



BANG & OLUFSEN A/S BUSINESS CONDUCT AND ETHICS POLICY

(Adopted as of 10.07.2019 by the Board of Directors)

Foreword by the CEO

In order to stand the test of time, we at Bang & Olufsen have continuously adapted our business to match the needs from our customers in terms of craftsmanship, sound and design. While our business has evolved, we have been unwavering in our commitment to the highest level of business ethics and integrity. Our success is measured not only by our results, but also by how we achieve those results. This is an essential part to create long-term value for our shareholders and other stakeholders.

In addition to our Values: *Passion, Pride and Persistence*, our Business Conduct and Ethics Policy sets out simple yet fundamental principles that inspire our employees in the conduct of business and guide each of us in the exercise of our responsibilities. I encourage you to discuss any questions or concerns you have with your manager or other Company executives.

The principles set out in this Policy applies to all employees and sets a clear expectation that our principles must be followed in all job-related activities, regardless of potential pressure from the business. We place high expectations specifically on all Bang & Olufsen managers and executives to lead by example and to help others meet their ethical and compliance responsibilities.

Our future collective success depends on the ethical commitment of every individual in our Company in order to achieve our vision to *Become the most desired audio brand in the world*.

Henrik Clausen
CEO

1. Scope of Policy

- 1.1. This Policy applies to all Bang & Olufsen's corporate entities ("Bang & Olufsen") and all Bang & Olufsen employees.

2. Definitions

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| <p>"Anything of Value"</p> | <p>Should be broadly construed, and includes not only cash or cash equivalents, but also entertainment, meals, drinks, travel, lodging, gifts, discounts, use of materials, facilities or equipment, investment opportunities, insurance benefits, political or charitable contributions, promise of future employment and/or any other financial advantage.</p> <p>In determining whether Anything of Value has been provided, the key consideration will be the subjective value of that being conveyed, together with the recipient's perception of it.</p> |
| <p>"Audit Committee"</p> | <p>Refers to the Bang & Olufsen Audit Committee consisting of selected members from the Board of Directors.</p> |
| <p>"Bang & Olufsen"</p> | <p>Refers to all Bang & Olufsen corporate entities.</p> |
| <p>"Bribery"</p> | <p>Occurs when Anything of Value is offered, paid, sought or accepted to influence a business outcome inappropriately.</p> |
| <p>"Company"</p> | <p>Refers to Bang & Olufsen.</p> |
| <p>"Corruption"</p> | <p>Is behaviour lacking in honesty and integrity and particularly relates to the giving of bribes to anyone in return for corporate or personal gain.</p> |
| <p>"Executive Management Board"</p> | <p>Refers to the executive officers of the management board of Bang & Olufsen, registered as such, with the Danish Business Authority.</p> |
| <p>"Facilitation Payment"</p> | <p>Facilitation payments are modest payments made for the purpose of expediting or facilitating the provision of services or routine non-discretionary government action which a Government Official is normally obliged to perform.</p> |
| <p>"Government Official"</p> | <p>Should be broadly construed, and includes:</p> <ul style="list-style-type: none"> (a) any employee or officer of: <ul style="list-style-type: none"> (a.i) any government or government's department, agency or branch; (a.ii) any public international organization; (a.iii) any government owned or controlled commercial enterprise; (b) members of royal families, (c) any political party, party official or candidate for political office; and (d) any other person acting in an official capacity on behalf of any of the foregoing. <p>A person does not cease to be a Government Official by purporting to act in a private capacity or by the fact that they serve unpaid.</p> |

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| "Inside Information" | Refers to information of a precise nature which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments. |
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Policy

3. Ethical Decision Making

- 3.1. Making the right business decision is not always easy. What is right and what is wrong is not always clear. An employee may find him-/herself under pressure or unsure of what to do. Please follow the following ethical decision making guidance in order to help you make the right decision for Bang & Olufsen.

