

## **Charter for the Nomination Committee of Bang & Olufsen a/s**

### **1. Establishment and purpose**

- 1.1. Pursuant to the Rules of Procedure of the Board of Directors of Bang & Olufsen a/s, CVR no. 41 25 79 11 (the "Company"), the Board of directors has resolved to establish a nomination committee (the "Nomination Committee").
- 1.2. The Nomination Committee works as a preparatory committee for the Board of Directors with respect to, among other matters, nomination and appointment of candidates to the Board of Directors and the Executive Management Board, evaluation of the Board of Directors, the Executive Management Board and their individual members, succession planning and diversity. Any delegation to the Nomination Committee shall not amend the authority or responsibility of the Board of Directors.
- 1.3. The overall purpose of the Nomination Committee shall be to assist the Board of directors with ensuring that appropriate plans and processes are in place for nomination of candidates to the Board of Directors and the Executive Management Board.

### **2. Members**

- 2.1. The Nomination Committee shall consist of no less than three members. The members shall be appointed by and among the members of the Board of Directors. The majority of the members of the Nomination Committee shall be independent. The Chairman of the Board of Directors shall be appointed chairman of the Nomination Committee.
- 2.2. The members of the Nomination Committee shall be appointed for one year at a time.
- 2.3. The Nomination Committee forms a quorum when half of its members including the Chairman of the Committee are present at a meeting.
- 2.4. Resolutions by the Nomination Committee shall be passed by simple majority. In case of equality of votes, the Chairman of the Nomination Committee shall have a casting vote.

### **3. Assignments**

- 3.1. The overall assignments of the Nomination Committee in respect of the assessment of qualifications, competences and performance are to:

- 3.1.1. Annually submit to the Board of Directors a description of the qualifications and competences required of the Board of Directors and the Executive Management Board to best perform their respective tasks as well as the expected time commitment required for each position;
- 3.1.2. Annually submit to the Board of Directors an assessment of the expertise, professional knowledge and experience represented on the Board of Directors and whether there are areas in which the competencies and knowledge of the members of the Board of Directors should be updated;
- 3.1.3. The Nomination Committee shall regularly assess the composition, professional knowledge and experience of the Executive Management Board as well as developments and the performance of its duties and make recommendation to the Board of Directors on the potential need for changes in the Executive Management Board.
- 3.1.4. Annually evaluate the structure, size, composition and performance of the Board of Directors and the Executive Management Board and make recommendations to the Board of Directors regarding any changes taking into consideration the objective to ensure a constructive and efficient debate and decision-making process;
- 3.1.5. Annually evaluate the competencies, knowledge, experience, work, performance and achievements of the Board of Directors and of each individual member and report hereon to the Board of Directors with the Chairman being in charge of the evaluation, and;
- 3.1.6. Annually evaluate the composition, knowledge, experience, performance and results of the Executive Management Board, where relevant with pre-defined criteria, and report hereon to the Board of Directors.

### **Recommendations for nomination and appointment**

- 3.2. The overall assignment of the Nomination Committee in respect of the recommendations for nomination and appointment are to:
  - 3.2.1. Ensure a formal, thorough and transparent process for selection and nomination of candidates to the Board of Directors taking into consideration the needs for changes and diversity in relation to international experience, gender, age, etc. and that it is recommended that at least half of the members of the Board of Directors elected by the general meeting shall be independent as defined in the Danish Recommendations on Corporate Governance applicable from time to time;
  - 3.2.2. Consider proposals for candidates to the Board of Directors and the Executive Management Board submitted by relevant persons, including shareholders and members of the Board of Directors and the Executive Management Board;

- 3.2.3. Identify and recommend to the Board of Directors candidates and any changes to the Board of Directors and the Executive Management Board, which shall include qualifications, experience and other competencies as well as any possible conflicts of interest such candidates may have;
- 3.2.4. Ensure that recommendations for the nomination and/or replacement of members of the Board of Directors and the Executive Management Board shall be prepared on the basis of the qualifications and competencies deemed to be required by the nomination Committee , cf. section 3.1.1;
- 3.2.5. Prepare descriptions of nominated candidates' qualifications, including information on other executive functions (e.g. membership of management boards, boards of directors, supervisory boards, board committees etc.) in Danish and foreign companies as well as any demanding positions in organizations, which, subject to the approval of the Board of Directors, shall be sent out to the shareholders together with the notice convening general meetings at which members are to be elected; and
- 3.2.6. Annually make suggestions for appointment of members to the committees established by the Board of Directors.

### **Succession planning**

- 3.3. The overall assignment of the Nomination Committee in respect of succession planning are to:
  - 3.3.1. Ensure that policies and plans are in place with regard to succession planning for the Executive Management Board and certain other key roles in the organisation.
  - 3.3.2. Make recommendations to the Board of Directors on succession planning and talent management in order to achieve and maintain an appropriate balance of skills, knowledge, experience and diversity in the Executive Management Board.

### **Diversity**

- 3.4. The overall assignment of the Nomination Committee in respect of diversity is to:
  - 3.4.1. Ensure that a policy is in place with respect to diversity.
  - 3.4.2. Set targets for the proportion of the underrepresented gender on the Board of Directors. The policy referred to in Clause 3.4.1 shall include policy statements on how to achieve such targets.

## **4 Meetings and minutes**

- 4.1. Meetings shall be held when deemed necessary by the chairman of the Nomination Committee, subject to a minimum of one meeting a year. Any member of the Nomination Committee may request a meeting of the Nomination Committee.
- 4.2. The chairman shall convene the meeting and determine the agenda which shall be sent to the members in advance of each meeting. The Executive Management Board shall through the CEO and the Company Secretary assist the Nomination Committee in respect of secretarial functions.
- 4.3. The Company Secretary prepares and keeps minutes of the businesses transacted at meetings of the Nomination Committee.
- 4.4. Copies of the minutes are sent to all members of the Board of Directors and, if practically possible, considered at the first meeting of the Board of Directors subsequent to the meeting of the Nomination Committee. If the minutes are not yet available, the Chairman of the Nomination Committee shall give a summary of the business transacted at the Nomination Committee meeting and the minutes shall be submitted to the Board of Directors for information at the following meeting of the Board of Directors.
- 4.5. The work of the Nomination Committee is subject to the same confidentiality as the work of the Board of Directors.
- 4.6. Any members of the Board of Directors, the Executive Management Board, relevant employees and external parties (e.g. advisers) may participate in the meetings of the Nomination Committee upon invitation.
- 4.7. The Executive Management Board shall attend meetings of the Nomination Committee if requested.

## **5 Authorization**

- 5.1. The nomination Committee shall report and make recommendations to the Board of Directors.
- 5.2. The Nomination Committee is authorized to examine all matters within the scope of its charter.
- 5.3. The Nomination Committee may retain separate advisers. The fee to such advisers shall be paid by the Company.

## **6 Review of charter**

- 6.1. The Nomination Committee shall review the charter once a year. Amendments shall be approved by the Board of Directors.

Approved by the Board of Directors of bang & Olufsen a/s on 10 January 2018.