

Remuneration Report 2021/22

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Table of Contents

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Introduction	3	About this report
Overview financial performance	3	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 2021/22 financial year with comparative figures for the past five financial years. The EMB members are registered with the Danish Business Authority.
Compliance with the remuneration policy	4	The remuneration of the Board and the EMB during the past financial year was provided in accordance with the remuneration policy of Bang & Olufsen adopted by the Annual General Meeting on 19 August 2021 and available on the Company’s website at https://investor.bang-olufsen.com , (the “ Remuneration Policy ”). The overall objective of the remuneration policy 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, and to support Bang & Olufsen’s strategic goals and promote value creation for the benefit of the shareholders.
Remuneration Board of Directors	5	
Fixed annual fee	5	
Shareholding requirement	5	
Remuneration Executive Management Board	8	
Annual base salary	8	
Variable remuneration	8	
Award of extraordinary incentive-based remuneration	9	
Termination and severance payments	9	
Non-monetary benefits	9	
Claw-back	9	
Cash bonus paid	9	
Shares delivered	9	
Remuneration comparative overview	15	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 standardised 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 ”).
Management’s statement	17	The information included in the Report has been derived from the audited Annual Reports of the Company for the financial years 2017/18 - 2021/22 available on the Company’s website, https://bang-olufsen.com . All amounts are stated in DKK, gross.
Independent auditor’s report	18	

Introduction

In 2021/22, the Company started working with the second phase of the turnaround strategy, focused on building robustness.

The focus was on leveraging the already strong product portfolio established during the previous year with further product upgrades launched. The Company increased its investments into demand creation and local marketing activities. The Company also continued its focus on brand awareness by engaging with brand ambassadors, influencers and through partnerships like Williams Racing.

The Company expanded its licensing business with new partnerships. The new partnerships helped mitigate the dependence on PC sales and the automotive industry, both of which have been adversely affected by component shortages.

The Company managed to invest more in building robustness, despite facing significant adverse market conditions throughout the year. These included continued higher than normal costs for securing components for the Company's products, and rising inflation, further exacerbated by Russia's war against Ukraine. Lastly, the spread of COVID-19 in China resulted in extended lockdowns in key regions and cities in the last months of the financial year.

The year was characterised by continued component scarcity and higher costs. In the previous year, the Company established a component sourcing taskforce. This team diligently worked to optimise availability of components to ensure production and deliveries to customers, although some products had extended delivery times. While component costs increased, the Company was successful in reducing the costs for logistics. This was ensured through changes to production planning and shipping more by rail and sea.

During 2021/22, there was the following change on the EMB:

1. Christian Birk, Executive Vice President Marketing, Digital & Customer Experience, left the EMB on 31 January 2022. For the remainder of the fiscal year 2021/22, Christian Birk was on garden leave while receiving his usual remuneration.

Overview financial performance

Revenue amounted to DKK 2,948m, equivalent to 10% growth in local currencies, which came from both product sales and Brand Partnering & other activities. The Company managed to achieve double-digit growth despite being impacted by component shortages throughout the year and extended COVID-19 lockdowns in China in the last months of the year.

The Company improved its profitability with an EBIT margin before special items of 1.8%, up from 1.4% last year. The margin reflects both the Company's investments in building robustness but also significantly higher component costs. The combined extraordinary logistics and component costs amounted to DKK 220m, which was an increase of DKK 155m compared to last year, or a 5pp negative impact on the margin. The results show the strength of the strategy and the resilience that has been created in the Company.

Free cash flow was negative by DKK 172m. It was adversely impacted by extended COVID-19 lockdowns in China in the last months of the year, which led to an increase in working capital following the delay in sales and subsequent inventory increase. The Company expects net working capital to decline in 2022/23.





Compliance with the remuneration policy

The remuneration of the Board and the EMB for the 2021/22 financial year complied with the framework provided by the Remuneration Policy. There were no deviations or derogations from the framework provided by the Remuneration Policy.



