

REMUNERATION REPORT

Remuneration report for Ambu A/S for 2017/18

This remuneration report is presented in accordance with the guidelines laid down in the Shareholders' Rights Directive (Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017) and the Recommendations on Corporate Governance. The remuneration report describes the remuneration received by the Board of Directors and the Executive Board of Ambu A/S over the past five financial years and the relationship between the remuneration and Ambu A/S's ('Ambu') remuneration policy, financial results and strategic goals. A summary overview of the contents of the remuneration report is outlined in the table below. Figures in brackets refer to FY 2016/17:

Focus points	Reporting
Total remuneration broken down by components and distribution between variable and fixed remuneration	<ul style="list-style-type: none"> In FY 2017/18, a total remuneration of DKK 4.3m (DKK 3.3m) was paid to the Board of Directors. The total remuneration paid to the Executive Board in FY 2017/18 amounted to DKK 26.3m (DKK 17.1m). The Board of Directors receives a fixed remuneration only, while the remuneration for the Executive Board is divided into fixed and variable remuneration in the ratio 41/59 (53/47). A more detailed specification of the remuneration paid to each member of the management, including the individual remuneration components, appears from Annexe A (Executive Board) and Annexe B (Board of Directors).
Alignment of the management's remuneration with the remuneration policy and Ambu's long-term results	<ul style="list-style-type: none"> The financial targets forming the basis of the determination of the remuneration for the Executive Board are closely related to the goals which are normative for Ambu's strategy and which are communicated externally. The remuneration of the management is in keeping with Ambu's remuneration policy, and the earning of cash bonuses and the vesting of share options have been factually based on the realisation of the agreed financial targets. The alignment of the remuneration for the Executive Board with Ambu's short and long-term financial targets is ensured through the allocation of cash bonuses and share options for the individual financial years and through the allocation of share options for the realisation of the financial targets set out in the Big Five strategy for the three-year strategy period as a whole at the end of FY 2019/20.
Use of KPIs	<ul style="list-style-type: none"> The Executive Board's long-term incentive-based remuneration is conditional on the achievement of a number of financial KPIs, which all reflect the financial targets forming part of Ambu's strategy. The Executive Board's short-term incentive-based remuneration is also tied to a number of financial KPIs, based on Ambu's financial outlook for the coming financial year. Ambu only uses financial KPIs. The KPIs are determined at three levels, which are described in detail in section 5 of the remuneration report concerning the variable remuneration for the Executive Board.
Five-year summary of remuneration, results and average salary in Ambu	<ul style="list-style-type: none"> The remuneration report contains a five-year summary illustrating the annual change in (i) the management's remuneration, (ii) Ambu's results and (iii) the average salary for Ambu employees. A five-year summary is shown on page 2, while more detailed tables for the individual members of the management can be found in Annexe A (Executive Board) and Annexe B (Board of Directors).
Shares and share options	<ul style="list-style-type: none"> The Executive Board's long-term incentive-based remuneration includes the allocation of share options (purchase options), each entitling the holder to purchase one Class B share, provided that the predetermined KPIs are achieved. In FY 2017/18, Ambu made a conditional allocation of a total of 2,599,000 options to the Executive Board, 634,380 of which had been allocated and vested at the end of the financial year, while 19,000 have been cancelled as only 93% of the agreed KPIs had been achieved. The options allocated and vested may in certain circumstances be exercised from 1 October 2020. The shareholdings of the individual members of the management appear from Annexe A and Annexe B, while Annexe C provides an overview of existing share programmes (purchase options and warrants) in Ambu.
Information on the use of clawback	<ul style="list-style-type: none"> The share option agreements contain provisions on clawback of the variable remuneration for the Executive Board, but there has been no basis for applying the clawback provisions.

1 GENERAL

According to Ambu's remuneration policy and general guidelines, the remuneration for the management may – in addition to the usual employee benefits – consist of four components:

- Fixed salary
- Pension contributions
- Cash bonus
- Share options

The Board of Directors receives a fixed remuneration only.

