



GN Store Nord A/S

Innovation inspired by people

Wednesday, March 11, 2020 at 10:00 a.m. (CET)
Company reg. no. 24257843

GN Making Life Sound Better
FOR 150 YEARS



TO THE SHAREHOLDERS OF GN STORE NORD A/S

The annual general meeting will be held on Wednesday, March 11, 2020, at 10:00 a.m. (CET) at GN Store Nord A/S, Lautrupbjerg 7, DK-2750 Ballerup, Denmark.

Request for admission card(s) and voting paper

Shareholders must register for GN Store Nord A/S' annual general meeting by requesting an admission card. The admission card(s) can be obtained at the company's website at www.gn.com/agm or from Computershare A/S at www.computershare.dk or by phone +45 45 46 09 97. Shareholders are allowed to bring one accompanying person (advisor or guest) to the general meeting. Shareholders wishing to bring an accompanying person have to request an extra admission card.

The deadline for ordering admission card(s) is Friday, March 6, 2020, at 11:59 p.m. (CET).

Admission cards are issued electronically. The electronic admission card(s) will be sent to the email address provided by the shareholder on the Shareholder Portal hosted by Computershare A/S at www.computershare.dk. 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.

Shareholders who do not expect to attend the annual general meeting may vote by postal vote or by proxy given to the chairman of the Board of Directors or to a person appointed by the shareholder and participating at the annual general meeting. Submission of proxy or postal vote may take place at www.gn.com/agm or with Computershare A/S at www.computershare.dk.

A proxy must be received by Computershare A/S no later than Friday, March 6, 2020, at 11:59 p.m. (CET).

A postal vote must be received by Computershare A/S no later than Tuesday, March 10, 2020, at 3:00 p.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 also have the option of requesting admission card(s) or submitting proxy/postal votes by ordinary mail, e-mail or fax. The registration/proxy/postal vote form can be downloaded from www.gn.com/agm. The form must be signed and returned to Computershare A/S.

Agenda and complete proposals

a) 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.

b) Submission of the audited Annual Report for approval.

The Board of Directors proposes that the audited Annual Report 2019 is approved.

c) 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.

d) Decision on application of profits in accordance with the approved Annual Report.

The Board of Directors refers to page 44 of the Annual Report 2019 containing the proposal on distribution of the annual profit, according to which dividends of DKK 1.45 per share of a nominal value of DKK 4 should be paid out in respect of the financial year 2019.

e) Approval of remuneration to the Board of Directors for the current financial year.

The remuneration to the Board of Directors has remained unchanged since its approval at the annual general meeting on March 13, 2018. In order to continuously be able to attract and retain qualified candidates for the Board of Directors and to remain in line with Danish market practice, the Board of Directors proposes to increase the base fee by around 5%.

It is proposed that the remuneration will be in the amounts and with the allocation set out below:

The base fee for serving on the Board of Directors of GN Store Nord A/S shall be increased from DKK 275,000 to DKK 290,000, with 2 times the base fee to the deputy chairman and 3 times the base fee to the chairman.

The base fee for serving on the Board of Directors of each of GN Audio A/S and GN Hearing A/S, respectively, shall be increased from DKK 110,000 to DKK 115,000, with 1.75 times the base fee to the deputy chairman and 2.5 times the base fee to the chairman.

The base fee for serving on each of the Audit Committee, the Remuneration Committee or the Strategy Committee, respectively, shall be increased from DKK 165,000 to DKK 175,000, with 2 times the base fee to the chairman of the respective committee.

The base fee for serving on the Nomination Committee shall be increased from DKK 82,500 to DKK 85,000, with 2 times the base fee to the chairman.

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 (the amounts are unchanged from the financial year 2019):

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

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.

f) 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. For the annual general meeting 2020, Per Wold-Olsen, Wolfgang Reim, H el ene Barnekow and Ronica Wang are up for re-election.

William E. Hoover, Jr. has decided not to stand for re-election as board member as per the end of his current term.

The Board of Directors proposes that Per Wold-Olsen, Wolfgang Reim, H el ene Barnekow and Ronica Wang are all re-elected.