Remuneration Board of Directors

Fixed annual fee

Members of the Board receive a fixed annual base fee approved by the Annual General Meeting. The Chair and the Deputy Chair 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 2021/22 were approved at the Annual General Meeting on 19 August 2021:

Table 1: Board and Committee fee structure

Board fee

Member	DKK 350,000 (base fee)
Chair	DKK 1,050,000 (3x base fee)
Deputy Chair	DKK 525,000 (1.5x base fee)

Committee fee

	Audit Committee	Nomination Committee	Remuneration Committee	Technology Committee	Strategy Committee
Member	DKK 100,000	DKK 75,000	DKK 75,000	DKK 75,000	DKK 75,000
Chair	DKK 300,000	DKK 100,000	DKK 100,000	DKK 100,000	DKK 300,000

Currently, no Chair of the Strategy Committee has been appointed

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 the purpose of aligning the interests of the Company's shareholders and the members of the Board in regard to the development of the share price, each member of the Board elected by the general meeting is obliged to invest in shares issued by the Company not later than 12 months after the date of the member's election to the Board for an amount at least corresponding to 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 of Directors (DKK thousand) for 2021/22 (2020/21)

Name and position		Annual fee	Committee fees	Travel allowance	Benefits	Other fees (China Advisory Board)	Total remuneration
Juha Christensen, Chair	2021/22	1,050	343	-	-	-	1,393
Chair of the Technology, Remuneration and Nomination Committees, member of the Strategy Committee	2020/21	855	214	-	-	-	1,069
Albert Bensoussan, Deputy Chair	2021/22	525	159	-	-	-	684
Member of the Audit and Strategy Committees	2020/21	348	58	-	-	-	406
Jesper Jarlbæk, Board member	2021/22	350	434	-	-	-	784
Chair of the Audit Committee, member of the Strategy and Nomination Committees	2020/21	285	214	-	-	-	499
Anders Colding Friis, Board member	2021/22	350	209	-	-	-	559
Member of the Strategy, Remuneration and Nomination Committees	2020/21	285	129	-	-	-	414
Mary Claire Chung, Board member	2021/22	350	75	-	-	50	475
Member of the Remuneration Committee and the China Advisory Board	2020/21	285	71	-	-	48	404
Tuula Kyllikki Rytilä-Uotila, Board member	2021/22	350	75	-	-	-	425
Member of the Technology Committee	2020/21	285	71	-	-	-	356
Joan Ng Pi O, Board member (until 20.08.2020)	2021/22	-	-	-	-	-	-
Former member of the Technology Committee and the China Advisory Board	2020/21	53	13	-	-	9	75
Mads Nipper, Board member (until 20.08.2020)	2021/22	-	-	-	-	-	-
Former member of the Nomination Committee	2020/21	53	13	-	-	-	66

Table 2: Remuneration of Board of Directors (DKK thousand) for 2021/22 (2020/21) - continued

Name and position		Annual fee	Committee fees	Travel allowance	Benefits	Other fees	Total remuneration
Brian Bjørn Hansen, Board member	2021/22	350	-	-	-	-	350
Employee representative	2020/21	285	-	-	-	-	285
Søren Balling, Board member	2021/22	350	-	-	-	-	350
Employee representative	2020/21	285	-	-	-	-	285
Britt Lorentzen Jepsen, Board member	2021/22	350	-	-	-	-	350
Employee representative	2020/21	285	-	-	-	-	285
Dorte Vegeberg, Board member	2021/22	350	-	-	-	-	350
Employee representative	2020/21	285	-	-	-	-	285
Total 2021/22		4,375	1,295	-	-	50	5,720
Total 2020/21		3,589	783	-	-	57	4,429

As part of the Company's COVID-19 initiatives, the Board of Directors accepted a temporary and voluntary fee reduction of 20% from June 2020 to August 2020

Remuneration Executive Management Board

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

- (a) a fixed base salary including pension contributions (“annual base salary”),
- (b) variable remuneration consisting of (i) non-share based cash bonus, and/or (ii) share-based remuneration,
- (c) termination and severance payment,
- (d) customary non-monetary employment benefits, and
- (e) potential extraordinary incentive grants subject to the terms of the Remuneration Policy

These remuneration components shall create a well-balanced remuneration package reflecting (i) individual performance and responsibility of the members of the EMB in relation to established financial and non-financial targets, both in the short and the longer term, and (ii) the Company’s overall performance.

The composition of the remuneration 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 EMB member and the Board.

