

To the shareholders
of Bang & Olufsen a/s

Struer, 14 February 2011

Extraordinary General Meeting

Bang & Olufsen a/s hereby convenes an Extraordinary General Meeting to be held on Thursday, 10 March 2011 at 3:00 pm at Struer Statsgymnasium, Jyllandsgade 2, 7600 Struer, Denmark.

Agenda

1. Election of members for the Board of Directors.

The Board of Directors proposes election of the following two candidates for the Board of Directors:

Managing Director, Jesper Jarlbæk: holds a bachelor's degree in commerce and is a chartered accountant. Jesper Jarlbæk worked with Arthur Andersen from 1975-2002, most recently as Managing Partner for Arthur Andersen Danmark and Managing Partner, Assurance and Business Advisory in Scandinavia. From 2002 to 2006, Jesper Jarlbæk was President, CEO of Deloitte. Jesper Jarlbæk currently holds the following executive positions:

Chairman of the Board of: Advis A/S, Altius Invest A/S, Basico Consulting International ApS and one of its subsidiaries, Groupcare Holding A/S and two of its subsidiaries, Jaws A/S, Julie Sandlau China ApS, Prospect A/S, Spoing A/S, Valuemaker A/S and Southern Trident Pty Ltd.

Member of the Board of: Earlbrook Holdings Ltd. A/S, International Rescue Journal ApS, Polaris III Invest Fonden, TK Development A/S, Torm A/S, Cimber Sterling Group A/S and one of its subsidiaries, TP Audit A/S, Økonomiforum ApS, IT2 Treasury Solutions Ltd. and Winther Management A/S.

Managing Director of: TIMPCO ApS, SCSK 2272 ApS and Earlbrook Holdings Ltd. A/S.

Dr. Alberto Torres: holds a Ph.D. in Computer Science, is Bachelor and Master of Science from Universidad Simón Bolívar. From 1994 to 2004, Alberto Torres was employed as Management Consultant in McKinsey & Co in the USA and France. While working for McKinsey, Alberto Torres primarily worked with mobile telephony,

consumer electronics, software and internet service. In 2004, Alberto Torres started his career with Nokia, and in 2005 he was appointed Managing Director of Nokia's luxury mobile phone business "Vertu". Up to 2008 he was the head of Vertu's turnaround. In the period from 2008 to 2011, Alberto Torres held a number of executive positions in the Nokia Group – amongst them Managing Director of "Devices Category Management". Since 2009 he has been a member of Group Management.

2. Adoption of overall guidelines for incentive-based remuneration.

The Board of Directors proposes that the enclosed resolution regarding general guidelines for incentive-based remuneration be adopted.

3. Delegation of authority to the chairman of the meeting.

The Board of Directors proposes that the chairman of the meeting with full right of substitution be authorized to apply for registration of the resolutions passed and to make any such amendments thereto as may be required or requested by VP Securities A/S, Nasdaq OMX Copenhagen A/S, the Danish Commerce and Companies Agency or other authorities as a condition for registration or approval.

4. Other matters.

The agenda together with the complete proposals will be available to shareholders at the Company's office, Peter Bangs Vej 15, 7600 Struer, Denmark, from Thursday 17 February 2011. The mentioned material as well as the notice convening the general meeting, information about the total number of shares and voting rights on the date of the notice convening the meeting and forms to be used in relation to voting by proxy and voting by post are also available at the company's website: www.bang-olufsen.com under the section "Investors".

Election of members for the Board of Directors (item no. 1 on the agenda), adoption of overall guidelines for incentive-based remuneration (item no. 2 on the agenda) and adoption of item no. 3 of the agenda require a simple majority of votes.

The company's nominal share capital totals DKK 362.440.140, divided in shares of DKK 10,00 or multiples thereof. Each share of nominally DKK 10 carries one vote.

The notice convening the Extraordinary General Meeting will be published in accordance with article 6 of the Articles of Association. The meeting will be convened by notification in the papers Dagbladet Holstebro-Struer, Jylland-Posten and Politiken, via the company's website and by written notice to all shareholders registered in the register of shareholders who have so requested. If you wish for the notice and/or the complete proposals to be sent to you by mail, please contact VP Investor Services A/S at tel: + 45 43 58 88 91.

Any shareholder can attend the Extraordinary General Meeting if he/she against presentation of relevant identification has requested an admission card no later than Monday 7 March 2011 at 4.00 pm.

A shareholder's right to attend and vote at the Extraordinary General Meeting is determined on the basis of the shares for which the shareholder on the registration date, Thursday 3 March 2011, has been registered in the register of shareholders or for which the shareholder at that time has notified and documented his/her acquisition to the company.

Admission cards to the Extraordinary General Meeting may be obtained at Bang & Olufsen a/s's website: www.bang-olufsen.com. Admission cards can also be obtained by contacting VP Investor Services A/S on tel.: +45 43 58 88 91.

If you are unable to attend, you may issue an instrument of proxy or vote by post.

You may issue an instrument of proxy Or vote by post, you cannot do both. The proxy form and the postal voting form can be found at www.bang-olufsen.com or may be obtained by contacting VP Investor Services A/S on tel. +45 43 58 88 91.

