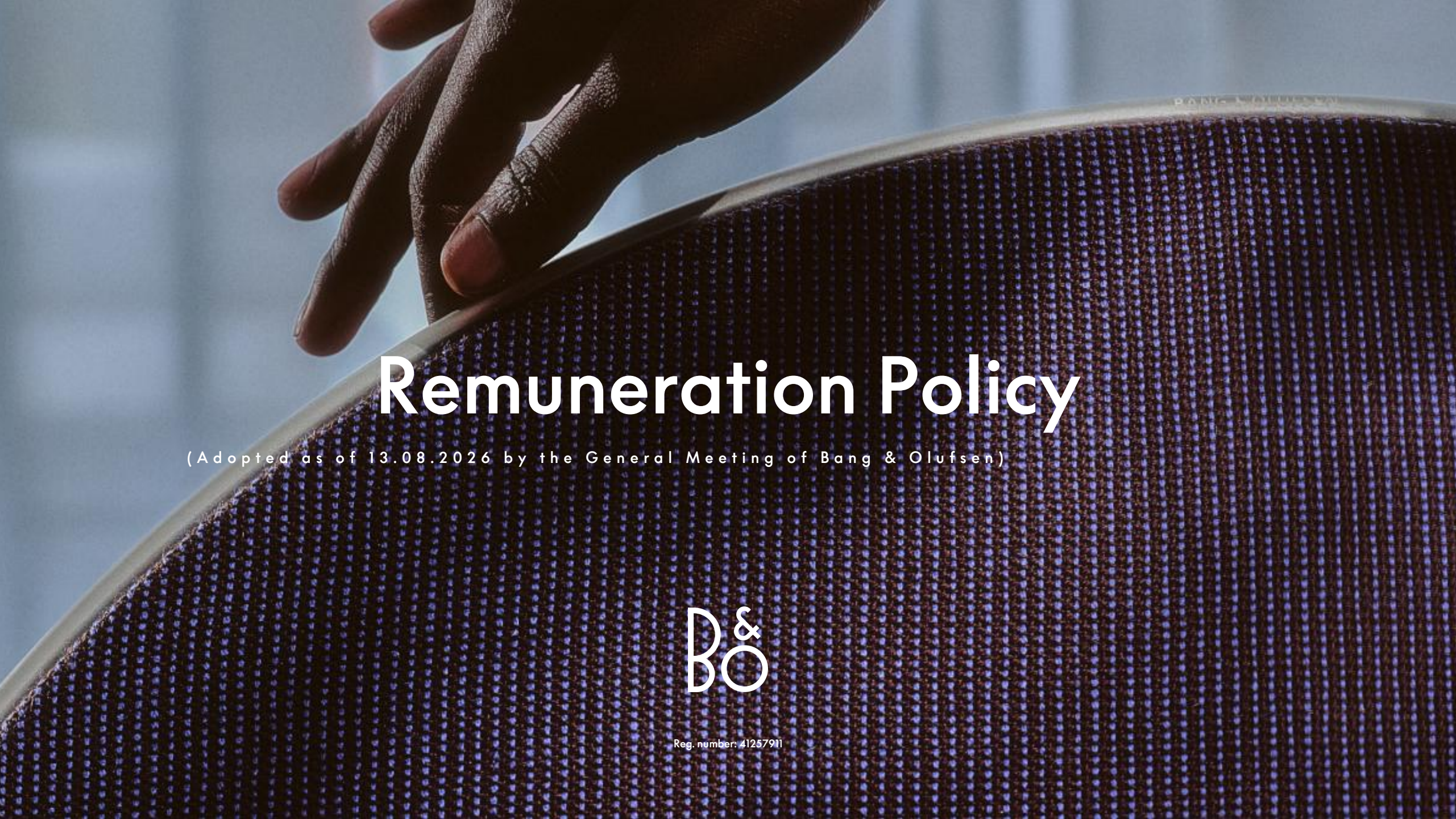


# Remuneration Policy

(Adopted as of 13.08.2026 by the General Meeting of Bang & Olufsen)

Reg. number: 41257911

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# 1. Preamble

1.1 The following Remuneration Policy of Bang & Olufsen a/s, CVR no. 41257911, has been prepared in accordance with Sections 139 and 139a of the Danish Companies Act and the recommendations published by the Committee on Corporate Governance and implemented by Nasdaq Copenhagen A/S.

