

GN



# Annual General Meeting

GN Store Nord A/S

Wednesday, March 13, 2024, at 10:00 a.m. (CET)

Company reg. no. 24257843



## TO THE SHAREHOLDERS OF GN STORE NORD A/S

The Annual General Meeting will be held on Wednesday, March 13, 2024, at 10:00 a.m. (CET) at GN Store Nord A/S, Lautrupbjerg 7, DK-2750 Ballerup, Denmark.

### **Attendance, request for admission card(s), and voting paper**

#### Registration

Shareholders must register for GN Store Nord A/S' Annual General Meeting by requesting an admission card. Admission cards can be obtained through the Shareholder Portal hosted by Computershare A/S at [www.computershare.dk](http://www.computershare.dk) (also accessible through the company's website at [www.gn.com/agm](http://www.gn.com/agm)) or by phone +45 45 46 09 97.

Shareholders may attend the Annual General Meeting together with one accompanying person (advisor or guest). Shareholders who wish to attend the Annual General Meeting with an accompanying person have to request an extra admission card.

The deadline for ordering admission card(s) is Friday, March 8, 2024, at 11:59 p.m. (CET).

Admission cards are issued electronically. The admission card(s) will be sent to the email address provided by the shareholder on the Shareholder Portal at [www.computershare.dk](http://www.computershare.dk).

#### Participation at the Annual General Meeting

Participants must bring the admission card(s) to the Annual General Meeting, either electronically on a smartphone/tablet or in print. Admission card(s) may also be collected at the registration counter at the entrance to the Annual General Meeting upon presentation of proof of identity. A printed voting paper will be provided at the registration counter.

#### Live streaming from the Annual General Meeting

The Annual General Meeting is transmitted live in Danish and English via webcast on the company's website, [www.gn.com/agm](http://www.gn.com/agm).

#### Voting if not participating at the Annual General Meeting

Shareholders who do not expect to attend the Annual General Meeting may vote by postal vote or by proxy given to the Chair of the Board of Directors or to a person appointed by the shareholder and participating at the Annual General Meeting. Submission of postal vote or proxy may take place through the Shareholder Portal at [www.computershare.dk](http://www.computershare.dk) (also accessible through the company's website at [www.gn.com/agm](http://www.gn.com/agm)).

A proxy must be received by Computershare A/S no later than Friday, March 8, 2024, at 11:59 p.m. (CET).

A postal vote must be received by Computershare A/S no later than Tuesday, March 12, 2024, at 10:00 a.m. (CET). Please note that once received by Computershare A/S, the postal vote cannot be revoked or replaced by a new postal vote.

Shareholders holding shares through a nominee must exercise voting rights through the nominee structure. This entails that any such votes, including amendment of votes submitted by proxy, must be submitted to the company by the nominee.

#### Communication by email or ordinary mail

Shareholders also have the option of requesting admission card(s) or submitting their postal vote/proxy by email or ordinary mail. The registration/proxy/postal vote form can be downloaded from the Shareholder Portal at [www.computershare.dk](http://www.computershare.dk) or [www.gn.com/agm](http://www.gn.com/agm). The form must be signed and returned to Computershare A/S as set out in the form.

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## Agenda and complete proposals

**1. Report by the Board of Directors on the activities of the company during the past year.**

The Board of Directors proposes that the report is noted by the general meeting.

**2. Submission of the audited Annual Report for approval.**

The Board of Directors proposes that the audited Annual Report 2023 is approved. The Annual Report 2023 is available on the company's website, [www.gn.com/agm](http://www.gn.com/agm).

**3. Resolution of discharge to the Board of Directors and the Executive Management.**

The Board of Directors proposes that the Board of Directors and the Executive Management are granted discharge from liability.

**4. Decision on application of profits or covering of losses in accordance with the approved Annual Report.**

The Board of Directors refers to page 39 of the Annual Report 2023 containing the proposal on distribution of the annual profits, according to which no dividends are paid out in respect of the financial year 2023.

**5. Presentation of and advisory vote regarding the Remuneration Report.**

The company has prepared a Remuneration Report covering the financial year 2023, which is available on the company's website, [www.gn.com/agm](http://www.gn.com/agm). The Remuneration Report has been prepared in accordance with applicable rules and regulations as well as the Danish Recommendations on Corporate Governance published by the Committee on Corporate Governance. The Remuneration Report covers remuneration due or awarded during the financial year 2023 to the company's Board of Directors and Executive Management and is presented to the Annual General Meeting for an advisory vote.

The Board of Directors notes that in the preparation of the 2023 Remuneration Report, it has been a focus point to further enhance transparency and, after consultation with several key investors during the year, to directly address shareholder and proxy advisor feedback provided to the 2022 Remuneration Report. Further information on the steps taken to improve transparency and to address shareholder and proxy advisor feedback may be found on page 6 of the 2023 Remuneration Report.

The Board of Directors proposes that the Annual General Meeting approves the company's 2023 Remuneration Report in the advisory vote.

**6. Approval of remuneration to the Board of Directors for the current financial year.**

As per company announcement no. 26 of September 4, 2023, the GN Group is transitioning into a "one-company" set-up, simplifying the GN Group's governance structure to drive further market success and shareholder value creation as a fully integrated innovation powerhouse. This includes a transition into one management structure with one Group CEO, one Group CFO and GN Store Nord A/S' Board of Directors overseeing the Group and its three business units.

As a consequence thereof, going forward, Board Members elected by the Annual General Meeting of GN Store Nord A/S will only serve as Board Members of GN Store Nord A/S, and not also as Board Members of each of GN Hearing A/S and GN Audio A/S, and will therefore be granted remuneration in their capacity as members of the Board of Directors of GN Store Nord A/S only. Going forward, the Board of

Directors in GN Hearing A/S and GN Audio A/S will consist of the GN Group's senior management in line with other operational subsidiaries in the GN Group.

Following the change to a "one-company" set-up, the workload for each shareholder elected Board Member will remain the same, and therefore it is the intention that the new set-up shall not cause any substantial change in the total amount of remuneration paid to each Board Member. Accordingly, the Board of Directors proposes that the total remuneration approved by the Annual General Meeting for the financial year 2024 is maintained at the same level as the financial year 2023, but with the adjustment that fees previously paid to members of the Board of Directors of each of GN Hearing A/S and GN Audio A/S are consolidated into one Board fee to be paid to members of the Board of Directors of GN Store Nord A/S as follows:

The base fee for serving on the Board of Directors of GN Store Nord A/S is set at DKK 545,000, with 2 times the base fee to the Deputy Chair and 3 times the base fee to the Chair.

The base fee for serving on the Audit Committee remains at DKK 185,000, with 2 times the base fee to the Chair of the committee.

The base fee for serving on each of the Remuneration Committee and the Strategy Committee, respectively, shall be decreased from DKK 185,000 to DKK 137,500, with 2 times the base fee to the Chair of the respective committee.

The base fee for serving on the Nomination Committee shall be increased from DKK 90,000 to DKK 137,500, with 2 times the base fee to the Chair of the committee.

In addition to reimbursement of travel expenses, members of the Board of Directors are entitled to receive a fixed allowance in the following amounts in connection with participation in Board and/or committee related meetings held outside the Board Members' country of residence:

- EUR 3,000 per journey (outward and return) to (a) meeting(s) held on the same continent as the Board Member resides, and
- EUR 6,000 per journey (outward and return) to (a) meeting(s) held on a continent other than the continent on which the Board Member resides.