If you want to appoint a proxy or vote by post, the proxy voting form or the postal voting form must reach VP Investor Services A/S, Weidekampsgade 14, P.O. Box 4040, 2300 Copenhagen S, Denmark, by Monday 7 March 2011, at 4:00 pm. You may also appoint a proxy or vote by post at VP Investor Services A/S's website: www.uk.vp.dk/agm or at www.bang-olufsen.com.

Yours sincerely
Bang & Olufsen a/s

Ole Andersen
Chairman

General guidelines concerning incentive-based remuneration

These guidelines apply to incentive schemes for the Board of Directors and the Management Board in Bang & Olufsen a/s. The incentive-based remuneration will be dependent on individual or company performance.

1. The Board of Directors

The Board of Directors receives a fixed fee which is approved annually by the general meeting. The Board of Directors does not receive performance related remuneration.

2. The Management Board

It is the view of the Board of Directors that a combination of fixed and performance-related remuneration for the Management Board contributes towards the company's ability to attract and maintain competent key employees while at the same time the Management Board has an incentive to create added value for the benefit of shareholders through part performance-related remuneration.

The Management Board is defined as the managers registered with the Danish Commerce and Companies Agency.

The Management Board's terms of employment and payment are agreed between the individual manager and the Board of Directors, and payment will normally comprise a combination of the elements stated in this section 2.

The Board of Directors has set up a remuneration committee, which assesses the Management Board's salary conditions on an ongoing basis.

The Management Board may be entitled to participate in the following incentive scheme:

- Cash bonus
- Long-term incentive share option scheme
- Special Share Option Scheme

2.1. Cash bonus

Individual members of the Management Board may receive an annual bonus which cannot exceed 35% of the individual's gross salary for the year in question.

This cash bonus is intended to ensure compliance with the company's short-term objectives. The payment of the bonus and its size will therefore depend on the achievement of the objectives agreed from year to year. These primarily relate to the achievement of the company's budgeted results or the achievement of the financial ratios or other measurable personal results of a financial or non-financial nature.

2.2. Long-term incentive share option scheme

Members of the Management Board may be allocated share options. Such allocations are intended to ensure value creation and the achievement of the company's long-term objectives. The option scheme is share based. Allocation may take place on an annual basis. For any single financial year, options with a current value at the time of the allocation of up to 25% of the individual's gross salary at the allocation time may be allotted. The current value at allocation is calculated in accordance with the Black & Scholes method.

The stock options will be granted at the discretion of the Board of Directors.

Each stock option entitles the holder to buy one share in Bang & Olufsen a/s with a nominal value of DKK 10. The exercise price of the stock options may not be less than the market value of the shares at the date of

grant. However, the exercise price and/or the number of granted options shall be adjusted in case of dividend paid by Bang & Olufsen a/s and in case of corporate actions that dilute the value of the options.

The stock options will not vest and become exercisable until at least three years after the date of grant and the stock options will expire if not exercised no later than five years from the date of grant. Vesting of the stock options may at the discretion of the Board of Directors be conditioned on achievement of the company's budgeted results or financial key figures/ratios.

At the discretion of the Board of Directors, the company intends, to the extent possible, to cover the options that is expected to be exercised on an ongoing basis through the purchase of own shares. Consequently, it is the expectation that no capital increase has to be undertaken in order to provide the shares covered by the allocated options.

The total outstanding stock options may not exceed 5% of the total share capital of Bang & Olufsen a/s at the date of the grant (however, not including the Special Share Option Scheme which may be granted to the CEO, please see section 2.3. below).

2.3. Special Share Option Scheme

The CEO may be allocated a Special Share Option Scheme. The stock options will be granted at the discretion of the Board of Directors. The purpose of the Special Share Option Scheme is to maintain the company's CEO and to ensure that the CEO is focused on value creation and the achievement of the company's long-term objectives.

The stock options may be exercised in three portions of equal size respectively in 2013, 2014 and 2015. The stock options may only vest and become exercisable if certain targets with respect to the company's EBITDA and share price are met. The exercise price of the stock options is fixed at 69, 77 and 86 for the options exercisable in 2013, 2014 and 2015, respectively. However, the number of shares and/or the exercise price for the stock options shall be adjusted in case of dividend paid by Bang & Olufsen a/s and in case of other corporate actions that dilute the value of the options.

The total number of stock options granted under the Special Share Option Scheme is maximized to 1,250,000 stock options with a right each to buy one share in Bang & Olufsen a/s with a nominal value of DKK 10, equal to 3.45% of the total share capital of the company. The estimated current market value of the stock options based on a Black & Scholes calculation equals approximately 10 MDKK. The gain that may be realized under the Special Share Option Scheme at exercise is capped at 20 MDKK per year (2013-2015), i.e. the total gain is capped at 60 MDKK (before tax).

At the discretion of the Board of Directors, the company intends, to the extent possible, to cover the options that is expected to be exercised on an ongoing basis through the purchase of own shares. Consequently, it is the expectation that no capital increase has to be undertaken in order to provide the shares covered by the allocated options under the Special Share Option Scheme.

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This is an English translation. In case of discrepancy between the Danish version and the English translation of these guidelines, the Danish version shall prevail.