Total remuneration showed a decrease compared to the prior year. This was primarily driven by lower short and long-term incentive payout as the performance for the financial year 2021/22 did not meet the same target fulfilment as in the prior year.

Annual base salary

The annual base salary is determined with a view to provide a competitive remuneration to attract and retain members of the EMB with the required professional and personal competencies. The annual base salary for the members of the EMB shall be in line with market practice and based on the individual member’s responsibilities and performance.

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

Variable remuneration

The members of the EMB may receive variable remuneration which shall be based on the individual performance and responsibility of the members of the EMB in relation to established financial and non-financial targets, both in the short and the longer term, as well as the Company’s overall performance.

The EMB may, at the discretion of the Board, be entitled to participate in the following revolving incentive schemes:

- (a) Short-term cash bonus plan
- (b) Long-term combined performance and restricted share plan

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.

The size of the bonus may not exceed 100% of the CEO’s and 45.5% of additional members’ annual gross salary.

Matching share programme (MSP) recalibrated

The Board of Directors implemented matching shares programmes (MSP) for 2018/19 and 2019/20 as a variable component of compensation to the EMB and key employees. Participants were given the opportunity to purchase shares in Bang & Olufsen A/S, which after three years of ownership entitled them to receive between 1 to 5 matching shares for each share purchased, depending on specific performance criteria being met.

In 2020, the Board resolved to recalibrate the two programmes for selected employees still employed by the Company. Consequently, the KPIs for the programmes were reset and the potential number of shares that participants were entitled to receive was reduced for both programmes. The programmes were thus modified with

a right for participants in the new part of the programme to receive up to 2 shares (previously 4 shares) under the 2018/19 programme and up to 4 shares (previously 5 shares) under the 2019/20 programme. The vesting period remained unchanged. Both MSP programmes have now ended and 2 shares were paid out for the 2018/19 programme and 2.75 shares will be paid out for the 2019/20 programme.

In accordance with market practice, the rights issue completed in July 2020 involved the issuance of new shares in the Company at a discount to market price. The Board of Directors consequently resolved to compensate certain participants still employed by the Company for the dilutive effect of the rights issue by granting them the right to receive cash compensation of DKK 12.49 per matching share they actually realise under the programmes.

Long Term Incentive Programme (LTIP)

Pursuant to Bang & Olufsen A/S's Remuneration Policy, the Board of Directors has resolved to allocate restricted shares under Bang & Olufsen A/S's Combined Performance and Retention Share Programmes to the Executive Management Board, key employees and certain other employees.

Two-thirds of the restricted shares are performance shares that are eligible for vesting in equal tranches over three financial years, depending on the level of achievement of certain KPIs defined by the Board of Directors for each performance year. The remaining shares are retention shares, which are subject to the participants' continued employment and satisfactory people review ratings. The retention shares also vest in three equal tranches over the period. Each financial year has a maximum payout of index 200 depending on the level of achievement of the KPIs.

Any vested restricted shares will be released after the Annual General Meeting's adoption of the Annual Report at the end of the third financial year for each programme, with the provision that vesting and release may be accelerated in case of certain extraordinary events.

Award of extraordinary incentive-based remuneration

With a view to ensuring retention of the members of the EMB, the Board of Directors decided in July 2020 to establish an extraordinary special short-term cash-based retention programme covering the financial years 2020/21 and 2021/22. In May 2022, the Board of Directors decided to extend the special short-term cash-based retention programme for 2022/23. The programme is subject to requirements of continued service and satisfactory

people review ratings and was established with the aim of stabilising the EMB during the turnaround of the Company.

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 the 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), Long Term Incentive plans or other incentive remuneration have been provided to a member of the EMB based on data or accounts which subsequently prove to have been misstated.

Cash bonus paid

The actual bonus paid during the year.

Shares delivered

The actual shares transferred to the employee during the year.