The fixed travel allowance amounts remain unchanged from the financial year 2023.

In addition to the above-mentioned fees, GN pays statutory contributions to social security and similar taxes and charges that GN is obligated to pay according to applicable local law in relation to a member of the Board of Directors' directorship with GN.

## **7. Election of members to the Board of Directors.**

### **a. Decision on the number of members of the Board of Directors to be elected.**

Pursuant to article 15.1 of the company's Articles of Association, the company is managed by a Board of Directors of five to nine Board Members elected by the general meeting. In addition, the Board of Directors consists of any members elected by the employees in accordance with the Danish Companies Act.

The Board of Directors proposes that six members of the Board of Directors are elected by this Annual General Meeting.

**b. Election of members to the Board of Directors.**

Pursuant to article 15.1 of the company's Articles of Association, all members of the Board of Directors elected by the general meeting are elected for a term until the company's next Annual General Meeting.

Accordingly, each of Jukka Pekka Pertola, Klaus Holse, H el ene Barnekow and Anette Weber are up for re-election.

The Board of Directors proposes re-election of: Jukka Pekka Pertola, Klaus Holse, H el ene Barnekow and Anette Weber.

In addition, the Board of Directors proposes election of Kim Vejlb y Hansen and J rgen Bundgaard Hansen as new members of the Board of Directors. Kim Vejlb y Hansen is CEO of the Danish-owned company FOSS A/S, the leading global provider of analytics for the food and agricultural industries. Further, he serves as Chair of the Board of Ibsen Photonics A/S and Board Member at SPIO Systems ApS. The Board of Directors proposes election of Kim Vejlb y Hansen as he will add expertise within general management, business development, M&A, product development (software, hardware, and digital signal processing), quality, service & sales support, production, procurement, and logistics. J rgen Bundgaard Hansen is based in the US and is CEO and Chair of Gravitas Medical Inc. Moreover, he serves as Board Member of Sterilucant, Inc. The Board of Directors proposes election of J rgen Bundgaard Hansen as he is an experienced international leader (EU, US, Asia) of large organizations with a global agenda of growth and/or major transformation, especially within health care. He will further add expertise within complex turnarounds, change management and major restructurings, strategy, M&A, sales, marketing, R&D, operations/supply chain, public company investor relations, organizational diversity, leadership training and coaching. Further information on Kim Vejlb y Hansen and J rgen Bundgaard Hansen and their directorships and management positions can be found in Appendix 1.

All candidates proposed for re-election and election, respectively, are considered independent as defined in the Danish Recommendations on Corporate Governance published by the Committee on Corporate Governance.

Information on directorships and management positions of each candidate proposed for re-election to the Board of Directors is attached hereto as Appendix 2. Further information may be found on [www.gn.com](http://www.gn.com) and in the Annual Report 2023.

**8. Election of a state-authorized public accountant to serve until the company's next Annual General Meeting.**

Pursuant to article 18.2 of the Articles of Association, a state-authorized public accountant must be elected for the term until the next Annual General Meeting. Based on a recommendation from the Audit Committee, the Board of Directors proposes re-election of PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab (PwC), company reg. no.: 33771231, in respect of statutory financial and sustainability reporting.

In connection with the above, the Audit Committee has not been influenced by third parties nor has it been subject to any contractual obligations restricting the Annual General Meeting's choice of certain auditors or audit firms.

9. **Proposals from the Board of Directors.**

a. **Proposal from the Board of Directors to renew the standard authorization to the Board of Directors to increase the share capital with pre-emptive rights (article 5.1 in the Articles of Association).**

The standard authorization to issue shares in article 5.1 of the company's Articles of Association expired on March 13, 2023. Hence, the Board of Directors proposes for the Annual General Meeting to renew the standard authorization to the Board of Directors to increase the share capital with preemptive rights for the existing shareholders for a five-year period until March 13, 2029. The proposed authorization can be exercised in one or more rounds with a total nominal value of up to DKK 301,825,430 (corresponding to 50% of the share capital) by way of cash contribution. The purpose of the proposal is to provide the Board of Directors with greater flexibility in obtaining equity financing to facilitate the future development of the company.

In connection with the above, it is proposed that article 5.1 in the company's Articles of Association be replaced with the following wording:

*“The board of directors is authorized to increase the share capital with preemptive rights for the existing shareholders by issuing new shares in one or more rounds with a total nominal value of up to DKK 301,825,430 by way of cash contribution. The authorization is valid until March 13, 2029.”*

If adopted, the authorization will be subject to the terms set out in articles 5.3 of the Articles of Association (5.4 after adoption of agenda item 9.b) and article 5.4 of the Articles of Association (5.5 after adoption of agenda item 9.b).

b. **Proposal from the Board of Directors to renew the standard authorization to the Board of Directors to increase the share capital without pre-emptive rights (article 5.2 of the Articles of Association).**

The standard authorization to issue shares in article 5.2 of the company's Articles of Association was fully exercised by the Board of Directors on 24 May 2023. Hence, the Board of Directors proposes for the Annual General Meeting to renew the standard authorization to the Board of Directors to increase the share capital without preemptive rights for the existing shareholders for a five-year period until 13 March 2029. The proposed authorization can be exercised in one or more rounds with a total nominal value of up to DKK 60,365,086 (corresponding to 10% of the share capital) by way of cash contribution or contribution of other assets than cash. The purpose of the proposal is to provide the Board of Directors with greater flexibility, including by ensuring that shares can be issued against contribution of assets other than cash, in obtaining equity financing to facilitate the future development of the company.

In addition, the Board of Directors proposes to include an aggregate cap by a maximum nominal value of DKK 301,825,430 (corresponding to 50% of the share capital) for capital increases issued pursuant to articles 5.1 and 5.2.

It is proposed that article 5.2 in the company's Articles of Association be replaced with the following wording:

*“The board of directors is authorized to increase the share capital without preemptive rights for the existing shareholders by issuing new shares in one or more rounds with a total nominal value of up to DKK 60,365,086 by way of cash contribution or contribution of assets other than cash. The new shares shall be subscribed for at market price. The authorization is valid until March 13, 2029.”*

It is proposed that a new article 5.3 in the company's Articles of Association be adopted with the following wording:

*“The authorizations given to the board of directors under Article 5.1 and 5.2 can in the aggregate be exercised to increase the share capital by a maximum nominal amount of DKK 301,825,430.”*

If adopted, the authorization will be subject to the terms set out in article 5.3 of the Articles of Association (5.4 after adoption of this agenda item 9.b) and article 5.4 of the Articles of Association (5.5 after adoption of this agenda item 9.b).

**c. Proposal from the Board of Directors to authorize the Board of Directors to acquire treasury shares.**

The company currently has a holding of around 5.3 million treasury shares, corresponding to approximately 3.5% of the share capital.

The Board of Directors proposes that, until the next Annual General Meeting, the Board of Directors be authorized to allow the company and its subsidiaries to acquire additional shares in the company up to a total nominal value equivalent to 10% of the company’s share capital at the time of acquisition. The shares are to be acquired at the market price applicable at the time of purchase subject to a deviation of up to 10%. The company’s holding of treasury shares, including previously acquired shares, may at no time exceed 10% of the share capital of the company.

