To registered shareholders of Bang & Olufsen a/s

Struer, 18-09-2003

## Annual General Meeting of Bang & Olufsen a/s

Notice is hereby given that the Annual General Meeting of Bang & Olufsen a/s will be held on Friday, 10 October 2003, at 4.30 pm at Struer Gymnasium, Jyllandsgade 2, Struer.

### **Agenda**

- 1. Election of chairman
- 2. The Board of Directors' report on the company's activities during the past year.
- 3. Presentation of the Profit & Loss Account for the 2002/2003 financial year and balance sheet as at May 31 2003 for approval.
- 4. Resolution concerning the allocation of profits in accordance with the approved accounts.
- 5. Proposal from the Board of Directors:

The Board of Directors submits to the Annual General Meeting:

- A. That the company's share capital be reduced by nominally DKK 10.952.310 through the cancellation of the company's holding of own shares (1.067.641 ordinary shares and 27.590 (ordinary shares (multiple voting shares)). The purpose of the capital reduction is the allocation to a special fund which can only be used in accordance with the decision of the Annual General Meeting.
  - B. That the Annual General Meeting decides to dissolve the above-mentioned special fund by transfer to the retained earnings account.

- 2. That the Board of Directors is authorised within 18 months from the date of the Annual General Meeting to acquire up to 10% of the company's share capital at a price which must not be more than 10% above or below the most recent price quoted for the ordinary shares on the Copenhagen Stock Exchange. Irrespective of the above authorisation, however, the company can at no time acquire shares representing more than 10% of the share capital's voting rights.
- 3. That the authorisation to the Board of Directors in the Articles of Association article 4 regarding the issue of staff shares which was in force until 31 May 2003, will continue unchanged until 31 May 2007 so that "2003" in section 4 is changed to "2007". Likewise, the number of ordinary shares which can be issued pursuant to the authorisation, will be increased to nominally DKK 2,500,000. With the proposed changes, the relevant section of the article 4 will read as follows:

"Until May 31, 2007, the Board of Directors is authorised, in one or more stages, to increase the company's share capital by up to DKK 2,500,000 through the issue of share offered to staff of the Bang & Olufsen Group at a price corresponding to the current market price or lower, although not below the price of 10.5 and on terms to be decided by the company's Board of Directors."

(the other part of the provision remain unchanged).

- 4. That in article 7, second-last paragraph, the words "unless another agreement is made" be inserted so that the text will read:
  - "No later than 8 days prior to the general meeting, the agenda for the general meeting and intended proposals in their entirety, as well as, in respect of ordinary general meetings, the annual accounts, the Board of Directors' report and the consolidated accounts shall be available at the offices of the Company for inspection by the shareholders and the aforesaid material shall at the same time be sent to each registered shareholder, unless another agreement is made."
- 5. Proposal for amendments in consequence of the changes to the Act on Commercial Undertakings' annual

accounts etc. and the Companies' Act as relates to articles 7 and 11.

#### Article 7

# Article 7, agenda items 3 and 4 be changed from

- "3. Presentation of profit and loss account and balance sheet for adoption."
- "4. Resolution on application of profit or cover of loss in accordance with the adopted accounts."

### to read as follows:

- "3. Presentation and adoption of the audited annual report."
- "4. Decision concerning the allocation of profits or treatment of loss in accordance with the adopted annual report."

## Article 7, second-last paragraph

The following words:

"as well as the annual accounts, the Board of Director's report and the consolidated accounts"

to be replaced with:

"as well as the annual report and the Board of Directors' report."

### Article 11

is proposed to be changed from:

"The Company's accounting year shall be from June 1 to May 31. The Company's accounts shall be prepared in accordance with recognised auditing principles and the provisions laid down at any time in the Danish Presentation of Accounts Act."

### To read:

"The Company's financial year runs from June 1 to May 31. The Annual Report for Bang & Olufsen a/s is prepared in accordance with the provisions applying to Class D companies under the Danish Annual Accounts Act, Danish Accounting Standards and the requirements

- of the Copenhagen Stock Exchange with respect to financial reporting of listed companies."
- 6. That the Board of Directors, when constituting itself, elects the Chairman only, so that the words "and Vice-Chairman" are omitted from article 9, sub-section 3.
- 7. That a dividend of DKK 7.00 be paid per nominal share of DKK 10, bringing the total dividend for the year to approx. DKK 94 million. Last year, the dividend was DKK 3.50 per nominal share of DKK 10, corresponding to approx. DKK 47 million.
- 6. Pursuant to article 9, Lars Brorsen and Peter Skak Olufsen are up for election. The Board proposes that both be re-elected.

The Board proposes the election of Director Thorleif Krarup to the Board.

7. Election of auditors
The Board of Directors proposes that PricewaterhouseCoopers and DELOITTE & TOUCHE, State-Authorised Public Accounting

### 8. Other matters

Company, be re-elected.

Admission cards for the Annual General Meeting can be obtained by forwarding the enclosed form by mail or fax (no.: + 45 4339 4669) to Danske Bank, to be received by the bank no later than Friday, 3 October 2003, or by calling Danske Bank, tel.: + 45 4339 2885 no later than 4pm on Friday, 3 October, 2003.

Admission cards are also available from Danske Bank's website: www.danskebank.dk/GFBogO.

If you are unable to participate, Bang & Olufsen a/s' Board of Directors would be grateful if you would authorise the Board to cast your vote by proxy. In this case, you are requested to complete the proxy form and, using the enclosed reply envelope, ensure that it is received by the bank no later than 3 October, 2003.

In connection with the Annual General Meeting, we would like to give shareholders, who are not employees, the opportunity to visit the assembly factory (Factory 4) or Factory 5 (production of surfaces for Bang & Olufsen's products).

Guided tours of both factories will be arranged between 1pm-2pm.

Afterwards, you are invited to visit our main building ("Gården") between 2.30pm and 4 pm.

If you wish to take part, please tick the appropriate section on the form.

Yours faithfully Bang & Olufsen a/s

Jørgen Worning Chairman