



GN Store Nord A/S

# Innovation inspired by people

Wednesday, March 11, 2020 at 10:00 a.m. (CET)  
Company reg. no. 24257843

**GN** Making Life Sound Better  
FOR 150 YEARS



## TO THE SHAREHOLDERS OF GN STORE NORD A/S

The annual general meeting will be held on Wednesday, March 11, 2020, at 10:00 a.m. (CET) at GN Store Nord A/S, Lautrupbjerg 7, DK-2750 Ballerup, Denmark.

### Request for admission card(s) and voting paper

Shareholders must register for GN Store Nord A/S' annual general meeting by requesting an admission card. The admission card(s) can be obtained at the company's website at [www.gn.com/agm](http://www.gn.com/agm) or from Computershare A/S at [www.computershare.dk](http://www.computershare.dk) or by phone +45 45 46 09 97. Shareholders are allowed to bring one accompanying person (advisor or guest) to the general meeting. Shareholders wishing to bring an accompanying person have to request an extra admission card.

The deadline for ordering admission card(s) is Friday, March 6, 2020, at 11:59 p.m. (CET).

Admission cards are issued electronically. The electronic admission card(s) will be sent to the email address provided by the shareholder on the Shareholder Portal hosted by Computershare A/S at [www.computershare.dk](http://www.computershare.dk). Participants must bring the admission card(s) to the annual general meeting, either electronically on a smartphone/tablet or in print. Admission card(s) may also be collected at the registration counter at the entrance to the annual general meeting upon presentation of proof of identity. A printed voting paper will be provided at the registration counter.

Shareholders who do not expect to attend the annual general meeting may vote by postal vote or by proxy given to the chairman of the Board of Directors or to a person appointed by the shareholder and participating at the annual general meeting. Submission of proxy or postal vote may take place at [www.gn.com/agm](http://www.gn.com/agm) or with Computershare A/S at [www.computershare.dk](http://www.computershare.dk).

A proxy must be received by Computershare A/S no later than Friday, March 6, 2020, at 11:59 p.m. (CET).

A postal vote must be received by Computershare A/S no later than Tuesday, March 10, 2020, at 3:00 p.m. (CET). Please note that once received by Computershare A/S, the postal vote cannot be revoked or replaced by a new postal vote.

Shareholders also have the option of requesting admission card(s) or submitting proxy/postal votes by ordinary mail, e-mail or fax. The registration/proxy/postal vote form can be downloaded from [www.gn.com/agm](http://www.gn.com/agm). The form must be signed and returned to Computershare A/S.

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### Agenda and complete proposals

**a) Report by the Board of Directors on the activities of the company during the past year.**

The Board of Directors proposes that the report is noted by the general meeting.

**b) Submission of the audited Annual Report for approval.**

The Board of Directors proposes that the audited Annual Report 2019 is approved.

**c) Resolution of discharge to the Board of Directors and the Executive Management.**

The Board of Directors proposes that the Board of Directors and the Executive Management are granted discharge from liability.

**d) Decision on application of profits in accordance with the approved Annual Report.**

The Board of Directors refers to page 44 of the Annual Report 2019 containing the proposal on distribution of the annual profit, according to which dividends of DKK 1.45 per share of a nominal value of DKK 4 should be paid out in respect of the financial year 2019.

**e) Approval of remuneration to the Board of Directors for the current financial year.**

The remuneration to the Board of Directors has remained unchanged since its approval at the annual general meeting on March 13, 2018. In order to continuously be able to attract and retain qualified candidates for the Board of Directors and to remain in line with Danish market practice, the Board of Directors proposes to increase the base fee by around 5%.

It is proposed that the remuneration will be in the amounts and with the allocation set out below:

The base fee for serving on the Board of Directors of GN Store Nord A/S shall be increased from DKK 275,000 to DKK 290,000, with 2 times the base fee to the deputy chairman and 3 times the base fee to the chairman.