**d. Proposal from the Board of Directors to approve updated Remuneration Policy.**

The Board of Directors proposes that the Annual General Meeting approves an updated version of the company’s Remuneration Policy.

The purpose of the proposed updates to the Remuneration Policy is to ensure that GN’s Remuneration Policy effectively enables the company to continuously attract, retain, and motivate the right talent for its Executive Management. The main changes in the revised Remuneration Policy may be summarized as follows:

- Long-term incentive (“LTI”), transition from share options to Performance Share Units (PSUs): To better support performance, retention, and alignment of interest with the company’s shareholders in the longer run, the updated Remuneration Policy shifts the LTI instrument from share options to PSUs, with the initial grant of PSUs planned to occur in the spring of 2025 with a transition grant of share options in 2024.
- LTI, change of performance mechanism: In response to challenges with the current peer-group-based performance mechanism and in line with market practices for similar companies, the updated Remuneration Policy introduces a mechanism whereby LTI performance is measured relative to selected Key Performance Indicators (KPIs) aligned to GNs strategy over the three-year vesting period. This will apply to the share options for 2024 and future PSUs.
- LTI, shareholding guideline: The updated Remuneration Policy introduces shareholding guidelines for members of the Executive Management.
- Indemnification: The wording of the indemnification arrangement for the Board of Directors and Executive Management is proposed amended to reflect the proposal under agenda item 9.e.3.
- Other: Further to the above, a number of non-material updates have been made in the Remuneration Policy.

The proposed updated Remuneration Policy is attached hereto as Appendix 3, noting that the revised Clause 10 on indemnity arrangement is subject to approval under agenda item 9.e.3 below.

**e. Indemnification of the Board of Directors and Executive Management.**

As described in GN's Remuneration Policy, it is GN's policy to take out a customary directors' and officers' liability insurance ("**D&O Insurance**") and, in line with its Danish peers, to further indemnify members of the Board of Directors and Executive Management in situations where there is inadequate coverage under the D&O Insurance.

With due regard to the regulatory environment in which GN operates and in order to be able to attract suitable candidates for the Board of Directors and the Executive Management, the Board of Directors continues to find it in the best interest of GN and its shareholders that the company's directors and officers are offered appropriate indemnification against claims raised by third parties against them in the discharge of their duties.

In a statement of 13 April 2023, the Danish Business Authority has expressed certain new guiding principles for indemnification schemes. To ensure alignment with the new guidance from the Danish Business Authority, the Board of Directors proposes that the current indemnification scheme as described in the Remuneration Policy, page 9, be amended in light of the new guidance, including implementation of a four-year time limitation, and that such scheme be reapproved by the Annual General Meeting. Moreover, the Board of Directors proposes that the indemnification scheme be amended to also cover certain situations, subject to the conditions below, where there is no coverage under the D&O Insurance. The amended indemnity scheme (the "**Indemnity Arrangement**") is to be administered and implemented by the Board of Directors, acting in accordance with the Remuneration Policy and applicable laws and as further specified under agenda item 9.e.1 below:

**1. Indemnification of the Board of Directors and Executive Management.**

The Board of Directors proposes that the Annual General Meeting adopts the following revised Indemnity Arrangement for members of the Board of Directors and Executive Management:

**"Indemnification**

*Indemnification scope*

With due regard to the regulatory environment in which GN operates and in order to be able to attract qualified members to the board and the management of GN, it is GN's policy to take out customary directors' and officers' liability insurance ("**D&O Insurance**"), from time to time. Further, it is found to be in the best interest of the GN Group 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 of Directors and Executive Management where there is no or inadequate coverage under the D&O Insurance. Consequently, the general meeting has previously approved a scheme of indemnification (the "**Indemnity Arrangement**") pursuant to which GN undertakes to indemnify and hold harmless each member of the Board of Directors and the Executive Management from and against any losses (including any costs, expenses and potential tax liabilities associated therewith) incurred by such member of the Board of Directors and/or Executive Management and arising out of such person's discharge of his/her duties as a director or manager of GN including without limitation any claim or investigation by a governmental or administrative authority.



### *Conditions and limitations*

Any indemnification under the Indemnity Arrangement shall be secondary to any coverage under the D&O Insurance taken out by GN from time to time. Indemnification under the Indemnity Arrangement shall not be conditional upon coverage being available under the D&O Insurance in whole or in part, nor shall indemnification under the Indemnity Arrangement 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 GN from covering defense costs upfront with a view to claim reimbursement under the D&O Insurance.

The Indemnity Arrangement is for the sole benefit of the members of the Board of Directors and the Executive Management, and no third party shall be entitled to rely on or derive any benefits from the Indemnity Arrangement or have any recourse against GN on account of the Indemnity Arrangement.

Excluded from coverage under the Indemnity Arrangement are losses, etc., derived from:

- a) Any claims if and to the extent covered by insurance taken out by GN, 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 of Directors or Executive Management 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 of Directors or Executive Management by GN or a subsidiary of GN;
- d) Any claims raised against a member of the Board of Directors or Executive Management 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 Indemnity Arrangement to the member of the Board of Directors or Executive Management.

The Indemnity Arrangement is to be approved by the general meeting at least every four years.

### *Administration and authorization to the Board of Directors*

The Board of Directors is authorized to determine the further application of the Indemnity Arrangement within the framework laid out above, including laying down the detailed terms and conditions, defining any monetary thresholds, period for coverage, run-off coverage and other coverage and extension of the Indemnification Arrangement to the management in any subsidiaries of GN. Moreover, the Board of Directors is authorized to administer and implement the Indemnity Arrangement, and to take any decisions under the Indemnity Arrangement in respect of any claims or defer such decision to one or more third party expert(s), as well as take any other actions in order to give effect to the Indemnity Arrangement, in each case consistent with the resolution approved by the Annual General Meeting on 13 March 2024.

For the avoidance of doubt, GN may adopt separate indemnification arrangements for other key employees and management members, which may be subject to terms and conditions that vary from the Indemnification Arrangement".

## **2. Amendment of the Articles of Association.**

To increase transparency for its shareholders and other stakeholders, the Board of Directors proposes that the adoption of the Indemnity Arrangement be reflected in the Articles of Association, to the extent

approved pursuant to agenda item 9.e.1 above. Accordingly, the Board of Directors proposes to include the following as a new article 17 in the company's Articles of Association:

*"The company's general meeting has adopted a resolution approving an arrangement for indemnification of current, former and future members of the Board of Directors and Executive Management in respect of certain losses (including any costs, expenses and potential tax liabilities associated therewith) incurred by such persons arising out of the discharge of their duties as a director or manager of the company. The scheme is managed and implemented by the board of directors in accordance with the resolution of the general meeting."*

As a consequence of the proposal, the following articles of the Articles of Association will be numbered consecutively.

**3. Amendment of Remuneration Policy to incorporate updated provision on indemnification of the Board of Directors and Executive Management.**

The Board of Directors proposes that the current indemnification scheme as described in the Remuneration Policy, page 9, be amended to reflect the adoption of the Indemnity Arrangement, to the extent approved pursuant to agenda item 9.e.1 above.

The proposed revised Clause 10 of the Remuneration Policy is reflected in the updated Remuneration Policy attached hereto as Appendix 3.

**10. Proposals from shareholders.**

There are no proposals from shareholders.

**11. Any other business.**

No decisions nor proposals may be adopted under this item.

