

## **NOTICE OF THE ANNUAL GENERAL MEETING OF AMBU A/S**

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Notice is hereby given of the annual general meeting of Ambu A/S, CVR no. 63 64 49 19, which is held on

**Wednesday, 13 December 2017 at 1 pm**

at Tivoli Hotel & Congress Center, Arni Magnussons Gade 2-4, DK-1577 Copenhagen V.

Agenda:

1. The management's report on the company's activities in the past year.
2. Presentation for adoption of the annual report and consolidated financial statements.
3. Proposal of the Board of Directors on the appropriation of profit or covering of loss in accordance with the adopted annual report.
4. Approval of the directors' remuneration for the financial year 2017/18.
5. Election of Chairman of the Board.
6. Election of Vice-chairman of the Board

7. Election of other members of the Board
8. Election of auditor
9. Proposals from the Board of Directors:
  - 9.1: Update of the overall guidelines for an incentive programme for the Board of Directors and Executive Board
  - 9.2: Amendment of the denomination of the shares (the articles of association's article 4)
  - 9.3: Renewal of the Board of Directors' authorisation to increase the B-share capital (the articles of association's article 9e)
  - 9.4: Removal of the age limit for members of the Board of Directors (the articles of association's article 17, 2nd paragraph)
  - 9.5: Amendment of requirements for attending general meetings (the articles of association's article 11, 3rd and 4th paragraph)
10. Authorisation to the chairman of the meeting

### **Complete proposals**

#### **Re item 2 on the agenda – Presentation for adoption of the annual report and consolidated financial statements.**

The Board of Directors proposes that the presented annual report be adopted.

#### **Re item 3 on the agenda – Proposal of the Board of Directors on the appropriation of profit or covering of loss in accordance with the adopted annual report**

Ambu A/S has reported a net profit for the year of DKK 301 million.

The Board of Directors proposes that dividends of DKK 1.85 for each share of DKK 2.50 be distributed entailing that dividends in the total amount of DKK 90 million be paid out of the net profit for the year, corresponding to 30 % of the consolidated results for the year, whereas the remaining part of the net profit be carried forward to next year.

#### **Re item 4 on the agenda – Approval of the directors' remuneration for the financial year 2017/18**

The Board of Directors proposes that the general meeting resolves to approve and allocate the directors' remuneration for the current financial year (2017/18) in the total amount of DKK 4,300,000 as follows:

The basic remuneration amounts to DKK 300,000 to ordinary members. The chairman will receive three times the basic remuneration (DKK 900,000) and the vice-chairman will receive twice the basic remuneration (DKK 600,000). In addition, each member of the audit committee and the remuneration and nomination committees will receive a remuneration of DKK 100,000. However, the chairmen of the said committees will receive a remuneration of DKK 150,000.

#### **Re item 5 on the agenda – Election of Chairman of the Board**

The Board of Directors proposes re-election of the present Chairman of the Board, Jens Bager.

Information about Jens Bager and his executive positions can be found on page 27 of the annual report.

#### **Re item 6 on the agenda – Election of Vice-chairman of the Board**

The Board of Directors proposes re-election of the present Vice-chairman of the Board, Mikael Worning.

Information about Mikael Worning and his executive positions can be found on page 27 of the annual report.

#### **Re item 7 on the agenda – Election of other members of the Board**

The Board of Directors proposes re-election of Oliver Johansen, Allan Søgård Larsen, Christian Sagild and Henrik Ehlers Wulff.

Information about the candidates who are up for re-election and their executive positions can be found on page 27 of the annual report.

#### **Re item 8 on the agenda – Election of auditor**

The audit committee has completed a tender process with emphasis on a number of selection criteria, including the audit firm's global audit competences. Against this background, two candidates has been selected of which Ernst & Young Godkendt Revisionspartnerselskab (CVR no. 30700228) ("EY") is recommended as new auditor given that the audit committee has assessed that EY will deliver the best combined service compared to the fixed selection criteria. In accordance with the audit committee's recommendation, the Board of Directors proposes that EY be elected as the company's new auditor.

