

On 13 December 2017 at 13.00, an annual general meeting was held in Ambu A/S at Tivoli Hotel & Congress Center, Arni Magnussons Gade 2-4, DK-1577 Copenhagen V. In attendance were 263 persons with admission card, of whom 203 with voting right and 60 without voting right.

The general meeting was convened with the following agenda:

1. The management's review of the company's activities in the past year.
2. Presentation of the annual report and the consolidated financial statements for adoption.
3. Motion of the Board of Directors on the appropriation of profits or the covering of losses in accordance with the adopted annual report.
4. Approval of remuneration of the Board of Directors for the 2017/18 financial year.
5. Election of the Chairman of the Board of Directors
6. Election of the Vice-Chairman of the Board of Directors
7. Election of other members to the Board of Directors
8. Appointment of auditors.
9. Motions from the Board of Directors:
  - 9.1: Updating of the overall guidelines concerning incentive pay programme for the Board of Directors and the Executive Board
  - 9.2: Change to the share denomination (article 4 of the Articles of Association)
  - 9.3: Renewal of the Board of Directors' authorisation to increase the Class B share capital (article 9e of the Articles of Association)
  - 9.4: Removal of the age limit for members of the Board of Directors (article 17(2) of the Articles of Association)
  - 9.5: Change of requirement for participation at general meetings (article 11(3) and (4) of the Articles of Association)
10. Authorisation of the chairman of the meeting.

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The Chairman of the Board of Directors, Jens Bager, welcomed everyone to the general meeting and gave the floor to lawyer Niels Kornerup, whom the Board of Directors had appointed as chairman of the general meeting in accordance with article 14 of the company's Articles of Association.

The chairman ascertained, with the general meeting's approval, that the general meeting had been duly convened and formed a quorum.

The chairman stated that, at the entrance control, immediately before the start of the general meeting, it had been ascertained that shares with a nominal value of DKK 83,866,550 out of shares with a total nominal value of DKK 122,057,580 (after deduction of the company's treasury shares) were represented and that 93,144,620 votes out of a total of 110,599,032 votes (also after deduction of the company's treasury shares) were represented at the general meeting. The chairman further stated that shareholders of Class A shares were represented with a total of DKK 66,220,000 votes, amounting to DKK 96.47% of the votes present.

The chairman noted that, pursuant to section 101(5) of the Danish Companies Act (*Selskabsloven*), a full account of the voting result was to be provided in connection with each resolution, irrespective of whether the voting result was fairly clear, and that such an account also had to be provided even though the voting result could be ascertained unambiguously. As it is possible to derogate from such an account if the shareholders so agree, the chairman suggested that, to ensure smooth proceedings at the general meeting, written ballots should only be held in case of doubt about whether a motion had been adopted. The general meeting accepted that a full account of voting results was not to be provided.

In accordance with the usual procedure at the company's general meetings, items 1-3 on the agenda were transacted together.

**Re 1-3:**

1. The management's review of the company's activities in the past year.
2. Presentation of the annual report and the consolidated financial statements for adoption.
3. Motion of the Board of Directors on the appropriation of profits or the covering of losses in accordance with the adopted annual report.

The Chairman of the Board of Directors, Jens Bager, presented his oral review.

Lars Marcher, President & CEO, reviewed the financial statements and consolidated financial statements and gave an account of the past year and the Big Five strategy towards 2020.

Jens Bager then went through the appropriation of profits and gave the floor to the chairman of the meeting.

The chairman thanked Lars Marcher and Jens Bager for the management's review and presentation of the annual report. The chairman stated that the annual report had been signed by the Board of Directors and the Executive Board and provided with an auditor's report without qualifications or supplementary comments; see pages 75-77 of the annual report.

The chairman informed the meeting that the profit for the year amounted to DKK 301 million; see page 31 of the annual report.

