

## **Corporate Governance 2012/13**

November 2013

**Statutory corporate governance statement for the 2012/13 financial year, see Section 107 b of the Danish Financial Statements Act (*Årsregnskabsloven*).**

This report is a supplement to the management's review of Ambu A/S's Annual Report.

The report is based on the Committee on Corporate Governance's recommendations of May 2013 and must be construed in accordance with applicable requirements for listed companies.

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
----------------	----------------------	-----------------------------	--------------------------------	---------------------------

**1. Communication and interaction by the company with its investors and other stakeholders**

**1.1. Dialogue between company, shareholders and other stakeholders**

<p>1.1.1. The committee recommends that the board of directors ensure ongoing dialogue between the company and its shareholders in order for the shareholders to gain relevant insight into the company's potential and policies, and in order for the board of directors to be aware of the shareholders' views, interests and opinions on the company.</p>	<p><b>Yes</b></p>			<p>The dialogue with shareholders and stakeholders and the information for these groups take the form of interim reports and other announcements from the company, conference calls in connection with the release of interim reports and financial statements and via meetings with investors, analysts and the media. Interim reports and other announcements are made available on the Ambu website immediately after publication. The website also contains information used in connection with investor presentations and conference calls. The website is in English, but announcements and annual reports are also available in Danish.</p> <p>Ambu has a communication policy, which has been adopted by the Board of Directors.</p>
<p>1.1.2. The committee recommends that the board of directors adopt policies on the company's relationship with its stakeholders, including shareholders and other investors, and that the board ensures that the interests of the shareholders are respected in accordance with company policies.</p>	<p><b>Yes</b></p>			<p>Ambu's policy on the relationship with its stakeholders forms an integrated part of the company's values and of its overall communications policy and CSR strategy (see below).</p> <p>Ambu generally wishes for the dialogue with the company's stakeholders to be conducted in a respectful manner. Ambu is therefore adhering to a management standard (code of conduct) which sets out good business practice in respect of the company's interaction with public authorities, suppliers and other decision-makers.</p> <p>Ambu has also defined a policy in relation to the company's investors, which is available on the company website.</p>
<p>1.1.3. The committee recommends that the company publish quarterly reports.</p>	<p><b>Yes</b></p>			<p>Ambu publishes quarterly reports and intends to continue to do so in future.</p>

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
----------------	----------------------	-----------------------------	--------------------------------	---------------------------

### 1.2. General meeting

<p>1.2.1. The committee recommends that, when organising the company's general meeting, the board of directors plans the meeting to support active ownership.</p>	<p><b>Yes</b></p>			<p>Ambu's general meeting constitutes the actual forum for communication and discussion as well as the forum where the shareholders voice their opinions and can make decisions.</p> <p>Notices of general meetings are submitted directly to all registered shareholders who have requested this.</p> <p>At the general meeting, Ambu's management strives to provide a thorough account of the company's business development and strategy and encourages the shareholders to participate in an open debate about Ambu's development.</p> <p>For the time being, the Board of Directors has decided that the general meeting must be conducted by physical attendance.</p>
<p>1.2.2. The committee recommends that proxies granted for the general meeting allow shareholders to consider each individual item on the agenda.</p>	<p><b>Yes</b></p>			<p>It is possible for the shareholders to consider each individual item on the agenda via the proxy forms made available by Ambu.</p>

### 1.3. Takeover bids

<p>1.3.1. The committee recommends that the company set up contingency procedures in the event of takeover bids from the time that the board of directors has reason to believe that a takeover bid will be made. According to such contingency procedures, the board of directors should not without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions which in reality prevent the shareholders from deciding on the takeover bid themselves.</p>	<p><b>Yes</b></p>			<p>Apart from the difference in the weighting of votes between Class A shares and Class B shares, there is no protection against takeover in the form of voting ceilings or ownership limitations.</p> <p>Ambu has set up contingency procedures in the event of takeover bids covering the period as from when the Board of Directors has reason to believe that a takeover bid will be made. According to the contingency procedures, the Board of Directors should not without the acceptance of the general meeting, attempt to counter a takeover bid by making decisions which in reality prevent the shareholders from deciding on the takeover bid themselves.</p>
--	-------------------	--	--	--

