



**Announcement NO. 15**

**March 10, 2017**

## **GN Store Nord issues warrants to the executive management and key employees**

With reference to the General Guidelines for Incentive Pay to the Management approved at the annual general meeting on March 10, 2016, the board of directors of GN Store Nord A/S (GN) has granted warrants to the executive management and other carefully selected key managers and key employees of GN, GN Hearing A/S (GN Hearing) and GN Audio A/S (GN Audio).

The grant comprises a total of 4,861 warrants in GN Hearing (corresponding to approx. 0.8% of the share capital), of which 3,893 will be issued to employees and 968 to GN's executive management, and 2,818 warrants in GN Audio (corresponding to approx. 0.8% of the share capital), of which 2,152 will be issued to employees and 666 to GN's executive management.

### **Main terms and conditions for the warrant program**

The grant is part of a six-year program under which grants shall take place in 2016, 2017, 2018, 2019 and 2020. A maximum of 62,000 warrants in GN Hearing and 29,200 warrants in GN Audio shall be granted over this period.

Subject to the fulfilment of the vesting conditions, each warrant in GN Hearing entitles the holder to subscribe one share of nominal DKK 100 in GN Hearing at a price of DKK 30,451 and each warrant in GN Audio entitles the holder to subscribe one share of nominal DKK 100 in GN Audio at a price of DKK 28,794.

The total fair market value of warrants granted in 2017, calculated by means of the Black-Scholes model and a Monte Carlo simulation, is estimated at approximately DKK 19.4 million for GN Hearing and DKK 14.5 million for GN Audio.

The market value of the warrant program is based on the following additional assumptions:

- The expected duration of the warrant program is assumed to be around six years for both GN Hearing and GN Audio
- The volatility of the GN Hearing share is assumed to be 20.4% while for GN Audio it is assumed to be 30.4%
- The risk-free interest rate has been set at -0.1% p.a. for both the GN Hearing program and the GN Audio program

Vesting of the warrants is conditional upon the share price of GN Audio and GN Hearing, respectively, outperforming a peer group index that is calculated on the basis of key competitors and the development of the capital markets.



### **Allocation of warrants to the management and employee representatives on the board of directors of GN Store Nord A/S**

The executive management and an employee representative of the board of directors in GN Store Nord A/S have on March 10, 2017 been allocated the following warrants:

- CEO of GN Hearing and member of the executive management of GN Store Nord, Anders Hedegaard, receives 728 warrants with a fair market value of DKK 2,901,808
- CEO of GN Audio and member of the executive management of GN Store Nord, René Svendsen-Tune, receives 494 warrants with a fair market value of DKK 2,534,714
- CFO of GN Store Nord, Marcus Desimoni, receives a total of 412 warrants with a fair market value of DKK 1,839,172
- Employee representative on the board of directors of GN Store Nord, Morten Andersen, receives 34 warrants with a fair market value of DKK 135,524

For further information please contact:

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