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**Rules on adoption**

Adoption of the proposal under item 9.a, 9.b and 9.e.2, which involves amendments to the company's Articles of Association, requires a majority of at least 2/3 of the votes cast as well as of the share capital represented at the Annual General Meeting. All other proposals may be adopted by a simple majority of votes. The 2023 Remuneration Report is presented for an advisory vote.

**The size of the share capital and the shareholders' voting rights**

The company's share capital of nominally DKK 603,650,860 is divided into shares of DKK 1 or multiples hereof. Each share of DKK 1 carries one vote.

Shareholders are entitled to attend the Annual General Meeting and vote on shares held on the record date, Wednesday, March 6, 2024. The shares held by each shareholder are based on information in the company's register of shareholders as well as notifications about ownership received by the company prior to or on the record date for entry into the register of shareholders, but which have not yet been recorded.

**Further information about the Annual General Meeting**

Further information about the Annual General Meeting is available at the company's website, [www.gn.com/agm](http://www.gn.com/agm), including the total number of shares and voting rights as of the date of the notice to convene the Annual General Meeting, this notice to convene the Annual General Meeting with the agenda and complete proposals, information

on the candidates for election to the Board of Directors, the current and the proposed updated Articles of Association and Remuneration Policy, respectively, the Remuneration Report, as well as the registration, proxy and postal vote forms to be used in connection with the Annual General Meeting. The full Annual Report for 2023 is available at [www.gn.com/annualreport2023](http://www.gn.com/annualreport2023).

The Annual General Meeting is transmitted live in Danish and English via webcast on the company's website, [www.gn.com/agm](http://www.gn.com/agm). The transmission will cover the stage and the rostrum only. With regard to collection and processing of personal data, reference is made to the company's information sheet on data protection in connection with Annual General Meetings, which is available on the company's website, [www.gn.com/agm](http://www.gn.com/agm).

The Annual General Meeting will primarily be conducted in Danish. However, the Chair of the Board of Directors and the Group CEO will make their presentation and answer questions in English. Simultaneous interpretation will be available from English to Danish and from Danish to English via a headset that will be handed out upon request.

Access to the Annual General Meeting at GN Store Nord A/S will open at 9:00 a.m. (CET). Tea/coffee is served until 10:00 a.m. (CET).

#### **Driving instructions**

The Annual General Meeting will be held at GN Store Nord A/S, Lautrupbjerg 7, DK-2750 Ballerup, Denmark.

If you are arriving by car from Ringvej b4/O4, turn onto Klausdalsbrovej. Turn right onto Lautrupparken and turn right at the first cross street onto Lautrupbjerg. The destination will be on your left-hand side.

If you are arriving by car from Route 16, take exit 4-Gladsaxe-Klausdalsbrovej. Turn west onto Klausdalsbrovej. Turn left onto Lautrupparken and turn right at the first cross street onto Lautrupbjerg. The destination will be on your left-hand side.

#### **Questions from the shareholders**

Questions regarding the agenda or the documents etc. published in connection with the Annual General Meeting can be directed to GN Store Nord A/S by email to: [agm@gn.com](mailto:agm@gn.com) no later than Monday, March 11, 2024.

If you have any other questions to the above, please contact GN Store Nord A/S by phone +45 45 75 00 00.

Ballerup, February 19, 2024

GN Store Nord A/S  
The Board of Directors



## Appendix 1 – Board of Directors – new candidates

# Mr. Jørgen Bundgaard Hansen

Name	Jørgen Bundgaard Hansen
Year of birth	1967
Nationality	Danish & American
Educational background	B.Sc. Mechanical Engineering; B.Sc. International Commerce
Position	CEO of Gravitass Medical Inc.
Board positions and other managerial duties	<p>Chairman of the Board of Directors of:</p> <ul style="list-style-type: none"><li>• Gravitass Medical Inc.</li></ul> <p>Member of the Board of Directors of:</p> <ul style="list-style-type: none"><li>• Steriluent, Inc.</li></ul>
Special competences and other qualifications relevant to GN	<p>Experienced international leader (EU, USA, Asia) of large organizations with a global agenda of growth and/or major transformation.</p> <p>Strong track record of leading +\$1B revenue public, private equity, and venture capital owned companies especially in health care.</p> <p>Have led transformational turnarounds, change management, and major restructurings.</p> <p>Expertise within strategy, M&amp;A, sales, marketing, R&amp;D, operations/supply chain, public company investor relations, private equity, and venture capital.</p> <p>Build high performing teams and promoted organizational diversity, agility, and employee well-being, through strategic alignment/deployment, team empowerment, team building, leadership training and coaching.</p> <p>Past leadership positions with Ivenix, Cantel Medical, ConvaTec, and Coloplast.</p>
Independence	Complies with the Danish Committee on Corporate Governance's definition of independence.
No. of shares held in GN	None.



# Mr. Kim Vejlby Hansen

Name	Kim Vejlby Hansen
Year of birth	1964
Nationality	Danish
Educational background	Civil Engineer (E), Ph.D.
Position	CEO at FOSS A/S (including at FOSS Analytical A/S and FOSS af 24. august 1998 ApS)
Board positions and other managerial duties	<p>Chairman of the Board of Directors of:</p> <ul style="list-style-type: none"><li>• Ibsen Photonics A/S</li><li>• FOSS Ejendomme SLG A/S</li></ul> <p>Member of the Board of Directors of:</p> <ul style="list-style-type: none"><li>• SPIO Systems ApS</li><li>• FOSS Analytical A/S</li><li>• FOSS af 24. august 1998 ApS</li></ul>
Special competences and other qualifications relevant to GN	<p>Extensive executive leadership career with globally operating FOSS since 2002 (Vice President R&amp;D, Executive Vice President Business &amp; Product Development, COO and member of Executive Management, and CEO since 2016).</p> <p>Deep expertise within general management, business development, M&amp;A, product development (software, hardware, digital signal processing), quality, service &amp; sales support, production, procurement, and logistics.</p> <p>Ph.D. in digital signal and image processing, optimization theory, including neural network.</p> <p>Past leadership and engineering positions with Nokia, Oticon, Brüel &amp; Kjær, ØDS, and Storno.</p>
Independence	Complies with the Danish Committee on Corporate Governance's definition of independence.
No. of shares held in GN	None.

## Appendix 2 - Board of Directors - individual candidates proposed for re-election



**Jukka Pekka Pertola**  
(Chair)

M.Sc. Electrical Engineering. Professional board member. Former CEO of Siemens A/S. Chair since 2023.



**Klaus Holse**  
(Deputy Chair)

M.Sc. Computer Science. Professional board member. Former CEO of SimCorp A/S. Deputy Chair since 2023.



**Hélène Barnekow**

M.Sc. (International Business). Partner, Gaia Leadership. Former CEO, Microsoft Sweden.



**Anette Weber**

Lic.oec HSG, Finance & Accounting. Group CFO of BUCHERER AG.

**Board & Committee positions**

Chair of the Boards of Tryg A/S\*, Tryg Forsikring A/S, Cowi Holding A/S, and Siemens Gamesa Renewable Energy A/S. Member of the board of Asetek A/S\*. Committee memberships: Strategy (Chair), Nomination and Remuneration (Member); in Tryg A/S: Remuneration (Chair), Nomination (Chair), and IT-Data; in COWI Holding A/S: Nomination and Remuneration (Chair); in Asetek A/S: Remuneration (Chair).

