

Minutes of the annual general meeting of Ambu A/S held on 12 December 2018 at 1:00 pm at Hotel Scandic Copenhagen, Vester Søgade 6, 1506 Copenhagen, Denmark. 212 persons were attending with an admission card, of whom 161 were voting shares and 51 non-voting shares.

The agenda for the general meeting included:

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. Presentation of remuneration report for adoption
4. The board of director's proposal for appropriation of profits or provisions for losses in accordance with the adopted annual report
5. Approval of the board of director's remuneration for the financial year 2018/19
6. Election of the chairman of the board of directors
7. Election of the vice-chairman of the board of directors
8. Election of the other members to the board of directors
9. Appointment of auditors
10. Proposals from the board of directors:
  - 10.1 Authorisation to the board of directors to acquire treasury shares.
  - 10.2 Updating of remuneration policy, including the general guidelines for incentive-based remuneration of the board of directors and executive board
11. Delegation of authority to the chairman of the meeting

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Mr Jens Bager, chairman of the board of directors, welcomed everyone to the meeting and gave the floor to Mr Niels Kornerup, lawyer, who had been appointed chairman of the general meeting by the board of directors under article 14 of the company's articles of association.

With the consent of the general meeting, the chairman of the meeting stated that the general meeting had been legally convened and formed a quorum.

The chairman of the meeting stated that an entry control immediately before the general meeting was scheduled to start had shown that shares of DKK 80,021,477.00 nominal value out of shares of a total of DKK 121,856,620.50 nominal value (after reduction for the company's treasury shares) were represented and that 468,922,954 votes out of a total of 552,593,241 votes (also after reduction for the company's treasury shares) were represented at the general meeting. The chairman of the meeting further stated that the class A shareholders represented a total of 356,923,555 votes, amounting to 76.12% of all votes present.

The chairman of the meeting pointed out that under section 101(5) of the Danish Companies Act a complete account of the voting procedure must be available for each resolution passed, notwithstanding that the voting result may be fairly clear, and that such account must therefore also be available in the case of clear and unambiguous voting results. As this rule, if so agreed by the shareholders, may be dispensed with, the chairman of the meeting suggested, in order to ensure a smooth general meeting, to simply conduct a ballot in case of any doubt as to whether a proposal has been passed. The general meeting agreed to the complete account not being made available.

Items 1-4 of the agenda were considered collectively.

**Re 1-4:**

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. Presentation of remuneration report for adoption
4. The board of director's proposal for appropriation of profits or provisions for losses in accordance with the adopted annual report

Mr Jens Bager, chairman of the board of directors, presented his oral report.

Mr Lars Marcher, CEO, presented the financial statements and consolidated financial statements and reported on the past year. In addition, Mr Lars Marcher presented the financial targets for 2018/19.

Mr Jens Bager then presented the profit available for distribution and gave the floor to the chairman of the meeting.

The chairman of the meeting thanked the management for its report and presentation of the annual report. The chairman of the meeting stated that the annual report had been signed by the board of directors and the executive board, and that it had been provided with an unqualified auditor's report without emphasis of matter, see pp 88-91 of the annual report.

The chairman of the meeting stated that the net profit for the year amounted to DKK 337 million, see p. 36 of the annual report.

The chairman of the meeting further stated that the board of directors proposed to distribute dividends in the amount of DKK 101 million (corresponding to 30% of group results), corresponding to dividends of DKK 0.40 per share of DKK 0.50. The remaining profit is proposed to be carried forward.

The chairman of the meeting opened a debate and gave the floor to the first speaker, Mr Claus Berner Møller of ATP.

Mr Claus Berner Møller thanked the management for its report and presentation of the annual report. Mr Claus Berner Møller stated that ATP would vote against item 10.2 about the remuneration policy as, according to ATP, the option schemes are too complex and as it is not desirable to have two parallel option schemes. He wished Ambu good luck with the challenges going forward.

The chairman of the meeting then gave the floor to the next speaker, Mr Per Juhl of the Danish Shareholders' Association.

- 1) In the light of the major fluctuations in the price of the Ambu share in recent months, Mr Per Juhl asked whether management would do something differently going forward in order to avoid such price fluctuations.
- 2) The Danish Shareholders' Association also wanted to know whether some shareholders may deliberately have misinterpreted the announcements on the Capital Markets Day to make the price go down and through that make a profit.
- 3) Finally, the Danish Shareholders' Association asked whether Ambu will manage to launch the new colonoscope before Christmas.

Mr Per Juhl concluded by thanking for the annual report and the remuneration report in Danish.

