in Stäfa, Switzerland.

Art. 2: Purpose

The purpose of the Company shall be the acquisition, financing and administration of equity holdings, in particular with companies in the group.

The Company may also set up branch establishments and subsidiary companies in Switzerland and abroad and purchase and sell equity holdings in other companies in Switzerland and abroad.

The Company may acquire, encumber, sell and manage real property in Switzerland and abroad.

The Company may also engage in financing for their own account or for the account of another party, manage assets and provide guarantees and surety for subsidiary companies and third parties.

The Company may engage in all other transactions that support their purpose.

II. Capital

Art. 3: Share Capital

The share capital of the Company shall be CHF 3,271,144.35 and it is divided into 65,422,887 registered shares each with a nominal value of CHF 0.05.

All shares are fully paid up.

Art. 4: Conditional share capital

The share capital may be increased by issue of a maximum of 5,322,133 registered shares that are to be fully paid up, each with a nominal value of CHF 0.05, the maximum amount of such increase being CHF 266,106.65 of which

In these Articles of Association references to the generic masculine equally apply to both sexes.

a) up to an amount of CHF 101,050.65 through option rights being exercised by members of the Board of Directors of the Company, of the management and by selected employees in the group. The subscription right of shareholders shall be excluded;
b) up to an amount of CHF 165,056 through exercising option rights and conversion rights that are granted in connection with debentures or similar bonds of the Company. The subscription right of shareholders shall be excluded. The advance subscription rights of shareholders may be excluded if such bonds are issued for the purpose of financing the acquisition of companies, divisions of companies or equity holdings.

The acquisition of registered shares through the exercise of option rights or conversion rights by members of the Board of Directors, members of the management and by selected employees in the group and by holders of bonds and/or holders of convertible bonds and other transfer of registered shares shall be subject to the transfer restrictions in accordance with these Articles of Association.

Insofar as the advance subscription right is excluded, the debentures must be placed with the public, the exercise period for option rights set to a maximum of five years and for conversion rights to a maximum of ten years from the time of the bond issue and the exercise price for the new shares set at least in accordance with the market conditions at the time of the bond issue.

Art. 5

Cancelled.

Art. 6

Cancelled.

Art. 7: Certificate

The Company shall issue its registered shares in the form of individual certificates, global certificates or book-entry securities.

The Company shall be at liberty within the framework of the statutory regulations to convert their registered shares that are issued in one of these forms into another form at any time without the consent of the shareholders. The Company shall pay the costs for this.

The shareholder shall have no entitlement to conversion of registered shares issued in a particular form into another form. The shareholder may, however, demand from the Company at any time the issue of a written confirmation of his registered shares that are recorded in the share register.

Stock rights that are based on registered shares of the Company cannot be transferred by assignment. Furthermore, no collateral can be created by assignment with any of these stock rights.

Art. 8: Share register

The Company recognises only the parties with entitlement who are recorded in the share register.

The purchaser of shares or the usufructuary must make a written application for entry in the share register.

The names and addresses of shareholders and usufructuaries shall be entered in the share register of the Company. All written communications shall be made in a legally valid way to the address in the share register. If a shareholder changes his place of residence or registered office, he must notify the new address to the Company.

The Company may refuse to make the entry in the share register if the applicant does not expressly declare that he has acquired the shares and shall hold them for his own account.

The Board of Directors may stipulate in their regulations the conditions under which trustees/nominees may be recognised as shareholders with a voting right.

The Company may also refuse entry of the purchaser as a shareholder or usufructuary with a voting right to the extent that the shares held by him would exceed 5% of the overall number of shares shown in the Commercial Register. Legal entities and partnerships who are combined or associated in terms of capital or votes or by single management or in a similar way as well as natural persons, legal entities and partnerships which act jointly or in a co-ordinated way shall count as one person. The right to preserve the status quo with the introduction of this provision is reserved. The Board of Directors may grant exceptions to the 5% restriction where there is justified cause.