In addition to the fixed salary, the Executive Board's remuneration package includes a variable remuneration component in the form of cash bonuses and share options. For the CEO, the variable component may constitute up to 240% of the fixed salary based on the realisation of financial targets (KPIs). The financial targets are the organic growth, EBIT margin and free cash flows realised in the short and long term.

These financial targets are closely related to the goals which are normative for Ambu's strategy and which are communicated externally. The short and long-term goals are safeguarded through the allocation of a cash bonus and share options, respectively, for the individual financial year as well as through the allocation of share options for the realisation of the financial targets set out in the Big Five strategy for the three-year strategy period as a whole at the end of FY 2019/20.

The specific financial targets for the Big Five strategy are as follows:

- Average organic growth of 16-18%
- EBIT margin of 26-28% in 2019/20
- Free cash flows of approx. 18% of revenue in 2019/20

In addition, for each financial year Ambu lays down financial subtargets which support the direction towards the targets in 2020.

As appears from the following pages, the KPIs which trigger the variable remuneration components are consistent with these targets.

It is the Board of Directors' wish that the Executive Board should focus on creating long-term profitable growth. The Board of Directors wishes that Ambu's CEO should be relatively more exposed to the share market's valuation of Ambu than the CFO. The CEO's primary role is to create opportunities for growth and profit by actively seeking out risks. The CFO's role, on the other hand, is to ensure integrity in the financial reporting and minimise risks. As a consequence, the CEO may receive up to 200% of his annual salary in share options, while the CFO may receive a maximum of 120% of his annual salary in share options. For both the CEO and the CFO, the cash bonus may constitute up to 40% of their annual salaries.

The development in the remuneration paid to the Board of Directors and the Executive Board over the past five financial years is summarised in the table below. In the table, the development in the remuneration is compared with the development in the financial targets which are normative for Ambu's strategy. The table also shows the development in Ambu's market value based on all Class A and Class B shares less the company's portfolio of treasury shares, subject to the assumption that the value of the Class A share corresponds to the listed value of the Class B share.

As can be seen from the table, the remuneration for the Board of Directors has increased by 32% since 2013/14, while the remuneration for the Executive Board has increased by 153%. The variable portion of the remuneration for the Executive Board has increased from 34% in 2013/14 to 59% in 2017/18.

Basis of comparison	2017/18	2016/17	2015/16	2014/15	2013/14
Total remuneration for the Board of Directors (DKK '000)	4,300	3,250	3,250	3,250	3,250
<i>Development (remuneration for the Board of Directors) – Index 2013/14 = 100</i>	<i>132</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
Total remuneration for the Executive Board (DKK '000)	26,255	17,144	15,919	12,935	10,398
Variable portion of remuneration for the Executive Board	59%	47%	49%	42%	34%
Average remuneration Ambu A/S, exclusive of Executive Board (DKK '000)	773	789	786	748	689
Ratio – CEO vs. average remuneration	24	15	14	12	10
Annual increase in remuneration for the Executive Board	53%	8%	23%	24%	21%
<i>Development (remuneration for the Executive Board) – Index 2013/14 = 100</i>	<i>253</i>	<i>165</i>	<i>153</i>	<i>124</i>	<i>100</i>
Organic growth	15%	14%	9%	9%	7%
EBIT margin	21.6%	19.1%	17.1%	12.5%	12.5%
EBIT	563	450	356	236	198
<i>Development (EBIT) – Index 2013/14 = 100</i>	<i>284</i>	<i>227</i>	<i>180</i>	<i>119</i>	<i>100</i>
Market value of Class A and Class B shares (DKKbn)	38	23	17	9	5
<i>Development (market value) – Index 2013/14 = 100</i>	<i>749</i>	<i>461</i>	<i>334</i>	<i>173</i>	<i>100</i>

In the same period, Ambu's financial key figures increased considerably, such that Ambu's EBIT increased by 184% due to the growth in revenue and the scaling achieved, while the market value of the share capital increased by 649%.

