

REMUNERATION REPORT 2019/20

BANG & OLUFSEN

REMUNERATION REPORT 2019/20

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This remuneration report (the “**Report**”) provides an overview of the total remuneration received by each member of the Board of Directors (“**Board**”) and of the Executive Management Board (“**EMB**”) of Bang & Olufsen A/S, CVR no. 41257911, (“**Company**”) during the 2019/20 financial year with comparative figures for the past five financial years. The EMB means the members of the executive management board of Bang & Olufsen registered as such with the Danish Business Authority.

The remuneration of the Board and EMB during the past financial year has been provided in accordance with the remuneration policy of Bang & Olufsen adopted by the Annual General Meeting on 21 August 2019 and available on the Company’s website, <https://investor.bang-olufsen.com>, (the “**Remuneration Policy**”). The overall objective of the remuneration is to attract, motivate and retain qualified members of the Board and

the EMB, to align the interests of the Board and the EMB with the interests of the shareholders and other stakeholders as well as to support Bang & Olufsen’s strategic goals and promote value creation for the benefit of the shareholders.

The Report has been prepared in accordance with section 139b of the Danish Companies Act (the “**DCA**”) and the draft European Commission Guidelines on the standardized presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement (the “**Guidelines**”).

The information included in the Report has been derived from the audited annual reports of the Company for the financial years 2015/16 - 2019/20 available on the Company’s website, <https://bang-olufsen.com>. All amounts are included in DKK, gross.

INTRODUCTION

It was a disappointing year due to lack of progress with the ongoing transition from a wholesale to a demand-driven retail model and the COVID-19 pandemic and subsequent lock-down of societies around the world. A new CEO was appointed and a new strategy was presented in April. Due to COVID-19 a capital increase with net proceeds of approx. DKK 356m was completed to ensure momentum on the new strategy and get Bang & Olufsen safely through the crisis.

During 2019/2020 there have been the following changes in the EMB:

1. Henrik Clausen, President & CEO (left the Company 8 October 2019)
2. John Mollanger, Executive Vice President Brand & Products (left the Company 31 January 2020)
3. Kristian Teär was appointed President & CEO on 8 October 2019
4. Christian Birk, Executive Vice President Marketing, Digital & Customer Experience was appointed member of the EMB on 18 November 2019

OVERVIEW FINANCIAL PERFORMANCE

The increased efforts to migrate the business approach towards a sell-out focus as well as inventory depletion with retail partners impacted the financial performance for the year negatively. Furthermore, COVID-19 has had a significant impact, especially in the fourth quarter. Revenue declined by 29% in local currencies to DKK 2,036m. EBIT margin before special items was -15% impacted by the decline in revenue and lower gross margin. Free cash flow was DKK -234m impacted positively by working capital management. To improve the capital base, a rights issue with net proceeds of approx. DKK 356m was completed on 1 July 2020.

Due to the financial performance in the financial year 2019/20, no Cash Bonus will be paid out under the Company's bonus scheme.

REMUNERATION BOARD OF DIRECTORS

Fixed Annual Fee

Members of the Board receive a fixed annual base fee approved by the Annual General Meeting. The Chairman and the Deputy Chairman each receive a multiplier of the annual base fee of 3 and 1.5, respectively, for their extended duties. Members of the Board, who are also members of a Board committee, receive an additional fixed fee as remuneration for their committee work. No member of the Board is entitled to receive any share-based incentive, other variable remuneration or pension contribution.

The following fees for 2019/20 were approved at the Annual General Meeting on 21 August 2019:

TABLE 1: BOARD FEE

	Board	Audit Committee	Nomination Committee	Remuneration Committee	Technology Committee
Member	DKK 300,000 (base fee)	DKK 75,000	DKK 75,000	DKK 75,000	DKK 75,000
Chairman	DKK 900,000 (3x base fee)	DKK 150,000	DKK 75,000	DKK 75,000	DKK 75,000
Vice Chairman	DKK 450,000 (1.5x base fee)	-	-	-	-

In addition to above committees, a China Advisory Board was established as per 1 March 2020 to support the strategic development of the Chinese market. The annual fixed fee for members of this advisory board is DKK 50,000 per member.

Members of the Board may be entitled to additional fees as set out in the Remuneration Policy, including for undertaking specific ad hoc tasks outside the scope of the ordinary tasks of the Board, reasonable travel allowance and participation in relevant training.