In addition, the Board of Directors proposes that Jukka Pekka Pertola, Montserrat Maresch Pascual and Anette Weber be elected as new members of the Board of Directors.

Per Wold-Olsen, Wolfgang Reim, H el ene Barnekow and Ronica Wang are currently considered independent as defined in the Danish Recommendations on Corporate Governance published by the Committee on Corporate Governance. The proposed new members of the Board of Directors, Jukka Pekka Pertola, Montserrat Maresch Pascual and Anette Weber, are also considered independent.

Information on directorships and management positions of each candidate proposed for re-election to the Board of Directors is attached hereto as appendix 1. Further information may be found on www.gn.com and in the Annual Report 2019. Information on directorships and management positions held by Jukka Pekka Pertola, Montserrat Maresch Pascual and Anette Weber is set out in appendix 2 and will be presented at the general meeting.

g) Election of a state-authorized public accountant to serve until the company's next annual general meeting.

Pursuant to Article 19.2 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), CVR no.: 33771231.

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.

h) Proposals from the Board of Directors and shareholders.

h.1 Proposals from the Board of Directors.

h.1.1 Proposal from the Board of Directors to authorize the Board of Directors to acquire treasury shares.

On May 14, 2019, the company announced issuance of convertible bonds consisting of bonds with warrant units, allowing holders to convert such warrants into shares. The issuance was made in connection with the refinancing of the company's existing outstanding convertible bonds with warrant units issued on May 23, 2017. As set out in company announcement no. 26 of May 14, 2019, the company will cover this obligation through treasury shares.

Moreover, the company is continuously hedging its obligations under its long-term incentive programs with treasury shares.

Accordingly, the company currently has a holding of around 13.6 million treasury shares, corresponding to approximately 9.6% of the share capital.

In order to allow the company to continuously buy back shares, 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. 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 15% of the share capital of the company.

h.1.2 Proposal from the Board of Directors to authorize the Board of Directors to reduce the share capital through the cancellation of treasury shares.

In line with the company's 2017-2019 share buyback program – see announcements no. 20 of May 4, 2017, no. 15 of May 2, 2018 and no. 24 of May 1, 2019, and since the shares required to cover the company's obligations under the

new convertible bonds with warrant units program have been reduced as a consequence of the refinancing described under h.1.1 (see announcement no. 26 of May 14, 2019), the Board of Directors proposes to reduce the share capital by nominally DKK 16,685,560 from DKK 569,072,400 to DKK 552,386,840, through cancellation of 4,171,390 treasury shares of nominally DKK 4 each, corresponding to 2.9% of the total share capital. Upon completion of the capital reduction, the company's share capital will be DKK 552,386,840.

As a consequence of the share capital reduction, it is proposed to amend the company's Articles of Association with the effect that Article 3.1 will read as follows, effective from the date of the completion of the share capital reduction:

"The company's share capital amounts to DKK 552,386,840 divided into shares in denominations of DKK 1 or multiples thereof."

Pursuant to section 188(1) of the Danish Companies Act, it is noted that the purpose of the capital reduction is to cancel the treasury shares referred to above, which, according to the practice of the Danish Business Authority, is considered comparable with a capital reduction for distribution to the shareholders. The shares were bought by the company for a total amount of DKK 1,257,116,587 implying that DKK 1,240,431,027 has been distributed to the shareholders in addition to the nominal reduction amount. The average purchase price has thus been DKK 301 per share (rounded).

Prior to completion of the capital reduction, a four-week notice will be issued to creditors of the company in accordance with section 192(1) of the Danish Companies Act.

h.1.3 Proposal from the Board of Directors to amend the remuneration policy.

The Board of Directors proposes that the general meeting approves an updated version of the company's remuneration policy for the Board of Directors and Executive Management, originally approved at the annual general meeting held on March 21, 2019. The main changes to the remuneration policy have been made to ensure compliance with the new rules in the Danish Companies Act which were implemented in 2019 as a consequence of the Shareholder Rights Directive.