The base fee for serving on the Board of Directors of each of GN Audio A/S and GN Hearing A/S, respectively, shall be increased from DKK 110,000 to DKK 115,000, with 1.75 times the base fee to the deputy chairman and 2.5 times the base fee to the chairman.

The base fee for serving on each of the Audit Committee, the Remuneration Committee or the Strategy Committee, respectively, shall be increased from DKK 165,000 to DKK 175,000, with 2 times the base fee to the chairman of the respective committee.

The base fee for serving on the Nomination Committee shall be increased from DKK 82,500 to DKK 85,000, with 2 times the base fee to the chairman.

In addition to reimbursement of travel expenses, members of the Board of Directors are entitled to receive a fixed allowance in the following amounts in connection with participation in Board and/or committee related meetings held outside the Board members' country of residence (the amounts are unchanged from the financial year 2019):

- EUR 3,000 per journey to (a) meeting(s) held on the same continent as the Board member resides, and
- EUR 6,000 per journey to (a) meeting(s) held on a continent other than the continent on which the Board member resides.

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.

**f) Election of members to the Board of Directors.**

Pursuant to Article 15.1 of the company's Articles of Association, all members of the Board of Directors elected by the general meeting are elected for a term until the company's next annual general meeting. For the annual general meeting 2020, Per Wold-Olsen, Wolfgang Reim, H el ene Barnekow and Ronica Wang are up for re-election.

William E. Hoover, Jr. has decided not to stand for re-election as board member as per the end of his current term.

The Board of Directors proposes that Per Wold-Olsen, Wolfgang Reim, H el ene Barnekow and Ronica Wang are all re-elected.

In addition, the Board of Directors proposes that Jukka Pekka Pertola, Montserrat Maresch Pascual and Anette Weber be elected as new members of the Board of Directors.

Per Wold-Olsen, Wolfgang Reim, H el ene Barnekow and Ronica Wang are currently considered independent as defined in the Danish Recommendations on Corporate Governance published by the Committee on Corporate Governance. The proposed new members of the Board of Directors, Jukka Pekka Pertola, Montserrat Maresch Pascual and Anette Weber, are also considered independent.

Information on directorships and management positions of each candidate proposed for re-election to the Board of Directors is attached hereto as appendix 1. Further information may be found on [www.gn.com](http://www.gn.com) and in the Annual Report 2019. Information on directorships and management positions held by Jukka Pekka Pertola, Montserrat Maresch Pascual and Anette Weber is set out in appendix 2 and will be presented at the general meeting.

**g) Election of a state-authorized public accountant to serve until the company's next annual general meeting.**

Pursuant to Article 19.2 of the Articles of Association, a state-authorized public accountant must be elected for the term until the next annual general meeting. Based on a recommendation from the Audit Committee, the Board of Directors proposes re-election of PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab (PwC), CVR no.: 33771231.

In connection with the above, the Audit Committee has not been influenced by third parties nor has it been subject to any contractual obligations restricting the annual general meeting's choice of certain auditors or audit firms.

**h) Proposals from the Board of Directors and shareholders.**

**h.1 Proposals from the Board of Directors.**

**h.1.1 Proposal from the Board of Directors to authorize the Board of Directors to acquire treasury shares.**

On May 14, 2019, the company announced issuance of convertible bonds consisting of bonds with warrant units, allowing holders to convert such warrants into shares. The issuance was made in connection with the refinancing of the company's existing outstanding convertible bonds with warrant units issued on May 23, 2017. As set out in company announcement no. 26 of May 14, 2019, the company will cover this obligation through treasury shares.

Moreover, the company is continuously hedging its obligations under its long-term incentive programs with treasury shares.

Accordingly, the company currently has a holding of around 13.6 million treasury shares, corresponding to approximately 9.6% of the share capital.