The audit committee has not been influenced by third parties and has not been subject to any agreement with a third party restricting the general meeting's election of certain auditors or audit firms.

#### **Re item 9.1 on the agenda - Update of the overall guidelines for an incentive programme for the Board of Directors and Executive Board**

The Board of Directors proposes that the overall guidelines for an incentive programme for the Board of Directors and Executive Board be updated in accordance with the draft overall guidelines for an incentive programme for the Board of Directors and Executive Board appended hereto as appendix 9.1.

**Re item 9.2 on the agenda - Amendment of the denomination of the shares (the articles of association's article 4)**

The Board of Directors proposes that the denomination of A- and B-shares in the company be amended from DKK 2.50 each or multiples thereof to DKK 0.50 each or multiples thereof entailing that the Board of Directors may undertake a share split planned to be completed with effect as from the first trading day on NASDAQ Copenhagen in January 2018. As a part hereof the Board of Directors proposes that all general reproductions of the nominal share capital as number of shares are deleted from the articles of association. The proposal entails the following amendments of the articles of association:

The articles of association's article 4 is amended as follows:

*"The Company's share capital is DKK 121,769,800, say [one hundred and twenty one million seven hundred and sixty nine thousand eight hundred] 00/100, divided into shares of DKK 0.50 each or multiples thereof."*

The articles of association's article 6, 1st paragraph is amended as follows:

*"Of the Company's share capital, DKK 17,160,000 are Class A shares and DKK 104,609,800 are Class B shares. Each Class A share of DKK 0.50 carries ten votes, and each Class B share of DKK 0.50 carries one vote at general meetings."*

The articles of association's article 9c is amended as follows:

*"The Board of Directors shall be authorised in the period until 1 December 2014 to increase the Company's share capital by issuing warrants in one or more stages to the employees of the Ambu group with a right to subscribe for up to a nominal amount of DKK 1,300,000 Class B shares, without any pre-emption rights for the Company's existing shareholders at a price to be determined by the Board of Directors. The Board of Directors shall at the same time be authorised to effect the resulting capital increase in one or more stages by up to a nominal amount of DKK 1,300,000 without any pre-emption rights for the Company's existing share-holders and to determine the terms of allotment and issuance as well as to fix the subscription period during which the warrants may be exercised. The Board of Directors may within the same period reissue warrants granted which have lapsed or expired."*

*At the board meeting on 13 November 2013, the Board of Directors decided to exercise a share of 100,000 warrants under the authorisation set out in Article 9c of the Articles of Association to issue 130,000 warrants (corresponding to 520,000 warrants of DKK 2.50 each or 2,600,000 warrants of DKK 0.50 each). Each warrant entitles the holder to subscribe for a nominal amount of DKK 10 Class B shares against a cash deposit of DKK 245.60. The authorisation set out in Article 9c has subsequently been reduced accordingly from 130,000 Class B shares to 30,000 (corresponding to a reduction from 520,000 to 120,000 warrants of DKK 2.50 each or from 2,600,000 to 600,000 warrants of DKK 0.50 each).*

*At the annual general meeting on 17 December 2014, the general meeting resolved to change the denomination of the Company's shares to the effect that each share of nominally DKK 10 is divided into four shares of nominally DKK 2.50 each, and at the annual general meeting on 13 December 2017 to the effect that each share of nominally DKK 2.50 is divided into shares of nominally DKK 0.50 or multiples thereof. As a result, the number of shares comprised by the authorisation in Article 9c is changed accordingly.*

*At the annual general meeting on 12 December 2013, the general meeting has resolved that the authorisation of article 9c cannot be exercised with respect to the unexercised part of the authorisation.*

*Moreover, the new Class B shares shall be subject to the same rules as the existing Class B shares of the Company. The shares shall be issued in the name of the holder, recorded in the name of the holder in the Company's Register of Shareholders and shall be negotiable instruments. The shares shall be subject to the same rules on pre-emption rights, voting rights and redeemability as the existing Class B shares. The new Class B shares shall confer on the shareholder a right to receive dividends and other rights and privileges in the Company as from the date of registration with the Danish Business Authority."*