Shareholding Requirement

With a view to align the interests of the Company's shareholders and the members of the Board, each shareholder-elected member of the Board are required to invest in shares in Bang & Olufsen. The investment has to be done no later than 12 months after the date of the member's election. The amount has to be no less than the gross annual base fee paid to an ordinary member of the Board according to the most recent annual report, and to keep such shareholding for as long as the individual is member of the Board.

TABLE 2: REMUNERATION OF BOARD (DKK) FOR 2019/20 (2018/19)

Name and position		Annual fee	Committee fees	Travel allowance and benefits	China Advisory Board	Extra-ordinary items	Total remuneration
Ole Andersen , Chairman Chair of the Nomination Committee and the Remuneration Committee	2019/20	900,000	150,000	0	0	0	1,050,000
	2018/19	900,000	150,000	0	0	0	1,050,000
Juha Christensen , Vice Chairman Chair of the Technology Committee, member of the Remuneration Committee	2019/20	450,000	150,000	0	0	0	600,000
	2018/19	450,000	150,000	0	0	0	600,000
Jesper Jarlbæk , Board member Chair of the Audit Committee, member of the Nomination Committee	2019/20	300,000	250,137	0	0	0	550,137
	2018/19	300,000	300,000	0	0	0	600,000
Anders Colding Friis , Board member Member of the Audit Committee	2019/20	300,000	75,000	0	0	0	375,000
	2018/19	232,337	58,084	0	0	0	290,421
Mads Nipper , Board member Member of the Nomination Committee	2019/20	300,000	75,000	0	0	0	375,000
	2018/19	300,000	75,000	0	0	0	375,000
Mary Claire Chung , Board member (from 21.08.19) Member of the Remuneration Committee and China Advisory Board	2019/20	233,152	49,863	0	12,500	0	295,515
	2018/19	0	0	0	0	0	0
Joan Ng Pi O , Board member (from 21.08.19) Member of the Technology Committee and China Advisory Board	2019/20	233,152	49,863	0	12,500	0	295,515
	2018/19	0	0	0	0	0	0
Tuula Kyllikki Rytilä-Uotila , Board member (from 21.08.19) Member of the Technology Committee	2019/20	233,152	49,863	0	0	0	283,015
	2018/19	0	0	0	0	0	0
Majken Schultz , Board member (until 21.08.2019) Member of the Remuneration Committee	2019/20	66,848	16,712	0	0	0	83,560
	2018/19	300,000	75,000	0	0	0	375,000
Albert Bensoussan , Board member (until 21.08.2019) Member of the Audit Committee	2019/20	66,848	16,712	0	0	0	83,560
	2018/19	300,000	75,000	0	0	0	375,000
Ivan Tong , Board member (until 21.08.2019) Member of the Audit Committee	2019/20	66,848	16,712	0	0	0	83,560
	2018/19	300,000	75,000	0	0	0	375,000

TABLE 2: REMUNERATION OF BOARD (DKK) FOR 2019/20 (2018/19) - continued

Name and position		Annual fee	Committee fees	Travel allowance	Benefits	Extra-ordinary items	Total remuneration
Brian Bjørn Hansen , Board member	2019/20	300,000	0	0	0	0	300,000
Employee representative	2018/19	300,000	0	0	0	0	300,000
Søren Balling , Board member	2019/20	300,000	0	0	0	0	300,000
Employee representative	2018/19	300,000	0	0	0	0	300,000
Britt Lorentzen Jepsen , Board member (from 21.08.19)	2019/20	233,152	0	0	0	0	233,152
Employee representative	2018/19	0	0	0	0	0	0
Dorte Vegeberg , Board member (from 21.08.19)	2019/20	233,152	0	0	0	0	233,152
Employee representative	2018/19	0	0	0	0	0	0
Geoffrey Glen Martin , Board member (until 21.08.2019)	2019/20	66,848	0	0	0	0	66,848
Employee representative	2018/19	300,000	0	0	0	0	300,000
Total 2019/2020		4,283,152	924,861	0	0	0	5,208,013
Total 2018/2019		3,982,337	958,084	0	0	0	4,940,421

REMUNERATION EXECUTIVE MANAGEMENT BOARD

Members of the EMB are entitled to an annual remuneration in accordance with the Remuneration Policy, which may consist of the following fixed and variable remuneration components:

- (a) fixed base salary, including pension contribution,
- (b) short-term incentive remuneration consisting of an annual cash bonus,
- (c) long-term incentive remuneration consisting of participation in Matching Shares Programs,
- (d) termination and severance payments, and
- (e) customary non-monetary employment benefits.