The main changes in the revised policy based on legislative requirements may be summarized as follows:

- An explanation on how the pay and employment conditions of employees in the GN group have been taken into account when establishing the remuneration policy
- The duration of the term of the members of the Board of Directors
- Clarification of the Board of Directors' access to deviate from the remuneration policy
- Additional information on the avoidance of conflict of interest in relation to the preparation of the remuneration policy

Further, the following has been updated/added in the remuneration policy:

- The members of the Executive Management may exercise share options which have vested at any time except during black-out periods (previously subject to specific trading windows)
- Clarification of exercise price for extraordinary grants
- Information on exercise of share options in the event of death of a member of the Executive Management

If the revised remuneration policy is approved, the reference to the current guidelines for incentive pay in Article 17 of the company's Articles of Association will be deleted and all subsequent numbering updated.

The proposed updated remuneration policy is attached as appendix 3.

h.1.4 Proposal from the Board of Directors to amend the company's Articles of Association.

The new rules in the Danish Companies Act, which were implemented in 2019 as a consequence of the Shareholder Rights Directive, further require listed companies to present a remuneration report each year at the company's annual general meeting, starting in 2021. The remuneration report must be subject to an advisory vote at the annual general meeting.

The Board of Directors proposes that the annual general meeting approves that the standard agenda for the annual general meeting, as set out in the company's Articles of Association, be amended to reflect that the remuneration report shall be presented at each future annual general meeting for an advisory vote.

As a consequence, it is proposed to amend the company's Articles of Association with the effect that Article 12.2 will read as follows:

"The agenda of the annual general meeting comprises:

(a) Report by the board of directors on the activities of the company during the past year.

(b) Submission of the audited annual report for adoption and resolution of discharge to the board of directors and the executive board.

(c) Decision on application of profits or covering of losses in accordance with the approved annual report.

(d) Presentation of and advisory vote regarding the remuneration report.

(e) Approval of the remuneration to the board of directors for the current financial year.

(f) Election of members to the board of directors.

(g) Election of a state-authorized public accountant to serve until the company's next annual general meeting.

(h) Proposals, if any, from the board of directors and shareholders.

(i) Any other business."

h.2 Proposals from shareholders.

There are no proposals from shareholders.

i) Any other business.

No decisions nor proposals may be adopted under this item i).

Rules on adoption

Adoption of the proposals under items h.1.2 and h.1.4, which involve amendments to the company's Articles of Association, require 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 passed by a simple majority of votes.

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

The company's share capital of nominally DKK 569,072,400 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 4, 2020. 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 on the annual general meeting

Further information about the annual general meeting is available at the company's website, www.gn.com, 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 amended remuneration policy and Articles of Association, 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 2019 is available at www.gn.com/annualreport2019 and a Danish summary thereof is available at www.gn.com/resumeaarsrapport2019

The annual general meeting is transmitted live in Danish and English via webcast on the company's website, 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 the annual general meeting, which is available on the company's website, www.gn.com/agm

The company offers simultaneous translation from Danish into English at the annual general meeting.

Access to the annual general meeting at GN Store Nord A/S will open at 9:00 a.m. (CET). Tea and coffee is served until 10:00 a.m. (CET). A light meal will be served after the annual general meeting.

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 b4/04, 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

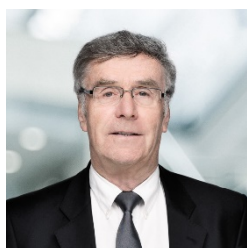
Questions regarding the agenda or the documents etc. published in connection with the annual general meeting can be directed to GN Store Nord A/S by email to: agm@gn.com

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

Ballerup, February 18, 2020

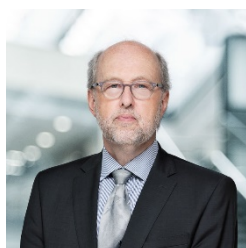
GN Store Nord A/S
The Board of Directors

Appendix 1 - Board of Directors - individual candidates proposed for re-election



Per Wold-Olsen
(Chairman)

MBA. Formerly president Merck & Co., Inc., Intercontinental Division, USA. Chairman since 2008.