The articles of association's article 9d is amended as follows:

*"The Board of Directors shall be authorised in the period until 11 December 2018 to issue warrants in one or more stages to employees of the Ambu group with a right to subscribe for up to a nominal amount of DKK 3,000,000 Class B shares, without any pre-emption rights for the Company's existing shareholders at a price to be determined by the Board of Directors, always provided, however, that the price may not be lower than the market price on the date of the resolution. The Board of Directors shall at the same time be authorised to effect the resulting capital increase in one or more stages by up to a nominal amount of DKK 3,000,000 without any pre-emption rights for the Company's existing shareholders and to determine the terms of allotment and issuance as well as to fix the subscription period during which the warrants may be exercised.*

*At the board meeting held in November 2014, the Board of Directors decided to exercise a share of 100,000 warrants (corresponding to 400,000 warrants of DKK 2.50 each or 2,000,000 warrants of DKK 0.50 each) under the authorisation set out in Article 9d of the Articles of Association to issue 300,000 warrants (corresponding to 1,200,000 warrants of DKK 2.50 each or 6,000,000 warrants of DKK 0.50 each) at a price corresponding to the average of the closing price of the company's Class B share at NASDAQ Copenhagen for the period 13 to 19 November 2014 plus 8%. The authorisation set out in Article 9d has subsequently been reduced accordingly from 300,000 warrants to 200,000 (corresponding to a reduction from 1,200,000 to 800,000 warrants of DKK 2.50 each or from 6,000,000 to 4,000,000 warrants of DKK 0.50 each).*

*At the board meeting held in November 2015, the Board of Directors decided to exercise a share of 154,000 warrants of DKK 2.50 each (corresponding to 770,000 warrants of DKK 0.50 each) under the authorisation set out in Article 9d of the Articles of Association to issue up to a nominal amount of 3,000,000 warrants (corresponding to 1,200,000 warrants of DKK 2.50 each or 6,000,000 warrants of DKK 0.50 each) at a price corresponding to the average of the closing price of the company's Class B share at NASDAQ Copenhagen for the period from 1 October 2015 and the following four trading days plus 8%. As a result of this and previous allocations, the authorisation has been reduced to 646,000 warrants of DKK 2.50 each or 3,230,000 warrants of DKK 0.50 each.*

*At the board meeting held in November 2016, the Board of Directors decided to exercise a share of 82,900 warrants of DKK 2.50 each (corresponding to 414,500 warrants of DKK 0.50 each) under the authorisation set out in Article 9d of the Articles of Association to issue up to a nominal amount of 3,000,000 warrants (corresponding to 1,200,000 warrants of DKK 2.50 each or 6,000,000 warrants of DKK 0.50 each) at a price corresponding to the average of the closing price of the company's Class B share at NASDAQ Copenhagen for the period from 3 October 2016 and the following four trading days plus 8%. As a result of this and previous allocations, the authorisation has been reduced to 563,100 warrants of DKK 2.50 each or 2,815,500 warrants of DKK 0.50 each.*

*At the annual general meeting on 17 December 2014, the general meeting resolved to change the denomination of the Company's shares to the effect that each share of nominally DKK 10 is divided into four shares of nominally DKK 2.50 each, and at the annual general meeting on 13 December 2017 to the effect that each share of nominally DKK 2.50 is divided into shares of nominally DKK 0.50 or multiples thereof. As a result, the number of shares comprised by the authorisation in Article 9d is changed accordingly.*

*Moreover, the new Class B shares shall be subject to the same rules as the existing Class B shares of the Company. The shares shall be issued in the name of the holder, recorded in the name of the holder in the Company's Register of Shareholders and shall be negotiable instruments. The shares shall be subject to the same rules on pre-emption rights, voting rights and redeemability as the existing Class B shares. The new Class B shares shall confer on the shareholder a right to receive dividends and other rights and privileges in the Company as from the date of registration with the Danish Business Authority."*

The articles of association's article 15 is amended as follows:

*"At general meetings, each Class A share of DKK 0.50 carries ten votes, and each Class B share of DKK 0.50 carries one vote."*