The choice of these components create a well-balanced remuneration package reflecting (i) individual performance and responsibility of the members of the EMB in relation to established goals and targets, both in the short and the longer term, and (ii) the Company's overall performance.

The composition of the remuneration of each individual manager is determined with a view to contribute to the Company's ability to attract and retain competent key employees while, at the same time, ensuring that the EMB has an incentive to create added value for the benefit of the Company's shareholders through variable remuneration.

The EMB's terms of employment and remuneration are agreed between the individual manager and the Board.

Fixed Base Salary

The annual fixed base salary is intended to attract and retain competent key employees with a view to contribute to the Company's ability to obtain its short- and long-term targets.

In addition to the fixed base salary, members of the EMB (excluding CEO) are entitled to receive a pension contribution of up to 12% of the fixed base salary.

Annual Cash Bonus

Individual members of the EMB may receive an annual cash bonus determined at the discretion of the Board. The annual cash bonus is intended to align the individual members' interests with the Company's short-term targets. Payment of the cash bonus thus depends on the achievement of objectives related to the achievement of the Company's budgeted results, financial ratios and other measurable personal results of a financial or non-financial nature all of which reflect and support the Company's short-term objectives. As a consequence of this year's results, no Cash Bonus will be paid out.

The size of the bonus may not exceed 100% of the CEO's and 38.5% of additional members' annual gross salary.

TABLE 3: REMUNERATION OF EMB (DKK) FOR 2019/20 (2018/19)

Name and position		Fixed remuneration			Variable remuneration			Pension contribution	Total remuneration	Cash bonus paid	Matching Shares paid ⁷
		Base salary	Other fees	Benefits	Cash bonus (earned)	Matching Shares ⁵	Severance				
Kristian Teär , CEO ¹ (from 8 October 2019)	2019/20	4,150,725	196,355	151,908	2,400,000	0	0	0	6,898,988	0	0
Henrik Clausen , President & CEO ^{2,6} (until 8 October 2019)	2019/20	3,749,200	176,750	1,633	0	1,594,670	9,000,000	0	14,522,253	0	0
	2018/19	6,427,200	303,000	4,000	3,804,840	0	0	0	10,539,040	0	0
Nikolaj Wendelboe , Executive Vice President & CFO	2019/20	2,750,000	3,000	229,184	0	0	0	330,000	3,312,184	0	0
	2018/19	229,167	250	22,862	0	0	0	27,500	279,778	0	0
Christian Birk , Executive Vice President, Marketing, Digital & Customer Experience ³ (from 18 November 2019)	2019/20	1,500,000	1,500	87,130	0	0	0	180,000	1,768,630	0	0
	2018/19										
Snorre Kjesbu , Executive Vice President, Design, Creation & Fulfillment	2019/20	3,950,000	524,000	1,633	0	0	0	79,000	4,554,633	350,000 ⁴	0
	2018/19	1,090,833	32,250	1,000	0	0	0	19,833	1,143,917	0	0
John Mollanger , Executive Vice President, Brand & Markets ^{2,6} (until 31 January 2020)	2019/20	3,046,667	86,000	1,875	0	0	2,665,833	365,600	6,165,975	0	0
	2018/19	4,785,000	129,000	2,800	1,076,600	0	0	548,400	6,541,800	0	0
Anders Aakær Jensen , CFO (until 30 November 2018)	2019/20										
	2018/19	1,560,450	0	70,973	1,579,615	0	0	187,254	5,890,638	600,773	2,492,346
Stefan Kenth Persson , COO (until 1 August 2018)	2019/20										
	2018/19	419,208	21,500	467	899,705	0	0	50,305	2,800,367	128,529	1,409,182
Total 2019/2020		19,146,592	987,605	473,363	2,400,000	1,594,670	11,665,833	954,600	37,222,663	350,000	0
Total 2018/2019		14,511,858	486,000	102,101	7,360,760	0	0	833,292	27,195,541	729,302	3,901,528

¹ Has been guaranteed a minimum bonus for 2019/20

² Waived his right to bonus for 2018/19

³ Remuneration is included from 1 December 2019

⁴ Guaranteed bonus in 2018/19 for joining early

⁵ Value of matching shares exercised in October 2019

⁶ I.e. non-recurring remuneration awarded or due (retention bonus, redundancy payment, compensation for relocation, severance payments, etc.).