2 VARIABLE REMUNERATION AND EXECUTION OF THE STRATEGY

Ambu is a growth company and has created substantial value for its shareholders over the past five years in the form of significant share price increases, but also regular dividend payments. The philosophy that the employees are crucial for the value creation in Ambu, and that the employees must receive a part of their salaries as a share-based incentive scheme, was introduced in earnest in 2008.

Over a ten-year period, both the Executive Board and selected managers have been offered the chance to participate in share-based schemes, and in addition, annual allocations of options have been made to selected employees who have performed extraordinary work. Since 2008, a total of three global employee share programmes have been realised, with 71% of all white collar employees subscribing for the most recent scheme from 2017.

Ambu's use of incentive schemes is deemed to be one of several components which are contributing to the significant increase in revenue and earnings which has been realised since 2008. Today, more than 600 employees are thus part of Ambu's incentive schemes.

In 2009, Ambu started the first of the three strategy periods so far initiated under the current management. These strategies have transformed Ambu from being a European manufacturer of electrodes, equipment for Anaesthesia and training manikins to being a global player within single-use products. On this journey, it has been the Board of Directors' ambition that the Executive Board, the Executive Management Team and other management levels should be paid and think like shareholders.

As appears from Annexe A, over the past five years the variable portion of the total remuneration for the Executive Board has increased from 34% in 2013/14 to 59% in 2017/18. The primary reason for the increase was the introduction of the share option scheme which is directly linked to the Big Five 2020 strategy, and which is named after the strategy. As shown, a number of ambitious financial targets need to be realised in order for the full allocation to be made, and if this is realised, Ambu's transformation will be complete. It has been crucial for the Board of Directors to create this link between the remuneration for the Executive Board and the Big Five 2020 strategy.

3 REMUNERATION FOR THE BOARD OF DIRECTORS

Members of the Board of Directors do not receive variable remuneration and are not part of share-based

incentive schemes, but receive a fixed annual remuneration, which is approved by the general meeting.

The remuneration for the Board of Directors is composed as follows:

- The basic remuneration for members of the Board of Directors constituted DKK 300,000 in 2017/18.
- The Chairman receives three times the basic remuneration.
- The Vice-Chairman receives two times the basic remuneration.
- Furthermore, the chairmen of the board committees receive a remuneration of DKK 150,000, while committee members receive DKK 100,000. The Nomination Committee does not receive extra remuneration.

Reimbursements of expenses for meetings held outside Denmark have historically been very limited and have only concerned payments for airport parking.

Annexe B provides an overview of the development in the remuneration for the Board of Directors over the past five financial years, shown for the individual members of the Board of Directors. From FY 2013/14 to FY 2016/17, the basic remuneration for the Board of Directors amounted to DKK 225,000, after which an increase to DKK 300,000 was adopted at the general meeting in 2017.

There are no special retention and redundancy schemes for the members of the Board of Directors.

4 REMUNERATION FOR THE EXECUTIVE BOARD – INTRODUCTION AND FIXED REMUNERATION COMPONENTS

The remuneration for the Executive Board is determined by the Board of Directors based on market levels, Ambu's financial position and the competences, efforts and results of the individual members of the Executive Board. The remuneration consists of a fixed base salary, which is adjusted once a year, a cash bonus and participation in share-based incentive schemes, which comprise options to buy Class B shares in Ambu A/S. In addition, members of the Executive Board receive pension contributions and the usual non-cash benefits. The total remuneration for the Executive Board for the period 2013/14 to 2017/18 is shown in Annexe A and is divided into the following categories:

- Fixed salary
- Pension contributions
- Employee benefits
- Cash bonus
- Share options

4.1 The Executive Board's fixed salary

Since 2013/14, the Executive Board has seen an increase in its fixed annual salary of 57% accumulated

over the past five years. Prior to the annual salary adjustments, the Remuneration Committee has ensured that the proposed adjustment of the fixed salary was both competitive and reasonable in light of Ambu's financial position and development, for example based on benchmarking against remuneration for executive board members in peer companies. Several times since 2013/14, the Board of Directors has called in external assistance in order to determine and validate the level of the salary for the Executive Board.