Table 3: Remuneration of EMB (DKK thousand) for 2021/22 (2020/21)

Name and position	Fixed remuneration			Variable remuneration							
	Annual Base salary	Benefits & Other fees	Pension contribution	Annual Cash bonus (expensed)	Cash compensation matching shares programme (expensed)	MSP and LTIP share programmes (expensed)	Severance	Retention bonus	Total remuneration	Cash bonus paid	Number of shares delivered
Kristian Teär, CEO											
2021/22	6,547	905	-	3,382	474	2,688	-	6,400	20,396	6,030	-
2020/21	6,080	905	-	6,030	1,264	3,956	-	6,400	24,635	2,400	-
Nikolaj Wendelboe, Executive Vice President, CFO											
2021/22	3,069	236	368	729	126	993	-	3,000	8,521	1,306	-
2020/21	2,850	234	360	1,306	335	1,393	-	3,000	9,478	-	-
Line Køhler Ljungdahl, Executive Vice President, Chief Legal Officer (from 15 July 2020)											
2021/22	2,290	134	275	544	33	644	-	1,930	5,850	876	2,208
2020/21	1,739	117	215	792	115	799	-	1,930	5,707	-	-
Christian Birk, Executive Vice President Marketing, Digital & Customer Experience (until 31 January 2022. Garden leave from 1 February 2022 – 31 May 2022)											
2021/22	3,069	142	368	465	61	930	-	2,000	7,035	1,319	-
2020/21	2,850	179	360	1,319	162	1,227	-	3,000	9,097	-	-
Snorre Kjesbu, Executive Vice President, Product Creation & Fulfilment (until 30 September 2020)											
2021/22	-	-	-	-	-	-	-	-	-	-	-
2020/21	1,119	45	158	-	-	-	350	-	1,672	-	-
Total 2021/22	14,975	1,417	1,011	5,120	694	5,255	-	13,330	41,802	9,531	2,208
Total 2020/21	14,638	1,480	1,093	9,447	1,876	7,375	350	14,330	50,589	2,400	-

Please note that the remuneration for the above participants only reflects the actual months they received remuneration from the Company.

As part of the Company's COVID-19 initiatives, the Executive Management Board accepted a temporary and voluntary fee reduction of 20% from June 2020 to August 2020.

Table 4: KPI for cash bonus to the EMB for 2021/22

Description of KPI	Relative weighting of KPIs	KPI performance threshold	Minimum and maximum bonus award of salary min - max %	Actual bonus awarded (%)	Actual award (DKK thousand)
Kristian Teär, CEO					
Revenue	20%	Quantitative intervals			
EBIT before special items	20%	Quantitative intervals			
Free cash flow	20%	Quantitative intervals			
Net promoter score	20%	Quantitative intervals	0% - 100%	51.8%	3,382
Long-term strategy formulation	10%	Qualitative Intervals			
People Review score	10%	Qualitative Intervals			
Nikolaj Wendelboe, Executive Vice President, CFO					
Revenue	20%	Quantitative intervals			
EBIT before special items	20%	Quantitative intervals			
Free cash flow	20%	Quantitative intervals			
Net promoter score	20%	Quantitative intervals	0% - 45.5%	23.8%	729
Long-term strategy formulation	10%	Qualitative Intervals			
People Review score	10%	Qualitative Intervals			
Line Kähler Ljungdahl, Executive Vice President, Chief Legal Officer					
Revenue	20%	Quantitative intervals			
EBIT before special items	20%	Quantitative intervals			
Free cash flow	20%	Quantitative intervals			
Net promoter score	20%	Quantitative intervals	0% - 45.5%	23.8%	544
Long-term strategy formulation	10%	Qualitative Intervals			
People Review score	10%	Qualitative Intervals			
Christian Birk, Executive Vice President Marketing, Digital & Customer Experience (until 31.01.2022)					
Revenue	20%	Quantitative intervals			
EBIT before special items	20%	Quantitative intervals			
Free cash flow	20%	Quantitative intervals			
Net promoter score	20%	Qualitative Intervals	0% - 45.5%	22.8%	465
Long-term strategy formulation	10%	Qualitative Intervals			
People Review score	10%	Qualitative Intervals			

The actual bonus award percentages have been calculated as a percentage of the base salary.