**Re item 9.3 - Renewal of the Board of Directors' authorisation to increase the B-share capital (the articles of association's article 9e)**

As the existing authorisation stipulated in the articles of association's article 9e is effective only until 1 December 2017 it is proposed to issue a new authorisation to the Board of Directors to increase the B-share capital with and without pre-emption rights entailing that the articles of association's article 9e is amended as follows:

*"Until 12 December 2022, the Board of Directors shall be authorised to increase the Company's share capital in one or more issues by up to a total nominal amount of DKK 12,176,980 Class B shares. Capital increases must be paid up in cash and with a pre-emption right for the company's existing holders of Class A and Class B shares at a price determined by the board of directors.*

*Until 12 December 2022, the Board of Directors shall be authorised to increase the Company's share capital in one or more issues by up to a total nominal amount of DKK 12,176,980 Class B shares. Capital increases may be paid up in cash, assets other than cash (contribution in kind) or through the conversion of debt or a combination thereof. Capital increases shall be effected at a price to be determined by the Board of Directors, always provided, however, that the price may not be lower than the market price on the date of the resolution, and without the existing holders of Class A and Class B shares having any pre-emption rights.*

*However, the authorisations in this article 9e are subject to a maximum nominal amount of DKK 12,176,980 Class B shares.*

*Moreover, the new Class B shares shall be subject to the same rules as the existing Class B shares of the Company. The shares shall be issued in the name of the holder, recorded in the name of the holder in the Company's Register of Shareholders and shall be negotiable instruments. The shares shall be subject to the same rules on pre-emption rights, voting rights and redeemability as the existing Class B shares. The new Class B shares shall confer on the shareholder a right to receive dividends and other rights and privileges in the Company as from the date of registration with the*

*Danish Business Authority.”*

**Re item 9.4 - Removal of the age limit for members of the Board of Directors (the articles of association’s article 17, 2nd paragraph)**

The Board of Directors proposes that the age limit for members of the Board of Directors be amended as the Board of Directors, with reference to the Committee on Corporate Governance’s draft of revised recommendations on corporate governance (published on 7 July 2017), finds that age in itself cannot constitute qualification or disqualification of a board member. Consequently, it is proposed to amend the company’s articles of association’s article 17, 2th paragraph, to the effect that the following wording is deleted: *“The age limit is 65 years for newly elected members and 70 years for re-elected members.”*

**Re item 9.5 - Amendment of requirements for attending general meetings (the articles of association’s article 11, 2nd and 3rd paragraph)**

The Board of Directors proposes that the shareholders must notify their attendance at the general meeting in accordance with the Danish Companies Act’s provisions to the effect that the shareholders no longer must take out admission cards in order to attend. The proposal entails the following amendments of the articles of association:

The articles of association’s article 11, 3rd paragraph is amended as follows:

*“In order to attend the general meeting, it is a condition that the shareholder or the proxy, as the case may be, has notified the attendance for him or herself as well as any accompanying advisor within three calendar days of the general meeting at the latest.”*

The articles of association’s article 11, 4th paragraph is amended as follows:

*“Voting rights can be exercised by a written instrument of proxy issued to a person who must not necessarily be a shareholder in the Company, provided that the relevant proxy documents his or her right to attend the general meeting by notified attendance and by presenting a written and dated instrument of proxy in accordance with applicable laws from time to time. Instruments of proxy to persons other than members of the Board of Directors are considered valid until revoked by written notification to the Company unless any such instrument of proxy contains any provision to the contrary.”*

**Re item 10 on the agenda – Authorisation to the Chairman**

The Board of Directors proposes that the chairman of the meeting, with full right of substitution, be authorised to apply for registration of the resolutions passed and to make any such amendments thereto as the Danish Business Authority or other authorities may require or request as a condition for registration or approval, as well as to continuously make and apply for registration of linguistic and other non-substantive adjustments to the company’s Articles of Association, including to delete the articles of association’s article 9a and 9b and the associated appendix 1 and 2 as these provisions are no longer effective.