The pension contributions for the Executive Board have been agreed at 10%. Other employees in Ambu A/S will also receive 10% in pension contributions with effect from FY 2018/19.

Employee benefits consist mainly of the costs of making company cars available. The Executive Board has a maximum limit of up to DKK 275,000, whereas the maximum limit for the other members of the Executive Management Team is DKK 192,000. Other employee benefits include accident insurance, free telephone and Internet access and, in the case of the CEO, an agreement on payment of bridge tolls and ferry charges when travelling in Denmark.

For 2017/18, the CEO received a total remuneration of DKK 18.6m, including share-based payment calculated at Black-Scholes values. Exclusive of the salaries for the Executive Board, the employees' average salary in Ambu A/S amounted to DKK 773,000 (2017/18 level), and the CEO's salary thus corresponds to a factor of 24.

4.2 Other matters relevant to the employment

The notices of termination to be given by Ambu to members of the Executive Board cannot exceed 18 months, and the notice of termination to be given by the members of the Executive Board to Ambu cannot normally exceed nine months. Moreover, any severance pay to members of the Executive Board, for example in the event of a change of control, is subject to a maximum value corresponding to two years' remuneration. In the event of the death of an Executive Board member, the company will pay up to 18 months' remuneration to the relatives of such Executive Board member.

5 THE EXECUTIVE BOARD'S VARIABLE REMUNERATION

Overall, the Executive Board's variable remuneration increased by 335% from 2013/14 to 2017/18 due to the fact that the value of the share-based remuneration increased significantly at the launch of the Big Five 2020 strategy plan and the launch of the earmarked option scheme in December 2017. Conversely, the value of the cash bonus decreased from 2016/17 to 2017/18, as the maximum cash bonus was reduced from up to nine months' fixed salary for the CEO and up

to six months for the CFO to now 40% of the fixed salary for the CEO and the CFO.

Overall, the value of the Executive Board's variable remuneration is calculated on the basis of the following financial targets, which apply to both the cash bonus and the share-based payment:

- Organic growth reported at fixed exchange rates
- EBIT or EBIT margin
- Free cash flows denominated in Danish kroner (only for cash bonus).

The financial targets are defined annually in connection with the budget process and apply to allocations for the following financial year.

For the purpose of calculating the result for each KPI, three levels have been defined, with no variable remuneration being awarded at the lowest level ('Threshold'). The middle level ('On Target') triggers variable remuneration, while the remuneration awarded for the top level ('Maximum') corresponds to 200% of the On Target level.

The transaction regarding the acquisition of Invendo Medical GmbH was completed at the end of October 2017, i.e. one month after the beginning of the financial year. As it was not possible at the time to set realistic financial targets with regard to Invendo's impact on FY 2017/18, it was decided that the Executive Board's variable remuneration for 2017/18 would be calculated exclusive of Invendo's effect on results. For 2018/19 onwards, Invendo will be included on an equal footing with other activities.

5.1 The Executive Board's cash bonus

The Executive Board's cash bonus can amount to up to 40% of the base salary upon the achievement of Maximum for all the agreed financial targets.

For FY 2017/18, an agreement has been made concerning a cash bonus for the Executive Board based on the realisation of the following specific targets:

KPI	Threshold	On Target	Maximum
Organic growth	10%	13%	16%
EBIT (DKKm)	477	534	585
Free cash flows (DKKm)	266	285	325

As part of the agreement to reduce the cash bonus to 40% of the fixed annual salary, it has been agreed for FY 2016/17 and 2017/18 that the value of the pension contributions and the value of the company car should be included in the basis of calculation on which the cash bonus is based. For FY 2018/19, this component will cease to be included in the calculation, and the calculation will subsequently be based solely on the fixed salary.