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
----------------	----------------------	-----------------------------	--------------------------------	---------------------------

## 2. Tasks and responsibilities of the board of directors

### 2.1. Overall tasks and responsibilities

2.1.1. The committee recommends that at least once a year the board of directors take a position on the matters related to the board's performance of its responsibilities.	Yes			At least once a year the Board of Directors takes a position on the matters related to the Board's performance of its responsibilities. This is stated in the rules of procedure of the Board of Directors.
2.1.2. The committee recommends that at least once a year the board of directors take a position on the overall strategy of the company with a view to ensuring value creation in the company.	Yes			<p>Ambu's overall strategy is normally adopted every three or four years, and the budget for the coming financial year is approved once a year.</p> <p>Each year, the Global Management Team participates in the preparation of a detailed strategy plan for the coming financial year. The strategy plan is based on the three or four-year strategy. A draft strategy plan is presented to the Board of Directors which finalises the strategy.</p>
2.1.3. The committee recommends that the board of directors ensure that the company has a capital and share structure ensuring that the strategy and long-term value creation of the company are in the best interest of the shareholders and the company, and that the board of directors presents this in the management commentary on the company's annual report and/or on the company's website.	Yes			<p>Ambu's share capital is divided into Class A and Class B shares. The Class B shares are listed on NASDAQ OMX Copenhagen, whereas the Class A shares are non-negotiable securities.</p> <p>The Board of Directors considers on an ongoing basis whether the capital and share capital structure is in line with the best interests of the company and its shareholders.</p> <p>The Board of Directors' assessment thereof appears from the annual report.</p>

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
<p>2.1.4. The committee recommends that the board of directors annually review and approve guidelines for the executive board; this includes establishing requirements for the executive board on timely, accurate and adequate reporting to the board of directors.</p>	<p><b>Yes</b></p>			<p>The rules of procedure of the Board of Directors lay down the overall framework for the work of the Board related to the financial and managerial control of the company.</p> <p>The Board of Directors ensures that the necessary policies, e.g. financial policies and insurance policies, are prepared and regularly updated and that the company's risk management and internal controls are assessed on an ongoing basis.</p> <p>The Board of Directors has also laid down guidelines for the management's reporting to the Board, for example in the Board of Directors' annual schedule.</p> <p>The establishment and description of the areas of responsibility of the Executive Board, including the requirements for the Executive Board's reporting to the Board of Directors as well as for the communication between the two governing bodies, form part of the rules of procedure of the Board of Directors.</p>
<p>2.1.5. The committee recommends that at least once a year the board of directors discuss the composition of the executive board, as well as developments, risks and succession plans.</p>	<p><b>Yes</b></p>			<p>Every year, the Board of Directors discusses the composition of the Executive Board as well as developments, risks and succession plans. This can be seen from the Board of Directors' annual schedule.</p>

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
<p>2.1.6. The committee recommends that once a year the board of directors discuss the company's activities to ensure relevant diversity at management levels, including setting specific goals and accounting for its objectives and progress made in achieving the objectives in the management commentary on the company's annual report and/or on the website of the company.</p>	<p><b>Yes</b></p>			<p>Ambu wants to promote diversity in the company, for example by ensuring equal opportunities for both genders, and this is part of Ambu's Code of Conduct.</p> <p>In the recruitment of new managers, emphasis is placed on identifying candidates of both genders and on ensuring equal terms. However, the primary concern is to recruit people with the right expertise and competence for the organisation. Ambu's Global Management Team, which comprises the Executive Board and the group of managers just below the Executive Board, consists of approx. 85% men and approx. 15% women.</p> <p>In connection with the nomination of new board members, a careful assessment is made of the knowledge and professional experience which is required to ensure the presence on the Board of Directors of the necessary competences. At the same time, the Board of Directors is working to ensure that the members of the Board of Directors supplement each other in the best possible way in terms of their age, background, gender etc., thereby being able to provide a competent and versatile contribution to the work of Ambu's Board of Directors. All members of the Board of Directors elected by Ambu's general meeting are currently men, while the two members of the Board of Directors elected by the employees are women.</p> <p>Ambu has defined targets for increasing the proportion of women on the Board of Directors before 2018.</p>