⁷ Value of matching shares vested in October 2018

TABLE 4: KPI FOR CASH BONUS TO EMB FOR 2019/20

Name and position	Description of KPI	Relative weighting of KPIs	KPI performance threshold	Minimum and maximum award min - max %	Actual award (DKK)	
Kristian Teär , CEO (from 8 October 2019)	Group Net Sales	20%	Quantitative intervals	0% - 20%	2,400,000 ¹	
	Group EBIT	20%	Quantitative intervals	0% - 20%		
	Free cash flow	20%	Quantitative intervals	0% - 20%		
	Discretionary Board evaluation on performance in the period 1 November 2019 to 31 May 2020		40%	Quantitative intervals		0% - 40%
	<hr/>					
Henrik Clausen , President & CEO (until 8 October 2019)	Group Net Sales	20%	Quantitative intervals	0% - 20%	0	
	Group EBIT	20%	Quantitative intervals	0% - 20%		
	Free cash flow	20%	Quantitative intervals	0% - 20%		
	Deliver on retail transformation	10%	Qualitative Intervals	0% - 10%		
	Build solid platform for growth	10%	Qualitative Intervals	0% - 10%		
	Employee engagement score - Total Company	10%	Quantitative intervals	0% - 10%		
	Discretionary Board evaluation on leadership performance	10%	Qualitative Intervals	0% - 10%		
<hr/>						
Nikolaj Wendelboe , Executive Vice President & CFO	Group Net Sales	20%	Quantitative intervals	0% - 24%	0	
	Group EBIT	20%	Quantitative intervals	0% - 24%		
	Free cash flow	20%	Quantitative intervals	0% - 24%		
	New Finance & Legal organization	10%	Qualitative Intervals	0% - 12%		
	Business Plan execution	10%	Qualitative Intervals	0% - 12%		
	Employee engagement score	10%	Quantitative intervals	0% - 12%		
	Discretionary Board evaluation on leadership performance	10%	Qualitative Intervals	0% - 12%		

¹ Has been guaranteed a minimum bonus for 2019/20.

TABLE 4: KPI FOR CASH BONUS TO EMB FOR 2019/2020 - continued

Name and position	Description of KPI	Relative weighting of KPIs	KPI performance threshold	Minimum and maximum award min - max %	Actual award (DKK)
Christian Birk , Executive Vice President, Marketing, Digital & Customer Experience (from 18 November 2019)	Group Net Sales	20%	Quantitative intervals	0% - 24%	0
	Group EBIT	20%	Quantitative intervals	0% - 24%	
	Free cash flow	20%	Quantitative intervals	0% - 24%	
	Commercial impact	10%	Quantitative intervals	0% - 12%	
	Drive BP initiatives that significantly upgrades the customer experience and insights	10%	Quantitative intervals	0% - 12%	
	Employee engagement score	10%	Quantitative intervals	0% - 12%	
	Discretionary Board evaluation on leadership performance	10%	Qualitative Intervals	0% - 12%	
Snorre Kjesbu , Executive Vice President, Design, Creation & Fulfillment	Group Net Sales	20%	Quantitative intervals	0% - 24%	0
	Group EBIT	20%	Quantitative intervals	0% - 24%	
	Free cash flow	20%	Quantitative intervals	0% - 24%	
	Deliver on the five key launches for 19/20	10%	Quantitative intervals	0% - 12%	
	Deliver on our platform strategy	10%	Quantitative intervals	0% - 12%	
	Employee engagement score	10%	Quantitative intervals	0% - 12%	
	Discretionary Board evaluation on leadership performance	10%	Qualitative Intervals	0% - 12%	
John Mollanger , Executive Vice President, Brand & Markets (until 31 January 2020)	Group Net Sales	20%	Quantitative intervals	0% - 24%	0
	Group EBIT	20%	Quantitative intervals	0% - 24%	
	Free cash flow	20%	Quantitative intervals	0% - 24%	
	Deliver on retail transformation	10%	Quantitative intervals	0% - 12%	
	Deliver a solid improvement in Brand strength and awareness during 19/20	10%	Quantitative intervals	0% - 12%	
	Employee engagement score	10%	Quantitative intervals	0% - 12%	
	Discretionary Board evaluation on leadership performance	10%	Quantitative intervals	0% - 12%	

Matching Shares Programs

Individual members of the EMB may at the discretion of the Board be offered to participate in Matching Shares Programs. Participating members are offered the opportunity to acquire shares in Bang & Olufsen at their own cost, which after three years of ownership provides the right to receive between 1 and 4 Matching Shares per investment share for programs up to 2018/19 and between 1 and 5 Matching Shares per investment share in 2019/20, depending on fulfillment of certain performance criteria.