The restriction of entry to 5% pursuant to the above provision shall not apply to entry of a purchaser or usufructuary if the seller of the shares or the ordering party of the usufruct was already a shareholder at the time when the above provision was introduced.

Art. 685b (4) OR (Swiss Code of Obligations) and Art. 685d (3) OR shall apply.

Art. 9: Subscription right

If the share capital is increased, the shareholders shall have a right of veto for subscription of new shares in accordance with their shareholding. The right to cancel the subscription right for good cause is reserved.

III. Organisation of the Company

A. General Shareholders' Meeting

Art. 10: Authority

The General Shareholders' Meeting shall have the following non-transferrable authority:

1. Establishing and amending the Articles of Association;
2. Election of the members of the Board of Directors, the Chairman of the Board of Directors, the members of the Compensation Committee, the auditors and the independent proxy;
3. Approval of the management report and of the consolidated financial statements;
4. Approval of the annual financial statements and the resolution on the allocation of profit shown on the balance sheet, in particular the determination of any dividends;
5. Approval of the compensation of the Board of Directors and of the Management Board pursuant to Art. 26 of the Articles of Association;
6. Discharge from liability of the members of the Board of Directors;
7. Adoption of resolutions on matters that are reserved for the General Shareholders' Meeting by law or by the Articles of Association.

Art. 11: Implementation, convening

The ordinary General Shareholders' Meeting shall take place every year within six months following the close of the business year.

Extraordinary General Shareholders' Meetings may be called when needed.

The General Shareholders' Meeting shall be called by the Board of Directors, if necessary by the auditors, and in the other cases prescribed by law.

Shareholders who have the right to vote, who represent together at least one tenth of the share capital may issue a written demand to the Board of Directors that a General Shareholders' Meeting be called, stating the reasons.

Art. 12: Form of convening and right to table agenda items

The ordinary or extraordinary General Shareholders' Meeting shall be called at least 20 days prior to the day of the meeting by a notice in the Company's official publication media, stating the agenda items and the motions of the Board of Directors and, if applicable, the shareholders who demanded that a General Shareholders' Meeting be held or that an item be included in the agenda.

The invitation to the ordinary General Shareholders' Meeting must be issued with a statement that the business report, the compensation report and the auditors' reports are available for inspection at the Company and that the shareholders may demand provision of a copy of these reports.

Shareholders entitled to vote who represent at least 1% of the share capital may demand that an item be included in the agenda with a statement of the motions. Such requests must be ad-dressed in writing to the Chairman at the latest 60 days before the meeting.

Art. 13: Chair and minutes

The General Shareholders' Meeting shall be presided over by the Chairman of the Board of Directors or, in his absence, by the Vice-Chairman, or if he too is unable to attend, by another Member of the Board of Directors.

The Chairman of the General Shareholders' Meeting shall appoint the vote-counters as well as the minute-taker who need not be shareholders.

The General Shareholders' Meeting shall be minuted pursuant to Art 702 OR (Swiss Code of Obligations), and the minutes shall be signed by the Chairman and the minute-taker.

Art. 14: Voting rights, representation

In the General Shareholders' Meeting every share entered in the share register with a voting right shall entitle the holder to one vote.

When exercising voting rights, no shareholder may combine, with their own and represented shares, more than 10% of the total shares as shown in the Commercial Register. Legal entities and partnerships who are combined or associated in terms of capital or votes or by single management or in a similar way as well as natural persons, legal entities and partnerships which act jointly or in a co-ordinated way shall count as one person. The Board of Directors may enact specific regulations for justified cause.

Shareholders who were already entered in the share register at the time of the introduction of the above-mentioned provision as well as purchasers or usufructuaries shall be excluded from the limitation of voting rights.

Every shareholder entered in the share register with voting rights may have his shares represented by a person with written authorisation from him who does not need to be a shareholder or by the independent proxy. All the shares owned by a shareholder can only be represented by one person.