Chair of the Boards of Danish Industry, Macrobond Financial AB, Vizrt Group AS, EG A/S and SuperOffice AS. Member of the Boards of Directors of Terma A/S and Zenegy ApS. Committee memberships: Audit (Member), Nomination (Member), and Strategy (Member).

Chair of the Board of Mindler AB. Member of the Boards of Voyado AB and Handelsbanken AB\*. Committee memberships: Nomination (Chair), Remuneration (Chair) and Audit (Member).

Member of the Supervisory Board of New Work S.E\*. Committee memberships: Audit (Chair) and Nomination (Member), in New Work S.E; Audit (Chair).

**Special competencies**

Broad international background with more than 20 years of management experience in the ICT, energy, industry, infrastructure, and healthcare sectors, solid experience with various business models stretching from B2C to complex project business, IT outsourcing solutions, technology services, and professional services.

Broad international background with more than 20 years of management experience in the IT and software industry and brings to the company's Board of Directors a vast experience and insight into the green agenda and digitalization.

Long international experience, mainly in the technology sector and in different C-level positions. Experience ranging from product development to sales & marketing. Managed significant digital transformations across companies and geographies with focus on inclusive transformation leadership.

Extensive global leadership expertise and knowledge from various leadership positions in the global healthcare, IT and luxury retail industry. In-depth knowledge of finance, digitalization, development, general and change management, platform economies, and M&A.

<b>Board member since</b>	2020	2023	2013	2020
<b>Term</b>	2023/2024	2023/2024	2023/2024	2023/2024
<b>Considered independent</b>	Yes	Yes	Yes	Yes
<b>Nationality</b>	Finnish	Danish	Swedish	German
<b>Year of birth</b>	1960	1961	1964	1971
<b>No. of GN shares</b>	8,500 (+5,500)	39,126 (+39,126)	10,000 (unchanged)	4,110 (+1,200)
<b>Total remuneration 2023 (DKKt)</b>	2,061	1,118	1,165	983
<b>Chairmanship</b>	16/16	9/16 ***		
<b>Audit Committee</b>		3/4 ***	4/4	4/4
<b>Nomination Committee</b>	10/10	10/10	10/10	9/10
<b>Remuneration Committee</b>	14/14		9/14 ***	
<b>Strategy Committee</b>	4/4	3/4 ***		
<b>GN Store Nord A/S Board</b>	22/22	12/22 ***	17/22	22/22
<b>GN Hearing A/S Board</b>	6/6	3/6 ***	6/6	6/6
<b>GN Audio A/S Board</b>	6/6	3/6 ***	6/6	6/6

Please visit [www.gn.com](http://www.gn.com) for more elaborate descriptions of the board members' competencies and management duties.

## signifies the number of Board and Committee meetings in which each member has participated followed by the total number of Board and Committee meetings.

- Chairman
- Deputy Chairman
- Member
- Observer

\*Company listed on a regulated market

\*\*Company listed on First North Stockholm

\*\*\*Was not a member of the Board/Committee for the full year

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## Remuneration Policy

### GN Store Nord A/S (CVR-no. 24 25 78 43)

#### 1. Introduction

GN Store Nord A/S' ("GN") Remuneration Policy (the "Remuneration Policy") includes general guidelines for remuneration, including incentive pay, to members of GN's registered management ("Executive Management") as well as remuneration to GN's board of directors ("Board of Directors" or "Board"). This Remuneration Policy is made in accordance with Sections 139 – 139a of the Danish Companies Act (in Danish: "*selskabsloven*").

#### 1.1. Updates to the Policy

The Remuneration Committee ("RemCo") consistently monitors current market practices and developments within the market, with a specific focus on the high-tech and med-tech industries. We highly value ongoing dialogue with our shareholders, institutional investors, and other stakeholders, including the views and votes on the Remuneration Policy and the Remuneration Report expressed at the latest annual general meeting. We have taken these into account in our review of the Remuneration Policy to ensure that our policy remains effective, supports the execution of the company's strategy, and remains true to the overall objectives of the policy as outlined in this introduction section.

To ensure that our Remuneration Policy effectively enables GN to continue to attract, retain, and motivate the right talent for our Executive Management, the Board has endorsed specific updates and clarifications to the policy, which are outlined here below. These changes will be presented for approval by shareholders at our 2024 Annual General Meeting.

#### Executive Management

- **Long-term incentive ("LTI"), transition from Share options to Performance share units (PSUs):** After a careful review of market practices and the underlying principles guiding the LTI, we have determined that aligning our LTI instrument with the majority of OMX C25-like European companies of similar size, will better support performance, retention, and the alignment of interests with our shareholders in the longer run. The majority of these companies have opted for PSUs as an LTI instrument, as they are generally simpler and perceived to have a higher value compared to Share options. The initial grant of PSUs in the GN LTI plan is planned to first occur in spring 2025.
- **LTI, transition grant of Share options for 2024:** The Board of Directors assesses that GN's share price is below its intrinsic value. With the purpose of incentivizing senior leaders to operate hand in hand with GN's investors,



the Board assesses that Share options are particularly suited to reward driving share-price growth. A transition grant of Share options is therefore planned for 2024, before the change to PSUs in 2025.

- **LTI, change of performance mechanism:** After a careful review and assessment of the current peer-group-based performance mechanism, RemCo has assessed that it is no longer serving the purpose of retaining and motivating senior leaders due to three main challenges:
  - To measure performance against a peer group, there is a limited number of relevant peers to GN within the High tech and Medical devices industries that are within a relevant size bracket and that disclose appropriate financial information;
  - The dynamic nature of the industries in which GN operates and where the peer group companies have been sourced from (High tech and Medical devices) means that mergers and acquisitions happen at a fast pace. This leads to required inflight changes to the peer group, complicating the mechanics beyond what was initially intended and hindering transparency around GN's performance for the participants;
  - Based on participant feedback, consultation with stakeholders and the independent advisors, RemCo has further assessed, that the perceived complexity of the peer group, the lack of transparency and the limited number of relevant peers that can be included in a peer group are negatively impacting the performance and retention effect of the LTI for participants.

To remedy these challenges, and in line with market practices for similar companies in Europe and in Denmark, RemCo has proposed and the Board has confirmed that performance on the LTI will be measured relative to carefully selected Key Performance Indicators (KPIs) which are aligned to how GN delivers our strategy over the three-year vesting period. The change to the performance mechanism will apply both to the Share options for 2024 and to the future PSUs.

- **Incorporating the GN LTI's existing shareholding guidelines into the Remuneration Policy:** As part of the Terms and Conditions of the LTI plan, members of the Executive Management in GN, are already expected to abide by shareholding guidelines. Based on investor and stakeholder feedback, and with a wish to align to market practice, RemCo has decided to formally introduce a Share holding guideline for members of the Executive Management as part of this Remuneration Policy.
- **Indemnification:** The wording of the indemnity arrangement for the Board of Directors and Executive Management has been amended in light of the

new guidelines from the Danish Business Authority and to cover certain situations where there is no coverage under the D&O Insurance.

- **Other:** Further to the above, a number of non-material updates have been made in the Remuneration Policy.