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
----------------	----------------------	-----------------------------	--------------------------------	---------------------------

**2.2. Corporate social responsibility**

<p>2.2.1. The committee recommends that the board of directors adopt policies on corporate social responsibility.</p>	<p><b>Yes</b></p>			<p>Ambu's business is inextricably linked to social responsibility. This is not solely due to the fact that it is Ambu's vision to save lives and improve patient care. Working with corporate social responsibility also contributes to forging good relations with customers and suppliers, increasing productivity and reducing waste, reducing non-financial risks and strengthening the company's identity and culture.</p> <p>Ambu's structured work with business-driven corporate social responsibility is based on the principles of the UN's Global Compact initiative and can be divided into three overall focus areas which are particularly relevant for Ambu's efforts:</p> <ul style="list-style-type: none"> <li>▪ People and society</li> <li>▪ Surroundings and products</li> <li>▪ Business ethics</li> </ul> <p>With reference to the three overall focus areas, Ambu has prepared Corporate Guidelines setting out nine guidelines for the work on business-driven corporate social responsibility in Ambu. Furthermore, specific action plans have been made for future activities.</p> <p>The general framework for Ambu's CSR activities is contained in its:</p> <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Code of Conduct for Ambu Suppliers</li> <li>• Environmental policy</li> </ul> <p>Read more at <a href="http://www.ambu.com/csr">www.ambu.com/csr</a>.</p>
---	-------------------	--	--	--

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
----------------	----------------------	-----------------------------	--------------------------------	---------------------------

**2.3. Chairman and vice-chairman of the board of directors**

<p>2.3.1. The committee recommends appointing a vice-chairman of the board of directors who will assume the responsibilities of the chairman in the event of the chairman's absence, and who will also act as effective sparring partner for the chairman.</p>	<p><b>Yes</b></p>			<p>A Vice-Chairman of the Board of Directors has been appointed.</p> <p>The Vice-Chairman of the Board of Directors is appointed in connection with the first meeting of the Board of Directors immediately following the company's general meeting. The role of the Vice-Chairman complies with the recommendations and with the provisions set out in the company's Articles of Association and the rules of procedure of the Board of Directors. The Chairmanship holds a total of 5-8 meetings a year attended by both the Chairman and the Vice-Chairman.</p> <p>A work and task list for the Chairman and Vice-Chairman forms part of the rules of procedure of the Board of Directors, which is reviewed once a year, see the Board of Directors' annual schedule.</p>
<p>2.3.2. The committee recommends ensuring that, if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special operating activities for the company, including briefly participating in the day-to-day management, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, overall management and control function. Resolutions on the chairman's participation in day-to-day management and the expected duration hereof should be published in a company announcement.</p>	<p><b>Yes</b></p>			<p>Ambu's Chairman of the Board of Directors does not participate in the day-to-day management of the company.</p>



Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
----------------	----------------------	-----------------------------	--------------------------------	---------------------------

**3. Composition and organisation of the board of directors**

**3.1. Composition**

<p>3.1.1. The committee recommends that the board of directors annually accounts for</p> <ul style="list-style-type: none"> <li>• the skills it must have to best perform its tasks,</li> <li>• the composition of the board of directors, and</li> <li>• the special skills of each member.</li> </ul>	<p><b>Yes</b></p>			<p>Once a year, see the Board of Directors' annual schedule, the Board of Directors assesses whether the size and composition of the Board of Directors is such that a constructive debate and efficient decision-making process can be ensured during board meetings.</p> <p>A description of the executive functions and special qualifications of the individual board members is also included in the company's annual report and is available on the company website – <a href="http://www.ambu.com">www.ambu.com</a></p> <p>A description of the composition of the Board of Directors, including the diversity of the Board of Directors and the executive functions and skills of the individual board members, is included in the company's annual report.</p>
<p>3.1.2. The committee recommends that the selection and nomination of candidates for the board of directors be carried out through a thoroughly transparent process approved by the overall board of directors. When assessing its composition and nominating new candidates, the board of directors must take into consideration the need for integration of new talent and diversity in relation to age, international experience and gender.</p>	<p><b>Yes</b></p>			<p>In connection with the nomination of new board members, a careful assessment is made of the knowledge and professional experience which is required to ensure the presence on the Board of Directors of the necessary competences. At the same time, the Board of Directors is working to ensure that its members supplement each other in the best possible way in terms of age, background, gender, international experience etc., thereby being able to provide a competent and versatile contribution to the work of Ambu's Board of Directors.</p>

