

The background of the slide features two tall, cylindrical columns made of polished marble. The column on the left has a reddish-pink hue with white veining, while the column on the right is white with gold and brown veining. Both columns are topped with dark, textured cylindrical caps. They stand on a rough, grey stone base. The entire scene is set against a soft, light purple gradient background.

Corporate Governance 2025/26

Reg. number: 41257911

Governance bodies

Bang & Olufsen has a two-tiered management structure, where, as per current practice in Denmark, responsibility is divided between the non-executive Board of Directors and the Executive Management Board, which are independent of each other. The Board of Directors determines the overall strategy and supervises Bang & Olufsen's activities, management, and organisation, while the Executive Management Board handles the day-to-day management and operation of the company. Members of the Executive Management Board are not members of the Board of Directors.

Board of Directors

The Board of Directors is currently comprised of nine members, six of whom are elected by the shareholders at the annual general meeting and three of whom are elected by the employees. All of the shareholder-elected board members, including the chair, are elected for terms of one year and currently all shareholder-elected board

members are independent, except for Jesper Jarlbæk, who, due to his more than 12-year tenure on the Board of Directors, no longer maintains the independence status. Employee representatives are elected for terms of four years in accordance with current legislation.

The Board of Directors has adopted a set of rules of procedure which describes the work and duties of the Board of Directors. The Board of Directors believes that members should be chosen for their overall competencies, while also recognising the benefits of board diversity in respect of experience, cultural background, age and gender. Each year, the Board of Directors considers the skills and competences that should be represented on the Board of Directors on the basis of a recommendation from the Nomination Committee.

When considering qualifications, experience and competencies of candidates for Board membership (including re-election), the Board of Directors and the Nomination Committee consider the following factors, in addition to such other factors that the Board of Directors may deem relevant:

1. Experience and competencies in:

Commercial areas:

- Sales, marketing and omni channel retailing of branded consumer- and luxury lifestyle products incl. e-commerce retailing
- Brand management, including licensing
- Consumer electronics concepts and customer experience

This annual corporate governance report for Bang & Olufsen a/s forms part of the Management Review set out in the annual report for 2025/26 and covers the financial period 1 June 2025 to 31 May 2026. The report covers:

- a description of the company's management structure;
- a description of the main elements of the Bang & Olufsen Group's internal control and risk management systems relating to financial reporting; and
- a review of the company's approach to the 'Recommendations for corporate governance from the Committee on Corporate Governance in Denmark' from December 2020, implemented by NASDAQ Copenhagen A/S in its 'Nordic Main Market Rule Book for Issuers of Shares' (the "Recommendations"). The company's approach to the Recommendations is not covered by the independent auditor's report.

- Key market knowledge and experience
- Partnership relationship management
- External stakeholder relations, including ESG, social media and brand communities
- Innovation processes, digitalisation including technology architecture, platforms and software development
- Supply chain, (out) sourcing and manufacturing within consumer products
- New product introduction
- Strategy development and value creation processes
- Leadership and HR development
- Risk Management and internal controls
- Financial, accounting, IT and financing matters
- Corporate governance of listed companies
- Use of Artificial Intelligence in a business and product context

Leadership and corporate governance areas:

- Management and strategic development of international businesses within branded consumer products

2. **Diversity of perspectives brought to the Board of Directors by the individual members.**
3. **Personal characteristics matching Bang & Olufsen's values and leadership principles.**

Employee elected board members

Under the Danish Companies Act (Selskabsloven), employees of the Bang & Olufsen Group's Danish companies have the right to elect a number of members and alternates to the Board of Directors equivalent to half the number of board members elected by the shareholders, but not less than two members.

The employees have chosen to elect board members at Bang & Olufsen Group level, meaning that they only elect representatives to serve on the Board of Directors of the parent company, Bang & Olufsen a/s.

The most recent election of employees to the Board of Directors took place in May 2023 by written, secret, direct ballot. At this election three employees were elected to join the Board of Directors immediately after the Annual General Meeting in August 2023. Employee representatives are elected for terms of four years. The next election of employees to join the Board of Directors after the Annual General Meeting to be held in 2027 will take place in early 2027. Employee representatives have the same rights, obligations and responsibilities as other board members. As of 31 May 2026, the Board of Directors consisted of the following members:

In order to align the interest of the Board members with the shareholders, Bang & Olufsen's board members, with the exception of the employee representatives, are, within 12 months of being elected to the Board, under an obligation to buy shares in the company for an amount equivalent to at least one year's base fee and to keep these shares for the duration of their board membership.

Information about the members of the Board of Directors, their other supervisory and executive positions, independence and individual competences can be found on pages 45-46 of the 2025/26 annual report.

Board activities in the financial year 2025/26

Between eight and ten board meetings are held a year, with ad hoc meetings being held if required. In 2025/26, the Board of Directors held twelve meetings.

The focus area of the Board in 2025/26 has been the following:

- Supporting the Executive Management Board through a year of transition and in the execution of the company's strategy
- Overseeing the transition in executive management, including the change of Chief Executive Officer and the ongoing process to appoint a permanent successor
- Acting as sounding board for, and shaping, the refresh of the company's long-term strategy

- Reviewing the adjustment of the financial outlook and the withdrawal of the previously announced mid-term ambitions
- Strengthening the go-to-market operating model and the orchestration of product launches, including the learnings from recent product launches
- Reviewing the marketing strategy
- Reviewing the product and portfolio strategy and roadmap, including the development of an adjusted supplier strategy
- Further strengthening retail execution and the Win City plan
- Driving the cultural transformation and the adoption of the new Leadership Commitments
- Reviewing the implementation progress of the IT and cyber security strategy
- Assessing the financial performance of the company through the year
- Reviewing market and competition insights

Board Committees

The Board of Directors has established five committees to support the Board of Directors in its decision making: a Remuneration Committee, a Nomination Committee, an Audit Committee, a Technology Committee and a Strategy Committee. The committees are tasked with preparing decisions and recommendations for assessment and approval by the Board of Directors.