The chairman further stated that the Board of Directors recommended the distribution of a dividend of DKK 92 million (corresponding to 31% of the consolidated net profit for the year), equal to a dividend of DKK 1.85 per share of DKK 2.50. The chairman noted that it was stated in the notice convening the meeting that 30% of the net profit for the year (and not 31%) was recommended as dividend. The reason for the increase was that, since the notice convening the meeting, Ambu had implemented two increases in capital, which meant that the dividend share of the company's profit had increased. It is moved that the remaining profit be carried forward to next year.

The chairman opened for discussions and gave the floor to the first speaker, Per Juhl from the Danish Shareholders Association (*Dansk Aktionærforening*), who only had questions regarding the acquisition of Invendo.

Per Juhl thanked the management for a good review, and commented on the impressive results on both the top line and bottom line. He expressed satisfaction with the shareholders having been rewarded with a 37% return, including dividend. He commented on Ambu's new 'Big 5' strategy and stated that it is an ambitious plan, including the target of more than a doubling of revenue. He had the following questions/comments:

- 1) Per Juhl requested information about Invendo's revenue and earnings.
- 2) He also asked whether Ambu expects that Invendo will be able to contribute the DKK 1.5 billion which, according to the Danish Shareholders Association, is lacking in revenue for Ambu to generate revenue of DKK 5 billion in 2020.
- 3) Per Juhl also requested some specific figures about what Invendo, according to Ambu, is to contribute in three years, in terms of both revenue and earnings, for Ambu to feel that the price for Invendo has been right.
- 4) Per Juhl also asked for an assessment of what the risk will be that the authorities in the various countries give a thumbs down in respect of approval of Invendo's products.
- 5) Per Juhl expressed satisfaction with the fact that Ambu has historically been very successful with its acquisitions. The Danish Shareholders Association applauds an ambitious strategy, but expressed concern that this objective can only be reached through acquisitions, and that there is a risk of buying at too high a price.

Lars Marcher thanked Per Juhl for some good questions and answered them as follows:

Re 1-5) Lars Marcher stated that there is no revenue in Invendo, which emphasises the importance of communicating what it is that Ambu has acquired. Ambu has acquired an enterprise with 40 employees for DKK 1.7 billion. He explained that the reason for Ambu's acquisition of Invendo is that its product platform and technology are very exciting and a perfect match for Ambu's visualisation platform. The strategy has therefore been acquisition of technology, patents and products.

Lars Marcher explained that Ambu published its Big Five strategy before the acquisition of Invendo was announced. In this strategy, Ambu has stated that it aims to meet an organic growth target of 13-15% right from 2017 to 2020 and to increase earnings by 5% in the same period. With the acquisition of Invendo, Ambu expects to be able to close part of the gap up to the DKK 5 billion target. Ambu does not currently know how much of the gap it will be able to close, but the expectations for Invendo will be included in the overall annual forecasts for Ambu's profit.

Lars Marcher stated that Ambu expects FDA approval of the product for screening of intestinal cancer during the first quarter of the new year.

The chairman then gave the floor to the next speaker, Thor Dybdahl Jacobsen.

Thor Dybdahl Jacobsen wished to know what Ambu's thoughts are on the financing of corporate acquisitions in which either the debt multiple can be raised or the share capital can be increased with a resulting price fall. How do the shareholders fit into this scenario?

Jens Bager answered the question as follows:

The Ambu management has thought carefully about how corporate acquisitions can be financed. Ambu will not increase the debt multiple to a level where the business will run a risk of incurring too much debt in relation to its earnings. But Ambu must ensure that it has sufficient capital resources to acquire companies.

The chairman then gave the floor to the next speaker, Bjørn Hansen.

Bjørn Hansen congratulated the company on the profit for the year and the great progress made. In addition, he thanked the Hesse family for ensuring that Ambu is in Danish hands. He expressed confidence in Ambu's ability to reach the DKK 5 billion target in 2020. Prior to the general meeting, Bjørn Hansen had sent his questions to the management, some of which had already been answered.

With respect to patents, he expressed the hope that Ambu's patents are European and preferably German.

Bjørn Hansen regarded Ambu's payroll policy as sound, but was not pleased with the Black-Scholes model in relation to the allocation of options.