1.2 The Remuneration Policy provides a framework for remuneration to the members of the Board of Directors and the Executive Management Board of Bang & Olufsen.

1.3 Summary of changes

1.3.1 The Remuneration Policy has been revised as part of the Board's general review of remuneration, taking into account relevant input received during the past financial year, including at the most recent annual general meeting. The Policy builds on the version adopted at the annual general meeting in August 2025, with the following substantive differences:

- Short-term cash bonus (clause 5.3.3.1): The target and maximum bonus levels for the CEO have been adjusted to align with the other members of the Executive Management Board (EMB). The target bonus for the CEO will typically also be in the range from 50% to 75% of base salary and a maximum of up to 100%.
- Long-term incentive plan (clause 5.3.4.3): The performance and restricted shares are subject to a 3 year cliff vesting with no incremental vesting during the reference period.
- Long-term incentive plan (clause 5.3.4.4): To align the terms across the EMB, the value of LTIP grant has been increased to 75% of the base salary for the relevant year for other EMB members. Further, the maximum value (i.e. assuming achievement of the defined maximum performance thresholds in excess of targets) has been increased to 150% of the base salary for all EMB members.



# 2. Scope of Policy

2.1 This policy applies to remuneration received by the members of the Board of Directors (Board) and the Executive Management Board (EMD) for work performed for Bang & Olufsen.

2.2 This policy governs agreements on remuneration and any amendments thereto adopted after the policy has been approved by Bang & Olufsen's general meeting.



# 3. Objective

3.1 The overall objective of the Remuneration Policy of Bang & Olufsen is to attract, motivate and retain qualified members of the Board and the EMB as well as to align the interests of the Board and the EMB with the interests of the Company's shareholders and other stakeholders.

3.2 The remuneration of the Board and the EMB shall be designed to support the strategic goals of Bang & Olufsen and to promote value creation for the benefit of the shareholders of Bang & Olufsen.

3.3 The specific remuneration packages and incentive programs covering the members of the EMB shall comply with the following principles:

(a) limits shall apply on the variable components' part of the total remuneration package,

(b) a reasonable balance shall be ensured between the remuneration and incentive pay offered, the expected risks and the value creation for shareholders in the short and long term,

(c) there shall be clarity about performance criteria and measurability for award of variable components, and

(d) the variable remuneration shall comprise of both short-term and long-term components.

# 4. Remuneration of the Board

4.1 The members of the Board shall be remunerated with fixed annual fees approved by the general meeting and shall not be covered by incentive programs or be entitled to variable remuneration.

4.2 All members of the Board - whether elected by the general meeting or by the employees of Bang & Olufsen or the B&O Group - receive an annual base fee which shall be in line with market practice of comparable listed companies taking into account the required competencies, effort and scope of work of the members of the Board.

4.3 The Chairman of the Board shall receive 3 times the annual base fee and the Deputy Chairman shall receive 1.5 times the annual base fee for their extended duties.

4.4 All members of the Board who are also members of the committees established by the Board shall receive an additional fixed fee as remuneration for their committee work. The Chairman of the Remuneration, Nomination and Technology Committees shall receive 1.33 times the annual fixed fee for serving on the Remuneration, Nomination and Technology Committees. The Chairman of the Audit Committee shall receive 3 times the annual fee for serving on the Audit Committee, and the Chairman of the Strategy Committee shall receive 4 times the annual fee for serving on the Strategy Committee. The size of the fixed committee fee depends on the competencies, effort and scope of work required by the members of each committee.