The committees report to the Board of Directors and each committee has a detailed committee charter which sets out the most important tasks and responsibilities of the

respective committee. The committee charters can be found on the company's website here <https://investor.bang-olufsen.com/policies-and-charters>.

Audit Committee

The Audit Committee currently consists of three members of the Board of Directors.

The members of the Audit Committee are:

- Jesper Jarlbæk (Chair)
- Nancy Liu
- Tuula Ryttilä

The Audit Committee is charged with assisting the Board of Directors in performing its duties in terms of financial and sustainability reporting, internal control systems, the audit process and monitoring by the company of compliance with statutes, rules and code of conduct, including assessment of quarterly reports and the independence of the independent auditors. The Audit Committee meets at least four times a year.

The Audit Committee held four meetings in 2025/26, all attended by the independent auditors. The meetings were held on the basis of an agreed annual cycle, which is in accordance with the Recommendations and ensures adequate monitoring.

The main activities of the Audit Committee in 2025/26 were:

- Review of the audited annual report and monitoring of the financial and sustainability reporting process
- Review of the quarterly financial statements and trading statements
- Monitoring the adequacy and effectiveness of the company's internal controls and risk management systems, with close attention to fast-growing areas of the business
- Oversight of the Information Security programme, with emphasis on strengthening IT maturity within Bang & Olufsen and ensuring alignment with EU regulatory requirements (CRA, RED, NIS2).
- Monitoring of the company's enterprise risk management process and the key risks of the business
- Oversight of the company's compliance programme, including its sanctions controls and related improvements
- Review of ongoing material legal cases and the company's whistle-blower scheme, Beoshare
- Oversight of the sustainability reporting process, including the double materiality assessment
- Review of accounting principles and changes to accounting standards, including the impact of IFRS 18
- Ongoing monitoring of the company's liquidity situation and financing
- Recommendation for the appointment of the independent auditor, including assessment of the auditor's independence, performance, competencies and fees

Remuneration Committee

The Remuneration Committee currently consists of three members of the Board of Directors.

The members of the Remuneration Committee are:

- Juha Christensen (Chair)
- Anders Colding Friis
- Albert Bensoussan

The committee is charged with assisting the Board of Directors in establishing, implementing and carrying out its Remuneration Policy for members of the Board of Directors and the Executive Management Board (the company's governing bodies). The Remuneration Committee meets at least twice a year.

The Remuneration Committee held three meetings in 2025/26, held on the basis of an annual cycle which is in accordance with the Recommendations.

The meetings were held on the basis of an annual cycle which is in accordance with the Recommendations and ensures an adequate overview of the business.

The main activities of the Remuneration Committee in 2025/26 were:

- Annual review of the company's Remuneration Policy and the remuneration report
- Approval of incentive payments to the Executive Management Board for the financial year 2024/25 and

the setting of targets and individual KPIs for the financial year 2025/26

- Oversight of the long-term incentive programme for the three financial years commencing in 2025/26
- Review of remuneration to the Board of Directors and its committees
- Review of compensation levels and relevant peer benchmarks to support recruitment and retention
- Consideration of remuneration matters arising from the changes in executive management during the year

Nomination Committee

The Nomination Committee currently consists of three members of the Board of Directors.

The members of the Nomination Committee are:

- Juha Christensen (Chair)
- Jesper Jarlbæk
- Anders Colding Friis

The committee is charged with assisting the Board of Directors in performing its duties in terms of (i) nominating and appointing members of the Board of Directors and the Executive Management Board, (ii) ensuring that the Board of Directors and the Executive Management Board always have an appropriate number of members and are made up of persons with the necessary professional qualifications and experience, and (iii) carrying out regular evaluations of the results achieved by the Board of

Directors and the Executive Management Board. The Nomination Committee meets at least once a year.

The Nomination Committee held two meetings in 2025/26. The Committee's activity was considerably higher than in prior years, reflecting the work on the leadership transition and the process to appoint a new Chief Executive Officer.

The main activities of the Nomination Committee in 2025/26 were:

- Overseeing the ongoing process to identify and appoint a new Chief Executive Officer, supported by an external search firm
- Review of succession planning for the Board of Directors, the Executive Management Board and the Global Leadership Team
- Review of the structure, size and composition of the Executive Management Board
- Evaluation of the competencies, performance and experience of the Global Leadership Team
- Review of the Nomination Committee charter, including the changes required by the Gender Balance Act
- Oversight of the cultural transformation and the new Leadership Commitments
- Review of data on diversity in senior positions and the setting of diversity targets
- Evaluating the structure, size and competencies of the Board of Directors

Technology Committee

The Technology Committee currently consists of two members of the Board of Directors.

The members of the Technology Committee are:

- Tuula Ryttilä (Chair)
- Juha Christensen

The committee is charged with (i) updating the Board on technology trends that could significantly affect the company and (ii) assisting the Board in its oversight of the company's material investments in technology and software, reviewing the company's technology and investment strategy. The Technology Committee meets at least twice a year.