The General Shareholders' Meeting shall elect the independent proxy for a term of office until completion of the next ordinary General Shareholders' Meeting. Re-election is possible. If the Company does not have an independent proxy, the Board of Directors shall appoint the independent proxy for the next Shareholders' Meeting.

Art. 15: Resolutions, elections

The General Shareholders’ Meeting shall adopt resolutions and hold elections with the relative majority of the votes cast insofar as nothing different is stipulated by law or by the Articles of Association.

Resolutions shall be made and elections held openly unless the General Shareholders’ Meeting decides on a written or electronic vote or the Chairman gives an instruction to this effect. The Chairman may have an election or resolution repeated in the same or another form insofar as doubts exist relating to the result of the vote. In such a case the previous election or resolution shall be void.

In the case of written votes or elections, the Chairman may accelerate the vote-counting by instructing that only the voting slips of those shareholders are to be collected who have abstained or cast a no-vote and that all other shares represented in the General Shareholders' Meeting at the time of voting shall be counted as yes-votes.

A resolution by the General Shareholders' Meeting that is approved by at least two thirds of the votes represented and the absolute majority of the nominal value of the shares represented shall be required for:

1. A change in the purpose of the Company;
2. Introduction or cancellation of voting shares;
3. A restriction in the transferability of registered shares;
4. An authorised or conditional capital increase;
5. A capital increase out of equity capital against non-cash contribution or for the purpose of acquisition of assets and the granting of particular privileges;
6. A restriction or cancellation of subscription rights;
7. A transfer of the registered office of the Company;
8. Dissolution of the Company with or without liquidation.

The relative majority of the votes cast shall be sufficient for cancellation or relaxation of the provisions for restricting transferability of shares.

B. Board of Directors

Art. 16: Composition, term of office

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

The members of the Board of Directors and the Chairman of the Board of Directors shall be elected for a term of office until completion of the next ordinary General Shareholders' Meeting.

Re-election is possible.

If the office of the Chairman of the Board of Directors is vacant, the Board of Directors shall appoint a new Chairman from among its members for the remaining term of office.

Art. 17: Constitution

Except for the election of the Chairman of the Board of Directors and the members of the Compensation Committee by the General Shareholders' Meeting, the Board of Directors shall constitute itself.

It shall appoint a secretary who does not have to be a member of the Board of Directors.

Art. 18: Resolutions

At least half of the members of the Board of Directors must be present in order to constitute a quorum. There shall be no requirement for a quorum to adopt resolutions on amendments and declarations of the Board of Directors in connection with capital increases.

The Board of Directors shall adopt resolutions and hold elections with the majority of the votes present in the meeting. In the event of an equal number of votes, the Chairman shall have the casting vote.

Resolutions on a motion may also be adopted by written consent (letter, fax or other written form) unless a member of the Board of Directors asks for verbal discussion. Resolutions taken by means of circular vote shall be included in the minutes of the next meeting.

Art. 19: Responsibility

The Board of Directors shall be responsible for the overall management of the Company and for the supervision and control of the management.

The Board of Directors shall have competence to decide on all matters that are not transferred to or reserved for another corporate body by law or the Articles of Association.

Art. 20: Non-transferable duties

The Board of Directors shall have the following non-transferable and inalienable duties:

1. Overall management of the Company and issuing of necessary directives;
2. Approval of company policy and strategy;
3. Establishment of the organisation and the enactment of organisational regulations;
4. Structuring of accounting and financial controlling as well as financial planning;
5. Appointment and removal of persons entrusted with management and representation of the Company;
6. Overall supervision of the persons entrusted with management, including the matter of compliance with laws, Articles of Association, regulations and directives;
7. Creation of the business report, the compensation report as well as the preparation for the Shareholders' Meeting and implementation of its resolutions;
8. Informing the judge in the event of excessive indebtedness

Art. 21: Delegation of representation, management

The Board of Directors shall be entitled to delegate representation of the Company and, on the basis of the organisational regulations the management or parts of it, to individual members of the Board of Directors or third parties.