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
<p>3.1.3. The committee recommends that a description of the nominated candidates' qualifications, including information about the candidates'</p> <ul style="list-style-type: none"> <li>• other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises, be accompanied by the notice convening the general meeting when election of members to the board of directors is on the agenda.</li> <li>• demanding organisational tasks, and information</li> <li>• about whether candidates to the board of directors are considered independent.</li> </ul>	<b>Yes</b>			<p>Ambu ensures that a description of the qualifications of the nominated candidates, including information about any other executive functions held by the candidates, demanding organisational tasks and information about whether candidates to the Board of Directors are considered independent, is always submitted together with notices convening general meetings if the election of members for the Board of Directors is on the agenda.</p> <p>The names of the members of the Board of Directors who are regarded as independent persons appear from the annual report, and it is also disclosed whether new candidates for the Board of Directors are considered independent persons.</p>
<p>3.1.4. The committee recommends that the company's articles of association stipulate a retirement age for members of the board of directors.</p>	<b>Yes</b>			<p>According to Ambu's Articles of Association, the age limit is 65 years for new appointments and 70 years for re-appointments.</p>
<p>3.1.5. The committee recommends that members of the board of directors elected by the general meeting be up for election every year at the annual general meeting.</p>	<b>Yes</b>			<p>Members of the Board of Directors elected by the general meeting are up for election every year.</p>

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
----------------	----------------------	-----------------------------	--------------------------------	---------------------------

### 3.2. Independence of the board of directors

<p>3.2.1. The committee recommends that at least half of the members of the board of directors elected by the general meeting be independent persons, in order for the board of directors to be able to act independently of special interests.</p> <p>To be considered independent, this person may not:</p> <ul style="list-style-type: none"> <li>a) be or within the past five years have been member of the executive board, or senior staff member in the company, a subsidiary undertaking or an associate,</li> <li>b) within the past five years, have received larger emoluments from the company/group, a subsidiary undertaking or an associate in another capacity than as member of the board of directors,</li> <li>c) represent the interests of a controlling shareholder,</li> <li>d) within the past year, have had significant business relations (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management in companies with corresponding connection) with the company, a subsidiary undertaking or an associate,</li> <li>e) be or within the past three years have been employed or partner at the external auditor,</li> <li>f) have been chief executive in a company holding cross-memberships with the company,</li> <li>g) have been member of the board of directors for more than 12 years, or</li> <li>h) have been close relatives with persons who are not considered independent.</li> </ul>	<p>Yes</p>			<p>Currently, five out of the six members of the Board of Directors elected by the general meeting are independent persons according to the definition provided.</p> <p>Re a) None</p> <p>Re b) None</p> <p>Re c) None</p> <p>Re d) None</p> <p>Re e) None</p> <p>Re f) None</p> <p>Re g) John Stær</p> <p>Re h) None</p>
--	------------	--	--	---

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
----------------	----------------------	-----------------------------	--------------------------------	---------------------------

**3.3. Members of the board of directors and the number of other executive functions**

<p>3.3.1. The committee recommends that each member of the board of directors assesses the expected time commitment for each function in order that the member does not take on more functions than he/she can manage satisfactorily for the company.</p>	<p><b>Yes</b></p>			<p>Each board member in Ambu is responsible for allocating sufficient time to the board work to handle his/her functions in a satisfactory way for the company.</p>
<p>3.3.2. The committee recommends that the management commentary, in addition to the provisions laid down by legislation, includes the following information about the members of the board of directors:</p> <ul style="list-style-type: none"> <li>• the position of the relevant person,</li> <li>• the age and gender of the relevant person,</li> <li>• whether the member is considered independent,</li> <li>• the date of appointment to the board of directors of the member,</li> <li>• expiry of the current election period,</li> <li>• other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises and</li> <li>• demanding organisational tasks, and</li> <li>• the number of shares, options, warrants and similar in the company, and other group companies of the company, owned by the member, as well as changes in the portfolio of the member of the securities mentioned which have occurred during the financial year.</li> </ul>	<p><b>Yes</b></p>			<p>The management's review contains information about the board members' position, age, gender, independence, current election period, other executive functions in other Danish and foreign companies and their position. The management's review also comprises information on demanding organisational tasks.</p> <p>Information on the Board of Directors' shareholdings, options etc. is also provided.</p> <p>Ambu's annual report states when the individual member of the Board of Directors joined the Board as well as providing information on re-election(s), if any, of the member to the Board of Directors.</p>