When you come across a difficult problem that could threaten Bang & Olufsen's integrity, ask yourself these questions to make an ethical decision:

- Do you believe it is consistent with our values, policies and guidelines?
- Does it feel right? Does it meet your standards of fairness and honesty?
- Would you be willing to be held accountable for your decision?

- 3.2. The following remarks could be warning signs that the considered decision is non-compliant and not in line with our values:

- *"Everyone else is doing it this way."*
- *"We should keep this decision secret."*
- *"The short-term profit is more important."*

4. Conflict of Interest

- 4.1. A conflict of interest occurs when a person's private interests interfere with, or even appears to interfere with, the interests of Bang & Olufsen.
- 4.2. Employees must never use or attempt to use their position to obtain improper personal benefits for themselves or for others. Any employee who is aware of a conflict of interest, or the appearance of a conflict of interest, or is concerned that a conflict might develop, must discuss the matter with their manager and the Global Compliance Officer. While a conflict of interest may not necessarily violate this Policy, continuing to work in any role, or participating in any decision, that involves that conflict of interest without disclosing it is a violation.
- 4.3. Any actual or potential conflict of interest involving a member of the Executive Management Board or Board of Directors must be resolved by the Audit Committee.

5. Anti-Corruption, Gifts, Hospitality and Political Contributions

5.1. Anti-Corruption

Bang & Olufsen is committed to a zero-tolerance policy towards any form of direct or indirect Bribery or Corruption, including Facilitation Payments, whether offered or accepted by employees or business stakeholders. Please see the Bang & Olufsen Anti-Corruption Policy for full guidance on anti-Corruption and anti-Bribery.

5.2. Hospitality, Travel, Meals and Gifts

Hospitality, travel, meals and gifts are considered part of doing business and maintaining relationships; however, caution must be applied as even a well-intentioned hospitality, travel, meals and gifts can be inappropriate and in violation of law or our policies. Hospitality, travel, meals and gifts must always be reasonable and must not improperly influence others. Extra care needs to be taken when dealing with Government Officials. Internal Company meetings and internal Company events must also be appropriate. Please see the Bang & Olufsen Anti-Corruption Policy for further guidance on hospitality, travel, meals and gifts.

5.3. Political and Charitable Contributions

- 5.3.1. Financial or non-financial contributions to candidates for political office, political party officials or political parties are not permitted, save where such contribution has obtained appropriate approval. Please see the Bang & Olufsen Anti-Corruption Policy for full guidance on political contributions and exemption approval process.
- 5.3.2. As an important part of Bang & Olufsen's work on corporate social responsibility, our Company engage in charitable work, often by donating products or offering know-how to various charitable causes. Caution must however be applied as even a well-intentioned charitable contribution can be inappropriate and in violation of law or our policies, if it creates a conflict of interest or undue influence on the recipient. Please see the Bang & Olufsen Anti-Corruption Policy for full guidance on charitable contributions.

6. Honest and Fair Dealing

- 6.1. Employees must endeavour to deal honestly, ethically and fairly with the Company's customers, suppliers, competitors and employees. Honest conduct is considered to be conduct that is free from fraud or deception. Ethical conduct is considered to be conduct conforming to accepted professional standards of conduct. Fair conduct is considered to be conduct that is free from unfair advantage through manipulation, concealment or misrepresentation of material facts, abuse of privileged information or any other unfair-dealing practice.

7. Fraud and use of Company Assets

- 7.1. Bang & Olufsen does not tolerate any form of fraud, theft, embezzlement or misuse of the Company's assets. Bang & Olufsen's assets are only to be used for legitimate business reasons. Assets include, but are not limited to office equipment, telephone, copy machines, facilities, vehicles, commercial products, documents, data and financial resources. Employees have a responsibility to protect Bang & Olufsen's assets from theft and loss and to ensure their efficient and safe use. Theft, carelessness and waste have a direct impact on Bang & Olufsen's profitability.