## 1.2. Objectives

The overall objective of this Remuneration Policy is to:

- Support GN's long-term business strategy of being an innovation-driven, high-growth company that provides intelligent audio solutions with attractive earnings margins.
- Deliver results according to annual plans.
- Incentivise the delivery of longer-term business plans, of sustainable long-term returns for GN and its shareholders and of sustainable business outcomes from an ESG perspective.
- Ensure that GN is able to attract, motivate, and retain highly qualified members to GN's Executive Management and Board of Directors.
- Align the interests and the level of remuneration of the Executive Management and of the Board of Directors with the interests of the shareholders and market practice.
- Provide a transparent framework through which shareholders can assess the basis on which the Executive Management and of the Board of Directors of GN are paid.

In drawing up this Remuneration Policy, GN has taken into account the pay and employment conditions for the employees within the wider GN group. GN aims to have a consistent approach to pay across the GN group in line with market practice and remuneration is reviewed annually with the intention that all employees are paid appropriately, taking into account their individual skills, experience and performance. Pay across the GN group is further compared with pay in relevant companies similar to GN to ensure fair pay for each job. It is GN's assessment that the remuneration to the Board of Directors and Executive Management is aligned with the responsibility which the duties of the Board of Directors and Executive Management entail compared to market practice. It is further GN's assessment that the structure and level of the remuneration and the employment conditions of the Executive Management are appropriate compared to the remuneration and employment conditions of the other employees within the wider GN group.

The remuneration components for senior leaders and management across the GN group is widely consistent with that for the Executive Management with differences in award opportunities and performance targets. GN strives to ensure that employees below senior management receive a remuneration package that is reflective of their role and responsibilities relative to market practice.

## **2. Remuneration for the Board of Directors**

Members of the Board of Directors shall receive a fixed annual fee.

The annual fee for members of the Board of Directors shall be at the level of remuneration paid in other comparable innovation and high growth companies with a global focus, including foreign based competitors.

The members of the Board of Directors do not receive any incentive pay, however, employee-elected members of the Board of Directors may in their capacity as employees be covered by general incentive plans applicable to employees in GN.

Remuneration for the Board of Directors for each financial year is to be approved at the annual general meeting under a separate item on the agenda. The proposal for remuneration of the Board of Directors for the relevant financial year shall be included in the notice convening the annual general meeting.

All members of the Board of Directors receive the same fixed annual base fee except for the chairman and the deputy chairman who receive three times and two times, respectively, the fixed annual base fee, in line with Danish market practice.

Services provided under the auspices of the Board of Directors' Audit Committee, Remuneration Committee, Strategy Committee, and Nomination Committee entitle the members to an additional fixed fee, with two times the committee base fee to the chairman of each of the four committees for his/her extended tasks.

In exceptional circumstances, an individual member of the Board of Directors may receive additional pay/compensation on market terms for extraordinary ad hoc work going beyond the normal scope of the Board of Director's responsibility areas.

In addition to reimbursement of travel expenses, a member of the Board of Directors is entitled to receive a fixed allowance per journey to a board and/or committee related meeting, if such meeting takes place outside the member's country of residence.

In addition to the above-mentioned fees, GN pays statutory contributions to social security and similar taxes and charges within the EU / EEA that GN is obligated to pay according to applicable law in relation to a member of the Board of Directors' directorship with GN.

The members of the Board of Directors elected by the general meeting are elected for a term until GN's next annual general meeting. Re-election may take place. Apart from the members of the Board of Directors elected by the general meeting, the employees are entitled to elect a number of representatives to the Board of Directors in accordance with the statutory legislation in force at any time.

### 3. Remuneration of the Executive Management

The Board of Directors has adopted a remuneration strategy for the Executive Management aligned with the group's strategy of bringing people closer through our leading intelligent hearing, audio, video, and gaming solutions by deep understanding and commitment to customers' unique needs, innovation leadership and commercial & eco-system excellence.

The remuneration of the members of the Executive Management consists of (i) a fixed annual base salary, (ii) a short-term cash-based incentive plan, (iii) a long-term share-based incentive plan, (iv) other customary staff benefits/personal benefits such as company car, insurances, etc. and in certain circumstances housing and other customary benefits for foreigners relocating to Denmark. The Executive Management is not covered by any pension scheme. Each of the components above is described in further detail below.

The relative proportion of the individual components is shown in the table below. For example, in a target performance scenario, the Annual base salary will typically make up 44% of the total package, while STI and LTI make up 22% and 33% respectively, and other benefits represent 1% of the total.

Component	Typical relative proportion in different performance scenarios		
	Low	Target	High
Annual base salary	98%	44%	28%
STI	0	22%	28%
LTI	0	33%	42%
Other benefits	2%	1%	1%
<b>Total package</b>	100%	100%	100%

The combination of fixed and incentive-based remuneration has been chosen to support the objectives of the Remuneration Policy, as outlined in section 1 above.

The fixed annual base salary is based on market practice and is reviewed by the Board of Directors against comparable positions in relevant companies similar to GN.

The short-term cash-based incentive plan and the long-term share-based incentive plan are described in further details below in Sections 4 and 5 respectively.

The members of the Executive Management receive remuneration in GN, and receive no other remuneration for positions or directorships held in GN's other subsidiaries or associated companies.

#### **4. Short-term cash-based incentive plan**

The purpose of the short-term cash-based incentive plan is to provide the Executive Management with an annual variable remuneration dependent on performance against specific short-term objectives for GN, as defined by the Board of Directors.

Under the cash-based incentive plan, the members of the Executive Management are eligible to receive a cash bonus according to defined financial targets for GN, as well as individually defined measurable annual targets. Targets are normally determined in connection with the preparation of the budget for the coming year.

The target cash bonus for each member of the Executive Management can vary between 25 and 75% of the gross fixed annual base salary but will normally be around 50%. The actual payment each year depends on the degree to which the specific and measurable targets have been met by the relevant company and by the individual member of the Executive Management. These targets will primarily be based on the performance on financial metrics relative to key top or bottom line metrics for GN, (such as net revenue, EBITA, EBITDA, or similar), ESG, and also on other measurable personal objectives of a financial or non-financial nature (such as ESG, delivery of key strategic projects, and similar). In its assessment of whether the targets have been achieved, the Board will primarily rely on audited financial results and similar information.

Following the end of a financial year, the Board of Directors independently reviews performance of the set metrics against data sources primarily including audited financial figures, key performance indicators with tracking available as well as any relevant internal assessments. In case of extraordinary circumstances and/or unforeseen events, impacting for example safety, company strategy, environment or society, the Board can decide to deviate from the performance metrics and targets.

In case a member of the Executive Management achieves a performance significantly below or above the targets defined by the Board of Directors, the cash bonus for one year may decrease or increase relative to target bonus.

The cash bonus pay-out can never exceed a maximum of 100% of the gross fixed annual base salary of the relevant member of the Executive Management.

## 5. Long-term share-based incentive plan

### 5.1. Overview

The long-term share-based incentive plan (the “LTI”) has as its key purpose to reward the Executive Management for dedicated and focused results intended to achieve and support the group’s long-term objective by linking a sizeable portion of the total remuneration to GN’s results and the development in share price over time. The Board of Directors is of the view that driving and winning through profitable growth and innovation will lead to sustainable value creation for the shareholders as well as aligning the interests between the Executive Management and the shareholders. The LTI is also in place to support the retention of the Executive Management members in a highly competitive talent market.