Given the financial results realised in 2017/18, bonuses have been earned corresponding to an aggregate 37% of the base salaries with the adjustments described above and with the basis of calculation being adjusted for costs associated with the operation of Invendo.

The total cash bonus payments to the Executive Board will amount to DKK 3,968,000 and will be paid out following the adoption of the annual report for 2017/18 by the general meeting.

5.2 Allocation of share options for 2017/18
Ambu currently has four active share option schemes, for which the key terms are listed in the following:

2013 programme

- The option agreement was entered into on 1 February 2013, which is the date of allocation. The programme includes the Executive Board and the Executive Management Team.
- One third of the options are vested in each of the financial years 2012/13, 2013/14 and 2014/15.
- The final allocation of each third takes place on 30 September in each of these financial years and is calculated in proportion to the realisation of the financial targets.
- The agreed targets are the same as the financial outlook announced for the year.
- The exercise price is based on an average of the market price on 1 February 2013 and the following four business days. For each of the three portions allocated, the exercise price is then calculated as this average market price with the addition of 8% p.a., calculated from 1 October 2012 until the end of the financial year to which the allocation relates.
- The options are vested three years after the time of allocation, and the exercise period is then also three years.
- For each financial year, the options allocated may constitute up to 25% of the fixed base salary based on the realisation of the financial targets.

2015 programme

- The option agreement was entered into on 10 November 2015, which is the date of allocation. The programme includes only the Executive Board and the Executive Management Team.
- One third of the options are vested in each of the financial years 2015/16, 2016/17 and 2017/18.
- The final allocation of each third takes place on 30 September in each of these financial years and is calculated in proportion to the realisation of the financial targets.
- The agreed targets are the same as the financial outlook announced for the year.
- The exercise price is based on an average of the market price on 1 October 2015 and the following four business days. For each of the three portions allocated, the exercise price is then calculated as this average market price with the addition of 8% p.a., calculated from 1 October 2015 until the end of the financial year to which the allocation relates.
- The options are vested three years after the time of allocation, and the exercise period is then also three years.
- For each financial year, the options allocated may constitute up to 25% of the fixed base salary based on the realisation of the financial targets.

2020 programme

- The option agreement was entered into on 1 October 2017, which is the date of allocation. The programme includes the Executive Board and the Executive Management Team as well as a number of employees in the global organisation.
- One third of the options are vested in each of the financial years 2017/18, 2018/19 and 2019/20; however, a number of employees only participate in the first year of the programme, i.e. 2017/18.
- The final allocation of each third takes place on 30 September in each of these financial years and is calculated in proportion to the realisation of the financial targets.
- The agreed targets are based on the financial outlook for the year, with the possibility of a higher number of options vesting if these targets are exceeded.

- The exercise price is based on an average of the market price on 14 December 2017 and the following four business days. For each of the three portions allocated, the exercise price is then calculated as this average market price with the addition of 8% p.a., calculated from 1 October 2017 until the end of the financial year to which the allocation relates.
- The options are vested three years after the time of allocation, and the exercise period is then also three years.
- For each financial year, the options allocated may constitute up to 50% of the fixed base salary based on the On Target realisation of the financial targets.
- If stretch targets (Maximum) are realised, the allocation for each financial year may constitute up to 100% of the fixed base salary.

Big Five scheme

- The option agreement was entered into on 1 October 2017, which is the date of allocation. The programme includes only the Executive Board and the Executive Management Team.
- The options are vested over the three-year strategy period and will be finally allocated on 30 September 2020.
- The exercise price is determined on the basis of an average of the market price on 14 December 2017 and the following four business days with the addition of 8% p.a., calculated as from 1 October 2017 and until 30 September 2020.
- The allocation for the three-year strategy period may constitute up to 150% of the fixed base salary of the individual member of the Executive Board based on the On Target realisation of the financial targets defined in the Big Five strategy.
- If the stretch targets (Maximum) defined in the strategy are realised by the end of 2020, the allocation for the three-year strategy period may amount to up to 300% of the fixed base salary of the individual member of the Executive Board.
- The agreement contains a 12-month waiting period after which the options can be exercised during a period beginning 1 October 2021 and ending 30 September 2024.