Wolfgang Reim

Ph.D. in physics. Professional board member and self-employed consultant within the medical industry. Interim CEO, Amann Girschbach AG.



Hélène Barnekow

M.Sc. (International Business). CEO, Microsoft Sweden.



Ronica Wang

MBA, B.A.Sc. (Engineering). Co-founder & Global Managing Director, The InnoGrowth Group Ltd. Former leadership positions with J&J, Avon, Hutchison-Priceline, P&G.

	Per Wold-Olsen	Wolfgang Reim	Hélène Barnekow	Ronica Wang
Board positions	Chairman of the Boards of GN Audio A/S and GN Hearing A/S. Chairman of the Boards of Medicines for Malaria Venture and Oncopeptides AB. Member of the Board of Gilead Sciences Inc.	Member of the Boards of GN Audio A/S and GN Hearing A/S. Chairman of the Boards of Ondal Medical GmbH and Amann Girschbach AG. Member of the Boards of Elekta AB, AudEERING GmbH and LAP Laser GmbH.	Member of the Boards of GN Audio A/S and GN Hearing A/S. Member of the Board of Kindred Group plc.	Member of the Boards of GN Audio A/S and GN Hearing A/S. Member of the Boards of Pandora A/S and Hotelbeds Group.
Special competencies	Extensive global leadership expertise and knowledge of the healthcare industry. Brings a unique set of capabilities and values to the Board of GN Store Nord within marketing and product development as well as commercialization of innovation. Also possesses in-depth knowledge of the U.S. market as well as emerging markets.	Global leadership experience from the healthcare industry and special knowledge in the areas of business process reengineering, innovation management, global sourcing and supply chain management. Contributes to the Board with extensive M&A understanding.	Unique capabilities within general commercial management and marketing, including go-to-market, branding, communications, product management and channel management from the mobile communications and IT sector.	In-depth experience in global brand marketing, digital strategy/ecommerce/omni-channel, business transformation, and sales/channel management across consumer health, healthcare, technology, FMCG, affordable luxury, travel industries. Extensive knowledge of Asia/China/Japan.
Board member since	2008	2008	2013	2015
Current term	2019/2020	2019/2020	2019/2020	2019/2020
Considered independent	Yes (until 16 June 2020)	Yes (until 16 June 2020)	Yes	Yes
Nationality	Norway	Germany	Sweden	Hong Kong
Year of birth	1947	1956	1964	1962
No. of GN shares	224,884 (unchanged)	51,000 (unchanged)	10,000 (+1,100)	4,850 (unchanged)
Total remuneration 2019 (DKK)	2,035,000	1,051,875	701,250	660,000
Chairmanship	13/13			
Audit Committee		6/6	1/1*	5/6
Nomination Committee	4/4	2/2*		
Remuneration Committee	8/8		7/8	
Strategy Committee	8/8	8/8		
GN Store Nord A/S Board	9/9	8/9	7/9	9/9
GN Hearing A/S Board	7/7	6/7	5/7	7/7
GN Audio A/S Board	7/7	6/7	5/7	7/7

Please visit www.gn.com for more detailed 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 held in the current term.

*) The composition of the Audit and Nomination Committees have changed during the current term as a consequence of changes in Executive Management/Board of Directors.



Appendix 2.a – Board of Directors – new candidates

Ms. Anette Weber

Name	Anette Weber
Year of birth	1971
Nationality	German
Educational background	Diploma, lic.oec.HSG (business administration, economics, law), University of St. Gallen, Switzerland (1997).
Position	Former Group CFO of Ascom Holding AG*, Switzerland.
Board positions	Member of the Supervisory Board of New Work S.E.* (formerly Xing S.E), Hamburg, Germany.
Competences and other qualifications relevant to GN	<p>Anette brings a unique set of capabilities and values to the Board of GN Store Nord within finance, digitalisation, innovation management and change management.</p> <p>Anette has extensive global leadership expertise and knowledge from various leadership positions in the global healthcare and IT industry. Anette has in-depth knowledge of finance, development, general management and platform economies as well as extensive M&A experience.</p> <p>From 1997-2017 Anette held various executive management positions within the Novartis and Sandoz Group in Switzerland, Japan, Slovenia and Germany. From 2017-2019, Anette was Group CFO at Ascom Holding AG, Switzerland. Since 2013, Anette has been a member of the Supervisory Board of New Work S.E. (former Xing S.E.), Germany.</p>
Independence	Complies with the Danish Committee on Corporate Governance’s definition of independence.
No. of shares held in GN	None.