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
----------------	----------------------	-----------------------------	--------------------------------	---------------------------

### 3.4. Board committees

<p>3.4.1. The committee recommends that the company publish the following on the company's website:</p> <ul style="list-style-type: none"> <li>• The terms of reference of the board committees,</li> <li>• the most important activities of the committees during the year, and the number of meetings held by each committee, and</li> <li>• the names of the members of each committee, including the chairmen of the committees, as well as information on which members are independent members and which members have special qualifications.</li> </ul>	Yes			<p>Ambu's Board of Directors has established an Audit Committee as well as a Nomination and Remuneration Committee. A description of the composition and work of the committees is included in the annual report. The terms of reference of the board committees are available on the company website.</p>
<p>3.4.2. The committee recommends that a majority of the members of a board committee be independent.</p>	Yes			<p>Members of the Audit Committee:</p> <ul style="list-style-type: none"> <li>▪ John Stær (Chairman)</li> <li>▪ Christian Sagild</li> <li>▪ Mikael Worning</li> </ul> <p>Most members of the Audit Committee are independent. John Stær has been a member of the company's Board of Directors for more than twelve years and is thus not an independent member in accordance with the recommendations on corporate governance. The Board of Directors has assessed that John Stær has the right competences to handle the Audit Committee tasks, despite the length of his term of office as a board member.</p> <p>Members of the Nomination and Remuneration Committee:</p> <ul style="list-style-type: none"> <li>▪ Jens Bager (Chairman)</li> <li>▪ Jesper Funding Andersen</li> <li>▪ Allan Søgaard Larsen</li> </ul> <p>Most members of the Nomination and Remuneration Committee are independent, see the recommendations on corporate governance.</p>

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
<p>3.4.3. The committee recommends that the board of directors set up a formal <u>audit committee</u> composed such that</p> <ul style="list-style-type: none"> <li>• the chairman of the board of directors is not chairman of the audit committee, and</li> <li>• between them, the members should possess such expertise and experience as to provide an updated insight into and experience in the financial, accounting and audit aspects of companies whose shares are admitted to trading on a regulated market.</li> </ul>	<p><b>Yes</b></p>			<p>Ambu has established an Audit Committee.</p> <p>Members of the Audit Committee:</p> <ul style="list-style-type: none"> <li>▪ John Stær (Chairman)</li> <li>▪ Christian Sagild</li> <li>▪ Mikael Worning</li> </ul> <p>The members of the Audit Committee are deemed to possess the necessary competences and the necessary experience in the financial, accounting and audit conditions of companies whose shares are admitted to trading on a regulated market.</p>
<p>3.4.4. The committee recommends that, prior to the approval of the annual report and other financial reports, the audit committee monitors and reports to the board of directors about:</p> <ul style="list-style-type: none"> <li>• significant accounting policies,</li> <li>• significant accounting estimates,</li> <li>• related party transactions, and</li> <li>• uncertainties and risks, including in relation to the outlook for the current year.</li> </ul>	<p><b>Yes</b></p>			<p>Prior to the approval of the annual report, Ambu's Audit Committee monitors and reports to the Board of Directors about the following:</p> <ul style="list-style-type: none"> <li>▪ significant accounting policies</li> <li>▪ significant accounting estimates</li> <li>▪ related party transactions, and</li> <li>▪ uncertainties and risks, including in relation to the outlook for the current year.</li> </ul>

