



Charter of the Strategy Committee of GN Store Nord A/S

1. Mandate and strategic rationale

The Strategy Committee has been established by the Board of Directors (the “Board”) of GN Store Nord A/S (“GN” or the “Company”) to explore potential strategic technology research and development based opportunities outside – but related to – GN’s existing technology and business areas. The Board fundamentally believes that the R&D capabilities of GN Audio and GN Hearing are outstanding and represent assets that can be further leveraged. With the two divisions, GN has a unique possibility to explore adjacent opportunities for GN within the field of sound and sound-processing.

The GN Group possesses unique R&D capabilities within sound communication and processing, audiology and ear anatomy. The advanced technology know-how of the GN Group includes wireless two-way communication, noise cancellation, feedback suppression, ultra-low power design, occlusion management, ear product design, miniaturization and seamless integration with phones and computer software. In short, this set of skills provides a substantial asset in the field of sound processing.

GN is therefore well positioned to benefit from important anticipated megatrends including: The convergence of communication technology, aging population and the growth of mobile health services.

World class Unified Communications products by GN Audio and truly wireless hearing aid solutions by GN Hearing are recent examples of successful innovation that GN can and will leverage further on.

Since 1869, GN has delivered innovative solutions within communication deploying various technologies. Moving first with innovation has driven significant top and bottom line growth for GN. Historic examples include: The first telegraph lines to Asia, the first non-incumbent mobile network in Denmark (Sonofon), early optic fiber networks and Bluetooth headsets. An example of an industry standard setting invention by GN was open fit hearing aids, enabled by Digital Feedback Suppression (DFS), invented by combining R&D capabilities originating from Danavox, Philips Hearing and ReSound Corporation.

The Board has decided that GN will be “an innovation driven leader in the field of sound processing” leveraging excellence within hearing/listening related products, sound processing and seamless, invisible, hands-free communication.

This ambition will be realized via organic growth combined with focused technology investments that provide a significant contribution to profitable growth. GN will seriously consider partnering with start-ups, universities, venture funds and other players where relevant and focus on segments where GN can obtain a leading global position. Significant income may also be generated based on the Company’s intellectual property in the form of licensing fees and/or the sale of patent protected components to other suppliers.



GN wants to build sustainable competitive advantages for our existing and new businesses based on enhanced innovation capabilities.

To further the Company's basic research agenda, the Company has decided to set up the "GN Scientific Advisory Board" which is composed of leading international experts within various fields of future scientific developments. The Chairman and the Secretary of the Strategy Committee are key drivers behind agenda-setting as well as follow-up concerning initiatives which are not related to GN Audio and/or GN Hearing activities.

2. Purpose

The Strategy Committee shall act as a consultant and advisor to the Board. The Strategy Committee shall provide expertise and advice so that technology based strategic opportunities may be explored fully before being presented at a Board meeting for consideration and approval.

3. Responsibilities

The Strategy Committee has the following responsibilities:

- Review, assess and advise on the Company's strategic opportunities outside the Company's current business areas, taking into consideration the interests of its shareholders, customers, employees and other stakeholders before its submission for approval to the Board;
- Review proposed acquisitions (including by way of joint venture or partnership in any legal form) outside the Company's current business areas before submission for approval to the Board; and
- Identify and assess existing or lacking innovation capabilities within GN.

4. Composition and term

The Strategy Committee shall consist of no fewer than three members. The members of the Strategy Committee, including the Chairman of the Strategy Committee, shall be appointed by and among the members of the Board of Directors at the constituent Board meeting immediately after the Annual General Meeting.

At least half of the members should qualify as independent as defined by the Danish Corporate Governance Recommendations.

The members are elected for a period until the next Annual General Meeting. Others may be invited by the committee's Chairman to attend all or part of any meeting.

Members of the Company's Executive Management are also standing members of the committee and do not have voting rights unless the committee decides otherwise, and members from senior management shall attend the meetings by invitation in accordance with items on the agenda.

The Strategy Committee shall appoint a Secretary which shall serve as secretariat to the Strategy Committee and manage and prepare projects for review by the Strategy Committee.

