



## Remuneration Policy

GN Store Nord A/S (CVR-no. 24 25 78 43)

### 1. Introduction

GN Store Nord A/S' ("GN") Remuneration Policy (the "Remuneration Policy") includes general guidelines for remuneration, including incentive pay, to members of GN's registered management ("Executive Management") as well as remuneration to GN's board of directors ("Board of Directors" or "Board"). This Remuneration Policy is made in accordance with Sections 139 – 139a of the Danish Companies Act (in Danish: "*selskabsloven*").

The overall objective of this Remuneration Policy is to:

- Support GN's long-term business strategy of being an innovation-driven, high-growth company that provides intelligent audio solutions with attractive earnings margins.
- Deliver results according to annual plans.
- Incentivise the delivery of longer-term business plans, of sustainable long-term returns for GN and its shareholders and of sustainable business outcomes from an ESG perspective.
- Ensure that GN is able to attract, motivate, and retain highly qualified members to GN's Executive Management and Board of Directors.
- Align the interests and the level of remuneration of the Executive Management and of the Board of Directors with the interests of the shareholders and market practice.
- Provide a transparent framework through which shareholders can assess the basis on which the Executive Management and of the Board of Directors of GN are paid.

In drawing up this Remuneration Policy, GN has taken into account the pay and employment conditions for the employees within the wider GN group. GN aims to have a consistent approach to pay across the GN group in line with market practice and remuneration is reviewed annually with the intention that all employees are paid appropriately, taking into account their individual skills, experience and performance. Pay across the GN group is further compared with pay in relevant companies similar to GN to ensure fair pay for each job. It is GN's assessment that the remuneration to the Board of Directors and Executive Management is aligned

with the responsibility which the duties of the Board of Directors and Executive Management entail compared to market practice. It is further GN's assessment that the structure and level of the remuneration and the employment conditions of the Executive Management are appropriate compared to the remuneration and employment conditions of the other employees within the wider GN group.

The remuneration components for senior leaders and management across the GN group is widely consistent with that for the Executive Management with differences in award opportunities and performance targets. GN strives to ensure that employees below senior management receive a remuneration package that is reflective of their role and responsibilities relative to market practice.

## **2. Remuneration for the Board of Directors**

Members of the Board of Directors shall receive a fixed annual fee.

The annual fee for members of the Board of Directors shall be at the level of remuneration paid in other comparable innovation and high growth companies with a global focus, including foreign based competitors.

The members of the Board of Directors do not receive any incentive pay, however, employee-elected members of the Board of Directors may in their capacity as employees be covered by general incentive plans applicable to employees in GN.

Remuneration for the Board of Directors for each financial year is to be approved at the annual general meeting under a separate item on the agenda. The proposal for remuneration of the Board of Directors for the relevant financial year shall be included in the notice convening the annual general meeting.

All members of the Board of Directors receive the same fixed annual base fee except for the chairman and the deputy chairman who receive three times and two times, respectively, the fixed annual base fee, in line with Danish market practice.

Services provided under the auspices of the Board of Directors' Audit Committee, Remuneration and Nomination Committee, and Technology and Innovation Committee entitle the members to an additional fixed fee, with two times the committee base fee to the chairman of each of the three committees for his/her extended tasks.

In exceptional circumstances, an individual member of the Board of Directors may receive additional pay/compensation on market terms for extraordinary ad hoc work going beyond the normal scope of the Board of Director's responsibility areas.

In addition to reimbursement of travel expenses, a member of the Board of Directors is entitled to receive a fixed allowance per journey to a board and/or committee related meeting, if such meeting takes place outside the member's country of residence.

In addition to the above-mentioned fees, GN pays statutory contributions to social security and similar taxes and charges within the EU / EEA that GN is obligated to pay according to applicable law in relation to a member of the Board of Directors' directorship with GN.

The members of the Board of Directors elected by the general meeting are elected for a term until GN's next annual general meeting. Re-election may take place. Apart from the members of the Board of Directors elected by the general meeting, the employees are entitled to elect a number of representatives to the Board of Directors in accordance with the statutory legislation in force at any time.

### 3. Remuneration of the Executive Management

The Board of Directors has adopted a remuneration strategy for the Executive Management aligned with the group's strategy of bringing people closer through our leading intelligent hearing, audio, video, and gaming solutions by deep understanding and commitment to customers' unique needs, innovation leadership and commercial & eco-system excellence.

The remuneration of the members of the Executive Management consists of (i) a fixed annual base salary, (ii) a short-term cash-based incentive plan ("STI"), (iii) a long-term share-based incentive plan ("LTI"), (iv) other customary staff benefits/personal benefits such as company car, insurances, etc. and in certain circumstances housing and other customary benefits for foreigners relocating to Denmark. The Executive Management is not covered by any pension scheme. Each of the components above is described in further detail below.