In order to allow the company to continuously buy back shares, the Board of Directors proposes that, until the next annual general meeting, the Board of Directors be authorized to allow the company and its subsidiaries to acquire additional shares in the company up to a total nominal value equivalent to 10% of the company's share capital. The shares are to be acquired at the market price applicable at the time of purchase subject to a deviation of up to 10%. The company's holding of treasury shares, including previously acquired shares, may at no time exceed 15% of the share capital of the company.

**h.1.2 Proposal from the Board of Directors to authorize the Board of Directors to reduce the share capital through the cancellation of treasury shares.**

In line with the company's 2017-2019 share buyback program – see announcements no. 20 of May 4, 2017, no. 15 of May 2, 2018 and no. 24 of May 1, 2019, and since the shares required to cover the company's obligations under the

new convertible bonds with warrant units program have been reduced as a consequence of the refinancing described under h.1.1 (see announcement no. 26 of May 14, 2019), the Board of Directors proposes to reduce the share capital by nominally DKK 16,685,560 from DKK 569,072,400 to DKK 552,386,840, through cancellation of 4,171,390 treasury shares of nominally DKK 4 each, corresponding to 2.9% of the total share capital. Upon completion of the capital reduction, the company's share capital will be DKK 552,386,840.

As a consequence of the share capital reduction, it is proposed to amend the company's Articles of Association with the effect that Article 3.1 will read as follows, effective from the date of the completion of the share capital reduction:

*"The company's share capital amounts to DKK 552,386,840 divided into shares in denominations of DKK 1 or multiples thereof."*

Pursuant to section 188(1) of the Danish Companies Act, it is noted that the purpose of the capital reduction is to cancel the treasury shares referred to above, which, according to the practice of the Danish Business Authority, is considered comparable with a capital reduction for distribution to the shareholders. The shares were bought by the company for a total amount of DKK 1,257,116,587 implying that DKK 1,240,431,027 has been distributed to the shareholders in addition to the nominal reduction amount. The average purchase price has thus been DKK 301 per share (rounded).

Prior to completion of the capital reduction, a four-week notice will be issued to creditors of the company in accordance with section 192(1) of the Danish Companies Act.

### **h.1.3 Proposal from the Board of Directors to amend the remuneration policy.**

The Board of Directors proposes that the general meeting approves an updated version of the company's remuneration policy for the Board of Directors and Executive Management, originally approved at the annual general meeting held on March 21, 2019. The main changes to the remuneration policy have been made to ensure compliance with the new rules in the Danish Companies Act which were implemented in 2019 as a consequence of the Shareholder Rights Directive.

The main changes in the revised policy based on legislative requirements may be summarized as follows:

- An explanation on how the pay and employment conditions of employees in the GN group have been taken into account when establishing the remuneration policy
- The duration of the term of the members of the Board of Directors
- Clarification of the Board of Directors' access to deviate from the remuneration policy
- Additional information on the avoidance of conflict of interest in relation to the preparation of the remuneration policy

Further, the following has been updated/added in the remuneration policy:

- The members of the Executive Management may exercise share options which have vested at any time except during black-out periods (previously subject to specific trading windows)
- Clarification of exercise price for extraordinary grants
- Information on exercise of share options in the event of death of a member of the Executive Management

If the revised remuneration policy is approved, the reference to the current guidelines for incentive pay in Article 17 of the company's Articles of Association will be deleted and all subsequent numbering updated.

The proposed updated remuneration policy is attached as appendix 3.

#### **h.1.4 Proposal from the Board of Directors to amend the company's Articles of Association.**

The new rules in the Danish Companies Act, which were implemented in 2019 as a consequence of the Shareholder Rights Directive, further require listed companies to present a remuneration report each year at the company's annual general meeting, starting in 2021. The remuneration report must be subject to an advisory vote at the annual general meeting.

The Board of Directors proposes that the annual general meeting approves that the standard agenda for the annual general meeting, as set out in the company's Articles of Association, be amended to reflect that the remuneration report shall be presented at each future annual general meeting for an advisory vote.

