

GN Store Nord A/S issues options to the Executive Management and key employees

With reference to company announcement no. 19 2019, the Board of Directors of GN Store Nord A/S (GN) has granted share options to the Executive Management of GN and other carefully selected key employees of the GN Group. The grants have taken place in accordance with the existing Remuneration Policy, including General Guidelines for Incentive Pay to the Management, but will be subject to the revised Remuneration Policy presented for approval at the Annual General Meeting to be held on 11 March 2020.

The purpose of the long-term share-based incentive plan is to align the interests of participants to those of GN's shareholders and thereby support the group's long-term objective to deliver sustainable value creation for GN's shareholders.

The grants comprise a total of 690,417 share options in GN of which 531,937 have been issued to employees and 158,480 to the Executive Management.

Main terms and conditions for the share option program

The vesting period for the share options is three years from grant, and vesting is subject to fulfilment of certain performance targets decided by the Board of Directors pertaining to GN's performance on revenue and earnings growth. These targets reflect GN's focus on growth relative to peers, which is an essential part of GN's long-term business strategy.

Performance is measured against a large peer group of listed companies similar to GN in terms of size, growth, innovation and are within adjacent industries.

Vesting will take place on a sliding scale depending on the level of GN's performance compared to the performance of peer group companies; however, a minimum level of performance will have to be achieved for vesting to take place. Likewise, a cap applies if maximum performance is achieved.

The share options have been granted to the participants free of charge.

Upon vesting, each vested share option may be exercised over a three-year period following publication of GN's financial reports. Each vested share option entitles the participant to purchase one share in GN at an exercise price of DKK 381 per share corresponding to the five-day closing price prior to grant. If vested share options are not exercised within the three-year period, they will lapse without compensation.

The total number of share options which may be exercised under this grant corresponds to 0.5% of GN's total outstanding shares, however, in case of a maximum performance under the performance targets, the total number of share options, which may be exercised can be up to 100% higher.



The number of share options granted corresponds to a percentage of the participant's base salary. The theoretical market value of one share option granted is DKK 87.4 (calculated using the Black Scholes model). The key assumptions for the calculation of the theoretical market value are: share price of DKK 381, exercise price of DKK 381, volatility of 28.8%, average duration of 4.5 years, risk free interest rate of 0% and dividend yield of 0.4%.

In order to avoid excessive payouts in case GN's share price increases dramatically, the gross return of share value to be received upon exercise of share options under each annual grant will, for the Executive Management, be capped at a maximum of four times the participant's annual base salary at the time of grant.

GN will cover its obligation to deliver shares upon exercise of vested share options by using treasury shares.

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About GN Group

The GN Group is a global leader in intelligent audio solutions that let you hear more, do more and be more than you ever thought possible. Our ambitious 150-year journey has taken us from telegraph cables to radio waves and intelligent audio engineering. To celebrate our anniversary, we look to our unique competences within medical, professional and consumer audio solutions to help us continue to transform lives through the power of sound.

GN was founded with a truly innovative and global mindset. Today, we honor that legacy with world-leading expertise in the human ear, sound, wireless technology, miniaturization and collaborations with leading technology partners. GN's solutions are marketed by the brands ReSound, Beltone, Interton, Jabra and BlueParrott in 100 countries. Founded in 1869, the GN Group employs 6,000 people and is listed on Nasdaq Copenhagen (GN.CO).

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