The relative proportion of the individual components is shown in the table below. For example, in a target performance scenario, the annual base salary will typically make up 44% of the total package, while STI and LTI make up 22% and 33% respectively, and other benefits represent 1% of the total.

Component	Typical relative proportion in different performance scenarios		
	Low	Target	High
Annual base salary	98%	44%	28%
STI	0	22%	28%
LTI	0	33%	42%
Other benefits	2%	1%	1%
<b>Total package</b>	100%	100%	100%

The combination of fixed and incentive-based remuneration has been chosen to support the objectives of the Remuneration Policy, as outlined in section 1 above.



The fixed annual base salary is based on market practice and is reviewed by the Board of Directors against comparable positions in relevant companies similar to GN.

The short-term cash-based incentive plan and the long-term share-based incentive plan are described in further details below in Sections 4 and 5 respectively.

The members of the Executive Management receive remuneration in GN, and receive no other remuneration for positions or directorships held in GN's other subsidiaries or associated companies.

#### **4. Short-term cash-based incentive plan**

The purpose of the short-term cash-based incentive plan is to provide the Executive Management with an annual variable remuneration dependent on performance against specific short-term objectives for GN, as defined by the Board of Directors.

Under the cash-based incentive plan, the members of the Executive Management are eligible to receive a cash bonus according to defined financial targets for GN, as well as individually defined measurable annual targets. Targets are normally determined in connection with the preparation of the budget for the coming year.

The target cash bonus for each member of the Executive Management can vary between 25 and 75% of the gross fixed annual base salary but will normally be around 50%. The actual payment each year depends on the degree to which the specific and measurable targets have been met by GN and by the individual member of the Executive Management. These targets will primarily be based on the performance on financial metrics relative to key top or bottom line metrics for GN, (such as net revenue, EBITA, EBITDA, or similar), ESG, and also on other measurable personal objectives of a financial or non-financial nature (such as ESG, delivery of key strategic projects, and similar). In its assessment of whether the targets have been achieved, the Board will primarily rely on audited financial results and similar information.

Following the end of a financial year, the Board of Directors independently reviews performance of the set metrics against data sources primarily including audited financial figures, key performance indicators with tracking available as well as any relevant internal assessments. In case of extraordinary circumstances and/or unforeseen events, impacting for example safety, company strategy, environment or society, the Board can decide to deviate from the performance metrics and targets.

In case a member of the Executive Management achieves a performance significantly below or above the targets defined by the Board of Directors, the cash bonus for one year may decrease or increase relative to target bonus.

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

## **5. Long-term share-based incentive plan**

### **5.1. Overview**

The long-term share-based incentive plan (the “LTI”) has as its key purpose to reward the Executive Management for dedicated and focused results intended to achieve and support the group’s long-term objective by linking a sizeable portion of the total remuneration to GN’s results and the development in share price over time. The Board of Directors is of the view that driving and winning through profitable growth and innovation will lead to sustainable value creation for the shareholders as well as aligning the interests between the Executive Management and the shareholders. The LTI is also in place to support the retention of the Executive Management members in a highly competitive talent market.

From 2025, the LTI is delivered in the form of a Performance Share Unit (“PSU”) plan, as further outlined in the sections below. The LTI supports the alignment with shareholder interests by linking directly to the performance of GN’s share price. The LTI plan further supports profitable growth by (i) rewarding GN’s performance against typically two and up to three financial KPIs (for example revenue growth in GN, EBITDA improvement, Total Shareholder Return or similar financial measures), and up to one non-financial KPI (for example linked to ESG, or other relevant metrics with long-term strategic importance for GN), assessed to be suitable by the Board of Directors, with a maximum of three KPIs in total. In its assessment of whether the targets for the KPIs have been achieved, the Board will primarily rely on audited financial results and similar information.

### **5.2. Terms common to the LTI (both PSUs and Share options)**

The total aggregate value of annual grants under the LTI program(s) may not exceed 100% of the gross fixed annual base salary for each member of Executive Management at the time of grant and will typically be targeted at between 50 and 100% of the gross fixed annual base salary.

The number of LTI instruments (whether PSUs or Share options) that vest may be between 0% and 200% of the granted LTI instruments depending on achievement of a number of pre-determined KPIs, as outlined in section 5.1. If the KPI thresholds are not achieved, no LTI instruments shall vest.