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
<p>3.4.5. The committee recommends that the audit committee:</p> <ul style="list-style-type: none"> <li>annually assesses the need for an internal audit, and in such case, makes recommendations on selecting, appointing and removing the head of the internal audit function and on the budget of the internal audit function, and</li> <li>monitor the executive board's follow-up on the conclusions and recommendations of the internal audit function.</li> </ul>	<p><b>Yes</b></p>			<p>Ambu's Audit Committee has deemed that there is currently no need for an actual internal audit; however, ongoing financial and business controlling is carried out by the company's central finance function.</p> <p>The Audit Committee considers on an ongoing basis whether the internal controlling should be intensified.</p> <p>On the basis of a recommendation from the Audit Committee, the Board of Directors decides once every year whether internal auditing is required.</p>

<p>3.4.6. The committee recommends that the board of directors establish a <u>nomination committee</u> chaired by the chairman of the board of directors with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> <li>• describe the qualifications required by the board of directors and the executive board, and for a specific membership, state the time expected to be spent on having to carry out the membership, as well as assess the competences, knowledge and experience of the two governing bodies combined,</li> <li>• annually assess the structure, size, composition and results of the board of directors and the executive board, as well as recommend any changes to the board of directors,</li> <li>• annually assess the competences, knowledge and experience of the individual members of management, and report to the board of directors in this respect,</li> <li>• consider proposals from relevant persons, including shareholders and members of the board of directors and the executive board for candidates for the board of directors and the executive board, and</li> <li>• propose an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes.</li> </ul>	<p><b>Yes</b></p>			<p>Ambu has established a Nomination and Remuneration Committee.</p> <p>Members of the Nomination and Remuneration Committee:</p> <ul style="list-style-type: none"> <li>▪ Jens Bager (Chairman)</li> <li>▪ Jesper Funding Andersen</li> <li>▪ Allan Søggaard Larsen</li> </ul> <p>The Nomination and Remuneration Committee assists the Board of Directors with the following tasks:</p> <ul style="list-style-type: none"> <li>• Determining the competences needed in the governing bodies</li> <li>• Evaluating, at an overall level, factors such as the competences, function and structure of the governing bodies</li> <li>• Proposing changes to the governing bodies as well as recommending candidates</li> <li>• Evaluating the performance and remuneration of the Executive Board as well as determining the company's remuneration policy.</li> </ul>
--	-------------------	--	--	--



Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
<p>3.4.7. The committee recommends that the board of directors establish a <u>remuneration committee</u> with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> <li>• to recommend the remuneration policy (including the general guidelines for incentive-based remuneration) to the board of directors and the executive board for approval by the board of directors prior to approval by the general meeting,</li> <li>• make proposals to the board of directors on remuneration for members of the board of directors and the executive board, as well as ensure that the remuneration is in compliance with the company's remuneration policy and the assessment of the performance of the persons concerned. The committee should have information about the total amount of remuneration that members of the board of directors and the executive board receive from other companies in the group, and</li> <li>• recommend a remuneration policy applicable for the company in general.</li> </ul>	Yes			See above under 3.4.6.
<p>3.4.8. The committee recommends that the remuneration committee do not consult with the same external advisers as the executive board of the company.</p>	Yes			The Nomination and Remuneration Committee does not consult with the same external advisers as the Executive Board.

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
----------------	----------------------	-----------------------------	--------------------------------	---------------------------