4.5 Members of the Board may be entitled to reasonable travel allowance and participation in relevant training, provided the related costs shall not in aggregate exceed 20% of the Board member's annual fixed fee. Members of the Board are also entitled to be covered by the Company's directors' and officers' insurance as applicable from time-to-time.

4.6 In the event a member of the Board takes on specific ad hoc tasks outside the scope of ordinary tasks of the Board in accordance with the Rules of Procedure of the Board, the member may be offered a fixed fee for the work carried out related to such tasks.

4.7 With the purpose of aligning the interests of the Company's shareholders and the members of the Board in regard to the development of the share price, each member of the Board elected by the general meeting is obliged to invest in shares issued by the Company not later than 12 months after the date of the member's election to the Board for an amount at least corresponding to the gross annual base fee paid to an ordinary member of the Board according to the most recent annual report and to keep such shareholding for as long as the individual is member of the Board.

4.8 The Board's remuneration shall be approved by the general meeting of the Company.

# 5. Remuneration of the EMB

## 5.1 The total remuneration

5.1.1 It is the view of the Board that a combination of fixed and performance-based remuneration for the EMB contributes to the Company's ability to attract and retain competent key employees while, at the same time, the EMB has an incentive to create added value for the benefit of the Company's shareholders and stakeholders through variable remuneration.

5.1.2 The EMB's terms of employment and remuneration are agreed between the individual executive and the Board.

5.1.3 The total remuneration of the EMB may consist of the following fixed and variable remuneration components:

(a) a fixed base salary including pension contributions ("annual base salary"),

(b) variable remuneration consisting of (i) non-share based cash bonus (see 5.3.3), and/or (ii) share-based remuneration (see 5.3.4),

(c) termination and severance payment,

(d) customary non-monetary employment benefits, and

(e) potential extraordinary incentive grants subject to the terms of this policy, including clause 5.4.

5.1.4 These remuneration components shall create a well-balanced remuneration package reflecting (i) individual performance and responsibility of the members of the EMB in relation to established financial and non-financial targets, both in the short and the longer term, and (ii) the Company's overall performance.

## 5.2 Annual base salary

5.2.1 The annual base salary is determined with a view to provide a competitive remuneration to attract and retain members of the EMB with the required professional and personal competences. The annual base salary for the members of the EMB shall be in line with market practice and based on the individual member's responsibilities and performance.

5.2.2 The members of the EMB may be granted individual non-monetary benefits such as a company car or car allowance. If a member of the EMB needs to relocate to another country in order to take up the position in the EMB, such EMB member may, at the Board's discretion, be entitled to relevant individual non-monetary benefits such as housing allowance and school tuition fee allowance. The total value of individual non-monetary benefits may not exceed 20% of the annual base salary.

5.2.3 Members of the EMB may furthermore be entitled to customary employment benefits such as insurance, newspaper, telephony and internet access etc. as approved by the Board from time to time. The members of the EMB can also participate in the pension scheme of the Company, provided the individual contributions shall be taken out of the annual base salary.

## 5.3 Variable remuneration

5.3.1 In addition to the annual base salary, the members of the EMB may receive variable remuneration which shall be based on the individual performance and responsibility of the members of the EMB in relation to established financial and non-financial targets, both in the short and the longer term, as well as the Company's overall performance.

5.3.2 The EMB may, at the discretion of the Board, be entitled to participate in the following revolving incentive schemes:

(a) Short term cash bonus plan

(b) Long term combined performance and restricted share plan

The design and implementation of the two incentive schemes aim to ensure that the interests of the EMB and shareholders are aligned and that the EMB in the exercise of their duties support the short and long-term interest of the Company's shareholders and other stakeholders and contribute to the achievement of the Company's strategy, sustainability and long-term value creation.