Further, GN reserves the right to fully or partially substitute the PSUs or the Share options by synthetic cash-based financial instruments (phantom PSUs or phantom Share Options, respectively) subject to such instruments being granted on the same terms and conditions as for the PSUs or the Share options, respectively as set out in this Remuneration Policy with any necessary changes.

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

Members of Executive Management are subject to "good leaver" and "bad leaver" provisions for LTI awards. In "good leaver" situations, the participant will keep any awards subject to all other applicable terms and conditions. In "bad leaver" situations, all unvested awards, as well as vested but unexercised Share option awards, will be forfeited.

In exceptional circumstances, the Board can decide to settle vested PSUs or Share options in cash.

Prior to receiving shares, holders of PSUs or Share options will not have any shareholder rights, such as voting and dividend rights.

To ensure that the Board of Directors has the appropriate flexibility to ensure that the application of the LTI is in the long-term interest of GN, its shareholders and of the sustainability of GN in extraordinary circumstances and/or unforeseen events, the Board of Directors has a contractual discretionary right under the terms of the LTI to amend its terms. This discretion includes, but is not limited to (i) the timing of the grants, (ii) the size of the grants subject to the overall limits in this Remuneration Policy, (iii) the determination of vesting conditions, including the assessment of KPIs, (iv) adjustment of the exercise price and number of Share options, (v) early vesting of LTI or exercise of Share options and (vi) the treatment of the LTI grant in the case of resignations, change of control, a merger, rights issue or other events.

### 5.3. Shareholding requirement

The shareholding requirement serves the purposes of aligning members of the Executive Management's interests with those of the shareholders as well as the long-term development and sustainability of GN.

In order to participate in the LTI plan, Executive Management must reach and then maintain a shareholding of GN shares equivalent to 100% of the fixed annual net base salary. Shareholding may be built up over a 5-year period by retaining vested share-based instruments granted as part of the GN's LTI from time to time, after the settlement of eventual income taxes due.

For newly appointed members, the holding requirement is to be reached within 5 years from appointment. For existing Executive Management, the requirement must be reached within 5 years from 13 March 2024.

The Board of Directors may in extraordinary circumstances grant exemptions from the shareholding requirement.

#### 5.4. Performance Share Unit terms

Subject to the Board of Directors' discretion, each member of Executive Management may be granted PSUs in GN at no charge. A grant is typically made each year after the release of the annual report (ordinary grant).

A grant of PSUs in one year shall not imply the same or any PSU grant in subsequent years.

The grant value of PSUs shall be based on the market price of the shares calculated as an average price as quoted on Nasdaq Copenhagen during a number of trading days preceding the time of grant as determined by the Board (typically a 5-day average).

The vesting period shall be at least 3 years and is determined by the Board prior to grant.

PSUs will vest in full after 3 years (cliff vesting) subject to performance against KPIs that are set by the Board at the time of grant (per section 5.1). KPIs will as a default be measured over a three-year period. If the Board assesses that it is in the shareholders' interests, it may decide that the grant will vest gradually over a period of 3 years. For extraordinary grants, the vesting period is adjusted so that the vesting date is the same as that of the preceding annual grant.

Upon vesting, holders of PSUs will receive one share in GN free of charge for each vested PSU.

#### 5.5. Share option terms

##### 5.5.1. Grant of Share options

Subject to the Board of Directors' discretion, each member of the Executive Management may receive an allocation of conditional Share options in GN at no charge. An allocation is typically made each year after the release of the annual report (ordinary grant).

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

##### 5.5.2. Exercise rights

Each vested Share option entitles the relevant member of Executive Management to acquire one share of nominally DKK 4.00 in GN at the exercise price.

##### 5.5.3. Exercise price

The exercise price of the Share options granted in connection with annual grants will be determined as the simple average of the closing price of the GN share on Nasdaq

Copenhagen A/S for a period of five trading days following the publication of the annual report of GN for the preceding financial year. For extraordinary grants, the exercise price will be determined as the simple average of the closing price of the GN share on Nasdaq Copenhagen A/S for a period of five trading days prior to the extraordinary grant date.

#### 5.5.4. Vesting conditions and exercise windows

The Share options granted in connection with the annual grants have a vesting period of three years from the relevant allocation date after which time the Share options vest following the publication of the annual report of GN for the relevant financial year, subject to satisfaction of the vesting conditions. For extraordinary grants, the vesting period is adjusted so that the vesting date is the same as that of the preceding annual grant.

The number of Share options vesting is conditional on GN's performance against up to three KPIs as outlined in section 5.1.