Participation in the Matching Share Programs is offered to members of the EMB as an element of remuneration in order to ensure that the EMB stays focused on value creation and achievement of the Company's long-term objectives. The entitlement to receive Matching Shares is determined based on the number of Bang & Olufsen shares acquired, the participant's continued employment with the Company, and

the achievement of targets determined by the Board with respect to the Company's earnings and turnover consistent with the Company's short- and long-term targets. The program also serves to ensure retention of key employees.

The maximum value of Bang & Olufsen shares, which the participating member may transfer to a Matching Shares Program, will be determined at the discretion of the Board, but may in no event exceed 30% for the CEO's and 25% for additional members' annual base salary. The average share price at the grant date for the 2019/20 Program was DKK 42.27.

At the end of May 2020, no shares are expected to be vested under the programmes, as the escape clause is expected to be breached.

TABLE 5: MATCHING SHARES PROGRAMS OF EMB

Name and position	Program	Performance period	Award date	Vesting date	Number of Shares in program	Value of award (DKK) (1 June 2019)	Value of award (DKK) (31 May 2020)	Matching Shares vested	Value at time of vesting (DKK)
Kristian Teär, CEO (from 8 October 2019)	2019/20	01.06.2019-31.05.2022	01.11.2019	31.10.2022	50,593	0	0	Program vest Aug. 2022	Program vest Aug. 2022
	2019/20	01.06.2019-31.05.2022	09.08.2019	08.08.2022	44,244	0	0	Program vest Aug. 2022	Program vest Aug. 2022
Henrik Clausen, President & CEO (until 8 October 2019)	2018/19	01.06.2018-31.05.2021	04.10.2018	31.10.2021	14,520	0	0	Program vest Oct. 2021	Program vest Oct. 2021
	2017/18	01.06.2017-31.05.2020	04.10.2017	31.10.2020	13,234	0	0	Program vest Oct. 2020	Program vest Oct. 2020
	2016/17 ¹	01.06.2016-31.05.2019	06.11.2016	05.10.2019	23,980	2,165,394		41,965	1,594,670
Nikolaj Wendelboe, Executive Vice President & CFO	2019/20	01.06.2019-31.05.2022	09.08.2019	08.08.2022	13,400	0	0	Program vest Aug. 2022	Program vest Aug. 2022
Snorre Kjesbu, Executive Vice President Design, Creation & Fulfilment	2019/20	01.06.2019-31.05.2022	09.08.2019	08.08.2022	20,000	0	0	Program vest Aug. 2022	Program vest Aug. 2022
	2019/20	01.06.2019-31.05.2022	09.08.2019	08.08.2022	6,477	0	0	Program vest Aug. 2022	Program vest Aug. 2022
Christian Birk, Executive Vice President, Marketing, Digital & Customer Experience (from 18 November 2019)	2018/19 ²	01.06.2018-31.05.2021	04.10.2018	31.10.2021	3,740	0	0	Program vest Oct. 2021	Program vest Oct. 2021
	2017/18 ²	01.06.2017-31.05.2020	04.10.2017	31.10.2020	3,523	0	0	Program vest Oct. 2020	Program vest Oct. 2020

¹ Program was exercised with 1.75 shares (share price 38)