**3.5. Evaluation of the performance of the board of directors and the executive board**

<p>3.5.1. The committee recommends that the board of directors establish an evaluation procedure where contributions and results of the board of directors and the individual members, as well as collaboration with the executive board are annually evaluated. Significant changes deriving from the evaluation should be included in the management commentary or on the company's website.</p>	<p><b>Yes</b></p>			<p>Ambu's Board of Directors has established an evaluation procedure where contributions and results of the Board of Directors and the individual members are evaluated every second year.</p> <p>The Chairman is in charge of the ongoing evaluation and discusses the outcome of evaluations with the supreme governing body.</p>
<p>3.5.2. The committee recommends that in connection with preparation of the general meeting, the board of directors consider whether the number of members is appropriate in relation to the requirements of the company. This should help ensure a constructive debate and an effective decision-making process in which all members are given the opportunity to participate actively.</p>	<p><b>Yes</b></p>			<p>In connection with the preparation of the general meeting, it is considered whether the number of members is appropriate in relation to the requirements of the company to ensure a constructive debate and effective decision-making process in which all members are given the opportunity to participate actively.</p> <p>Once a year, the Board of Directors assesses whether the size and composition of the Board of Directors is such that a constructive debate and effective decision-making process can be ensured – see the company's rules of procedure.</p>
<p>3.5.3. The committee recommends that at least once every year the board of directors evaluate the work and performance of the executive board in accordance with pre-defined clear criteria.</p>	<p><b>Yes</b></p>			<p>The Chairman of the Board of Directors is in charge of the ongoing evaluation and discusses the outcome of the evaluation with the Board of Directors.</p>
<p>3.5.4. The committee recommends that the executive board and the board of directors establish a procedure according to which their cooperation is evaluated annually through a formalised dialogue between the chairman of the board of directors and the chief executive officer and that the outcome of the evaluation be presented to the board of directors.</p>	<p><b>Yes</b></p>			<p>The cooperation between the Executive Board and the Board of Directors is evaluated annually in connection with the evaluation of the achievements of the Executive Board. The Chairman of the Board of Directors is in charge of this task.</p>

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
----------------	----------------------	-----------------------------	--------------------------------	---------------------------

**4. Remuneration of management**

**4.1. Form and content of the remuneration policy**

<p>4.1.1. The committee recommends that the board of directors prepare a clear and transparent remuneration policy for the board of directors and the executive board, including</p> <ul style="list-style-type: none"> <li>• a detailed description of the components of the remuneration for members of the board of directors and the executive board,</li> <li>• the reasons for choosing the individual components of the remuneration, and</li> <li>• a description of the criteria on which the balance between the individual components of the remuneration is based.</li> </ul> <p>The remuneration policy should be approved by the general meeting and published on the company's website.</p>	<p><b>Yes</b></p>			<p>A clear and transparent remuneration policy has been approved for the Board of Directors and the Executive Board. The policy is described on the company website. The remuneration policy was approved by the general meeting in December 2008 and updated and approved at the general meeting in 2012.</p> <p>The approval of the remuneration for the past financial year takes place in connection with the adoption of the annual report.</p> <p>The remuneration for the Board of Directors consists of a fixed annual remuneration only. The remuneration for the Executive Board consists of basic pay, including the usual benefits such as company car and telephone, share option scheme and cash bonus scheme.</p> <p>The approved remuneration policy includes the reasons for choosing the individual components of the remuneration.</p>
--	-------------------	--	--	---

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
<p>4.1.2. The committee recommends that, if the remuneration policy includes variable components,</p> <ul style="list-style-type: none"> <li>• limits be set on the variable components of the total remuneration package,</li> <li>• a reasonable and balanced linkage be ensured between remuneration for governing body members, expected risks and the value creation for shareholders in the short and long terms,</li> <li>• there be clarity about performance criteria and measurability for award of variable components,</li> <li>• there be criteria ensuring that qualifying periods for variable components in remuneration agreements are longer than one calendar year, and</li> <li>• an agreement is made which, in exceptional cases, entitles the company to reclaim in full or in part variable components of remuneration that were paid on the basis of data, which proved to be misstated.</li> </ul>	<p><b>Yes</b></p>			<p>The remuneration policy includes variable components and</p> <ul style="list-style-type: none"> <li>• limits have been set on the variable components of the total remuneration package,</li> <li>• a reasonable and balanced linkage is ensured between remuneration for governing body members, expected risks and the value creation for shareholders in the short and long terms,</li> <li>• there is clarity about performance criteria and measurability for award of variable components,</li> <li>• there are criteria ensuring that qualifying periods for variable components in remuneration agreements are longer than one calendar year, and</li> <li>• an agreement is made which, in exceptional cases, entitles the company to reclaim in full or in part variable components of remuneration that were paid on the basis of data, which proved to be misstated.</li> </ul>
<p>4.1.3. The committee recommends that remuneration of members of the board of directors does not include share options.</p>	<p><b>Yes</b></p>			<p>The remuneration for the Board of Directors consists of a fixed annual remuneration only.</p>
<p>4.1.4. The committee recommends that if share-based remuneration is provided, such programmes be established as roll-over programmes, i.e. the options are granted periodically and should have a maturity of at least three years from the date of allocation.</p>	<p><b>Yes</b></p>			<p>The remuneration for the Executive Board includes share options which are exercisable for a period starting three years after the date of allocation and ending six years after the time of allocation. The price is fixed at the time of the initial allocation subject to an annual increase of 8%.</p>

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
4.1.5. The committee recommends that agreements on termination payments should not amount to more than two years' annual remuneration.	Yes			All agreed termination payments amount to less than the value of the past two years' remuneration.