From 2025, to better support rewarding for performance, retention, and the alignment of interests with our shareholders in the longer run, the LTI is delivered in the form of a Performance Share Unit (“PSU”) plan, as further outlined in the sections below. The LTI supports the alignment with shareholder interests by linking directly to the performance of GN’s share price. The LTI plan further supports profitable growth by (i) rewarding GN’s performance against typically two and up to three financial KPIs (for example revenue growth in GN, EBITDA improvement, Total Shareholder Return or similar financial measures), and up to one non-financial KPI (for example linked to ESG, or other relevant metrics with long-term strategic importance for GN), assessed to be suitable by the Board of Directors, with a maximum of three KPIs in total. In its assessment of whether the targets for the KPIs have been achieved, the Board will primarily rely on audited financial results and similar information.

### 5.2. Terms common to the LTI (both PSUs and Share options)

The total aggregate value of annual grants under the LTI program(s) may not exceed 100% of the gross fixed annual base salary for each member of Executive Management at the time of grant and will typically be targeted at between 50 and 100% of the gross fixed annual base salary.

The number of LTI instruments (whether PSUs or Share options) that vest may be between 0% and 200% of the granted LTI instruments depending on achievement of a number of pre-determined KPIs, as outlined in section 5.1. If the KPI thresholds are not achieved, no LTI instruments shall vest.

Further, GN reserves the right to fully or partially substitute the PSUs or the Share options by synthetic cash-based financial instruments (phantom PSUs or phantom Share Options, respectively) subject to such instruments being granted on the same terms and conditions as for the PSUs or the Share options, respectively as set out in this Remuneration Policy with any necessary changes.

In order to avoid excessive pay-outs in case GN's share price increases dramatically, the gross return on the LTI for each annual grant cannot exceed a value equal to four times the gross fixed annual base salary of the relevant member of the Executive Management at the time of the grant.

Members of Executive Management are subject to "good leaver" and "bad leaver" provisions for LTI awards. In "good leaver" situations, the participant will keep any awards subject to all other applicable terms and conditions. In "bad leaver" situations, all unvested awards, as well as vested but unexercised Share option awards, will be forfeited.

In exceptional circumstances, the Board can decide to settle vested PSUs or Share options in cash.

Prior to receiving shares, holders of PSUs or Share options will not have any shareholder rights, such as voting and dividend rights.

To ensure that the Board of Directors has the appropriate flexibility to ensure that the application of the LTI is in the long-term interest of GN, its shareholders and of the sustainability of GN in extraordinary circumstances and/or unforeseen events, the Board of Directors has a contractual discretionary right under the terms of the LTI to amend its terms. This discretion includes, but is not limited to (i) the timing of the grants, (ii) the size of the grants subject to the overall limits in this Remuneration Policy, (iii) the determination of vesting conditions, including the assessment of KPIs, (iv) adjustment of the exercise price and number of Share options, (v) early vesting of LTI or exercise of Share options and (vi) the treatment of the LTI grant in the case of resignations, change of control, a merger, rights issue or other events.

### 5.3. Shareholding requirement

The shareholding requirement serves the purposes of aligning members of the Executive Management's interests with those of the shareholders as well as the long-term development and sustainability of the Company.

In order to participate in the LTI plan, Executive Management must reach and then maintain a shareholding of GN shares equivalent to 100% of the fixed annual net base salary. The shareholding may be built up over a 5-year period by retaining vested share-based instruments granted as part of the GN's LTI from time to time, after the settlement of eventual income taxes due.

For newly appointed members, the holding requirement is to be reached within 5 years from appointment. For existing Executive Management, the requirement must be reached within 5 years from the effective date of this Policy.

The Board of Directors may in extraordinary circumstances grant exemptions from the shareholding requirement.

#### 5.4. Performance Share Unit terms

Subject to the Board of Directors' discretion, each member of Executive Management may be granted PSUs in GN at no charge. A grant is typically made each year after the release of the annual report (ordinary grant).

A grant of PSUs in one year shall not imply the same or any PSU grant in subsequent years.

The grant value of PSUs shall be based on the market price of the shares calculated as an average price as quoted on Nasdaq Copenhagen during a number of trading days preceding the time of grant as determined by the Board (typically a 5-day average).

The vesting period shall be at least 3 years and is determined by the Board prior to grant.

PSUs will vest in full after 3 years (cliff vesting) subject to performance against KPIs that are set by the Board at the time of grant (per section 5.1). KPIs will as a default be measured over a three-year period. If the Board assesses that it is in the shareholders' interests, it may decide that the grant will vest gradually over a period of 3 years. For extraordinary grants, the vesting period is adjusted so that the vesting date is the same as that of the preceding annual grant.

Upon vesting, holders of PSUs will receive one share in GN free of charge for each vested PSU.

#### 5.5. Share option terms

##### 5.5.1. Grant of Share options

Subject to the Board of Directors' discretion, each member of the Executive Management may receive an allocation of conditional Share options in GN at no charge. An allocation is typically made each year after the release of the annual report (ordinary grant).

Allocation of Share options in one year shall not imply the same or any Share option allocation in subsequent years.

##### 5.5.2. Exercise rights

Each vested Share option entitles the relevant member of Executive Management to acquire one share of nominally DKK 4.00 in GN at the exercise price.

##### 5.5.3. Exercise price

The exercise price of the Share options granted in connection with annual grants will be determined as the simple average of the closing price of the GN share on Nasdaq



Copenhagen A/S for a period of five trading days following the publication of the annual report of GN for the preceding financial year. For extraordinary grants, the exercise price will be determined as the simple average of the closing price of the GN share on Nasdaq Copenhagen A/S for a period of five trading days prior to the extraordinary grant date.

#### 5.5.4. Vesting conditions and exercise windows

The Share options granted in connection with the annual grants have a vesting period of three years from the relevant allocation date after which time the Share options vest following the publication of the annual report of GN for the relevant financial year, subject to satisfaction of the vesting conditions. For extraordinary grants, the vesting period is adjusted so that the vesting date is the same as that of the preceding annual grant.

The number of Share options vesting is conditional on GN's performance against up to three KPIs as outlined in section 5.1.

Share options, which have vested, may be exercised at the exercise price (see Section 5.5.3), at any time except during the black-out periods ("BO Period") which start three trading days prior to the end of a quarter and ends on the day of publication of GN's annual report and quarterly reports (such day of publication to be included in the BO Period). The BO Period shall in any case be at least 30 days prior to the publication of the quarterly- and half-year report or announcement of annual results or annual report. The Share options shall further be exercisable in accordance with and subject to applicable rules and regulations in relation to trading in financial instruments.

If the vested Share options are not exercised before the third anniversary of the relevant vesting date, the unexercised portion of such Share options will lapse automatically without compensation.

## 6. Extraordinary incentive awards

In order to meet the overall objectives of the incentive remuneration and in line with market practice for comparable companies, the Board of Directors may in exceptional cases decide to award extraordinary incentive remuneration to individual members of the Executive Management, e.g. sign-on bonus or other schemes in connection with appointment, retention bonus, or bonus for the attainment of certain extraordinary performance targets.

The extraordinary incentive awards may consist of cash and/or be share-based in which case it will be granted in accordance with the terms set out in Section 5.

The value of an extraordinary incentive award can never exceed a maximum of 100% of the gross fixed annual base salary of the relevant member of the Executive Management at the time of award.