The chairman of the meeting gave the floor to Mr Jens Bager, who answered as follows:

Re 1) There are hard and fast rules for how company insiders can buy and sell shares in their company. At Ambu, a window is usually opened when the financial statements have been published. This window is open for four weeks during which all insiders can trade. Mr Jens Bager stated that Ambu intends to continue this approach.

The chairman of the meeting then gave the floor to Mr Lars Marcher to answer the next two questions:

Re 2) Mr Lars Marcher explained that the share price is based on prospects, results and to a certain degree speculation. Ambu's stock market behaviour is the same today as it was ten years ago. Management is meeting with the shareholders who want to meet and Ambu takes part in road shows, and as can be seen from the increased number of shareholders, Ambu attracts a lot of shareholders interested in learning more. As regards speculation in the share, Mr Lars Marcher explained the price fluctuations by Ambu becoming a C25 company. This resulted in index funds buying shares in Ambu, which again was the driver of great demand for the Ambu share, and, similarly, the sectoral shift from medtech to pharma may have played an important role. As for analysts, Mr Lars Marcher emphasised that Ambu does not interfere with the way the analysts view Ambu, but when an analyst is deliberately not telling the truth, Ambu's line is to comment.

Re 3) Mr Lars Marcher stated that Ambu is in the process of launching the endoscope.

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

Apart from a number of general comments, Mr Bjørn Hansen had the following specific questions

- 1) Mr Bjørn Hansen wanted an explanation for Ambu's employee share scheme as regards bonus shares.
- 2) Mr Bjørn Hansen expressed dissatisfaction with not having been allowed access to the Capital Markets Day and asked for an explanation.
- 3) In addition, Mr Bjørn Hansen wanted to know which currencies Ambu is using to hedge against currency losses and at what rates.
- 4) Finally, Mr Bjørn Hansen wanted to know what Ambu was paying in corporate taxes.

Mr Jens Bager thanked for the good questions and elevated comments and went on to answer the questions relating to shares.

Re 1) All employees including the management can purchase shares using their own funds for up to 2% of the fixed annual salary. If these shares are held for two years, Ambu will grant each employee an equal number of shares free of charge after the two years. Mr Jens Bager emphasised that the board of directors is not covered by this scheme.

Mr Lars Marcher answered the next questions and also thanked Mr Bjørn Hansen for the words of support.

Re 2) Mr Lars Marcher expressed his regret for Bjørn Hansen's negative experience in connection with the Capital Markets Day. However, as explained by Mr Lars Marcher, the Ambu Capital Markets Day is for institutional investors only, and that what the reason why Mr Bjørn Hansen had been seen out of the conference room.

Re 3) Mr Lars Marcher explained in relation to the currency issue that Ambu is not actively hedging in any currency.

Re 4) A total of DKK 40 million has been paid in corporate taxes for 2017/18 for the foreign subsidiaries combined.

The chairman of the meeting then gave the floor to the next speaker, Mr Olav Villadsen, who made some comments of a practical nature.

Mr Olav Villadsen expressed the importance of Mr Lars Marcher being well-paid so as to make sure that he stays with Ambu. Ambu should develop more facilities in the US and perhaps in Denmark instead of China. As regards single-use scopes vs. reusable scopes, Mr Olav Villadsen explained that reusable scopes from his point of view are history because of the danger of infection.

Mr Lars Marcher commented on the above, explaining that as regards reusable products versus single-use products it has been clinically proven that Ambu has a good case in the green environment context.

The chairman of the meeting then gave the floor to the next speaker, Mr Anders Schelde, Portfolio Manager of MP Pension, who explained that, seen across the last ten years, MP Pension has invested DKK 10 million in Ambu shares. Mr Anders Schelde thanked the management and employees for the impressive historical performance. Mr Anders Schelde proposed improvements within three areas; diversity at management and senior management level in general, Ambu's remuneration policy as well as Ambu's CSR policy. Diversity being an item further down on the agenda for the general meeting, Mr Anders Schelde chose at this point to only focus on the other two areas.

Mr Anders Schelde was pleased with Ambu having published a transparent remuneration report, and MP would therefore vote in favour of it. Mr Anders Schelde emphasised that MP Pension would not be voting in favour of the remuneration policy. The reason for this is that the value of options at the time of vesting or exercise should be capped and not only at the time of grant. Mr Anders Schelde therefore urged the board of directors to take this into consideration the next time the remuneration policy is submitted to the general meeting.