As a consequence, it is proposed to amend the company's Articles of Association with the effect that Article 12.2 will read as follows:

*"The agenda of the annual general meeting comprises:*

*(a) Report by the board of directors on the activities of the company during the past year.*

*(b) Submission of the audited annual report for adoption and resolution of discharge to the board of directors and the executive board.*

*(c) Decision on application of profits or covering of losses in accordance with the approved annual report.*

*(d) Presentation of and advisory vote regarding the remuneration report.*

*(e) Approval of the remuneration to the board of directors for the current financial year.*

*(f) Election of members to the board of directors.*

*(g) Election of a state-authorized public accountant to serve until the company's next annual general meeting.*

*(h) Proposals, if any, from the board of directors and shareholders.*

*(i) Any other business."*

#### **h.2 Proposals from shareholders.**

There are no proposals from shareholders.

#### **i) Any other business.**

No decisions nor proposals may be adopted under this item i).

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#### **Rules on adoption**

Adoption of the proposals under items h.1.2 and h.1.4, which involve amendments to the company's Articles of Association, require a majority of at least 2/3 of the votes cast as well as of the share capital represented at the annual general meeting. All other proposals may be passed by a simple majority of votes.

#### **The size of the share capital and the shareholders' voting rights**

The company's share capital of nominally DKK 569,072,400 is divided into shares of DKK 1 or multiples hereof. Each share of DKK 1 carries one vote.



Shareholders are entitled to attend the annual general meeting and vote on shares held on the record date, Wednesday, March 4, 2020. The shares held by each shareholder are based on information in the company's register of shareholders as well as notifications about ownership received by the company prior to or on the record date for entry into the register of shareholders, but which have not yet been recorded.

#### **Further information on the annual general meeting**

Further information about the annual general meeting is available at the company's website, [www.gn.com](http://www.gn.com), including the total number of shares and voting rights as of the date of the notice to convene the annual general meeting, this notice to convene the annual general meeting with the agenda and complete proposals, information on the candidates for election to the Board of Directors, the amended remuneration policy and Articles of Association, as well as the registration, proxy and postal vote forms to be used in connection with the annual general meeting. The full Annual Report for 2019 is available at [www.gn.com/annualreport2019](http://www.gn.com/annualreport2019) and a Danish summary thereof is available at [www.gn.com/resumeaarsrapport2019](http://www.gn.com/resumeaarsrapport2019)

The annual general meeting is transmitted live in Danish and English via webcast on the company's website, [www.gn.com/agm](http://www.gn.com/agm). The transmission will cover the stage and the rostrum only. With regard to collection and processing of personal data, reference is made to the company's information sheet on data protection in connection with the annual general meeting, which is available on the company's website, [www.gn.com/agm](http://www.gn.com/agm)

The company offers simultaneous translation from Danish into English at the annual general meeting.

Access to the annual general meeting at GN Store Nord A/S will open at 9:00 a.m. (CET). Tea and coffee is served until 10:00 a.m. (CET). A light meal will be served after the annual general meeting.

#### **Driving instructions**

The annual general meeting will be held at GN Store Nord A/S, Lautrupbjerg 7, DK-2750 Ballerup, Denmark.

If you are arriving by car from Ringvej b4/04, turn onto Klausdalsbrovej. Turn right onto Lautrupparken and turn right at the first cross street onto Lautrupbjerg. The destination will be on your left-hand side.

If you are arriving by car from Route 16, take exit 4-Gladsaxe-Klausdalsbrovej. Turn west onto Klausdalsbrovej. Turn left onto Lautrupparken and turn right at the first cross street onto Lautrupbjerg. The destination will be on your left-hand side.

#### **Questions from the shareholders**

Questions regarding the agenda or the documents etc. published in connection with the annual general meeting can be directed to GN Store Nord A/S by email to: [agm@gn.com](mailto:agm@gn.com)

If you have any other questions to the above, please contact GN Store Nord A/S at tel. +45 45 75 00 00.

Ballerup, February 18, 2020

GN Store Nord A/S  
The Board of Directors