## **7. Malus and clawback**

Malus and clawback provisions apply to both the cash bonus and the LTI if, in the opinion of the Board of Directors, a malus or clawback event has occurred. This would include, but is not limited to (i) a material misstatement in GN's financial statements or (ii) cases where the relevant member of the Executive Management, or a person<sup>1</sup> in such member of the Executive Management's organization, is deemed to have caused a material loss to GN.

## **8. Termination and severance payment for the Executive Management**

GN may terminate members of the Executive Management by giving 12 months' notice. Members of the Executive Management may resign by giving six months' notice. The total remuneration for the notice period, including any severance pay, may not exceed two years' total remuneration.

The Executive Management has change-of-control agreements in line with Danish market practice.

In the event of death of a member of the Executive Management, GN will effect exercise of vested Share options as soon as reasonably possible subject to applicable rules and regulations in relation to trading in financial instruments

## **9. Existing incentive plans**

This Remuneration Policy applies to all agreements on incentive pay entered into with members of the Executive Management following its approval and publication. The Remuneration Policy will also apply to all subsequent amendments to existing agreements on incentive pay with the members of the Executive Management.

In the period from 2019 to the end of 2023, GN's long-term share-based incentive plan consisted of a Share option program which also covered the members of the Executive Management and was linked to performance vs a peer group. This Share option program is replaced by the LTI described in Section 5 above as of March 2024 and, consequently, Share options will be granted under the revised LTI plan in 2024, after which only PSU grants will be made. Share options which have been allocated to the members of the Executive Management prior to the adoption of this Remuneration Policy will vest according to the terms and conditions of the Share option program under the Remuneration Policy in effect at that time and may in such case be exercised within a three-year period following vesting. Accordingly, Share options allocated in 2023 will lapse in 2029 if not exercised.

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<sup>1</sup> For the avoidance of doubt, the term "a person" will include any employee in the relevant Executive Management member's organization and will not be limited to his/her direct reports.

## 10. Indemnification

### 10.1. Indemnification scope

With due regard to the regulatory environment in which GN operates and in order to be able to attract qualified members to the board and the management of GN, it is GN's policy to take out customary directors' and officers' liability insurance ("D&O Insurance"), from time to time. Further, it is found to be in the best interest of the GN Group 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 of Directors and Executive Management where there is no or inadequate coverage under the D&O Insurance. Consequently, the general meeting has previously approved a scheme of indemnification (the "Indemnity Arrangement") pursuant to which GN undertakes to indemnify and hold harmless each member of the Board of Directors and the Executive Management from and against any losses (including any costs, expenses and potential tax liabilities associated therewith) incurred by such member of the Board of Directors and/or Executive Management and arising out of such person's discharge of his/her duties as a director or manager of GN including without limitation any claim or investigation by a governmental or administrative authority.

### 10.2. Conditions and limitations

Any indemnification under the Indemnity Arrangement shall be secondary to any coverage under the D&O Insurance taken out by GN from time to time. Indemnification under the Indemnity Arrangement shall not be conditional upon coverage being available under the D&O Insurance in whole or in part, nor shall indemnification under the Indemnity Arrangement 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 GN from covering defense costs upfront with a view to claim reimbursement under the D&O Insurance.

The Indemnity Arrangement is for the sole benefit of the members of the Board of Directors and the Executive Management, and no third party shall be entitled to rely on or derive any benefits from the Indemnity Arrangement or have any recourse against GN on account of the Indemnity Arrangement.

Excluded from coverage under the Indemnity Arrangement are losses, etc., derived from:

- Any claims if and to the extent covered by insurance taken out by GN, 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;
- Any claims raised against a member of the Board of Directors or Executive Management arising out of such member's wilful misconduct, gross negligence or other improper acts or omissions (in Danish "utilbørlige dispositioner");

- Any claims raised against a member of the Board of Directors or Executive Management by GN or a subsidiary of GN;
- Any claims raised against a member of the Board of Directors or Executive Management arising out of any sanctioned offence under applicable criminal law committed by such member; and
- Any other claims, if and to the extent it would be inconsistent with applicable law to offer the benefits of the Indemnity Arrangement to the member of the Board of Directors or Executive Management.

The Indemnity Arrangement is to be approved by the general meeting at least every four years.

### 10.3. Administration and authorization to the Board of Directors

The Board of Directors is authorized to determine the further application of the Indemnity Arrangement within the framework laid out above, including laying down the detailed terms and conditions, defining any monetary thresholds, period for coverage, run-off coverage and other coverage and extension of the Indemnification Arrangement to the management in any subsidiaries of GN. Moreover, the Board of Directors is authorized to administer and implement the Indemnity Arrangement, and to take any decisions under the Indemnity Arrangement in respect of any claims or defer such decision to one or more third party expert(s), as well as take any other actions in order to give effect to the Indemnity Arrangement, in each case consistent with the resolution approved by the Annual General Meeting on 13 March 2024.

For the avoidance of doubt, GN may adopt separate indemnification arrangements for other key employees and management members, which may be subject to terms and conditions that vary from the Indemnification Arrangement.

## 11. **Deviation of the Remuneration Policy**

The Board of Directors may, following consultation with the RemCo, in exceptional circumstances and based on objective and verifiable criteria decide to temporarily deviate from this Remuneration Policy, where a deviation will benefit the long-term interests of GN, its shareholders or the sustainability of GN. Such deviation may be regarding the thresholds set-out in clauses 4-6 and 8 of this Remuneration Policy.

Any such temporary deviation, and reason for such deviation, shall be explained in the subsequent Remuneration Report.

## 12. **Determination, review and implementation**

The Board of Directors is, together with its independent remuneration advisor, responsible for the establishment and annual review of the Remuneration Policy.

The Board of Directors shall be supported in this task by the RemCo, which assists the Board of Directors in matters and decisions concerning remuneration of the Executive Management and senior employees and in ensuring that the general remuneration policies, including this Remuneration Policy, reflect an appropriate balance between the relevant objective criteria.

The RemCo considers the Remuneration Policy annually to ensure it remains aligned with GN's strategic objectives, shareholder expectations and the sustainability of GN. In its review, the RemCo considers market practice and remuneration practices of GN's industry competitors primarily within GN's two largest markets, Europe and the U.S., while recognizing GN's European heritage.

To ensure its independence and professionalism, the RemCo engages and works with an independent advisor to assist the RemCo in its assignments. The RemCo uses its own independent remuneration advisors which are different from the external advisers to the Executive Management.

In order to avoid conflict of interests, a member of the Board of Directors or Executive Management may not participate in the decision making process concerning an agreement between on the one side GN or a company within the GN group and on the other side the member in question. Given the members of the Board of Directors receive a fixed annual fee only and given the fixed annual fee for the Board of Directors is approved at GN's annual general meeting, GN does not see any risk of conflicts of interest in connection with the Board of Directors' work with the Remuneration Policy. In addition, since it is solely the Board of Directors who make recommendations on the Remuneration Policy to the shareholders at the annual general meeting there is no conflict of interest related to the Executive Management.

The Remuneration Policy must be approved by the general meeting whenever material changes are made and at least every four years.

### **13. Publication and entry into force**

This Remuneration Policy has been approved by the Board of Directors on 7 February 2024 to be presented for adoption by the shareholders in the Annual General Meeting held on 13 March 2024, following which the revised Remuneration Policy has been published on GN's website, [www.gn.com](http://www.gn.com).

Information on the remuneration, including the remuneration components for the Board of Directors and the Executive Management is disclosed on an individual basis in GN's Remuneration Report for the relevant financial year.