As regards CSR reporting, MP Pension expressed its satisfaction with Ambu having increased the ambition level and that there are new priority areas which should in future be measurable, in terms of quantity as well as quality.

Mr Jens Bager thanked Anders Schelde for the words of support and explained that in connection with an updating of the remuneration policy, Ambu would of course listen to the input that had been received at today's general meeting, including from MP Pension.

The chairman of the meeting then gave the floor to the next speaker, Mr Flemming Als. Mr Flemming Als expressed dissatisfaction with the large share sales that had been effected, but he was pleased with Mr Lars Marcher's share purchase in the amount of DKK 3 million.

The chairman of the meeting then gave the floor to the next speaker, Mr Jørgen Dufour. Mr Jørgen Dufour thanked Mr Jens Bager, Mr Lars Marcher as well as Ambu's employees for the strong results. He asked if going forward Ambu would keep the small, loyal pension investors in mind. Mr Jørgen Dufour requested a comment from management as to the latest press about there not being the same need in the future for single-use products within the gastrointestinal area as within other endoscopy areas.

Mr Lars Marcher decided to answer the question about the need for single-use products within gastroscopy. Mr Lars Marcher emphasised that there is a need for single-use products for work in every part of the body.

The chairman of the meeting then gave the floor to Mr Kjeld Beyer, who was pleased with Ambu having been one of the best companies when it comes to informing the shareholders.

The chairman of the meeting then gave the floor to Mr Peder Nørgaard, who asked about potential competitors to Ambu's portfolio of single-use endoscopes.

Mr Lars Marcher explained that the market is very big and that it would be utopian to think that Ambu has the market to itself and that competitors must therefore naturally be expected.

The chairman of the meeting then gave the floor to Mr Olav Villadsen for a brief comment. Mr Olav Villadsen wanted to know specifically who had purchased the shares sold by the Augustinus Foundation. Furthermore, Mr Olav Villadsen requested an answer to a question about scope cleaning.

Mr Lars Marcher answered that Ambu does not know specifically who had purchased the shares of the Augustinus Foundation.

Mr Lars Marcher stated in relation to the question about aScope that Ambu's price is around DKK 2,000. He added that several US hospitals use sub-suppliers for scope cleaning, for which they often pay up to DKK 2,000.

As no one else wished to speak, the chairman of the meeting stated, with the consent of the general meeting

that the board of director's report was adopted by the general meeting;

that the annual report and consolidated financial statements were adopted by the general meeting;

that the remuneration report was approved; and

that the proposed appropriation of profits or covering of losses was approved by the general meeting.

**Re 5: Approval of the board of director's remuneration for the financial year 2018/19.**

The chairman of the meeting stated that, as mentioned in the chairman's report, the general meeting is requested to approve the board of director's remuneration for the financial year 2018/19. The chairman of the meeting stated that a proposal was made to not change the remuneration, which breaks down as follows:

- A basic remuneration of DKK 300,000 for ordinary members of the board of directors.
- The chairman's remuneration is three times the basic remuneration, i.e. DKK 900,000.
- The vice-chairman's remuneration is twice the basic remuneration, i.e. DKK 600,000.
- Moreover, the remuneration for each member of the audit committee and the remuneration committee is DKK 100,000. The remuneration of the chairmen of the respective committees is DKK 150,000.

Mr Jens Bager stated that Ambu has taken the Recommendations on Corporate Governance into account and that Ambu follows all of the recommendations. Mr Jens Bager stated that Ambu aims to increase the number of members elected by the general meeting from six to seven members and expressed a wish in that connection to have a female member elected to the board of directors. Unfortunately, the efforts have failed so far, but the board of directors will continue its efforts of finding a qualified member for election at the general meeting in 2019. In that connection, the chairman of the meeting gave the floor to Ms Helena G. Hansen of Best Women.

Ms Helena G. Hansen explained that the association purchases shares in companies that do not have female members sitting on the board, which is why they also hold shares in Ambu. They were pleased to learn of Ambu's aim of a 40% target for women's representation at senior management level within the next three years.

Best Women had the following questions:

- 1) Does Ambu have a policy in place for women's representation at management level?
- 2) What is the percentage of women's representation at the lowest, middle and highest levels at Ambu?

Mr Jens Bager answered that he agreed that diversity is important.

Mr Lars Marcher answered both questions, stating that Ambu had 37% women at top management level and referred in general to the annual report for more details on this subject.

The chairman of the meeting then gave the floor to Mr Anders Schelde of MP Pension.