### **Adoption requirements**

Adoption of the proposals made under items 2, 3, 4, 6, 7, 8, and 9.1 are subject to a simple majority of votes, see article 16, first paragraph, of the articles of association and s. 105 of the Danish Companies Act.

Adoption of the proposal made under item 9.2, 9.3, 9.4, 9.5 and 10 is subject to at least two-thirds of the votes cast as well as of the voting share capital represented at the general meeting voting in favour of the proposals, see article 16, first paragraph, of the articles of association and s. 106 of the Danish Companies Act.

### **Share capital and voting rights**

On the date of this notice, the nominal share capital of Ambu A/S amounts to DKK 121,769,800 divided into shares of DKK 2.50 each, of which the A share capital amounts to DKK 17,160,000 divided into 6,864,000 A shares of DKK 2.50 each and the nominal B share capital amounts to DKK 104,609,800 divided into 41,843,920 B shares of DKK 2.50 each. Each A share of DKK 2.50 carries 10 votes (68,640,000 votes in total), whereas each B share of DKK 2.50 carries one vote (41,843,920 votes in total).

### **Access to the general meeting**

All shareholders who hold shares in the company as of the date of registration have a right to attend and vote at the general meeting. In order to attend the general meeting, it is a further condition that the shareholder or the proxy, as the case may be, has taken out an admission card for him or herself in due time as described below.

The date of registration is **Wednesday 6 December 2017**.

The shareholding of each individual shareholder on the date of registration is determined on the basis of the number of shares held by that shareholder as registered in the register of shareholders and on any notice of ownership received by the company for the purpose of registration in the register of shareholders, but not yet registered (at the end of the day).

### **Access card**

Shareholders wishing to attend the general meeting must apply for an **access card no later than Friday, 8 December 2017 at 11.59 pm**.

Access cards may be obtained by electronic registration on [www.ambu.com/gf](http://www.ambu.com/gf) under "Investor Relations" or on VP Investor Services A/S's website [www.vp.dk/gf](http://www.vp.dk/gf) (remember to state your VP custody account number or CPR/CVR number) or by contacting VP Investor Services A/S, at tel. +45 43 58 88 91. Access cards may also be obtained by completing the enclosed registration form.

Shareholders using the registration form must return this to VP Investor Services A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, by telefax number +45 43588867 or via email to [vpinvestor@vp.dk](mailto:vpinvestor@vp.dk) in time for VP Investor Services A/S to be in receipt thereof before expiry of the deadline on **Friday, 8 December 2017 at 11.59 pm**.

From this year it will also be possible to receive admission cards by email. If you wish to receive your admission card by email, please state so when sending your request. When you have registered, you will receive an electronic admission card. Please bring the electronic admission card on your smartphone or tablet. You can also bring a printout of the admission card, if preferred.



### **Attendance with an adviser**

All shareholders may attend the general meeting together with an adviser provided that they have taken out an admission card for themselves and the accompanying adviser no later than **Friday, 8 December 2017 at 11.59 pm.**

### **Proxy**

Shareholders who are unable to attend themselves may attend by proxy. Any such proxies must have taken out admission cards.

The proxy form is available on AMBU A/S's website [www.ambu.com/gf](http://www.ambu.com/gf) under "Investor Relations". Shareholders may also submit proxies electronically on Ambu A/S's website [www.ambu.com/gf](http://www.ambu.com/gf) under "Investor Relations" or on VP Investor Services A/S's website [www.vp.dk/gf](http://www.vp.dk/gf). Proxy appointments must have been made no later than **Friday, 8 December 2017 at 11.59 pm.** Please note that in order to appoint proxies electronically you need to be already using NEM-ID or a VP ID and a VP code. Proxies may also be appointed by completing the enclosed proxy form.

Shareholders using the proxy form must return this to VP Investor Services A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, by letter, by telefax number +45 43588867 or via email to [vpinvestor@vp.dk](mailto:vpinvestor@vp.dk) in time for VP Investor Services A/S to be in receipt thereof before expiry of the deadline on **Friday, 8 December 2017 at 11.59 pm.**

### **Voting by postal vote**

Shareholders may vote by post.