Information about the exercise price and market values appears from Annexe C.

In addition to the above four share option schemes based on purchase options, there have been four option schemes in the 2013 to 2016 period under which warrants have been issued to a number of employees in the global organisation. Neither the Executive Board nor the Executive Management Team has participated in these programmes.

Warrants

- The option agreements were concluded in Q1 of the relevant financial year and are vested in the financial year in question.
- The vesting has to a certain extent been linked to financial targets, and where this is the case, the targets have corresponded to the financial outlook for the financial year.
- The exercise price is based on the average market price calculated in accordance with the same principles as for the purchase options, i.e. the market price at the decision point and the following four business days with the addition of 8%.
- The warrants are vested three years after the time of allocation, and the exercise period is then also three years.

For the individual employees, the allocation has amounted to between one and two months' base salary calculated according to the Black-Scholes model, and based on the realisation of the financial targets, if relevant.

The allocation of share options for year three in the 2015 programme and for year one in LTI plan 2020 takes place according to the following specific financial targets; however, such that allocations under the 2015 programme are based only on the On Target results, which means that the allocation will not be increased for extraordinary results:

KPI	Threshold	On Target	Maximum
Organic growth	9%	13%	16%
EBIT margin	19.0%	20.0%	22.0%

Based on the financial results realised in 2017/18 (adjusted for operating items relating to Invendo), a total allocation can be calculated corresponding to 93% for LTI plan 2020, while 100% will be allocated for the 2015 programme.

Against this background, the Executive Board is allocated a total of 634,380 options for 2017/18, and a total of 1,058,139 options are allocated to all participants in the programmes. An overview of the number of share options allocated and vested for 2017/18 is provided in the following:

Member of management/management group	2015 programme	2020 programme	Total
Lars Marcher, CEO	260,650	201,827	462,477
Michael Højgaard, CFO	125,020	46,883	171,903
Executive Board in total	385,670	248,710	634,380
Other members of the Executive Management Team	54,110	33,013	87,123
Vice Presidents	-	241,297	241,297
Others	-	95,339	95,339
Total	439,780	618,359	1,058,139

It should be noted that the allocation of share options to the Executive Board for year one of the 2020 programme has been reduced by the Black-Scholes value of year three of the 2015 scheme in order to eliminate the possibility of double allocation.

The specific financial targets for the Big Five 2020 programme are calculated exclusive of growth and earnings contributions from technologies related to the acquisition of Invendo, and are fixed as follows:

KPI	Threshold	On Target	Maximum
Three-year CAGR organic growth	13%	15%	19%
EBIT margin in 2019/20	26.0%	28.0%	30.0%

The allocation and vesting of options under the Big Five 2020 scheme take place at the end of FY 2019/20, as the growth target is the average growth (CAGR) realised during the three-year strategy period, and the EBIT margin target is the earnings realised in FY 2019/20.

Inclusive of growth and earnings contributions from the acquisition of Invendo, Ambu's financial targets for the Big Five 2020 strategy were increased on 4 October 2018 to CAGR growth of 16-19% and an EBIT margin in the range of 26-28% in 2019/20. As these figures fall

somewhat short of the maximums required for the allocation of all options earmarked for the Big Five 2020 scheme, and as contributions from the technologies acquired through the acquisition of Invendo are not included in the calculation of the results achieved under the Big Five 2020 scheme, the options are not expected at present to be allocated in full, but this may, of course, change over the next two financial years.