Share options, which have vested, may be exercised at the exercise price (see Section 5.5.3), at any time except during the black-out periods ("BO Period") which start three trading days prior to the end of a quarter and ends on the day of publication of GN's annual report and quarterly reports (such day of publication to be included in the BO Period). The BO Period shall in any case be at least 30 days prior to the publication of the quarterly- and half-year report or announcement of annual results or annual report. The Share options shall further be exercisable in accordance with and subject to applicable rules and regulations in relation to trading in financial instruments.

If the vested Share options are not exercised before the third anniversary of the relevant vesting date, the unexercised portion of such Share options will lapse automatically without compensation.

## 6. Extraordinary incentive awards

In order to meet the overall objectives of the incentive remuneration and in line with market practice for comparable companies, the Board of Directors may in exceptional cases decide to award extraordinary incentive remuneration to individual members of the Executive Management, e.g. sign-on bonus or other schemes in connection with appointment, retention bonus, or bonus for the attainment of certain extraordinary performance targets.

The extraordinary incentive awards may consist of cash and/or be share-based in which case it will be granted in accordance with the terms set out in Section 5.

The value of an extraordinary incentive award can never exceed a maximum of 100% of the gross fixed annual base salary of the relevant member of the Executive Management at the time of award.

## **7. Malus and clawback**

Malus and clawback provisions apply to both the cash bonus and the LTI if, in the opinion of the Board of Directors, a malus or clawback event has occurred. This would include, but is not limited to (i) a material misstatement in GN's financial statements or (ii) cases where the relevant member of the Executive Management, or a person<sup>1</sup> in such member of the Executive Management's organization, is deemed to have caused a material loss to GN.

## **8. Termination and severance payment for the Executive Management**

GN may terminate members of the Executive Management by giving 12 months' notice. Members of the Executive Management may resign by giving six months' notice. The total remuneration for the notice period, including any severance pay, may not exceed two years' total remuneration.

The Executive Management has change-of-control agreements in line with Danish market practice.

In the event of death of a member of the Executive Management, GN will effect exercise of vested Share options as soon as reasonably possible subject to applicable rules and regulations in relation to trading in financial instruments

## **9. Existing incentive plans**

This Remuneration Policy applies to all agreements on incentive pay for members of the Executive Management following its approval and publication. The Remuneration Policy will also apply to all subsequent amendments to existing agreements on incentive pay with the members of the Executive Management.

In the period from 2019 to the end of 2023, GN's long-term share-based incentive plan consisted of a Share option program which also covered the members of the Executive Management and was linked to performance vs a peer group. This Share option program was replaced by the LTI described in Section 5 above as of 13 March 2024 and, consequently, Share options were granted under the revised LTI plan in 2024, after which only PSU grants will be made. Share options which have been allocated to the members of the Executive Management prior to the adoption of this Remuneration Policy will vest according to the terms and conditions of the Share option program under the Remuneration Policy in effect at that time and may in such case be exercised within a three-year period following vesting. Accordingly, Share options allocated in 2023 will lapse in 2029 if not exercised.

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<sup>1</sup> For the avoidance of doubt, the term "a person" will include any employee in the relevant Executive Management member's organization and will not be limited to his/her direct reports.

## 10. Indemnification

### 10.1. Indemnification scope

With due regard to the regulatory environment in which GN operates and in order to be able to attract qualified members to the board and the management of GN, it is GN's policy to take out customary directors' and officers' liability insurance ("D&O Insurance"), from time to time. Further, it is found to be in the best interest of the GN Group to supplement the D&O Insurance with a scheme to allow for indemnification, to the fullest extent permitted by applicable law, of current, former and future members of the Board of Directors and Executive Management where there is no or inadequate coverage under the D&O Insurance. Consequently, the general meeting has previously approved a scheme of indemnification (the "Indemnity Arrangement") pursuant to which GN undertakes to indemnify and hold harmless each member of the Board of Directors and the Executive Management from and against any losses (including any costs, expenses and potential tax liabilities associated therewith) incurred by such member of the Board of Directors and/or Executive Management and arising out of such person's discharge of his/her duties as a director or manager of GN including without limitation any claim or investigation by a governmental or administrative authority.

### 10.2. Conditions and limitations

Any indemnification under the Indemnity Arrangement shall be secondary to any coverage under the D&O Insurance taken out by GN from time to time. Indemnification under the Indemnity Arrangement shall not be conditional upon coverage being available under the D&O Insurance in whole or in part, nor shall indemnification under the Indemnity Arrangement be conditional upon any coverage under the D&O Insurance or other sources first being exhausted. For the avoidance of doubt, the secondary coverage does not preclude GN from covering defense costs upfront with a view to claim reimbursement under the D&O Insurance.