Shareholders may also vote by post electronically on Ambu A/S's website [www.ambu.com/gf](http://www.ambu.com/gf) under "Investor Relations" or on VP Investor Services A/S's website [www.vp.dk/gf](http://www.vp.dk/gf). Postal votes must have been cast no later than **Friday, 8 December 2017 at 11.59 pm.** Please note that in order to cast your vote by post electronically you need to be already using NEM-ID or a VP ID and a VP code. The postal vote form is available on Ambu A/S's website [www.ambu.com/gf](http://www.ambu.com/gf) under "Investor Relations".

Shareholders using the postal vote form must return this to VP Investor Services A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, by letter, by letter, by telefax number +45 43588867 or via email to [vpinvestor@vp.dk](mailto:vpinvestor@vp.dk) in time for VP Investor Services A/S to be in receipt thereof on or before **Friday, 8 December 2017, at 11.59 pm.**

You may cast your vote by post or proxy but not by both.

### **Questions by the shareholders**

Until the date of the general meeting, shareholders may ask questions to the agenda or to documents etc. for use at the general meeting, such questions to be forwarded in writing to Ambu A/S, Baltorpbakken 13, DK-2750 Ballerup or by email to [hk@ambu.com](mailto:hk@ambu.com).

### **Additional information on the general meeting**

The following material will be available for inspection on the company's website [www.ambu.com](http://www.ambu.com) no later than Tuesday 14 November 2017

1. The notice convening the general meeting
2. The total number of shares and voting rights on the date of the notice, including the total number of shares in each share class
3. The annual report for 2016/17 with the auditors' report
4. The agenda and the complete proposals and

5. Proxy/postal voting forms for use at the general meeting

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Ballerup, 14 November 2017

Board of Directors

## **Overall guidelines for an incentive programme for the Board of Directors and Executive Board of Ambu A/S**

### **1. Background**

Pursuant to Section 139 of the Danish Companies Act (*Selskabsloven*), the supreme management body of a listed company must not enter into a specific agreement on incentive-based remuneration with a member of its management until general guidelines for incentive-based remuneration of the company's management have been laid down. The guidelines must have been considered and approved by the shareholders of the company at a general meeting.

The purpose of incentive-based remuneration is to promote value creation in Ambu A/S ('the Company') through the realisation of the Company's strategic goals, and to align the interests of the Company, the Executive Board and the shareholders.

The 'Executive Board' means the executive officers registered with the Danish Business Authority as the executive officers of the Company. At present, the Company's Executive Board consists of two executive officers.

The Company's existing programmes are not affected by these guidelines.

### **2. General principles**

No incentive programmes are offered to members of the Board of Directors.

Incentive-based remuneration in the Company may take the form of cash bonuses or share options. In addition, members of the Executive Board will always be eligible for participation in general employee share programmes.

In order to ensure competitive remuneration of members of the Executive Board, the remuneration of such members is made up of:

- (i) A base salary
- (ii) Pension contributions
- (iii) A company car and other usual employee benefits
- (iv) Short-term incentive-based remuneration
- (v) Long-term incentive-based remuneration

### **3. Short-term incentive-based remuneration (STI)**

The granting of STI remuneration takes the form of an annual cash bonus, and is conditional upon the realisation of a number of predetermined financial targets for the Ambu Group. The size of the STI remuneration depends on the degree of realisation of the predetermined targets. The maximum STI remuneration for each individual member of the Executive Board is equal to 20% of the fixed base salary based on the on-target realisation of targets, and up to 40% of the fixed base salary if stretch targets are realised.

In addition, the Board of Directors has discretionary powers to each year decide whether to grant discretionary STI remuneration to any single member of the Executive Board, and, if it so elects, the size of the STI remuneration may be a maximum of an additional 25% of the fixed base salary. Such STI remuneration may, for instance, be granted in exceptional circumstanc-

es, or based on exceptional performance or the realisation of specific and exceptional results. It is not possible to determine the present value of any such discretionary STI remuneration. In the financial year in which such STI remuneration is granted, the cost associated with the programme will appear from the annual report.