5.3 The Executive Board's total share-based payment

At the end of FY 2017/18, the final allocation under the 2013 and 2015 programmes took place with an allocation of 100% of the options issued based on the financial results realised in the past six financial years.

Of the existing share programmes, two potential allocations thus remain for the financial years 2018/19 and 2019/20 under the 2020 programme and the entire Big Five 2020 scheme, where the vesting of options cannot be calculated until the end of FY 2019/20. In addition, the Executive Board participates in the general employee share programmes.

Annexe C contains a detailed specification of the Executive Board's (and other employees') share-based payment, including for the period since 2013, where:

- the Executive Board has been allocated 7,831,000 options (including employee shares), corresponding to 47% of all of the options issued, and
- the Executive Board has exercised options with a total value of DKK 216m, corresponding to 36% of the value of the total number of options exercised.

In addition, it appears from Annexe C that a total of 9,401,000 options are outstanding at the end of FY 2017/18, including 5,642,000 options (corresponding to 60%) belonging to the Executive Board. Calculated at a market price of 154.3, the value of the outstanding options is DKK 815m, of which DKK 738m has been finally allocated and vested. The remaining DKK 77m may be vested in the next two financial years, depending on the financial results realised.

Share-based incentive schemes allocated prior to FY 2012/13 are not included in the table in Annexe C, including a three-year scheme for the Executive Board allocated in the financial years from 2008/09 to 2011/12. All purchase options related to this scheme had been exercised at the end of FY 2015/16.

Annexe A: Five-year overview of remuneration for the Executive Board

Total remuneration (DKK '000)						
Remuneration component	2017/18	2016/17	2015/16	2014/15	2013/14	
Lars Marcher, CEO						
Fixed salary	6,276	5,276	4,796	4,360	4,060	
Pension contributions	628	528	480	436	405	
Employee benefits	287	277	257	227	175	
Cash bonus	2,620	4,533	4,137	3,270	1,692	
Share-based payment	8,765	1,369	1,508	783	793	
Total remuneration	18,576	11,983	11,178	9,076	7,125	
Fixed remuneration	39%	51%	49%	55%	65%	
Variable remuneration	61%	49%	51%	45%	35%	
Total	100%	100%	100%	100%	100%	
Michael Højgaard, CFO						
Fixed salary	3,124	2,624	2,343	2,130	1,930	
Pension contributions	312	210	187	171	154	
Employee benefits	167	131	105	121	121	
Cash bonus	1,348	1,537	1,385	1,065	804	
Share-based payment	2,728	659	721	372	264	
Total remuneration	7,680	5,161	4,741	3,859	3,273	
Fixed remuneration	47%	57%	56%	63%	67%	
Variable remuneration	53%	43%	44%	37%	33%	
Total	100%	100%	100%	100%	100%	
Total						
Executive Board in total	26,255	17,144	15,919	12,935	10,398	
Annual increase in remuneration	53%	8%	23%	24%	21%	
Fixed remuneration	41%	53%	51%	58%	66%	
Variable remuneration	59%	47%	49%	42%	34%	
Total	100%	100%	100%	100%	100%	
Ratio						
Average remuneration in Ambu (excluding the Executive Board)	773	789	786	748	689	
Average remuneration/ CEO ratio	24	15	14	12	10	
Ambu's financial key figures (DKKm) – realised value						
Results						
Key figures and ratios	2017/18	2016/17	2015/16	2014/15	2013/14	
Organic growth	15%	14%	9%	9%	7%	
EBIT margin	21.6%	19.1%	17.1%	12.5%	12.5%	
EBIT	563	450	356	236	198	
Annual growth in EBIT	25%	26%	51%	19%	98%	
FCF	321	321	285	107	103	
In % of revenue	12.3%	13.6%	13.7%	5.7%	6.5%	
Shareholding (number of Class B shares with a nominal value of DKK 0.50 each)						
Member of the Executive Board	2017/18	2016/17	2015/16	2014/15	2013/14	
Lars Marcher, CEO	161,530	160,365	158,480	158,480	158,480	
Michael Højgaard, CFO	22,110	21,620	20,240	20,240	20,240	
Total	183,640	181,985	178,720	178,720	178,720	

