

Remuneration Policy for Ambu A/S



December 2017

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The remuneration policy applies to the Board of Directors and the Executive Board of Ambu A/S ('the Company'). The 'Executive Board' means the executive officer(s) registered with the Danish Business Authority as the executive officer(s) of the Company.

The remuneration policy is based on the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance in Denmark and is supplemented by the Company's general guidelines on incentive-based remuneration as adopted by the general meeting and which can be found on the Company's website (www.ambu.com).

1. General

The combined remuneration package offered to the Company's Board of Directors and Executive Board is designed to be competitive and contribute to ensuring that the Company is able to attract and retain the required professional competences on the Board of Directors and Executive Board. The remuneration aligns the management's interests with the shareholders' interests, promotes value creation in the Company and underpins the Company's short-term and long-term strategy and objectives.

2. Remuneration of the Board of Directors

The Board of Directors does not receive incentive-based remuneration or share-based incentives, but receives a fixed annual fee. Members of the Audit Committee and the Remuneration Committee receive a supplementary fee for serving on these permanent committees.

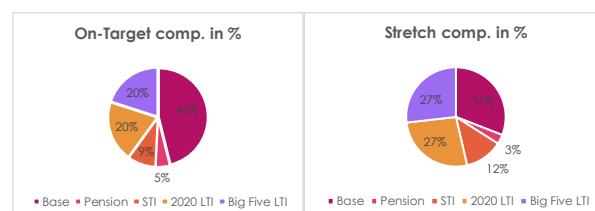
The basic fee and the supplementary fee for serving on the committees for the coming financial year are presented for approval at the Annual General Meeting.

Members of the Board of Directors who have special ad hoc duties assigned to them may receive a separate fee, subject to the prior or subsequent approval at the Annual General Meeting.

All costs incidental to attending board meetings, including travelling expenses, are reimbursed by the Company.

3. Remuneration of the Executive Board

The members of the Executive Board receive a fixed base salary, short-term incentive-based (STI) remuneration in the form of a cash bonus, long-term incentive-based (LTI) remuneration in the form of share options, pension and usual employee benefits. The split into fixed and variable remuneration is intended to result in a reasonable part of the salary being linked to performance, while promoting sound, long-term business decisions.



4.1 Non-performance-related components

The fixed base salary is intended to attract and retain executive officers with the professional and personal competences required to run the Company. The fixed basic remuneration of each member of the Executive Board is determined through individual negotiations each year.

Furthermore, members of the Executive Board receive usual benefits, e.g. company car, insurance, newspaper, company-paid telephone and internet connection.

The ordinary notice of termination to be given by the Company cannot exceed 18 months, and the ordinary notice of termination to be given by the members of the Executive Board to the Company cannot normally exceed nine months.

Any severance pay, for example in the event of a change of control, cannot exceed an amount corresponding to up to 24 months' remuneration. In the event of the death of an Executive Board member, the Company will pay up to 18 months' severance to the relatives of the Executive Board member.

4.2 Short-term incentive-based remuneration (STI)

The STI remuneration is a cash bonus element designed as an incentive for individual performance and the realisation of a number of individually determined, short-term financial targets.

The STI remuneration is up to 20% of the fixed base salary based on the on-target realisation of the financial targets, and up to 40% of the fixed base salary if stretch targets are realised.

The criteria governing the STI remuneration are usually organic growth, EBIT earnings and free cash flows before acquisitions of enterprises.

4.3 Long-term incentive-based remuneration (LTI)

The purpose of the LTI remuneration is to promote the collective performance of the Executive Board and align the interests of the management and the shareholders.

The LTI remuneration in Ambu A/S takes the form of share options in Ambu A/S, and the allocation of Options is dependent on the realisation of financial targets.

The general rule is that any unexercised Options will lapse after the expiry of the exercise period, and Ambu is entitled to demand cash settlement of Options.

Ambu has two LTI plans:

- 'Strategy 2020', which is a three-year plan with annual allocations of share options based on the realisation of annual financial targets.
- 'Big Five', which is a three-year plan with one allocation of share options 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 LTI

Strategy 2020 is structured in the same way as the two former programmes from February 2013 and November 2015.

Each year, the Options allocated may constitute up to 50% of the fixed base salary based on the on-target realisation of the financial targets. If stretch targets are realised, the allocation may each year constitute up to 100% of the fixed base salary.

Options will vest two years after the final allocation, with an exercise period of three years from the date of vesting.

Big Five LTI

Big Five is dedicated to the realisation of the overall financial targets defined in the recently launched Big Five strategy plan, with final calculation and allocation at the end of 2020.

The allocation for the three-year period may constitute up to 150% of the fixed base salary based on the on-target realisation of the financial targets by the end of 2020.

If stretch targets are realised by the end of 2020, the allocation may constitute up to 300% of the fixed base salary.

Options will vest on 1 October 2021, followed by an exercise period running up until 1 October 2024.