The Technology Committee held three meetings in 2025/26, held on the basis of an annual cycle which ensures an adequate overview of the business.

The main activities of the Technology Committee in 2025/26 were:

- Reviewing the product and portfolio strategy and roadmap towards 2030
- Reviewing the product software roadmap and projects to enhance software quality across the portfolio
- Reviewing the technology platforms for future products
- Reviewing the digital product experience, including the app and connected services

- Reviewing connectivity and system integration to support custom installation and larger system sales
- Reviewing competitor analysis and winning propositions
- Reviewing consumer and market insights and research studies

Strategy Committee

The Strategy Committee currently consists of four members of the Board of Directors.

The members of the Strategy Committee are:

- Juha Christensen (Chair)
- Albert Bensoussan
- Jesper Jarlbæk
- Anders Colding Friis

The committee is charged with (i) serving as sounding board and reviewing implementation with respect to the company's long term strategy, (ii) assessing external developments and factors which can influence the company's strategy such as changes in economy, competition, and technology, (iii) reviewing and evaluating potential modifications to the company's long-term strategic direction to reflect changes in market or business conditions and (iv) reviewing and assessing potential candidates for corporate development and growth initiatives, including but not limited to acquisitions, joint ventures, and strategic alliances. The Strategy Committee meets at least twice a year.

The Strategy Committee held four meetings and numerous working sessions in 2025/26. As with the Nomination Committee, its activity was higher than in prior years, given the work on the strategy refresh and the leadership transition.

The main activities of the Strategy Committee in 2025/26 were:

- Acting as sounding board for, and shaping, the refresh of the company's long-term strategy through an iterative process with management
- Reviewing the fundamental assumptions underpinning the long-term strategy
- Supporting the development of the go-to-market operating model
- Reviewing external developments and factors affecting the strategy, including market, competition and technology
- Together with the Nomination Committee, supporting the ongoing process to appoint a new Chief Executive Officer

Board evaluation process

The Chair of the Board of Directors conducts an annual self-assessment and review of the Board's performance. The review addresses the effectiveness of the Board, the processes supporting its work, the contribution of individual Board members, the performance of the Chair, and the cooperation between the Board and the Executive Management Board.

The evaluation of the Chair's own performance is led by the Vice Chair, in line with the Nomination Committee's charter. The outcome of the evaluation was considered by the Board of Directors in May 2026, followed by a discussion of potential improvements.

The self-assessment confirmed that the Board operates effectively and that the working relationship between the Board and the Executive Management Board is strong. During the latter part of the year, the Chair, the Board and the Executive Management Board worked deliberately to deepen the transparency and quality of information shared between them, strengthening the Board's ability to support and add value to the Company. Building on the prior year's focus on closer interaction ahead of meetings, decision processes were tightened and the decision cycles between the Board and the Executive Management Board shortened, supporting a faster pace of execution.

The Board identified succession planning as a continued area of focus, both for the Board itself and for the management levels, and this remains part of the annual work of the Nomination Committee. The Chair has discussed and reviewed performance with, and provided individual feedback to, each member of the Board of Directors.

Executive Management Board

The Board of Directors appoints an Executive Management Board with responsibility for the day-to-day management of the company in accordance with the guidelines and recommendations set out by the Board of

Directors. The Executive Management Board’s responsibilities also include submitting proposals and recommendations to the Board of Directors regarding Bang & Olufsen’s overall strategy and objectives. The Executive Management Board currently has one member and is headed by the interim Chief Executive Officer.

In January 2026 Chief Executive Officer Kristian Teär left the company, and in May 2026 EVP & Chief Corporate Commercial Officer Line Køhler Ljungdahl left the company.

As of 31 May 2026, the Executive Management Board consisted of the following member:

EXECUTIVE MANAGEMENT BOARD

Interim Chief Executive Officer and Chief Financial Officer

Nikolaj Wendelboe

Financial reporting process and internal control

The Board of Directors and the Executive Management Board are responsible for Bang & Olufsen's risk management and internal control systems, including compliance with current legislation and financial reporting standards. Bang & Olufsen's risk management and internal control systems in respect of financial reporting, including IT and tax, have been designed with a view to limiting the risk of errors and omissions in financial reporting.

Control environment

Internal controls at Bang & Olufsen are based on the company's organisation, decision-making processes, powers and responsibilities, which are set out in and communicated via its corporate documentation, e.g., policies, internal procedures, etc. Internal controls are also carried out on the basis of procedures described in

manuals and memoranda. The Executive Management Board has set up central functions with responsibility for compliance and control with a view to ensure compliance with relevant legislation and financial reporting requirements and to check financial reporting by subsidiaries and associated companies. Bang & Olufsen has set up a separate Audit Committee consisting of three board members. The Audit Committee is charged with the task of monitoring, evaluating and discussing important accounting and financial reporting issues as well as other tasks as specified on page four.

Risk assessment

The Executive Management Board and the Audit Committee perform an assessment of the risks relating to financial reporting for the entire Bang & Olufsen group at least once a year, including:

- material accounting estimates
- material changes in accounting policies
- an assessment of fraud risks

The purpose of this risk assessment is to identify the financial reporting processes that are most likely to contain material misstatements. Based on such risk assessment, Bang & Olufsen's focus is to implement measures with a view to manage and reduce risk in these processes.

