

## **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, the board of directors of a listed company may not enter into a specific agreement on incentive remuneration with a member of the company's board of directors or executive board until the overall guidelines for the company's incentive programmes for members of the board of directors and executive board have been laid down. The guidelines must have been considered and approved by the shareholders at a general meeting.

Ambu has offered incentive programmes in the past in the form of a share option programme for executive employees in 2007, a share option programme for the executive board in 2008 and a warrant programme for executive employees (excluding the executive board) in 2011 and 2012 and expectedly also in 2013 on the basis of the result for the financial year 2011/12.

To ensure close co-operation and loyalty between the company's executive board and the shareholders, the board of directors wishes to be able to include the executive board under an incentive programme.

It is still the intention that no incentive programme is to be offered to members of the board of directors of Ambu.

As a result, these guidelines deal only with the overall guidelines for incentive programmes for the member(s) of the executive board of Ambu. "Members of the executive board" means the manager(s) registered with the Danish Business Authority as such. At present, the executive board of Ambu consists of one member.

The existing programmes will not be affected by these guidelines.

### **2. General principles**

No incentive programmes are currently offered to the board of directors.

The purpose of Ambu's incentive programmes is to promote value-creation in the company by accomplishing its strategic goals and to secure that mutual interests exist between the company, its executive board and executive employees and its shareholders.

Incentive compensation in Ambu may be in the form of cash bonuses, warrants and/or share options.

In addition, members of the executive board will always be eligible for participation in general share option programmes or option schemes.

In order to ensure competitive remuneration of members of the executive board, the remuneration of such members is made up of:

- (i) a fixed salary (basic salary and pension contribution) as well as a company car and a few other employee benefits
- (ii) a cash bonus (as described in clause 3 below)
- (iii) share options (as described in clause 4 below)

### **3. Non-equity compensation**

The grant of a cash bonus will be made annually and will in principle be subject to the achievement of predetermined financial or other goals for the Ambu Group or the single member of the executive board. The amount of the bonus will depend on the level of achievement of the predetermined goals. The maximum amount of bonus will be 70% of the basic salary.

In addition, the board of directors will have discretionary powers to decide whether to grant an entirely discretionary bonus in the individual year to the single member of the executive board, and, if it so elects, the amount of the bonus will be subject to a maximum of 25% of the fixed salary of the relevant member of the executive board. Such bonus may for instance be based on exceptional circumstances, performance or the achievement of specific, exceptional results. It is not possible to fix the present value of any such discretionary cash bonuses. In the financial year in which such bonus is granted, the expenses incidental to the grant will be charged to the profit and loss account and appear from the annual report.

Any earned cash bonus will be paid upon the approval by the general meeting of the annual report for the relevant year.

### **4. Share-based instruments**

Members of the executive board will be eligible for annual grants of warrants and/or share options (collectively referred to as "Options"). The value of the granted Options will be calculated according to the Black-Scholes formula. No consideration will be payable for the Options.

The Options will be granted on the accomplishment of predetermined goals and earned gradually during the agreed period, subject to the continued employment of the single member of the executive board.

Under the proposed incentive programme, a member of the executive board will be granted Options, which Options will be granted successively over three years with 1/3 each year, the first time being in January 2014. The Options may be exercised for a period beginning three years after the date of grant of the individual Options and ending six years after the date of grant of the individual Options. Unexercised Options will lapse on expiry of the exercise period. Ambu will be entitled to demand cash settlement of the Options.

Each Option will entitle the owner to buy or subscribe for one B share in Ambu of a nominal value of DKK 10 at a price per B share corresponding to the market value on the initial date of grant plus 8% per annum.

The number of granted Options as well as the exercise price may be adjusted, for instance in the event of certain capital transactions and large dividend distributions and the Options may be exercised early, for instance in the event of transfer of ownership.

Ambu will hedge granted share options on an ongoing basis by buying treasury shares.

At the time of grant, the value of granted Options based on the Black-Scholes formula represents an amount corresponding to three months' fixed remuneration for a member of the executive board.

## **5. Approval and publication**

Article 14a has been inserted into the company's articles of association in accordance with Section 139 of the Danish Companies Act, which article states that Ambu has adopted guidelines for an incentive programme for members of the company's executive board.

The guidelines are available at Ambu's homepage [www.ambu.com](http://www.ambu.com). Ambu's future annual reports will include an overview of the total remuneration paid to members of the executive board and any granted or outstanding Options will be stated and measured.

These overall guidelines have been considered and approved at the company's annual general meeting held on 13 December 2012.

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Chairman of the meeting