Any earned STI remuneration will be paid out upon the adoption by the general meeting of the annual report.

#### **4. Long-term incentive-based remuneration (LTI)**

LTI remuneration can be granted to members of the Executive Board in the form of share options (Options), the value of which is calculated according to the Black-Scholes formula at the time of allocation. No consideration is paid for the allocation of such Options.

It is a condition for the final allocation of Options that certain predetermined financial targets are realised, and the Options are vested gradually during the agreed vesting period, conditional upon the continued employment of the individual Executive Board member.

Each Option entitles the holder to buy one Class B share in the Company at a price per Class B share corresponding to the agreed strike price with the addition of 8% p.a. until the date of the final allocation.

Both the number of Options allocated and the exercise price may be adjusted in the event of certain capital transactions etc. and of large dividend payments. Also, the Options may be subject to accelerated exercise, for instance in the event of a change of ownership.

The Company has two LTI plans:

- A. 'Strategy 2020', which is a three-year plan with annual final allocations based on the realisation of annual financial targets.
- B. 'Big Five', which is a three-year plan with one final allocation in 2020 based on the realisation of financial targets defined in the Big Five strategy plan, and which will be calculated in 2020.

'Strategy 2020' is an LTI programme structured in the same way as the two former programmes from February 2013 and November 2015, respectively, involving the successive allocation of Options to a member of the Executive Board over three years, with one third being allocated each year. The following conditions apply:

- a. The option agreement is entered into on 1 October 2017, which is the date of allocation.
- b. One third of the Options are vested in each of the financial years 2017/18, 2018/19 and 2019/20.
- c. The final allocation of each third takes place on 30 September in each of these financial years and is calculated in proportion to the realisation of the financial targets.
- d. The agreed targets are usually the same as the financial outlook announced for the year.
- e. The strike price is based on the weighted average market price on 14 December 2017 and the following four business days. For each of the three portions allocated, the strike price is then calculated as this average market price with the addition of 8% p.a., calculated from 1 October 2017 until the end of the financial year to which the allocation relates.

- f. The Options are vested two years after their final allocation, and the exercise period is then three years.
- g. For each financial year, the Options allocated may constitute up to 50% of the fixed base salary based on the on-target realisation of the financial targets.
- h. If stretch targets are realised, the allocation for each financial year may constitute up to 100% of the fixed base salary.

'Big Five' is an LTI programme with the sole purpose of focusing on realising the financial targets defined for 2020, and which cannot be calculated until the end of the 2019/20 financial year. The following conditions apply:

- a. The option agreement is entered into on 1 October 2017, which is the date of allocation.
- b. The Options are vested over the three-year strategy period and are finally allocated on 30 September 2020.
- c. The strike price is determined on the basis of the weighted average market price on 14 December 2017 and the following four business days with the addition of 8% p.a. calculated as from 1 October 2017 and until 30 September 2020.
- d. The allocation for the three-year strategy period may constitute up to 150% of the fixed base salary of the individual member of the Executive Board based on the on-target realisation of the financial targets defined in the Big Five strategy.
- e. If the stretch targets defined in the strategy are realised by the end of 2020, the allocation for the three-year strategy period may amount to up to 300% of the fixed base salary of the individual member of the Executive Board.
- f. The Options can be exercised for a period beginning on 1 October 2021 and ending on 30 September 2024.

Under both LTI plans, any unexercised Options will lapse after the expiry of the exercise period, and the Company is entitled to demand cash settlement of Options.

## **5. Approval and publication**

In accordance with Section 139 of the Danish Companies Act, an Article 14a has been inserted into the Company's Articles of Association, which article states that the Company has adopted guidelines for an incentive-based remuneration programme for members of the Company's Board of Directors and Executive Board.

The guidelines can be found on the Company's website ([www.ambu.com](http://www.ambu.com)). Going forward, an overview of the total remuneration paid to members of the Executive Board will be included in the Company's annual reports, and any granted or outstanding Options will be stated and measured.

These general guidelines have been considered and adopted at the Company's annual general meeting held on 13 December 2017.

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Chairman of the meeting