8. Confidentiality and Trade Secrets

- 8.1. It is important that employees protect the confidentiality of information related to the Company, as employees may have access to proprietary and confidential information concerning the Company's business, customers, stakeholders and suppliers.
- 8.2. Confidential information includes any internal information obtained in the course of employment, including but not limited to non-public information concerning:
 - (a) the Company's business, financial results and prospects,
 - (b) the Company's customers and suppliers,
 - (c) intellectual property rights, including patents and know-how,
 - (c) the Company's contracts, agreements or investments, and
 - (d) potential corporate transactions involving the Company and any legal proceedings commenced by or against the Company as well as any non-public information that might, if disclosed, be of use to the Company's competitors or harmful to the Company or its customers.

- 8.3. Employees are required to keep such information confidential during their employment as well as thereafter, and not to use, disclose, or communicate that confidential information other than in order to perform a required job duty and as clearly authorized.
- 8.4. Bang & Olufsen is listed on NASDAQ Copenhagen and as a consequence disclosure of material non-public information relating to the Company could violate applicable insider trading laws and could result in significant civil and criminal penalties for the individual, in addition to penalties that may be imposed upon the Company and its management.
- 8.5. Employees should immediately notify the Vice President, Group General Counsel of any known or suspected leak of confidential information. Based on the information received, the General Counsel together with the Executive Management Board shall determine which measures to take.

9. Data Privacy

- 9.1. Bang & Olufsen is committed to protecting the privacy of our employees, customers and other stakeholders.
- 9.2. We must always handle personal data with care and protect the personal data that is entrusted to us. All employees must ensure to keep personal data safe, secure, and accurate.
- 9.3. Personal data is only to be collected, accessed, used, and stored for legitimate business purposes.
- 9.4. Personal data must be transmitted using secure tools and access to personal data must be restricted to authorized individuals.
- 9.5. External stakeholders, who provide services for Bang & Olufsen, must be obligated to maintain privacy protections of the personal data we share.
- 9.6. Employees can find more guidance on data privacy on BeoWeb.

10. Quality

- 10.1. Bang & Olufsen is committed to exceeding our customers' expectations for ultimate quality and craftsmanship. It is furthermore critical that we deliver products providing full safety for use by our customers. Bang & Olufsen operates under an ISO 9001 certification for its Quality Management System.

11. Health and Safety

- 11.1. Bang & Olufsen strives to provide each employee with a safe and healthy work environment. Each employee has a responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment or conditions.
- 11.2. Threats or acts of violence and physical intimidation are not permitted. The use of illegal drugs in the workplace will not be tolerated. Employees can find more information regarding health and safety on BeoWeb.

12. Financial Reporting

- 12.1. Accurate financial reporting is important not only to our external stakeholders, such as investors, but also important to our internal stakeholders in order to make informed business decisions.
- 12.2. All employees have a responsibility to record financial information and business results in a complete, accurate and understandable way.

- 12.3. Employees shall not knowingly (i) make, or permit or direct another to make, materially false or misleading entries in the Company's financial statements or records, (ii) fail to correct materially false and misleading financial statements or records, (iii) sign, or permit or direct another to sign, a document containing materially false and misleading information or (iv) falsely respond, or fail to respond, to specific inquiries of the Company's independent auditor or outside legal counsel.
- 12.4. In addition, each employee shall promptly bring to the attention of the Audit Committee any information he or she may have concerning (i) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial data or (ii) any fraud, whether or not material.

13. Prohibition on Loans

- 13.1. Bang & Olufsen is prohibited from, directly or indirectly (including through subsidiaries), (i) extending or arranging for the extension of personal loans to its employees and (ii) renewing or materially modifying existing loans to such persons. Employees shall not seek or facilitate personal loans from the Company in contravention of the foregoing.