The Indemnity Arrangement is for the sole benefit of the members of the Board of Directors and the Executive Management, and no third party shall be entitled to rely on or derive any benefits from the Indemnity Arrangement or have any recourse against GN on account of the Indemnity Arrangement.

Excluded from coverage under the Indemnity Arrangement are losses, etc., derived from:

- Any claims if and to the extent covered by insurance taken out by GN, including the D&O Insurance, it being understood that the indemnification may cover claims not covered in whole or in part by such D&O Insurance;
- Any claims raised against a member of the Board of Directors or Executive Management arising out of such member's wilful misconduct, gross negligence or other improper acts or omissions (in Danish "utilbørlige dispositioner");

- Any claims raised against a member of the Board of Directors or Executive Management by GN or a subsidiary of GN;
- Any claims raised against a member of the Board of Directors or Executive Management arising out of any sanctioned offence under applicable criminal law committed by such member; and
- Any other claims, if and to the extent it would be inconsistent with applicable law to offer the benefits of the Indemnity Arrangement to the member of the Board of Directors or Executive Management.

The Indemnity Arrangement is to be approved by the general meeting at least every four years.

### 10.3. Administration and authorization to the Board of Directors

The Board of Directors is authorized to determine the further application of the Indemnity Arrangement within the framework laid out above, including laying down the detailed terms and conditions, defining any monetary thresholds, period for coverage, run-off coverage and other coverage and extension of the Indemnification Arrangement to the management in any subsidiaries of GN. Moreover, the Board of Directors is authorized to administer and implement the Indemnity Arrangement, and to take any decisions under the Indemnity Arrangement in respect of any claims or defer such decision to one or more third party expert(s), as well as take any other actions in order to give effect to the Indemnity Arrangement, in each case consistent with the resolution approved by the Annual General Meeting on 13 March 2024.

For the avoidance of doubt, GN may adopt separate indemnification arrangements for other key employees and management members, which may be subject to terms and conditions that vary from the Indemnification Arrangement.

## 11. Deviation of the Remuneration Policy

The Board of Directors may, following consultation with the Remuneration and Nomination Committee, in exceptional circumstances and based on objective and verifiable criteria decide to temporarily deviate from this Remuneration Policy, where a deviation will benefit the long-term interests of GN, its shareholders or the sustainability of GN. Such deviation may be regarding the thresholds set-out in clauses 4-6 and 8 of this Remuneration Policy.

Any such temporary deviation, and reason for such deviation, shall be explained in the subsequent Remuneration Report.

## 12. Determination, review and implementation

The Board of Directors is, together with its independent remuneration advisor, responsible for the establishment and annual review of the Remuneration Policy. The Board of Directors shall be supported in this task by the Remuneration and Nomination Committee (“RNC”), which assists the Board of Directors in matters and decisions concerning remuneration of the Executive Management and senior employees and in ensuring that the general remuneration policies, including this Remuneration Policy, reflect an appropriate balance between the relevant objective criteria.

The RNC considers the Remuneration Policy annually to ensure it remains aligned with GN’s strategic objectives, shareholder expectations and the sustainability of GN. In its review, the RNC considers market practice and remuneration practices of GN’s industry competitors primarily within GN’s two largest markets, Europe and the U.S., while recognizing GN’s European heritage.

To ensure its independence and professionalism, the RNC engages and works with an independent advisor to assist the RNC in its assignments. The RNC uses its own independent remuneration advisors which are different from the external advisers to the Executive Management.

In order to avoid conflict of interests, a member of the Board of Directors or Executive Management may not participate in the decision making process concerning an agreement between on the one side GN or a company within the GN group and on the other side the member in question. Given the members of the Board of Directors receive a fixed annual fee only and given the fixed annual fee for the Board of Directors is approved at GN’s annual general meeting, GN does not see any risk of conflicts of interest in connection with the Board of Directors’ work with the Remuneration Policy. In addition, since it is solely the Board of Directors who make recommendations on the Remuneration Policy to the shareholders at the annual general meeting there is no conflict of interest related to the Executive Management.

The Remuneration Policy must be approved by the general meeting whenever material changes are made and at least every four years.

## 13. Publication and entry into force

This Remuneration Policy has been approved by the Board of Directors on 7 February 2024 and by the shareholders in the Annual General Meeting held on 13 March 2024, and has subsequently been amended (non-material amendments) by the Board of Directors on 15 January 2025 and on 20 January 2026, following which the revised Remuneration Policy has been published on GN’s website, [www.gn.com](http://www.gn.com).

Information on the remuneration, including the remuneration components for the Board of Directors and the Executive Management is disclosed on an individual basis in GN’s Remuneration Report for the relevant financial year.