Control activities

The control framework first and foremost consists of an organisation with clearly defined roles that support the efficient and, in terms of internal control, relevant allocation of responsibilities, supported by specific control activities aimed at identifying and preventing material errors and omissions in the financial reporting. These control activities are based on an evaluation of materiality and risk. The purpose of the control activities is to ensure that objectives, policies, manuals, procedures etc. communicated by management are complied with and possible errors, discrepancies and omissions are prevented, discovered and corrected in time. Control activities include for example manual and physical checks and reconciliations, general IT checks and automatic application checks in IT systems.

Management has established procedures for consolidated financial reporting that encompass monthly reporting and budget reporting, including budget discrepancy reporting with ongoing adjustment of estimates for the year. In addition to the income statement, balance sheet and cash flow statement, ongoing reporting also includes notes and other disclosures.

The Audit Committee has assessed the need for an internal audit function and has decided that this is not required due to the size and level of complexity of the company in combination with the fact that existing internal control and

risk management systems and processes are considered appropriate.

Information and communication integrated management systems, financial reporting manuals and other reporting instructions are regularly updated. Changes in policies and accounting procedures are disclosed and explained to the parties involved on an ongoing basis.

Financial reporting is done in a single shared reporting system, which assures the parent company full transparency in relation to the individual reporting units. Financial reporting is backed up by monthly reporting from the individual units.

Monitoring

The risk assessment process and control activities are monitored on a timely basis. Monitoring consists of both formal and informal procedures, which are used by the management and the people who own the processes, risks and control procedures. Performance is monitored closely and compared with budgets and plans, analytical procedures and important key figures and financial ratios. The management continually monitors compliance with relevant legislation and financial reporting requirements and reports its findings to the Board of Directors and the Audit Committee.

The Board of Directors considers at least once a year whether the internal control systems are adequate. The internal control systems are discussed with the independent auditors at the board meeting at which the annual report is considered. Based on what the auditors state in the long-form audit report, the Board of Directors and independent auditors discuss the outcome of the audit, material accounting policies used, material accounting estimates and the appropriateness of the accounting policies used.

The Board of Directors and the Audit Committee monitor management's response to any control weaknesses and/or lack of controls and ensure that the measures agreed to improve risk management and internal controls in respect of financial reporting are implemented according to plan. The management is responsible for following up on weaknesses in internal control identified in subsidiaries.



Recommendations for corporate governance in Denmark

Bang & Olufsen is subject to the Recommendations for Corporate Governance as updated in December 2020 (the “Recommendations”), prepared by the Danish Committee on Corporate Governance.

The Board of Directors regularly reviews Bang & Olufsen’s corporate governance framework and policies in relation to the Recommendations as well as any relevant statutory requirements and continuously assesses the need for adjustments. As of 31 May 2026, Bang & Olufsen complies with all of the Recommendations, except for recommendation 1.1.3, Publication of quarterly reports.

Recommendation	The company complies	The company explains
		How
1 . Interaction with the company’s shareholders , investors and other stakeholder		
1 . 1 . Dialogue between company , shareholders and other stakeholders		
1 . 1 . 1 . The Committee recommends that the management through ongoing dialogue and interaction ensures that shareholders , investors and other stakeholders gain the relevant insight into the company 's affairs , and that the board of directors obtains the possibility of hearing and including their views in its work .	X	Bang & Olufsen aims to provide information to and opportunities for dialogue with its stakeholders through regular publication of news, interim reports, annual reports and general meetings. Bang & Olufsen participates regularly in, and facilitates, events with investors, potential investors, equity analysts and stockbrokers, including, for example, conference calls and capital markets days. Furthermore, Bang & Olufsen’s Investor Relations (IR) department assists the Executive Management Board when holding regular meetings and conference calls with investors. The IR department is

Recommendation	The company complies	The company explains
		How
1.1.2. The Committee recommends that the company adopts policies on the company's relationships with its shareholders, investors and if relevant other stakeholders in order to ensure that the various interests are included in the company's considerations and that such policies are made available on the company's website.	X	available to answer questions from analysts and shareholders and actively participates in investor relations associations, e.g. DIRF (the Danish Investor Relations Association). All company announcements, as well as press releases, are prepared in English. The Board of Directors receives regular updates on input received from the company's stakeholders.
1.1.3. The Committee recommends that the company publishes quarterly reports.	-	Bang & Olufsen does not comply. From Q1 2025 Bang & Olufsen has published full and half year financial results and trading statements in Q1 and Q3 in line with international industry practice. The trading statements outline material developments and provide key financial metrics. This allows for continued transparency

Recommendation	The company complies	The company explains
		How
		towards the market while ensuring a more efficient and proportionate reporting framework. Investor presentations continues to be held quarterly via live conference calls.
1.2. The general meeting		
1.2.1. The Committee recommends that the board of directors organises the company's general meeting in a manner that allows shareholders , who are unable to attend the meeting in person or are represented by proxy at the general meeting , to vote and raise questions to the management prior to or at the general meeting . The Committee recommends that the board of directors ensures that shareholders can observe the general meeting via webcast or other digital transmission .	X	The Board of Directors promotes active ownership including shareholder attendance at general meetings by announcing well in advance the date of a general meeting on its website, and otherwise organise the general meeting in a way that gives as many shareholders as possible the opportunity to attend. All shareholders registered by name receives the notice convening the general meetings electronically if they have requested it and if their email address has been provided to Bang & Olufsen. A proxy/vote form for voting in advance of the annual general meeting is available on Bang & Olufsen's website and at the InvestorPortal. In the notice convening the general meeting shareholders are informed of the possibility for raising questions before the general meeting. Bang & Olufsen's general meetings are webcasted and can be seen either live or as a recording afterwards.