² Before becoming member of EMB

TABLE 5: MATCHING SHARES PROGRAMS OF EMB - continued

Name and position	Program	Performance period	Award date	Vesting date	Number of Shares in program	Value of award (DKK) (1 June 2019)	Value of award (DKK) (31 May 2020)	Matching Shares vested	Value at time of vesting (DKK)
John Mollanger, Executive Vice President, Brand & Markets (until 31 January 2020)	2019/20	01.06.2019- 31.05.2022	09.08.2019	08.08.2022	19,785	0	0	Program vest Aug. 2022	Program vest Aug. 2022
	2018/19	01.06.2018- 31.05.2021	04.10.2018	31.10.2021	8,148	0	0	Program vest Oct. 2021	Program vest Oct. 2021
	2017/18	01.06.2017- 31.05.2020	04.10.2017	31.10.2020	7,069	0	0	Program vest Oct. 2020	Program vest Oct. 2020
Anders Aakær Jensen, CFO (until 30 November 2018)	2017/18 (Bad Leaver)								
	2016/17 (Bad Leaver)								
	2015/16 ³	01.06.2015- 31.05.2018	28.10.2015	05.10.2018	8,394	0	0	16,788	2,492,346
Stefan Kenth Persson, COO (until 1 August 2018)	2017/18 (Bad Leaver)								
	2016/17 (Bad Leaver)								
	2015/16 ³	01.06.2015- 31.05.2018	28.10.2015	05.10.2018	4,746	0	0	9,492	1,409,182

³ Program was cash settled with 2 shares (share price 148.46)

TABLE 6: KPI FOR MATCHING SHARES PROGRAM

Matching Shares Program	Description of KPI	Relative weighting of KPIs	KPI performance thresholds	Total Matching Shares vested	Total value at time of vesting
2019/20	Stay-on FY 19/20, 20/21, 21/22	25%	Employed for all 3 financial years in the program		Vest in Oct. 2022
	Acc. Net sales FY 19/20, 20/21, 21/22	25%	Quantitative intervals		Vest in Oct. 2022
	Acc. EBIT % FY 19/20, 20/21, 21/22	25%	Quantitative intervals		Vest in Oct. 2022
	Acc. Free Cash flow FY 19/20, 20/21, 21/22	25%	Quantitative intervals		Vest in Oct. 2022
2018/19	Stay-on FY 18/19, 19/20, 20/21	25%	Employed for all 3 financial years in the program		Vest in Oct. 2021
	Acc. Net sales FY 18/19, 19/20, 20/21	25%	Quantitative intervals		Vest in Oct. 2021
	Acc. Free Cash flow FY 18/19, 19/20, 20/21	25%	Quantitative intervals		Vest in Oct. 2021
	Acc. EBIT % FY 18/19, 19/20, 20/21	25%	Quantitative intervals		Vest in Oct. 2021
2017/18	Stay-on FY 17/18, 18/19, 19/20	25%	Employed for all 3 financial years in the program		Vest in Oct. 2020
	Acc. Net sales FY 17/18, 18/19, 19/20	25%	Quantitative intervals		Vest in Oct. 2020
	Acc. EBITDAC % FY 17/18, 18/19, 19/20	25%	Quantitative intervals		Vest in Oct. 2020
	Acc. Free Cash flow FY 17/18, 18/19, 19/20	25%	Quantitative intervals		Vest in Oct. 2020
2016/17	Stay-on FY 16/17, 17/18, 18/19	25%	Employed for all 3 financial years in the program	1	911,240
	Acc B&O PLAY Net Sales FY 16/17, 17/18, 18/19	25%	Quantitative intervals	0.75	683,430
	Acc EBITDAC % FY 16/17, 17/18, 18/19	25%	Quantitative intervals	0	0
	Acc Bang & Olufsen Net Sales FY 16/17, 17/18, 18/19	25%	Quantitative intervals	0	0
2015/16	Stay-on FY 15/16, 16/17, 17/18	25%	Employed for all 3 financial years in the program	1	1,950,764
	Acc B&O PLAY Net Sales FY 15/16, 16/17, 17/18	25%	Quantitative intervals	1	1,950,764
	Acc EBITDAC % FY 15/16, 16/17, 17/18	25%	Quantitative intervals	0	0
	Acc Bang & Olufsen Net Sales FY 15/16, 16/17, 17/18	25%	Quantitative intervals	0	0
2014/15	Stay-on FY 14/15, 15/16, 16/17	25%	Employed for all 3 financial years in the program	0	0
	CSI improvement per year	25%	Quantitative intervals	0	0
	Acc EBITDAC % FY 14/15, 15/16, 16/17	25%	Quantitative intervals	0	0
	Acc Net Sales FY 14/15, 15/16, 16/17	25%	Quantitative intervals	0	0

Termination and Severance Payments

Employment agreements with members of the EMB may be ongoing (i.e. without a fixed term) and are subject to a maximum notice of termination of 24 months for CEO and for other members of EMB the maximum notice of termination is 12 months.