These regulations shall govern management, determine the positions necessary for it, define their responsibilities and regulate in particular the reporting.

C. Compensation Committee

Art. 22: Composition, term of office

The Compensation Committee shall consist of three members of the Board of Directors.

The members of the Compensation Committee shall be elected for a term of office until completion of the next ordinary General Shareholders' Meeting.

Re-election is possible.

If there are vacancies on the Compensation Committee, the Board of Directors may appoint the missing members from among its members for the remaining term of office.

Art. 23: Constitution

The Compensation Committee shall constitute itself. The Board of Directors shall elect the Chairman of the Compensation Committee.

The Board of Directors shall issue a directive establishing the organisation and decision-making process of the Compensation Committee.

Art. 24: Powers and duties

The Compensation Committee shall support the Board of Directors in establishing and reviewing the Company's compensation principles and guidelines and performance metrics as well as in preparing the proposals to the General Shareholders' Meeting regarding the compensation of the Board of Directors and of the Management Board, and may submit proposals and recommendations to the Board of Directors in other compensation-related issues.

The Board of Directors shall determine in a directive to what extent the Compensation Committee may determine performance metrics, target levels and the compensation of the members of the Board of Directors and of the Management Board, and to what extent the Compensation Committee shall submit proposals thereto to the full Board of Directors.

The Board of Directors may delegate further powers and duties to the Compensation Committee.

D. Auditors

Art. 25: Election, term of office, duties

The General Shareholders' Meeting shall elect for a term of one year a state-regulated audit company as defined by Art. 727 of the OR (Swiss Code of Obligations) as auditors with the responsibilities, rights and duties defined by the law. The auditors must comply with the statutory requirements concerning qualification and independence.

The Shareholders' Meeting may elect for a maximum term of three years special auditors who shall issue the audit confirmations prescribed in connection with capital increases (art. 652f, 653f and 653i OR).

IV. Compensation of the Board of Directors and of the Management Board

Art. 26: Approval of compensation by the General Shareholders' Meeting

The General Shareholders' Meeting shall approve annually the proposals of the Board of Directors in relation to the maximum aggregate amount of

1. compensation of the Board of Directors for the period until the next ordinary General Shareholders' Meeting;
2. compensation of the Management Board for the following financial year.

The Board of Directors may submit for approval by the General Shareholders' Meeting additional or deviating proposals in relation to the same or different periods.

In the event a proposal of the Board of Directors has not been approved, the Board of Directors shall determine, taking into account all relevant factors, the respective maximum aggregate amount of compensation or maximum partial amounts for specific compensation elements, and submit the amount(s) so determined for approval by the same or a subsequent General Shareholders' Meeting.

The Company or companies controlled by it may pay or grant compensation prior to approval by a General Shareholders' Meeting subject to subsequent approval.

Art. 27: Additional reserve amount for changes in the Management Board

The Company or companies controlled by it shall be authorized to pay or grant to each person who becomes a member or is being promoted within the Management Board after the General Shareholders' Meeting has approved the compensation a supplementary amount during the compensation period(s) already approved. The supplementary amount shall not exceed 30% of the aggregate amount of compensation last approved by the General Shareholders' Meeting per compensation period and per each such member.

Art. 28: General compensation principles

The compensation of the members of the Board of Directors shall consist of fixed compensation.

The compensation of the members of the Management Board shall comprise fixed and variable compensation elements. The fixed compensation constitutes of a base salary payable in cash and additional compensation elements and benefits. The variable compensation shall comprise short-term and long-term variable compensation elements.

Short-term variable compensation elements shall be governed by performance metrics that take into account the performance of the Company, the group or parts thereof, targets in relation to the market, other companies or comparable benchmarks and/or individual targets, and achievement of which is generally measured during a one-year period. Unless otherwise determined by the Board of Directors or, to the extent delegated to it, the Compensation Committee, short-term variable compensation elements shall be paid in cash.