Finally, he wished everyone in Ambu and the owner family a Merry Christmas and a Happy New Year.

Lars Marcher thanked Bjørn Hansen for his appreciation and answered the questions as follows:

With respect to the patent situation, Lars Marcher stated that Ambu operates in a highly patented industry. It has therefore been important for Ambu to ensure that the patent situation in Invendo, which is the German company acquired by Ambu, was in order. Lars Marcher also stated that the patent situation in Invendo is a good match for Ambu's patent portfolio.

The chairman then gave the floor to the next speaker, Ove Egholm Jensen.

Ove Egholm Jensen thanked both Jens Bager and Lars Marcher for a good review. He requested elaborating comments on a slide concerning the competitive situation and Coloplast.

Lars Marcher explained that there are a number of Japanese competitors. Ambu does not think that they have an interest in changing their business on this endoscope market from large revenue from multi-use products to a market for lower-priced disposable products.

As regards Coloplast, Lars Marcher stated that Ambu has good cooperation with Coloplast on one of the product platforms which Ambu launched in 2015, which is a good match for Coloplast's urology market.

As no one else wished to take the floor, the chairman ascertained with approval from the general meeting

that the review of the Board of Directors had been adopted by the general meeting,

that the general meeting had approved the annual report and the consolidated financial statements and

that the general meeting had approved the motion on appropriation of profits.

#### **Re 4: Approval of remuneration of the Board of Directors for the 2017/18 financial year**

The chairman stated that, as mentioned in the review of the Chairman of the Board of Directors, the general meeting is requested to approve the remuneration of the Board of Directors for 2017/18. The chairman stated that it is moved that the remuneration remain unchanged and be distributed as follows:

- The basic remuneration is fixed at DKK 300,000 for the ordinary members of the Board of Directors.
- The remuneration to the Chairman of the Board of Directors is fixed at three times the basic remuneration, i.e. DKK 900,000.
- The remuneration to the Vice-Chairman of the Board of Directors is set to twice the basic remuneration, i.e. DKK 600,000.

- Furthermore, the fee for each member of the Audit Committee and the Remuneration Committee is fixed at DKK 100,000. The fee for the chairmen of the respective committees is fixed at DKK 150,000.

As no one wished to take the floor, the chairman ascertained, with the general meeting's approval, that the remuneration of the Board of Directors for the current year had been adopted.

#### **Re 5 Election of the Chairman of the Board of Directors**

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

The chairman pointed out that information about Jens Bager, his directorships and other executive offices could be found on page 27 in the annual report.

The chairman ascertained that the motion was adopted by the general meeting.

#### **Re 6 Election of the Vice-Chairman of the Board of Directors**

The Board of Directors proposed re-election of the present Vice-Chairman of the Board of Directors, Mikael Worning.

The chairman pointed out that information about Mikael Worning, his directorships and other executive offices could be found on page 27 in the annual report.

The chairman ascertained that the motion was adopted by the general meeting.

#### **Re 7: Election of other members to the Board of Directors**

Re-election of the other members of the Board of Directors was proposed as follows:

- Allan Søgaard Larsen
- Christian Sagild
- Oliver Johansen
- Henrik Wulff

The chairman pointed out that information about Allan Søgaard Larsen, Christian Sagild, Oliver Johansen and Henrik Wulff, their directorships and other executive offices could be found on page 27 in the annual report.

The chairman ascertained that the motion was adopted by the general meeting.

The chairman further noted that the Board of Directors also has three employee-elected board members, who are elected for a term of four years at a time. New members elected to the Board of Directors were:

- Thomas Lykke Henriksen
- Jacob Koch

and re-election of:

- Jakob Bønnelykke Kristensen

#### **Re 8: Appointment of auditors**

The Board of Directors proposed new appointment of Ernst & Young Godkendt Revisionspartnerselskab on the basis of the Audit Committee's tendering procedure and in accordance with the Audit Committee's recommendation.