5.3.3. Short term cash bonus plan

5.3.3.1 Individual members of the EMB may receive an annual bonus which will typically range from approx. 50% to 75% of the base salary in case of achievement of targeted performance thresholds and up to a maximum of 100% of the base salary in case of achievement in excess of targets.

5.3.3.2 This cash bonus is intended to ensure achievement of the Company's short-term objectives. The payment of the bonus and the size thereof will therefore depend on the achievement of the objectives agreed from year to year. These objectives will primarily relate to the achievement of the Company's financial performance and individual performance criteria which reflect and support the Company's short term objectives.





5.3.3.3 The annual bonus which may be granted to the CEO must be divided so that 75% of the bonus may be paid if certain ordinary bonus objectives determined at the discretion of the Board in accordance with the criteria described above have been fulfilled, whereas the remaining 25% of the bonus may be paid if certain extraordinary bonus objectives determined at the discretion of the Board in accordance with the criteria described above have been fulfilled.

5.3.4 Long term combined performance and restricted share plan

5.3.4.1 Individual members of the EMB may annually receive a conditional right to receive (against no or only nominal consideration) shares after a reference period comprising three financial years, subject in each case to a combination of performance targets, requirements for continuous service and/or satisfactory people review ratings.

5.3.4.2 The performance share element shall comprise at least 1/2 of the value of the annual grants under the plan. The performance share element shall be subject to the level of achievement of performance targets to be defined and set annually by the Board and comprising one or more financial years in the reference period. The performance targets shall be linked to the Company's internal business targets, such as e.g. revenue, EBIT and/or strategic targets, within the reference period of three financial years. When defining the performance targets the Board shall take into account the plan's overall purpose and anticipated effect in relation to the long-term sustainability and performance of the Company.

5.3.4.3 The performance and restricted shares will only vest and be finally awarded after the three financial year reference period. Details of the combined performance and restricted shares arrangements and relevant performance metrics for each grant will be set out in the annual Remuneration Report.

5.3.4.4 Assuming achievement of targeted performance thresholds, the value of the individual grants within a given financial year may not at the time of grant exceed 75% of the recipients' base salary for the relevant year. The maximum value (i.e. assuming achievement of the defined maximum performance thresholds in excess of targets) may not exceed 150% of the base salary for the given financial year.

5.3.4.5 Both performance and restricted shares will be subject to good and bad leaver provisions, pursuant to which unvested awards may be forfeited in whole or in part in case of e.g. if the EMB member resigns or is terminated with cause.

5.3.4.6 The value of the granted performance and restricted shares and the method of calculating the value will be set out in the Company's Remuneration Report from time to time. The Company intends to buy back shares in order to cover its obligations in relation to the awarded rights to performance and restricted shares.

## 5.4 Award of extraordinary incentive-based remuneration

5.4.1 In order to meet the overall objective of the Company's incentive-based remuneration programs, the Board may in individual extraordinary cases and when considered to be in the Company's interest decide to award a one-off bonus, retention bonus, severance payment or a sign-on bonus in connection with recruitment, in each case deviating from the principles relating to the regular incentive programs set out above in clauses 5.3.3 and 5.3.4.1 to 5.3.4.5. Such extraordinary award may consist of cash and/or share-based remuneration and may or may not include performance criteria or criteria of continued employment.

5.4.2 The terms for such an extraordinary award to be decided by the Board. The value of such an extraordinary award may not at the time of the award exceed an amount corresponding to 100% of the EMB member's base salary in each of the relevant financial year(s). To the extent such an extraordinary award relates to a sign-on bonus or other schemes related to recruitment of EMB members, the award may be increased by additional 50%.

## 5.5 Claw-back, adjustments to terms, etc.

5.5.1 In the situation where incentive remuneration have been provided to a member of the EMB (or right to receive such) on the basis of data or accounts which subsequently prove to have been misstated, the Company may reclaim the incentive remuneration in full or in part on the basis of such data.