5. Meetings

The Strategy Committee shall meet as often as it deems necessary, but at least four times each year. Further, the Strategy Committee shall meet if requested by a member of the Strategy Committee or the Board.

The meetings shall be convened by the Secretary on behalf of the Chairman of the Strategy Committee with not less than seven days' written notice. The notice shall include an agenda for the meeting, however in exceptional circumstances an item not on the agenda may be discussed at the meeting provided all members present or represented agree. Any material relating to an agenda item shall, to the extent possible, be made available to the members together with the notice convening the meeting.

If deemed appropriate or necessary, the Chairman of the Strategy Committee can decide that a Strategy Committee meeting is held by phone or by using electronic media.

Minutes of all meetings of the Strategy Committee shall be prepared by the Secretary to document the fulfillment of the Strategy Committee's responsibilities. Draft minutes shall be sent to the members of the Strategy Committee no later than the tenth working day after the meeting was held. The minutes shall be approved by the Strategy Committee at the following meeting. The approved minutes shall be maintained with the books and the records of the Company.

Meetings of the Strategy Committee shall be subject to the same confidentiality provisions that apply to the Board of Directors.

6. Access to management and outside advisors

The Strategy Committee shall have full and unrestricted access to the members of the management teams, employees and external organizations (via the committee Chairman and Secretary), as the Strategy Committee deems necessary to prepare the issues to be discussed at the meetings.

The CEOs of the Company, GN Hearing A/S and GN Audio A/S (the "CEOs") shall be consulted whenever the Strategy Committee desires work to be undertaken by members of the Company's management teams (other than the CEOs and the Company's CFO) and employees so that no unreasonable demand may be imposed by the Strategy Committee on the Company's management and employees.

All employees are directed to co-operate with any requests made by the Strategy Committee.

The Strategy Committee is authorized by the Board, at its discretion, to obtain independent professional advice and to secure the assistance of outsiders with relevant expertise: The cost of providing such advice and assistance to the Strategy Committee shall be borne by the Company.

7. Quorum and resolutions

The Strategy Committee forms a quorum when two of its members including the Chairman of the Strategy Committee are present. Resolutions are passed by simple majority. Each member has one vote. If there is equality of votes, the Chairman shall have the casting vote.



8. Strategy Committee member fee

Members of the Strategy Committee shall receive an annual fee which shall be approved by the Annual General Meeting.

9. Confidentiality and conflicts of interest

Given the high sensitivity of materials and information to be reviewed by the Strategy Committee, all members of the Strategy Committee are reminded of their duty of confidentiality to the Company. Any third party involved in the Strategy Committee's work shall be bound either by undertakings of professional secrecy or by ad hoc confidentiality agreements with the Company.

Members of the Strategy Committee shall declare any conflicts of interest in relation to the work of the Strategy Committee. The committee's Chairman shall be responsible for ensuring that any conflict of interests or duties arising are dealt with in accordance with the relevant provisions in the Company's rules of procedure.

10. Annual evaluation

The Strategy Committee shall perform an annual review and self-evaluation of the committee's performance, including a review of the Strategy Committee's compliance with this Charter.

The Strategy Committee shall conduct the evaluation and review in such manner as it deems appropriate, and report the results of the evaluation to the Board. This should, to the extent possible, be carried out prior to the Board's own self-assessment.

11. Report to the Board

The Chairman of the Strategy Committee shall report the committee's actions, plans and recommendations to the Board. The Strategy Committee shall have no executive powers with respect to those plans and recommendations.

The Company's CFO together with the Secretary shall monitor and track spend on the various projects overseen by the Strategy Committee in line with the guidance from the Strategy Committee, and shall report on the status at each committee meeting.

12. Publication

The Strategy Committee shall contribute to the information regarding the Strategy Committee in both the Company's annual report and on the Company's website. The Strategy Committee shall ensure that the information regarding the Strategy Committee in the annual report and on the website is accurate and adequate.

13. Other issues

The Strategy Committee shall review and assess the adequacy of this Charter on an annual basis, and, if appropriate, shall recommend any proposed changes to the Board for approval.

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This Charter is adopted by the Board and shall come into force on 4 May 2022.