*Company listed on a stock exchange

Appendix 2.b – Board of Directors – new candidates

Mr. Jukka Pekka Pertola

Name	Jukka Pekka Pertola
Year of birth	1960
Nationality	Finnish
Educational background	MSc in Electrical Engineering, Helsinki University of Technology, Finland (1988).
Position	Professional board member. Former CEO of Siemens A/S, Denmark.
Board positions	<p>Chairman of the Board of Directors of:</p> <ul style="list-style-type: none">• Asetek A/S*• GomSpace A/S• GomSpace Group AB*• IoT Denmark A/S• IoT Solution A/S• Monsenso ApS• Siemens Gamesa Renewable Energy A/S• Tryg A/S*• Tryg Forsikring A/S <p>Deputy Chairman of the Board of Directors of:</p> <ul style="list-style-type: none">• COWI Holding A/S <p>Member of the Board of Directors of:</p> <ul style="list-style-type: none">• Industriens Pensionsforsikring A/S <p>President of the Danish Academy of Technical Sciences.</p>
Competences and other qualifications relevant to GN	<p>Jukka has a broad international background with more than 20 years of management experience in the ICT, energy, industry, infrastructure and healthcare sectors and has solid experience with various business models stretching from B2C to complex project business, IT outsourcing solutions, technology services and professional services.</p> <p>In addition to extensive knowledge within technology and R&D, Jukka brings to the Board of GN Store Nord over 10 years of international experience in board positions in private and public companies, foundations and other organizations: From 1991-2017, Jukka held various roles within the Siemens Group in inter alia Finland and Denmark, from manager through executive management/board level. In addition, Jukka has served as board member or Chairman of the Board of Directors of, among others, the Danish National Advanced Technology Foundation (Højteknologifonden), the German Danish Chamber of Commerce, Osram, DI Digital, Siemens A/S as well as LEO Pharma A/S where he was the Chairman of the Board of Directors from 2016-2019.</p>
Independence	Complies with the Danish Committee on Corporate Governance's definition of independence.
No. of shares held in GN	None.

*Company listed on a stock exchange

Appendix 2.c – Board of Directors – new candidates

Ms. Montserrat Maresch Pascual

Name	Montserrat Maresch Pascual
Year of birth	1964
Nationality	Spanish and Swedish
Educational background	Master of Business Administration, ESADE – Business and Law School, Spain (1987). Post-graduate Programme in International Management, Universita Luigi Bocconi, Italy (1987).
Position	Senior Advisor and co-Founder, Naar + Maresch AB, Sweden.
Board positions	Member of the Board of Directors at ISOLANA, S.A. Spain.
Competences and other qualifications relevant to GN	<p>Montserrat has an international executive background and experience. She brings to the Board of GN Store Nord in-depth knowledge and solid competences within retail, branding, business development and implementation of business and marketing strategies/business models, as well as digital transformation, operations performance and optimization of customer experience.</p> <p>From 1993-1997, Montserrat held the CMO position at IBERIA Airlines and the Cortefiel Group (international fashion retailer) in Spain. In 1997, she joined the IKEA Group, where she has had various country (Spain, USA, Sweden) and international global positions, within business development, global marketing and communication, digital transformation and customer experience. From 2010-2015 she was Deputy Retail CEO in the IKEA Group and in 2016 Senior Advisor in Strategy and Organization. Since 2019, Montserrat has been a co-founder and -owner of Naar + Maresch AB, Sweden, consultancy in strategy, marketing and branding.</p>
Independence	Complies with the Danish Committee on Corporate Governance’s definition of independence.
No. of shares held in GN	None.