5.5.2 For all incentive-based remuneration, the Board may decide that specific terms shall apply for accelerated vesting or award (and/or for roll-over or adjustment) of incentive-based remuneration in case of a takeover in whole or in part, significant divestiture of activities, demerger, merger or other business combination involving the Company. Further, the Board may in order to further the principles and objectives of this Policy, adopt adjustments to performance targets, bonus amounts and/or number of shares e.g. in the event the Company's capital structure is changed or in case of other material events that would otherwise adversely influence the value or effect of the incentive-based remuneration.

## 5.6 Legacy programs

In accordance with prior Remuneration Policies, current and former members of the EMB participate in Matching Shares Programs pursuant to which the participants hold shares in Bang & Olufsen ("Investment Shares") which subject to certain terms and conditions entitle them to receive a number of shares ("Matching Shares") in the Company. The Matching Shares Programs are described in the Company's Remuneration Report.

# 6. Termination and severance payment

6.1 Employment agreements with members of the EMB may be ongoing (i.e. without a fixed term) and shall be subject to a maximum notice of termination of 24 months.



# 7. Remuneration Committee

7.1 The Board has established a remuneration committee (the "Remuneration Committee") to ensure that the Company maintains and observes a remuneration policy for the members of the Board and the EMB.

7.2 The Remuneration Policy and any changes thereto shall be approved by the Board as well as the general meeting.

7.3 The Remuneration Committee shall evaluate and make recommendations for the remuneration of the members of the Board and the EMB. The Remuneration Committee also assesses and determines the level of achievement of performance targets.

7.4 The Remuneration Committee shall retain its own advisers separate from the external advisers engaged by the Company and/or the EMB.

7.5 To avoid conflicts of interest, the Remuneration Policy and the remuneration of the Board will be approved by the general meeting, and the remuneration of the EMB will be approved by the Board.

# 8. Indemnification scheme

8.1 With due regard to the regulatory environment in which the Company operates and to be able to attract qualified members to the Board and the EMB of the Company, it is the Company's policy to take out customary directors' and officers' liability insurance ("D&O Insurance"), from time to time. Further, it is considered in the best interest of the Company to supplement the D&O Insurance with a scheme to allow for indemnification, to the fullest extent permitted by applicable law, of current, former and future members of the Board and the EMB where there is no or inadequate coverage under the D&O Insurance.

8.2 Consequently, the general meeting has approved a scheme of indemnification (the "Scheme") pursuant to which the Company undertakes to indemnify and hold harmless each member of the Board and the EMB from and against any losses (including any costs, expenses and potential tax liabilities associated therewith) incurred by such member of the Board and/or the EMB and arising out of such person's discharge of his/her duties as a director or manager of the Company including without limitation any claim or investigation by a governmental or administrative authority.

8.3 Conditions and limitations

8.3.1 Any indemnification under the Scheme shall be secondary to any coverage under the D&O Insurance taken out by the Company from time to time. Indemnification under the Scheme shall not be conditional upon coverage being available under the D&O Insurance in whole or in part, nor shall indemnification under the Scheme be conditional upon any coverage under the D&O Insurance or other sources first being exhausted. For the avoidance of doubt, the secondary coverage does not preclude the Company from covering defense costs upfront with a view to claim reimbursement under the D&O Insurance.

8.3.2 The Scheme is for the sole benefit of the members of the Board and the EMB, and no third party shall be entitled to rely on or derive any benefits from the Scheme or have any recourse against the Company on account of the Scheme.

8.3.3 Excluded from coverage under the Scheme are losses, etc., derived from:

a) Any claims if and to the extent covered by insurance taken out by the Company, including the D&O Insurance, it being understood that the indemnification may cover claims not covered in whole or in part by such D&O Insurance,

b) Any claims raised against a member of the Board or EMB arising out of such member's wilful misconduct, gross negligence or other improper acts or omissions (in Danish "utilbørlige dispositioner"),

c) Any claims raised against a member of the Board or EMB by the Company or a subsidiary of the Company,

d) Any claims raised against a member of the Board or EMB arising out of any sanctioned offence under applicable criminal law committed by such member, and

e) Any other claims, if and to the extent it would be inconsistent with applicable law to offer the benefits of the Scheme to the member of the Board or EMB.