Long-term variable compensation elements shall take into account the sustainable long-term performance of the Company and/or the group, and may also contain a retention incentive. Unless otherwise determined by the Board of Directors or, to the extent delegated to it, the Compensation Committee, long-term variable compensation elements shall be equity-based.

Compensation may be paid or granted in the form of cash, shares, in kind or in the form of other types of benefits; compensation of members of the Management Board may also be paid or granted in the form of options or similar financial instruments and/or units. The Board of Directors or, to the extent delegated to it, the Compensation Committee shall determine grant, vesting, exercise and/or forfeiture conditions. They may provide for continuation, acceleration or removal of vesting and/or exercise conditions, for payment or grant of compensation based upon assumed target achievement, or for forfeiture, in each case in the event of pre-determined events such as a change-of-control or termination of an employment or mandate agreement. The Company may procure the required shares through purchases on the market or by using its conditional share capital.

Compensation may be paid by the Company or companies controlled by it.

V. Agreements with the Members of the Board of Directors and the Management Board

Art. 29: Term and termination

The Company or companies controlled by it may enter into agreements for a fixed term or for an indefinite term with members of the Board of Directors relating to their compensation. Duration and termination shall comply with the term of office and the law.

The Company or companies controlled by it may enter into employment agreements with members of the Management Board for an indefinite term with a termination notice period of maximum 12 months.

The Company or companies controlled by it may enter into non-compete agreements for the time after termination of the employment agreement for a duration of up to one year. The consideration for such non-compete agreement shall not exceed the average total annual compensation paid to such member of the Management Board during the previous three financial years.

VI. Mandates Outside the Company, Loans

Art. 30: Mandates outside the Company

No member of the Board of Directors may hold more than four additional mandates in listed companies and in total no more than six additional mandates.

No member of the Management Board may hold more than one additional mandate in a listed company and in total no more than five additional mandates. Each of these mandates shall be subject to approval by the Board of Directors.

The following mandates are not subject to these limitations:

1. mandates in companies which are controlled by the Company or which control the Company;
2. mandates held at the request of the Company or companies controlled by it. No member of the Board of Directors or of the Management Board may hold more than ten such mandates; and
3. mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. No member of the Board of Directors or of the Management Board may hold more than six such mandates.

Mandates shall mean mandates in the supreme governing body of a legal entity which is required to be registered in the commercial register or a corresponding foreign register. Mandates in different legal entities which are under joint control are deemed one mandate.

Art. 31: Loans

The Company shall not grant any loans to members of the Board of Directors or of the Management Board.

VII. Annual Financial Statements, Distribution of Profit

Art. 32: Annual financial statements, financial year

The annual financial statements shall be completed annually.

The Board of Directors shall determine the financial year.

Art. 33: Reserves, appropriate of profit

After deduction of all costs, interest, losses and other expenses and after required write-downs as well as provisions and reserves, 5% of the remaining annual net profit shall be allocated to the general reserve fund until the latter amounts to 20% of the paid-up share capital.

The profit reported in the balance sheet shall be at the free disposal of the General Shareholders' Meeting, subject to the legal provisions on further allocations to the reserve and subject to article 671 OR.

In addition to the statutory reserve, the General Shareholders' Meeting may decide to create special reserves which shall remain at the free disposal of the General Shareholders' Meeting.

Art. 34: Liquidation

The General Shareholders' Meeting may decide on dissolution and liquidation of the Company at any time.

Liquidation shall be carried out by the Board of Directors insofar as the General Shareholders' Meeting does not decide on a different procedure. Otherwise, the provisions of articles 736 et seq. OR shall apply for dissolution and liquidation.

VIII. Official Notices, Publications

Art. 35: Publication medium

The official means of publication of the Company shall be the Swiss Official Gazette of Commerce.

The Board of Directors shall be entitled to determine other publication media at any time.

Notices to shareholders in the cases required by law shall be made by mail to the address shown in the share register.

Zurich, 14th June 2016

The Chairman

Robert F. Spoerry

The Secretary

Patrick Büchi