14. Insider Trading

- 14.1. Purchase, sale or recommendation to buy or sell Bang & Olufsen's securities may not be performed by any person with Inside Information.
- 14.2. If employees have any doubts as to whether information is considered Inside Information, they must contact the legal & compliance department. Further information relating to Inside Information is available on BeoWeb.

15. Manager Responsibilities on Business Conduct and Ethics

- 15.1. Each manager in Bang & Olufsen has a responsibility to act as a role model and to act honestly and in good faith with a view to the best interests of the Company.
- 15.2. In carrying out their duties and responsibilities, managers should endeavour to comply, and to cause the Company to comply, with applicable laws, rules and regulations.
- 15.3. Finally, managers should proactively promote ethical behaviour and encourage employees to report evidence of illegal or unethical behaviour to appropriate Company personnel.

16. Duty To Ask Questions and Report Non-Compliance

16.1. Duty To Ask Questions

All employees who have questions about the appropriate behaviour to be adopted or the interpretation of the principles set out in this Policy, other Policies or our internal Guidelines, are encouraged to contact their manager, the relevant department responsible for the Policy/Guideline, or the Global Compliance Officer. Asking and discussing your questions will often highlight key risks with the intended action and how such risks should be mitigated.

16.2. Duty to Report Non-Compliance

- 16.2.1. It is paramount for Bang & Olufsen to deal with any potential or actual violations of law, our policies or our guidelines in order to achieve and sustain the highest levels of ethics and compliance. All employees have a duty to report on any such potential or actual violation. By reporting, you give Bang & Olufsen an opportunity to deal with the issue directly, whereas remaining silent could worsen the issue.
- 16.2.2. Reporting must be done to the manager or other appropriate persons within Bang & Olufsen, such as HR, Legal & Compliance or a member of Executive Management Board. If an individual does not feel comfortable talking to any of these persons about such matters, he or she is encouraged to submit a report through the telephone and web-based whistleblower hotline established by Bang & Olufsen.

- 16.2.3. The whistleblower hotline can be used by calling (from Denmark) +45 800-100-10 and entering the code 877-693-3453 or visiting (EU) <https://bang-olufsen-eu.alertline.eu> or (Global, excl. EU) <https://bang-olufsen.alertline.eu> and following the instructions contained therein. Global telephone numbers for the whistleblower hotline can be found on BeoWeb. You can choose to be anonymous when submitting a report through the whistleblower hotline, however Bang & Olufsen encourages all individuals to identify themselves in order to aid the investigation.
- 16.2.4. Bang & Olufsen will treat all reports in a confidential manner. If a person has identified himself or herself when making a complaint in good faith, the identity of the person who registered the complaint will be kept confidential unless disclosure is necessary to complete a fair investigation or for another overriding reason, or as required by law or regulation.
- 16.2.5. Bang & Olufsen wants to ensure that no employee feels at a disadvantage in lawfully raising legitimate concerns and follows a strict no-retaliation policy. Any person may submit a good faith complaint, report or concern regarding an actual or potential violation without fear of dismissal or retaliation of any kind even when the suspicion at the origin of the report proves groundless.
- 16.2.6. More information regarding the whistleblower hotline is available on BeoWeb.

17. Policy Waivers

- 17.1. Because of the importance of the matters involved in this Policy, waivers will be granted only in limited circumstances and where such circumstances would support a waiver.
- 17.2. Waivers of the Policy may only be made by the CEO or the Board of Directors and may need to be publicly disclosed by the Company.

18. Disciplinary Sanctions

- 18.1. Any employee who violates law or any Bang & Olufsen policy or guideline or other instructions may be subject to disciplinary action, up to and including termination of their contract of employment.
- 18.2. Any employee who commits a crime may be subject to criminal and/or civil penalties, including imprisonment and very substantial fines, which will not be reimbursed by Bang & Olufsen.

19. Policy Review

- 19.1. This policy will be reviewed annually by the Board of Directors.

20. Policy Owner

- 20.1. Vice President, Group General Counsel