The chairman ascertained that there were no other auditor nominations, and Ernst & Young Godkendt Revisionspartnerselskab was elected with the general meeting's approval.

#### **Re 9 Motions from the Board of Directors**

9.1: Updating of the overall guidelines concerning incentive pay programme for the Board of Directors and the Executive Board

The Board of Directors presented a motion for a change of the overall guidelines for the company's incentive pay programme for the Board of Directors and the Executive Board in accordance with the draft general guidelines attached as enclosure 9.1 to the notice convening the meeting.

The chairman gave the floor to Jens Bager, who explained the reasons for the motion.

The chairman then opened for discussions and gave the floor to Bjørn Hansen.

Bjørn Hansen expressed dissatisfaction with the use of the Black-Scholes model and did not like the use of the +8% addition to the strike price.

Jens Bager answered Bjørn Hansen's comment as follows:

Jens Bager agreed that Black-Scholes is a complicated model, which was also the reason why the auditors check all calculations. It is a recognised tool, which ensures that the allocation is made as objectively as possible.

As regards the 8%, this is an 8% addition to the strike price. The shareholders must thus first receive a return of 8% a year before the Executive Board receives any payment. He added that Ambu is not fundamentally changing the salary model for 2014. The element that is changed is the weight of the short-term and long-term results, which will contribute to maintaining the management.

As no one else wished to take the floor, the chairman of the meeting concluded that the motion was adopted by the general meeting.

9.2: Change to the share denomination (article 4 of the Articles of Association)

The Board of Directors presented a motion to change the denomination of both Class A and Class B shares in the company from DKK 2.50 and multiples thereof to DKK 0.50 and multiples thereof, which would allow the Board of Directors to implement a share split with effect from 3 January 2018.

The motion entails consequential changes to articles 4, 6, 9c, 9d and 15 of the Articles of Association as stated in the notice convening the general meeting.

The chairman ascertained that the motion had been adopted with the general meeting's approval.

9.3: Renewal of the Board of Directors' authorisation to increase the Class B share capital (article 9e of the Articles of Association)

The Board of Directors presented a motion to authorise the Board of Directors to increase the Class B share capital with and without pre-emption rights. The motion entails amendments to article 9e of the Articles of Association as stated in the notice convening the general meeting.

The chairman ascertained that the motion had been adopted with the general meeting's approval.

9.4: Removal of the age limit for members of the Board of Directors (article 17(2) of the Articles of Association)

The Board of Directors presented a motion that the age limit for board members be deleted from the Articles of Association. The motion meant that article 17 (2) of the Articles of Association was amended as stated in the notice convening the general meeting.

The chairman ascertained that the motion had been adopted with the general meeting's approval.

9.5: Change of requirement for participation at general meetings (article 11(3) and (4) of the Articles of Association)

The Board of Directors moved that the requirements in the Articles of Association for participation at general meetings be amended. The proposal entailed amendments to articles 11(3) and (4) of the Articles of Association as stated in the notice convening the meeting.

The chairman ascertained that the motion had been adopted with the general meeting's approval.

#### **Re 10 Authorisation of the chairman of the meeting**

The Board of Directors moved that the general meeting authorised and gave power of delegation to the chairman to report the resolutions passed and to make any such changes thereto as the Danish Business Authority or other authorities may require or recommend be undertaken as a condition for registration or approval, as well as continuously to make and apply for registration of linguistic and other non-substantive changes to the company's Articles of Association.

The chairman ascertained that the motion had been adopted with the general meeting's approval.

#### **Any other business**

Nobody wished to take the floor under this item.

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The chairman ascertained that the agenda had been exhausted, and thanked the general meeting for an orderly meeting.

The chairman resigned his duties and gave the floor to Jens Bager, who thanked the general meeting for a constructive debate and the chairman for good moderation of the meeting.

Jens Bager then declared the general meeting closed and invited the shareholders to partake in coffee and cake, offered by the company, and that he hoped to see the participants again at next year's general meeting.

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Niels Kornerup  
Chairman of the meeting