Recommendation	The company complies	The company explains
		How
1.2.2. The Committee recommends that proxies and postal votes to be used at the general meeting enable the shareholders to consider each individual item on the agenda.	X	On the proxies and postal votes used by Bang & Olufsen for the general meeting, it is possible to consider each item on the agenda separately.
1.3. Takeover bids		
1.3.1. The Committee recommends that the company has a procedure in place in the event of takeover bids, containing a “road map” covering matters for the board of directors to consider in the event of a takeover bid, or if the board of directors obtains reasonable grounds to suspect that a takeover bid may be submitted. In addition, it is recommended that it appears from the procedure that the board of directors abstains from countering any takeover bids by taking actions that seek to prevent the shareholders from deciding on the takeover bid, without the approval of the general meeting.	X	Bang & Olufsen has a written guideline in place which cover the areas set out in the recommendation. The document is a non-public document which is reviewed annually by the Board of Directors.
1.4. Corporate Social Responsibility		
1.4.1. The Committee recommends that the board of directors adopts a policy for the company’s corporate social responsibility, including social responsibility and sustainability, and that the policy is available in the management commentary and/or on the company’s website. The Committee recommends that the board of directors ensures compliance with the policy.	X	The Board of Directors has adopted a Stakeholder and Sustainability Policy and Bang & Olufsen publishes an annual report which includes the company’s Sustainability Report each year outlining the company’s strategy, initiatives and results achieved in the preceding year and the expectations for the coming year. The Board of Directors regularly monitors progress under and compliance with the policy. The Stakeholder and Sustainability Policy and the annual report including the Sustainability Report can be found on Bang & Olufsen’s website https://investor.bang-olufsen.com.

Recommendation	The company complies	The company explains
		How
1.4.2. The Committee recommends that the board of directors adopts a tax policy to be made available on the company's website .	X	The Board of Directors has adopted a Tax policy which is available on Bang & Olufsen's website https://investor.bang-olufsen.com/policies-and-charters .
2. The duties and responsibilities of the board of directors		
2.1. Overall tasks and responsibilities		
2.1.1. The Committee recommends that the board of directors in support of the company's statutory objects according to its articles of association and the long-term value creation considers the company's purpose and ensures and promotes a good culture and sound values in the company . The company should provide an account thereof in the management commentary and/or on the company 's website .	X	The Board of Directors encourages and reviews cultural transformation goals and initiatives for creating a healthy and contemporary work environment in the company. The Board of Directors monitors employee motivation on a continuous basis and evaluates progress on strategic workplace transformational initiatives. Annually, the Board of Directors revisits and discusses company purpose to secure long term viability and relevancy for the company.
2.1.2. The Committee recommends that the board of directors at least once a year discusses and on a regular basis follows up on the company's overall strategic targets in order to ensure the value creation in the company .	X	To secure short- and long-term value creation of the company, the Board of Directors engages in strategic discussions throughout the fiscal year. The company's strategic direction and key strategic priorities are reviewed and discussed on an ongoing basis, and the Board of

Recommendation	The company complies	The company explains
		How
		Directors conducts quarterly monitoring and reviewing of progress on strategic goals and projects in execution.
2.1.3. The Committee recommends that the board of directors on a continuously basis takes steps to examine whether the company's share and capital structure supports the strategy and the long-term value creation in the interest of the company as well as the shareholders. The Committee recommends that the company gives an account thereof in the management commentary.	X	The Board of Directors continuously examines whether the share and capital structure supports the strategy and long-term value creation in the interest of the company and the shareholders. Please refer to page 51 in the company's annual report.
2.1.4. The Committee recommends that the board of directors prepares and on an annual basis reviews guidelines for the executive management, including requirements in respect of the reporting to the board of directors.	X	The Board of Directors continually supervises the work of the Executive Management Board and evaluates at least once a year the rules of procedure for the Executive Management Board. The rules of procedure contain, among other things, requirements for management reporting and for communications between the Board of Directors and the Executive Management Board.
2.2. Members of the board of directors		
2.2.1. The Committee recommends that the board of directors, in addition to a chairperson, appoints a vice chairperson, who can step in if the chairperson is absent and who can generally act as the chairperson's close sparring partner.	X	The Board of Directors has elected a chair and a vice chair to act in the chair's absence. The chair and the vice chair meet regularly to discuss the progress of the business and matters related to the Board.
2.2.2. The Committee recommends that the chairperson in cooperation with the individual members of the board of directors ensures that the members up-date and supplement their knowledge of relevant matters, and that the members' special knowledge and qualifications are applied in the best possible manner.	X	The chair conducts 1:1 meetings on an ongoing basis with all Board members to discuss and ensure that their knowledge and

Recommendation	The company complies	The company explains
		How
2.2.3. The Committee recommends that if the board of directors, in exceptional cases, requests a member of the board of directors to take on special duties for the company, for instance, for a short period to take part in the daily management of the company, the board of directors should approve this in order to ensure that the board of directors maintains its independent overall management and control function. It is recommended that the company publishes any decision on allowing a member of the board of directors to take part in the daily management, including the expected duration thereof	X	qualifications are taken into account when considering composition of the Board committee's etc. The members of the Board of Directors do not participate in the day-to-day management of the company and does not carry out other tasks for the company than handling the task as Board members. If, in an exceptional case, the Board of Directors were to request a member to perform special tasks for the company, the Board will take steps to comply with this recommendation. The procedure for such approval is described in the rules of procedure for the Board of Directors.
3. The composition, organisation and evaluation of the board of directors		
3.1. Composition		
3.1.1. The Committee recommends that the board of directors on an annual basis reviews and in the management commentary and/or on the company's website states - which qualifications the board of directors should possess, collectively and individually, in order to perform its duties in the best possible manner, and - the composition of and diversity on the board of directors.	X	The Board of Directors, with input from the Nomination Committee, is responsible for annually determining the appropriate qualifications, experience and competencies required of Board candidates in order for the Board of Directors to best perform its tasks, taking into account Bang & Olufsen's needs. The overview of the required competencies can be found on Bang & Olufsen's website https://investor.bang-olufsen.com/corporate-governance.