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") and such members' remuneration in GN's wholly-owned subsidiaries, GN Audio A/S ("Audio") and GN Hearing A/S ("Hearing"), as well as remuneration to GN's board of directors ("Board of Directors"). This Remuneration Policy is made in accordance with Section 4 of the Danish Recommendations on Corporate Governance and Sections 139 – 139a of the Danish Companies Act (in Danish: "*selskabsloven*").

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 and of sustainable long-term returns for GN and its shareholders.
- 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 perfor-

mance. 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 being an innovation-driven, high-growth company that provides intelligent audio solutions with attractive earnings margins.

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, and (v) in extraordinary cases, the Board of Directors can decide to also include an extraordinary one-off bonus/LTI grant. The Executive Management is not covered by any pension scheme.

Each of the components above, together with the relative proportion of the individual components, is described in further detail below.

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 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, Hearing and Audio, respectively, 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, Audio and Hearing, respectively, 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, Audio and Hearing, respectively, 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 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, Audio and Hearing, respectively, (such as net revenue, EBITA, EBITDA, or similar), and also on other measurable personal objectives of a financial or non-financial nature (such as employee engagement, sustainability, organisation health, delivery of key strategic projects, and similar).

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. It is the responsibility and discretion of the Board of Directors to assess and decide on a potential adjustment of the final bonus pay-out.

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

5. Long-term share-based incentive plan

- 5.1. The long-term share-based incentive plan is a share option-based incentive plan (the "LTI"), and the purpose of the LTI is to reward the Executive Management for dedicated and focused results intended to achieve and support the group's long-term objective. The Board of Directors is of the view that driving growth, innovation and performance relative to peers will lead to sustainable value creation for the shareholders as well as aligning the interests between the Executive Management and the shareholders.

The LTI supports the alignment with shareholder interests by linking directly to the performance of GN's share price. The LTI plan further supports growth by (i) rewarding GN's performance against up to two key financial metrics (for example revenue

growth, EBITDA improvement, or similar financial measures) assessed to be suitable by the Board of Directors and (ii) measuring these metrics against a selected peer group of innovative companies similar to GN as further described below.

Further, 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 cases of unforeseen circumstances, 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 adjustment of performance metrics and peer group, (iv) adjustment of the exercise price and number of share options, (v) early vesting or exercise of share options and (vi) the treatment of the share options in the case of resignations, change of control, a merger, rights issue or other events.

5.2. Share option terms

5.2.1. 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).

Each allocation will be made within a range of 50% to 100% of the annual base salary calculated in accordance with the Black Scholes method at the time of grant.

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

5.2.2. 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.

5.2.3. 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.

5.2.4. 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 two metrics (such as revenue growth, EBITDA improvement or similar). The metrics are selected to incentivize the Executive Management to focus on growth relative to peers, which is an essential part of GN's long-term business strategy. The metrics are measured against a peer group of relevant U.S and European listed companies consisting of med-tech and high-tech companies which have been selected as they:

- are innovation driven and competing through innovation,
- operate in the same or similar industries/segments to GN,
- have a similar size to GN measured through their revenue, EBITDA, market capitalization and number of employees, and
- form a peer group where the overall average of the peer group represents a similar growth journey to GN, and with the intent for GN to be measured against relative performance to this peer group.

The peer group is determined by the Board of Directors and reviewed in advance of each new annual conditional allocation of share options to ensure that it provides the right competitive reference for GN. The peer group can be updated by the Board of Directors at its discretion in special cases, for example in the event that a company in the group ceases to exist due to e.g. de-listing, merger, acquisition or similar; or in case of results which are outliers and non-representative of the performance of the remaining companies in the peer group.

The Board of Directors of GN sets the performance targets relative to the selected peer group. The targets consist of a minimum, target and maximum level of relative performance, which can be achieved over the three-year vesting period for two financial metrics used in the LTI (in exceptional circumstances, the Board of Directors may decide to use one). The minimum, target and maximum are expressed relative to the peer group (for example 25th percentile, average, median, 75th percentile or similar).

After the three-year performance period, GN's performance on the financial metrics is measured against the same and latest available audited results for the companies in the peer group. GN's relative performance against the peer group results in a multiplier of the allocated share options which is zero for unacceptable performance,



one for target performance and which is capped at two for truly outstanding performance, measured against the peer group.