Table 5: KPI for share programmes

Share Programmes	Description of KPI	Relative weighting of KPIs	KPI performance thresholds	Time of vesting	Exercise date
2021/22 (LTIP)	Retention FY 2021/22, 2022/23, 2023/24	33.3%	Employment	Vests annually	Aug 2024
	Revenue FY 2021/22, 2022/23, 2023/24	33.3%	Quantitative intervals	Vests annually	Aug 2024
	EBIT before special items FY 2021/22, 2022/23, 2023/24	33.3%	Quantitative intervals	Vests annually	Aug 2024
2020/21 (LTIP)	Retention FY 2020/21, 2021/22, 2022/23	33.3%	Employment	Vests annually	Aug 2023
	Revenue FY 2020/21, 2021/22, 2022/23	33.3%	Quantitative intervals	Vests annually	Aug 2023
	EBIT before special items FY 2020/21, 2021/22, 2022/23	33.3%	Quantitative intervals	Vests annually	Aug 2023
2019/20 (MSP)	Retention FY 2019/20, 2020/21, 2021/22	25.0%	Employed for both financial years in the programme	Vest in Aug 2022	Aug 2022
	Revenue 2020/21 and 2021/22	37.5%	Quantitative intervals	Vest in Aug 2022	Aug 2022
	EBIT before special items 2020/21 and 2021/22	37.5%	Quantitative intervals	Vest in Aug 2022	Aug 2022
2018/19 (MSP)	Retention 2020/21	50.0%	Employed for the financial year in the programme	Vest in Oct 2021	Oct 2021
	EBIT before special items FY 2020/21	50.0%	Quantitative intervals	Vest in Oct 2021	Oct 2021

LTIP Long Term Incentive Programme

MSP Matching Shares Programme

Table 6 | Matching Shares Programmes (MSP) of EMB

Programme	Performance period	Award date	Vesting date	Maximum number of Shares in programme	Share price at grant date	Number of shares vested 2021/22	Number of shares vested 2020/21	Value of award expensed (DKK thousand) in 2021/22	Value of award expensed (DKK thousand) in 2020/21	Cash compensation expensed (DKK thousand) in 2021/22	Cash compensation expensed (DKK thousand) in 2020/21
Kristian Teär, CEO											
2019/20	01.06.2019-31.05.2022	06.07.2020	08.08.2022	202,372	11.99	139,131	-	455	1,213	474	1,264
Nikolaj Wendelboe, Executive Vice President, CFO											
2019/20	01.06.2019-31.05.2022	06.07.2020	08.08.2022	53,600	11.99	36,850	-	120	321	126	335
Christian Birk, Executive Vice President Marketing, Digital & Customer Experience											
2019/20	01.06.2019-31.05.2022	06.07.2020	08.08.2022	25,908	11.99	17,812	-	58	155	61	162
Line Køhler Ljungdahl, Executive Vice President, Chief Legal Officer											
2019/20	01.06.2019-31.05.2022	06.07.2020	08.08.2022	13,940	11.99	9,584	-	31	84	33	87
Total				295,820		203,377	-	664	1,773	694	1,848

Under this programme, vesting of the shares not already vested is subject to financial performance and the participants' continued employment.

Table 7 | Long Term Incentive Programmes (LTIP) of EMB

Programme	Performance period	Award date	Exercise date	Granted Shares in program 2021/22	Granted Shares in program 2020/21	Share price at grant date	Maximum number of shares in programme 31 May	Number of shares vested 2021/22	Number of shares vested 2020/21	Value of award expensed (DKK thousand) in 2021/22	Value of award expensed (DKK thousand) in 2020/21	Shares vesting (Programme Vest)
Kristian Teär, CEO												
2020/21	01.06.2020-31.05.2023	02.10.2020	Aug 2023	-	371,150	12.93	491,563	77,113	167,018	937	2,743	Annually
2021/22	01.06.2021-31.05.2024	12.07.2021	Aug 2024	148,293	-	33.11	228,534	30,810	-	1,296	-	Annually
Nikolaj Wendelboe, Executive Vice President, CFO												
2020/21	01.06.2020-31.05.2023	02.10.2020	Aug 2023	-	144,980	12.93	192,016	30,122	65,241	366	1,071	Annually
2021/22	01.06.2021-31.05.2024	12.07.2021	Aug 2024	57,927	-	33.11	89,271	12,035	-	506	-	Annually
Christian Birk, Executive Vice President Marketing, Digital & Customer Experience												
2020/21	01.06.2020-31.05.2023	02.10.2020	Aug 2023	-	144,980	12.93	192,016	30,122	65,241	366	1,071	Annually
2021/22	01.06.2021-31.05.2024	12.07.2021	Aug 2024	57,927	-	33.11	89,271	12,035	-	506	-	Annually
Line Køhler Ljungdahl, Executive Vice President, Chief Legal Officer												
2020/21	01.06.2020-31.05.2023	02.10.2020	Aug 2023	-	93,271	12.93	123,531	19,379	41,972	236	689	Annually
2021/22	01.06.2021-31.05.2024	12.07.2021	Aug 2024	43,223	-	33.11	66,611	8,980	-	378	-	Annually
Total				307,370	754,381		1,472,813	220,596	339,472	4,591	5,574	