Recommendation	The company complies	The company explains
		How
3.1.2. The Committee recommends that the board of directors on an annual basis discusses the company's activities in order to ensure relevant diversity at the different management levels of the company and adopts a diversity policy, which is included in the management commentary and/or available on the company's website.	X	The specific competencies of each member of the Board of Directors can be found in the company's annual report on pages 45-46. The composition and diversity of the Board is described in detail in the Sustainability Report in the annual report on page 60. These areas are discussed in the Board on an annual basis. The Board of Directors has adopted a People and Diversity Policy which is available on Bang & Olufsen's website https://investor.bang-olufsen.com/policies-and-charters. The Board annually reviews and discusses the activities of the company to ensure relevant diversity at different management levels. At Bang & Olufsen diversity is considered on multiple levels including gender, age composition, cultural background, and multifunctional competencies. More information about the company's activities within this area can be found in the company's Sustainability Report in the annual report on page 79.
3.1.3. The committee recommends that candidates for the board of directors are recruited based on a thorough process approved by the board of directors. The Committee recommends that in assessing candidates for the board of directors – in addition to individual competencies and qualifications – the need for continuity, renewal and diversity is also considered.	X	In connection with the election of new Board members, the Board of Directors considers the qualifications of new candidates, taking into consideration their qualifications and whether they match Bang & Olufsen's needs and competency requirements. The qualifications and diversity of the remaining Board members are also taken into account in this process.

Recommendation	The company complies	The company explains
		How
3.1.4. The Committee recommends that the notice convening general meetings, where election of members to the board of directors is on the agenda - in addition to the statutory items - also includes a description of the proposed candidates' • qualifications, • other managerial duties in commercial undertakings, including board committees, • demanding organisational assignments and • independence.	X	A description of the qualifications of the candidates for the Board of Directors is included in the notice convening the general meeting.
3.1.5. The Committee recommends that members to the board of directors elected by the general meeting stand for election every year at the annual general meeting, and that the members are nominated and elected individually.	X	As per Bang & Olufsen's Articles of Association Board members elected at the general meeting shall retire at each annual general meeting but are eligible for re-election. Each board member can be voted for individually by the shareholders.
3.2. The board of director's independence		
3.2.1. The Committee recommends that at least half of the members of the board of directors elected in general meeting are independent in order for the board of directors to be able to act independently avoiding conflicts of interests. In order to be independent, the member in question may not: • be or within the past five years have been a member of the executive management or an executive employee in the company, a subsidiary or a group company, • within the past five years have received large emoluments from the company/group, a subsidiary or a group company in another capacity than as member of the board of directors, • represent or be associated with a controlling shareholder, • within the past year have had a business relationship (e.g. personally or indirectly as a partner or an employee, shareholder, customer, supplier or member of a governing body in companies with similar relations) with the company, a subsidiary or a group company, which is significant for the company and/or the business relationship,	X	All Board members elected at the general meeting are considered independent, except for Jesper Jarlbæk, who, due to his more than 12-year tenure on the Board of Directors, no longer maintains the independence status.

Recommendation	The company complies	The company explains
		How
- be or within the past three years have been employed with or a partner in the same company as the company's auditor elected in general meeting , - be a CEO in a company with cross-memberships in the company's management , - have been a member of the board of directors for more than twelve years , or - be closely related to persons , who are not independent , cf . the above-stated criteria . - Even if a member of the board of directors does not fall within the above-stated criteria , the board of directors may for other reasons decide that the member in question is not independent .		
3.2.2. The Committee recommends that members of the executive management are not members of the board of directors and that members retiring from the executive management does not join the board of directors immediately thereafter .	X	None of the members of the Executive Management Board are members of the Board of Directors .
3.3. Members of the board of directors and the number of other managerial duties		
3.3.1. The Committee recommends that the board of directors and each of the members on the board of directors , in connection with the annual evaluation , cf . recommendation 3.5.1 . , assesses how much time is required to perform the board duties . The aim is for the individual member of the board of directors not to take on more managerial duties than the board member in question is able to perform in a satisfactory manner .	X	Each member of the Board of Directors is responsible for assessing the expected time commitment for the functions they perform to ensure that they each have the necessary time to carry out their tasks as board members of Bang & Olufsen . The Nomination Committee annually evaluate and asses what is considered a reasonable level for the number of other directorships and executive functions for each member of the Board of Directors to ensure that each member of the Board can perform in a satisfactory manner .
3.3.2. The Committee recommends that the management commentary , in addition to the statutory requirements , contains the following information on the individual members of the board of directors: Position , age and gender ,	X	The information is listed in the management commentary in the annual report on pages 45-46 which can be found on Bang & Olufsen's website https://investor.bang-olufsen.com/financial-reports .