The multiplier is then applied to the number of allocated conditional share options and the resulting number of options vest (cliff vesting).

If GN's performance after the three-year performance period is below the minimum required level of performance, none of the granted options will vest. If GN's performance is at or above the maximum performance measured against the peer group, the conditional allocation of share options can be doubled.

Based on calculations provided by an independent auditor, the Board of Directors is responsible for analysing the performance which determines the final number of options that will vest.

The Board of Directors may, at its sole discretion but based on objective and verifiable criteria, change the performance metrics for each new grant of share options in the event that other financial metrics become more relevant to the long term strategy and sustainability of GN. Such amendments may take effect for future grants.

Vesting of the share options will further be conditional upon continued employment of the relevant member of the Executive Management at the time of vesting. If a member of the Executive Management leaves GN as a bad leaver before the time of exercise, such member will forfeit his/her right to all share options that have not vested, or which have vested but not been exercised at the point in time when notice is given.

Share options, which have vested, may be exercised at the exercise price (see Section 5.2.3), 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.

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

GN reserves the right to settle the share options in cash.

6. Extraordinary incentive awards

In order to meet the overall objectives of the incentive remuneration, the Board of Directors may in special defined objective cases decide to award individual members of the Executive Management an additional one-off bonus or LTI grant. Such bonus may be awarded for attainment of certain extraordinary performance targets. The Board of Directors may also in special cases decide to award other extraordinary incentive remuneration to individual members of the Executive Management, e.g. retention bonus, sign-on bonus or other schemes in connection with appointment.

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 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 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, unless special circumstances warrant otherwise.

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 2010 to the end of 2018, GN's long-term share-based incentive plan consisted of a warrant program which also covered the members of the Executive Management. The warrant program was replaced by the LTI described in Section 5 above as of March 2019 and, consequently, no warrants have been allocated in 2019 or will be allocated onwards based on the former program. Warrants which have been allocated to the members of the Executive Management prior to the replacement of the warrant program will vest according to the terms and conditions of the warrant program and may in such case be exercised within a three-year period following vesting. Accordingly, warrants allocated in 2018 will lapse in 2024 if not exercised.

10. Deviation of the Remuneration Policy

The Board of Directors may, following consultation with the Remuneration Committee, 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.

11. 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 Remuneration Committee, 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 Remuneration Committee 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 Remuneration Committee considers market practice. Further, the Remuneration Committee identifies relevant peers to GN, competing through growth and innovation in GN's two largest markets, the U.S and Europe, and with understanding the current remuneration practice for this reference group of peer companies.

To ensure its independence and professionalism, the Remuneration Committee engages and works with an independent advisor to assist the Remuneration Commit-

tee in its assignments. The Remuneration Committee 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.

12. Key changes to Remuneration Policy

The main changes from the Remuneration Policy approved at GN's annual general meeting on 21 March 2019 may be summarised as follows:

Amendments included to comply with the new rules in the Danish Companies Act, implemented as a consequence of the Shareholders' Right Directive:

- An explanation on how the pay and employment conditions of employees in the GN group have been taken into account when establishing the Remuneration Policy.
- The duration of the term of the members of the Board of Directors.
- Clarification of the Board of Directors' access to deviate from the Remuneration Policy.
- Additional information on the avoidance of conflict of interest in relation to the preparation of the Remuneration Policy.

Further amendments/updates:

- The members of the Executive Management may exercise share options, which have vested, at any time except during BO Periods (previously subject to specific trading windows).



- Clarification of exercise price for extraordinary grants.
- Information on exercise of share options in the event of death of a member of the Executive Management

In addition, other minor changes and clarifications have been made to the Remuneration Policy in order to aid the administration and clarity of its operation.

13. Publication and entry into force

This Remuneration Policy has been approved by the Board of Directors on 4 February 2020, [and by GN's shareholders at the annual general meeting of GN on 11 March 2020, and has been published on GN's website, www.gn.com, shortly after the annual general meeting.]