Remuneration comparative overview

Table 8: Comparison of remuneration and Company performance over the past five financial years

	2021/22	2020/21	2019/20	2018/19	2017/18
(DKK million)					
Financial Performance					
Revenue	2,948	2,629	2,036	2,838	3,285
EBIT before special items	54	38	-390	59	46
Free Cash Flow	-172	119	-234	-272	85
EMB - remuneration (DKK thousand)					
Kristian Teär, CEO (from 8 October 2019)	20,396	24,635	6,899	-	-
Nikolaj Wendelboe, Executive Vice President, CFO (from 1 May 2019)	8,521	9,478	3,312	276	-
Line Køhler Ljungdahl, Executive Vice President, Chief Legal Officer (from 15 July 2020)	5,850	5,707	-	-	-
Christian Birk, Executive Vice President Marketing, Digital & Customer Experience (from 18 November 2019 until 31 January 2022). Garden leave from 1 February until 31 May 2022)	7,035	9,097	1,769	-	-
Snorre Kjesbu, Executive Vice President, Product Creation & Fulfilment (until 30 September 2020)	-	1,672	4,555	1,494	-
Henrik Clausen ¹ , President & CEO (until 31 January 2020)	-	-	12,928	6,734	10,348
John Mollanger ¹ , Executive Vice President (until 31 January 2020)	-	-	6,166	5,465	5,820
Anders Aakær Jensen ² , CFO (until 30 November 2018)	-	-	-	4,912	4,514
Stefan Kenth Persson ² , COO (until 1 August 2018)	-	-	-	2,029	3,717

¹ Settlement of severance package included in 2019/2020 remuneration

² Including matching shares paid in 2018/19

Please note that the remuneration for the above participants only reflects the actual months they received remuneration from the Company.

Table 8: Comparison of remuneration and Company performance over the past five financial years – continued

	2021/22	2020/21	2019/20	2018/19	2017/18
Board - remuneration (DKK thousand)					
Juha Christensen, Chair	1,393	1,069	600	600	524
Jesper Jarlbæk, Board member	784	499	550	600	575
Anders Colding Friis, Board member	559	414	375	290	-
Mary Claire Chung, Board member (from 21 August 2019)	475	404	296	-	-
Tuula Kyllikki Ryttilä-Uotila, Board member (from 21 August 2019)	425	356	283	-	-
Albert Bensoussan, Board member	684	406	84	375	375
Søren Balling, Board member (employee representative)	350	285	300	300	250
Brian Bjørn Hansen, Board member (employee representative)	350	285	300	300	300
Britt Lorentzen Jepsen, Board member (employee representative)	350	285	233	-	-
Dorte Vegeberg, Board member (employee representative)	350	285	233	-	-
Joan Ng Pi O, Board member (from 21 August 2019 until 20 August 2020)	-	75	296	-	-
Mads Nipper, Board member (until 20 August 2020)	-	66	375	375	375
Ole Andersen, Former Chair	-	-	1,050	1,050	1,050
Kai Lap Tong, Board member (until 21 August 2019)	-	-	84	375	375
Majken Schultz, Board member (until 21 August 2019)	-	-	84	375	375
Geoffrey Glen Martin, Board member (employee representative, until 21 August 2019)	-	-	67	300	300
Jim Hagemann Snabe, Board member (until 14 September 2017)	-	-	-	-	173
Jesper Olesen Board Member (employee representative, until 31 July 2017)	-	-	-	-	50
Average remuneration of B&O employees (DKK thousand)	787	773	646	614	N/A



Management's statement

The Board of Directors has today considered and approved the Remuneration Report of Bang & Olufsen A/S for the financial year 2021/22.