Mr Anders Schelde appreciated that it can be difficult to find women to sit on the board of directors. In that connection, Mr Anders Schelde stated that it would be appropriate and good practice to have two women on the board of directors. Mr Anders Schelde also wanted to hear what Ambu is doing to attract non-Danish members to the board of directors.

As a general comment, Mr Anders Schelde stated that MP Pension has not voted in favour of re-

election of the chairman of the board and the two most recent members of the board of directors. This was not to be seen as a mistrust of the persons in question, but as a mistrust to Ambu's approach in general to this area.

Mr Jens Bager answered the question about non-Danish members of the board of directors. Mr Jens Bager explained that Ambu has a board member, more specifically Mikael Worning, who lives in the US where he works for William Demant. Mr Jens Bager also pointed to the broad age range of board members, with a span of 18 years between the youngest and oldest member.

As no one else wished to speak, the chairman of the meeting stated, with the consent of the general meeting, that the remuneration for the board of directors for the current year was adopted.

#### **Re 6 Election of the chairman of the board of directors**

The board of directors proposed the re-election of the sitting chairman of the board of directors, Mr Jens Bager.

The chairman of the meeting referred to page 30 of the annual report for information about the management posts held by Mr Jens Bager.

The chairman of the meeting stated that the proposal was adopted with the consent of the general meeting,

#### **Re 7 Election of the vice-chairman of the board of directors**

The board of directors proposed the re-election of the sitting vice-chairman of the board of directors, Mr Mikael Worning.

The chairman of the meeting referred to page 30 of the annual report for information about the management posts held by Mr Mikael Worning.

The chairman of the meeting stated that the proposal was adopted with the consent of the general meeting,

#### **Re 8: Election of the other members to the board of directors**

It is proposed to re-elect the following members of the board of directors:

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

The chairman of the meeting referred to page 30 of the annual report for information about Mr



Allan Søggaard Larsen, Mr Christian Sagild, Mr Oliver Johansen and Mr Henrik Wulff and their management posts.

The chairman of the meeting stated that the proposal was adopted with the consent of the general meeting,

The chairman of the meeting noted that the board of directors then consisted of the following members:

- Jens Bager (chairman)
- Mikael Worning (vice-chairman)
- Allan Søggaard Larsen
- Christian Sagild
- Henrik Ehlers Wulff
- Oliver Johansen
- Thomas Lykke Henriksen (elected by the employees)
- Jakob Bønnelykke Kristensen (elected by the employees)
- Jakob Koch (elected by the employees)

#### **Re 9: Election of auditor**

The board of directors proposed the re-appointment of Ernst & Young Godkendt Revisionspartnerselskab.

The chairman of the meeting noted that the proposal to re-appoint Ernst & Young Godkendt Revisionspartnerselskab as auditors of the company was in accordance with the recommendation of the audit committee, which was not affected by third parties and which had not been subject to any agreement with a third party limiting the general meeting's appointment of auditors.

The chairman of the meeting stated that there were no other proposals for auditors, after which Ernst & Young Godkendt Revisionspartnerselskab were appointed.

#### **Re 10 Proposals from the board of directors**

10.1: Authorisation to the board of directors to acquire treasury shares

The board of directors proposed to authorise the board of directors to acquire treasury shares in the period until and including 11 December 2023 up to a total of DKK 12,563,730 nominal value, corresponding to 10% of the company's share capital at the time of notice of the annual general meeting in 2018. The price for acquiring treasury shares was not to deviate by more than 10% from the quoted price for the company's class B shares at the time of acquisition.

The general meeting adopted the proposal.

10.2: Update of remuneration policy, including the general guidelines for incentive-based remuneration of the board of directors and executive board

The board of directors proposed to update the company's remuneration policy, including the general guidelines for incentive-based remuneration of the board of directors and executive board, in accordance with the draft remuneration policy attached as Appendix 10.2 to the complete wording of the proposals.

The general meeting adopted the proposal.

**Re 11 Authorisation to the chairman of the meeting**

The board of directors proposed that the general meeting authorise the chairman of the meeting with full power of substitution to apply for registration of the resolutions passed and to make any such amendments thereto as may be required or requested by the Danish Business Authority or any other public authority as a condition for such registration or approval, and to regularly make and apply for registration of clarifications of the wording and other clarifications without substantive effect to the company's articles of association.


The general meeting adopted the proposal.

**Any other business**

Mr Kjeld Beyer made comments under any other business.

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There being no further items on the agenda, the chairman of the meeting thanked the shareholders for an orderly general meeting.



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Niels Kornerup  
Chairman of the meeting