Recommendation	The company complies	The company explains
		How
- competencies and qualifications relevant to the company , - independence , - year of joining the board of directors , - year of expiry of the current election period , - participation in meetings of the board of directors and committee meetings , - managerial duties in other commercial undertakings , including board committees , and demanding organisational assignments , and - the number of shares , options , warrants , etc . that the member holds in the company and its group companies and any changes in such holdings during the financial year .		
3.4. Board committees		
3.4.1. The Committee recommends that the management describes in the management commentary: - the board committees' most significant activities and number of meetings in the past year , and - the members on the individual board committees , including the chairperson and the independence of the members of the committee in question . In addition , it is recommended that the board committees' terms of reference are published on the company's website .	X	The information is listed in the management commentary in the annual report on page 41-46 and in this report which can be found on Bang & Olufsen's website https://investor.bang-olufsen.com/corporate-governance .
3.4.2. The Committee recommends that board committees solely consist of members of the board of directors and that the majority of the members of the board committees are independent .	X	The board committees of the company solely consist of members of the Board of Directors. The Board draws on experience and input from external advisors and consultants to ensure that latest trends and expertise are brought to the Board's attention. All committees are comprised by a majority of independent board members.
3.4.3. The Committee recommends that the board of directors establishes an audit committee and appoints a chairperson of the audit committee , who is not the chairperson of the board of directors . The Committee recommends that the audit committee , in addition to its statutory duties , assists the board of directors in:	X	An Audit Committee has been established and the chair of the Audit Committee is not chair of the Board of Directors.

Recommendation	The company complies	The company explains
		How
- supervising the correctness of the published financial information, including accounting practices in significant areas, significant accounting estimates and related party transactions, - reviewing internal control and risk areas in order to ensure management of significant risks, including in relation to the announced financial outlook, - assessing the need for internal audit, - performing the evaluation of the auditor elected by the general meeting, - reviewing the auditor fee for the auditor elected by the general meeting, - supervising the scope of the non-audit services performed by the auditor elected by the general meeting, and - ensuring regular interaction between the auditor elected by the general meeting and the board of directors, for instance, that the board of directors and the audit committee at least once a year meet with the auditor without the executive management being present. If the board of directors, based on a recommendation from the audit committee, decides to set up an internal audit function, the audit committee must: - prepare terms of reference and recommendations on the nomination, employment and dismissal of the head of the internal audit function and on the budget for the department, - ensure that the internal audit function has sufficient resources and competencies to perform its role, and - supervise the executive management's follow-up on the conclusions and recommendations of the internal audit function.		The Board of Directors has approved a charter for the Audit Committee that comprises all of the recommended tasks. An annual wheel for the Audit Committee ensures that all tasks set out in the charter as well as other important tasks are covered in the meetings of the committee. The charter is available on Bang & Olufsen's website https://investor.bang-olufsen.com/policies-and-charters.
3.4.4. The Committee recommends that the board of directors establishes a nomination committee to perform at least the following preparatory tasks: - describing the required qualifications for a given member of the board of directors and the executive management, the estimated time required for performing the duties of this member of the board of directors and the competencies, knowledge and experience that is or should be represented in the two management bodies, - on an annual basis evaluating the board of directors and the executive management's structure, size, composition and results and preparing recommendations for the board of directors for any changes, - in cooperation with the chairperson handling the annual evaluation of the board of directors and assessing the individual management members' competencies, knowledge, experience and succession as well as reporting on it to the board of directors, - handling the recruitment of new members to the board of directors and the executive management and nominating candidates for the board of directors' approval,	X	A Nomination Committee has been established and the charter of the Nomination Committee and the annual wheel of the committee comprises all the recommended preparatory tasks. An annual wheel for the Nomination Committee ensures that all tasks set out in the charter as well as other important tasks are covered in the meetings of the committee. The charter is available on Bang & Olufsen's website https://investor.bang-olufsen.com/policies-and-charters.

Recommendation	The company complies	The company explains
		How
- ensuring that a succession plan for the executive management is in place , - supervising executive managements' policy for the engagement of executive employees, and - supervising the preparation of a diversity policy for the board of directors' approval .		
3.4.5. The Committee recommends that the board of directors establishes a remuneration committee to perform at least the following preparatory tasks: - preparing a draft remuneration policy for the board of directors' approval prior to the presentation at the general meeting, - providing a proposal to the board of directors on the remuneration of the members of the executive management, - providing a proposal to the board of directors on the remuneration of the board of directors prior to the presentation at the general meeting, - ensuring that the management's actual remuneration complies with the company's remuneration policy and the evaluation of the individual member's performance, and - assisting in the preparation of the annual remuneration report for the board of directors' approval prior to the presentation for the general meeting's advisory vote.	X	A Remuneration Committee has been established and the charter of the Remuneration Committee and the annual wheel of the committee comprises all the recommended preparatory tasks. An annual wheel for the Remuneration Committee ensures that all tasks set out in the charter as well as other important tasks are covered in the meetings of the committee. The charter is available on Bang & Olufsen's website https://investor.bang-olufsen.com/policies-and-charters.
3.5. Evaluation of the board of directors and the executive management		
3.5.1. The Committee recommends that the board of directors once a year evaluates the board of directors and at least every three years engages external assistance in the evaluation. The Committee recommends that the evaluation focuses on the recommendations on the board of directors' work, efficiency, composition and organisation, cf. recommendations 3.1.-3.4. above, and that the evaluation as a minimum always includes the following topics: - the composition of the board of directors with focus on competencies and diversity - the board of directors and the individual member's contribution and results, - the cooperation on the board of directors and between the board of directors and the executive management, - the chairperson's leadership of the board of directors, - the committee structure and the work in the committees, - the organisation of the work of the board of directors and the quality of the material provided to the board of directors, and - the board members' preparation for and active participation in the meetings of the board of directors.	X	The Board of Directors evaluates the Board of Directors once a year and the evaluation of the Board of Directors is carried out with external assistance at least every three years. The evaluation includes the recommended topics. The chair also conducts 1:1 meetings on an ongoing basis with all Board members to ensure that the Board of Directors operate in the most optimal way possible.