The Remuneration Report has been prepared in accordance with section 139 b of the Danish Companies Act. In our opinion, the Remuneration Report provides a fair presentation of the remuneration that the individual management members were awarded during or for the benefit of the financial year 2021/22, and the Remuneration Report explains how the overall remuneration is in accordance with the agreed remuneration policy, including how the remuneration contributes towards promoting the business strategy, long-term interests, sustainability and creation of value in the Company by supporting the Company's short and long-term objectives.

The Remuneration Report will be presented at the Annual General Meeting for an advisory vote.

Struer, 6 July 2022

Executive Management Board:

Kristian Teær
CEO

Nikolaj Wendelboe
EVP, CFO

Line Køhler Ljungdahl
EVP, CLO

Board of Directors:

Juha Christensen
Chair

Albert Bensoussan
Vice Chair

Anders Colding Friis

Brian Bjørn Hansen

Britt Lorentzen Jepsen

Dorte Vegeberg

Jesper Jarlbæk

M. Claire Chung

Søren Balling

Tuula Rytälä

Independent auditor's report

To the shareholders of Bang & Olufsen A/S

As agreed with the Company's Board of Directors, we have examined that the Remuneration Report for Bang & Olufsen A/S for the financial year 2021/22 includes the disclosures required by section 139 b(3) of the Danish Companies Act and that the information pertaining to remuneration, company performance and individual shareholdings included in the Remuneration Report's tables included on pages 5-7 and pages 10-16 on remuneration, share based programmes, holding of shares and financial performance are accurate and complete.

The degree of assurance we express in this report is reasonable.

Board of Directors' responsibility for the Remuneration Report

The Board of Directors is responsible for the preparation of the Remuneration Report in accordance with section 139 b(3) of the Danish Companies Act and the Remuneration Policy dated 19 August 2022 as adopted by the Annual General Meeting.

The Board of Directors is also responsible for such internal control that the Board of Directors determines is necessary to enable the preparation of the Remuneration Report that is free from material misstatement, whether due to fraud or error.

Auditor's independence and quality control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, as well as ethical requirements applicable in Denmark.

EY Godkendt Revisionspartnerselskab is subject to the International Standard on Quality Control (ISQC) 1 and thus uses a comprehensive quality control system, documented policies and procedures regarding compliance with ethical requirements, professional standards, applicable requirements in Danish law and other regulations.

Auditor's responsibilities

Our responsibility is to express a conclusion on Remuneration Report based on our examinations. We conducted our examinations in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and additional requirements under Danish audit legislation to obtain reasonable assurance for purposes of our conclusion.

As part of our examinations, we performed the below procedures:

- We have verified that the Remuneration Report includes the information on remuneration for each individual member of the Board of Directors and Executive Board as required by section 139 b(3), item 1-6 of the Danish Companies Act.
- We have reconciled the information on financial performance of Bang & Olufsen A/S included in the Remuneration Report to the financial highlights and other financial information as per the Annual Report for the financial year 2021/22 and, in addition, we have on a sample basis recalculated the average remuneration by Full Time Equivalent excluding Executive Board for Bang & Olufsen A/S.
- We have examined Management's process for recording, collecting and presenting information on fixed base salary, short term incentives (STI), pension contribution and other benefits to the Executive Board and remuneration to the Board of Directors and on a sample basis verified such information to employment contracts and other agreements and actual disbursements.
- We have examined Management's process for recording, collecting and presenting information on long term incentives (LTI) and on a sample basis verified such information to contracts, individual allocated, vested and cancelled LTIs.
- We have examined Management's process for recording, collecting and presenting no. of shares held by the individual members of the Board of Directors and Executive Board and on a sample basis verified such information to supporting documentation.

In our opinion, the examinations performed provide a sufficient basis for our opinion.

Conclusion

In our opinion, the Remuneration Report, in all material respects, includes the disclosures required by section 139 b(3) of the Danish Companies Act and the information pertaining to remuneration, company performance and individual shareholdings included in the Remuneration Report's tables included on pages 5-7 and pages 10-16 are accurate and complete.

Copenhagen, 6 July 2022

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Kronborg Iversen
State Authorised Public Accountant
mne24687

Morten Friis
State Authorised Public Accountant
Mne32732