8.3.4 The Scheme is to be approved by the general meeting at least every four years.

8.4 Administration and authorization to the Board

8.4.1 The Board shall administer and implement the Scheme within the framework above, including by laying down the detailed terms and conditions, defining monetary thresholds, period for coverage, run-off coverage and other coverage and extension of the Scheme to the management in any subsidiaries of the Company. The individual member of the Board or the EMB is covered by the Scheme only to the extent provided for in such detailed terms and conditions communicated to such management member.

8.4.2 The Board is further authorised to take any decisions in relation to the Scheme. In this context, the Board may determine whether a claim is comprised by the Scheme and/or refer such determination and/or any other specific decisions related to the Scheme to a third-party expert or independent committee. For the avoidance of doubt, the Company may adopt separate indemnification arrangements for other key employees and management members, which may be subject to terms and conditions that vary from the Scheme.

# 9. Considerations in relation to employee compensation

9.1 In preparing this Policy and the individual remuneration agreements, the Remuneration Committee considers the remuneration and employment terms of the Company's other employees to ensure an appropriate alignment with due regard to market practice for comparable listed companies and overall responsibility and duties of the individual members of the Board and the EMB.

9.2 The Board considers the principles for ordinary short-term incentives for the EMB and the Company's other key employees are aligned.

9.3 Long-term share based incentive programs are not offered to the Company's employees in general. The Board considers that the long-term share based incentive program outlined herein (which is also extended to members of the Company's broader management team and certain key specialists) is appropriate and required in order to align the interests of those with management responsibilities with the interests of the Company and its shareholders.

9.4 With regard to terms of resignation, the Board considers that longer resignation periods for EMB members reflect market practice and are appropriate as part of the overall remuneration package to EMB members.



# 10. Approval and Publication of the Remuneration Policy

10.1 This Remuneration Policy has been reviewed and approved by the Board and this Remuneration Policy shall be posted on the Company's website (https://investor.bang-olufsen.com) specifying the date of adoption by the general meeting of the Company.

10.2 The Remuneration Policy shall be described in the Company's annual report and the Chairman shall in connection with the report from the Board at the annual general meeting comment on the principles of the Remuneration Policy and compliance hereof.

10.3 The Company will prepare a remuneration report in accordance with applicable law containing information on, inter alia total remuneration, for each of the management board members and on an individual basis, and on compliance with the Remuneration Policy.

10.4 The change of this Remuneration Policy was adopted by the Board on 1 July 2026 and approved by Bang & Olufsen's general meeting on 13 August 2026.

# 11. Policy Review

The Remuneration Policy shall be reviewed by the Remuneration Committee at least on an annual basis.

# 12. Policy Owner

Chief Executive Officer

# Definitions

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| **“Bang & Olufsen”** | Refers to all Bang & Olufsen corporate entities. |
| **“Board / Board of Directors”** | Refers to the members of the Board of Directors of Bang & Olufsen registered as such, with the Danish Business Authority. |
| **“Company”** | Refers to Bang & Olufsen. |
| **"D&O Insurance"** | Refers to Bang & Olufsen’s directors’ and officers’ liability insurance as in force from time to time. |
| **“Executive Management Board / EMB”** | Refers to the executive officers of the management board of Bang & Olufsen, registered as such, with the Danish Business Authority. |
| **"Scheme"** | Refers to Bang & Olufsen’s indemnification scheme as approved by the general meeting on 15 August 2024. |



Bang & Olufsen A/S, Bang & Olufsen Allé 1, DK-7600 Struer, Tel. +45 9684 1122, www.bang-olufsen.com, Reg. number: 41257911