Recommendation	The company complies	The company explains
		How
3.5.2. The Committee recommends that the entire board of directors discusses the result of the evaluation of the board of directors and that the procedure for the evaluation and the general conclusions of the evaluation are described in the management commentary, on the company's website and at the company's general meeting.	X	The result of the evaluation of the Board of Directors and the conclusions of the evaluation are described in the Corporate Governance section of the annual report and in this report. The conclusions are also shared with the shareholders at the annual general meeting.
3.5.3. The Committee recommends that the board of directors at least once a year evaluates the work and results of the executive management according to pre-established criteria, and that the chairperson reviews the evaluation together with the executive management. In addition, the board of directors should on a continuous basis assess the need for changes in the structure and composition of the executive management, including in respect of diversity, succession planning and risks, in light of the company's strategy.	X	The Nomination Committee annually evaluates the composition, knowledge, experience, performance and results of the Executive Management Board and make recommendations to the Board of Directors regarding any changes. The evaluation is discussed annually at a Board meeting. The Board annually reviews succession planning for the group leadership team and certain key roles of the company.
4. Remuneration of management		
4.1. Remuneration of the board of directors and the executive management		
4.1.1. The Committee recommends that the remuneration for the board of directors and the executive management and the other terms of employment/service is considered competitive and consistent with the company's long-term shareholder interests.	X	The remuneration for the Board of Directors and the Executive management Board is described in detail in the company's remuneration report which can be found on Bang & Olufsen's website https://investor.bang-olufsen.com/remuneration. The remuneration for the Board of Directors and the Executive Management Board is designed to support strategic goals of the

Recommendation	The company complies	The company explains
		How
		company and to promote value creation for the benefit of the shareholders of the company.
4.1.2. The Committee recommends that share-based incentive schemes are revolving, i.e., that they are periodically granted, and that they primarily consist of long-term schemes with a vesting or maturity period of at least three years.	X	As described in the company's Remuneration Policy, the company has a long-term combined performance and restricted share plan which is revolving and in which the shares granted have a three-year maturity period.
4.1.3. The Committee recommends that the variable part of the remuneration has a cap at the time of grant, and that there is transparency in respect of the potential value at the time of exercise under pessimistic, expected and optimistic scenarios.	X	The variable remuneration is capped at grant. In accordance with the company's Remuneration Policy, the maximum short-term incentive is capped at a percentage of each member of the Executive Management Board's base salary while the long-term incentive is capped at a number of shares equal to a percentage of each member of Executive Management Board's base salary at the time of grant.
4.1.4. The Committee recommends that the overall value of the remuneration for the notice period, including severance payment, in connection with a member of the executive management's departure, does not exceed two years' remuneration including all remuneration elements.	X	The overall value of the remuneration for the notice period, including severance payment, in connection with a member of the Executive Management Board's departure, cannot exceed two years' remuneration including all remuneration elements.
4.1.5. The Committee recommends that members of the board of directors are not remunerated with share options and warrants.	X	As described in the company's Remuneration Policy the remuneration of the Board of Directors does not consist of share option schemes or other incentive schemes.

Recommendation	The company complies	The company explains
		How
4.1.6. The Committee recommends that the company has the option to reclaim, in whole or in part, variable remuneration from the board of directors and the executive management if the remuneration granted, earned or paid was based on information, which subsequently proves to be incorrect, or if the recipient acted in bad faith in respect of other matters, which implied payment of a too large variable remuneration.	X	Bang & Olufsen has the right to reclaim in full or in part variable components of remuneration that were paid on the basis of data or accounts which subsequently prove to have been misstated.
5. Risk management		
5.1. Identification of risks and openness in respect of additional information		
5.1.1. The Committee recommends that the board of directors based on the company's strategy and business model considers, for instance, the most significant strategic, business, accounting and liquidity risks. The company should in the management commentary give an account of these risks and the company's risk management	X	Bang & Olufsen's annual report contains a list of key risks identified. Bang & Olufsen accounts for these key risks including mitigating actions identified to address these risks in the annual report. The annual report can be found on Bang & Olufsen's website https://investor.bang-olufsen.com/financial-reports .
5.1.2. The Committee recommends that the board of directors establishes a whistleblower scheme, giving the employees and other stakeholders the opportunity to report serious violations or suspicion thereof in an expedient and confidential manner, and that a procedure is in place for handling such whistleblower cases.	X	Bang & Olufsen has established an external whistleblower scheme and works actively with promoting and supporting a culture of business ethics and integrity. The company refers to this culture as "BeoShare". Furthermore, the Board of Directors has adopted a Business Conduct and Ethics Policy which contains a guide to employees on how to respond if they suspect any wrongdoings. The Business Conduct and Ethics Policy can be found on Bang & Olufsen's website https://investor.bang-olufsen.com/policies-and-charters .