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
----------------	----------------------	-----------------------------	--------------------------------	---------------------------

**4.2. Disclosure of the remuneration policy**

4.2.1. The committee recommends that the company's remuneration policy and compliance with this policy be explained and justified annually in the chairman's statement at the company's general meeting.	Yes			The company's remuneration policy and its compliance with this policy is explained as part of the Chairman's statement at the general meeting.
4.2.2. The committee recommends that the proposed remuneration for the board of directors for the current financial year be approved by the shareholders at the general meeting.	Yes			In connection with his/her statement at the general meeting, the Chairman presents a proposal for remuneration of the supreme governing body for the current financial year.
4.2.3. The committee recommends that the total remuneration granted to each member of the board of directors and the executive board by the company and other companies in the group, including information on the most important contents of retention and retirement/resignation schemes, be disclosed in the annual report and that the linkage with the remuneration policy be explained.			Yes	<p>Information about the total remuneration paid to the Board of Directors and the Executive Board is disclosed in the company's annual report. Ambu has elected not to disclose the remuneration paid to each individual member, but simply to provide information about any increases or decreases.</p> <p>Ambu offers no defined-benefit schemes to members of the supreme governing body or the Executive Board.</p> <p>The terms of employment of the Executive Board, including remuneration and severance programme, are deemed to be in accordance with the normal standard for positions of this nature and do not entail any special commitments on the part of the company.</p>

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
----------------	----------------------	-----------------------------	--------------------------------	---------------------------

**5. Financial reporting, risk management and audits**

**5.1. Identification of risks and transparency about other relevant information**

<p>5.1.1. The committee recommends that the board of directors in the management commentary review and account for the most important strategic and business-related risks, risks in connection with the financial reporting as well as for the company's risk management.</p>	<p><b>Yes</b></p>			<p>The management commentary in the annual report includes information about Ambu's management of business risks.</p> <p>The Executive Board informs the Board of Directors of the most important business risks at least once a year.</p> <p>A risk map is prepared each year, in which the most important business risks are identified and prioritised.</p>
--	-------------------	--	--	--

**5.2. Whistleblower scheme**

<p>5.2.1. The committee recommends that the board of directors decide whether to establish a whistleblower scheme for expedient and confidential notification of possible or suspected wrongdoing.</p>	<p><b>Yes</b></p>			<p>Ambu established a whistleblower hotline in 2011/12, so that employees can report suspected or actual violations of laws, Ambu's Code of Conduct or internal rules or other significant irregularities. The hotline is monitored by the Audit Committee to safeguard confidentiality and impartial reporting. No reports have been made to the hotline in the past year.</p>
--	-------------------	--	--	---

**5.3. Contact to auditor**

<p>5.3.1. The committee recommends that the board of directors ensure regular dialogue and exchange of information between the auditor and the board of directors, including that the board of directors and the audit committee at least once a year meet with the auditor without the executive board present. This also applies to the internal auditor, if any.</p>	<p><b>Yes</b></p>			<p>The Board of Directors has and maintains a regular dialogue and exchange of information with the auditor.</p> <p>The Audit Committee meets with the auditor at least once a year without the Executive Board being present.</p>
---	-------------------	--	--	--

Recommendation	The company complies	The company does not comply	The company complies partially	The company's explanation
5.3.2. The committee recommends that the audit agreement and auditors' fee be agreed between the board of directors and the auditor on the basis of a recommendation from the Audit Committee.	Yes			The auditor agreement and auditors' fee are agreed between the company's Board of Directors and the auditor on the basis of a recommendation from the Audit Committee.