Non-Monetary Benefits

Members of the EMB are offered customary non-monetary employment benefits such as company car, insurance, newspaper, telephone and internet access as approved by the Board.

Claw-Back

The Company may decide to reclaim incentive remuneration in full or in part, in cases where a cash bonus, Matching Shares (or the right to receive such shares) or other incentive remuneration have been provided to a member of the EMB on the basis of data or accounts, which subsequently prove to have been misstated. In the 2018/19 financial year, no incentive remuneration was reclaimed.

REMUNERATION COMPARATIVE OVERVIEW

TABLE 7: COMPARISON OF REMUNERATION AND COMPANY PERFORMANCE OVER THE PAST FIVE FINANCIAL YEARS

	2019/20	2018/19	2017/18	2016/17	2015/16
Financial Performance					
EBIT before special items	(304)	59	122	-129	-202
EMB - remuneration (DKK)					
Kristian Teär, CEO (from 8 October 2019)	6,898,988	0	0	0	0
Henrik Clausen ¹ , President & CEO (until 31 January 2020)	14,522,253	6,734,200	10,348,082	9,496,162	0
Nikolaj Wendelboe, Executive Vice President & CFO	3,312,184	276,112	0	0	0
Snorre Kjesbu, Executive Vice President, Design, Creation & Fulfillment	4,554,633	1,493,917	0	0	0
Christian Birk, Executive Vice President, Marketing, Digital & Customer Experience (from 18 November 2019)	1,768,630	0	0	0	0
John Mollanger ¹ , Executive Vice President (until 31 January 2020)	6,165,975	5,465,200	5,819,738	577,283	0
Anders Aakær Jensen ² , CFO (until 30 November 2018)	0	4,911,796	4,514,210	3,201,859	3,063,801
Stefan Kenth Persson ² , COO (until 1 August 2018)	0	2,029,191	3,716,998	3,348,657	2,855,929

¹ Settlement of severance package included in 2019/2020 remuneration

² Including Matching shares paid in 2018/19

TABLE 7: COMPARISON OF REMUNERATION AND COMPANY PERFORMANCE OVER THE PAST FIVE FINANCIAL YEARS - continued

	2019/20	2018/19	2017/18	2016/17	2015/16
Board - remuneration (DKK)					
Ole Andersen, Chairman	1,050,000	1,050,000	1,050,000	925,000	1,250,000
Juha Christensen, Vice Chairman	600,000	600,000	523,970	215,595	0
Mads Nipper, Board member	375,000	375,000	375,000	325,000	341,339
Jesper Jarlbæk, Board member	550,137	600,000	574,657	425,000	425,000
Anders Colding Friis, Board member	375,000	290,421	0	0	0
Mary Claire Chung, Board member (from 21 August 2019)	295,515	0	0	0	0
Joan Ng Pi O, Board member (from 21 August 2019)	295,515	0	0	0	0
Tuula Kyllikki Ryttilä-Uotila, Board member (from 21 August 2019)	283,015	0	0	0	0
Albert Bensoussan, Board member (until 21 August 2019)	83,560	375,000	375,000	325,000	325,000
Kai Lap Tong, Board member (until 21 August 2019)	83,560	375,000	375,000	223,489	0
Majken Schultz, Board member (until 21 August 2019)	83,560	375,000	375,000	325,000	325,000
Søren Balling, Board member (employee representative)	300,000	300,000	250,000	0	0
Brian Bjørn Hansen, Board member (employee representative)	300,000	300,000	300,000	275,000	198,695
Britt Lorentzen Jepsen, Board member (employee representative, from 21 August 2019)	233,152	0	0	0	0
Dorte Vegeberg, Board member (employee representative, from 21 August 2019)	233,152	0	0	0	0
Geoffrey Glen Martin, Board member (employee representative, until 21 August 2019)	66,848	300,000	300,000	275,000	198,695
Average remuneration of B&O Employees (DKK)					
B&O Employees	545,777	565,500	N/A	N/A	N/A

¹ Settlement of severance package included in 2019/2020 remuneration

² Including Matching shares paid in 2018/19

COMPLIANCE WITH THE REMUNERATION POLICY

The remuneration of the Board and EMB for the 2019/20 financial year complies with the framework provided by the Remuneration Policy. There has been no deviation or derogation from the framework provided by the Remuneration Policy.

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