Value of realised share options at the time of exercise (DKKm)						
Member of the Executive Board	2017/18	2016/17	2015/16	2014/15	2013/14	Total
Lars Marcher, CEO	54	80	19	33	15	201
Michael Højgaard, CFO	46	23	12	-	-	81
Realised in total	101	103	31	33	15	282

Specification of employee benefits (DKK '000)					
Employee benefits	2017/18	2016/17	2015/16	2014/15	2013/14
Lars Marcher, CEO					
Company car	265	264	241	210	160
Bridge and ferry	19	9	13	14	12
Telephone	3	3	3	3	2
Insurance	1	1	1	1	1
Total	287	277	257	227	175
Michael Højgaard, CFO					
Company car	163	128	101	118	118
Telephone	3	3	3	3	3
Insurance	1	1	1	1	1
Total	167	131	105	121	121

Ambu's remuneration policy	
General	<ul style="list-style-type: none"> Basically, the structure of the individual remuneration for the members of the Executive Board is identical, and the remuneration report therefore reviews the relationship between the Executive Board's remuneration and Ambu's remuneration policy together.
Remuneration policy	<ul style="list-style-type: none"> The remuneration for the Executive Board is in keeping with Ambu's remuneration policy, including the vesting of share options and earning of cash bonuses for the Executive Board, which have been factually based on the Executive Board's achievement of agreed KPIs.
Long-term goals	<ul style="list-style-type: none"> The Executive Board's short and long-term incentive schemes are linked directly to the financial targets in Ambu's strategy. By creating a link between the Executive Board's variable remuneration and Ambu's overall strategy, it is ensured that the Executive Board's remuneration package contributes to Ambu's long-term results, and that the Executive Board's interests and the shareholders' interests are the same.
KPIs	<ul style="list-style-type: none"> The KPIs for the Executive Board's variable remuneration correspond to the financial targets in Ambu's strategy. Ambu uses financial KPIs at three levels. If the lowest KPI level is not achieved, no variable remuneration is allocated to the Executive Board for this KPI.

Annexe B: Five-year overview of remuneration for the Board of Directors

Member of the Board of Directors	Development in remuneration in %									
	2017/18	2016/17	2015/16	2014/15	2013/14	2017/18	2016/17	2015/16	2014/15	2013/14
Jens Bager (C)	1,050	800	800	800	800	25%	-	-	-	48%
Mikael Worning (VC)	700	525	525	525	525	33%	-	-	-	35%
Jesper Funding Andersen (MB)	-	-	-	300	300	-	-	-	-	20%
Oliver Johansen (MB)	400	300	300	-	-	33%	-	-	-	-
Allan Søgaard Larsen (MB)	400	300	300	300	300	50%	-	-	-	25%
Christian Sagild (MB)	450	350	350	300	300	29%	-	17%	-	36%
John Stær (MB)	-	-	-	350	350	-	-	-	-	15%
Henrik Ehlers Wulff (MB)	400	300	300	-	-	33%	-	-	-	-
Pernille Bartholdy (EEMB)	-	225	225	225	225	-	-	-	-	-
Thomas Lykke Henriksen (EEMB)	300	-	-	-	-	-	-	-	-	-
Jakob Koch (EEMB)	300	-	-	-	-	-	-	-	-	-
Jakob Bønnelykke Kristensen (EEMB)	300	225	225	225	225	33%	-	-	-	-
Anita Krarup Rasmussen (EEMB)	-	225	225	225	225	-	-	-	-	-
Total	4,300	3,250	3,250	3,250	3,250	32%	-	-	-	32%

C: Chairman of the Board of Directors; VC: Vice-Chairman of the Board of Directors; MB: Member of the Board of Directors elected by the general meeting; EEMB: Employee-elected member of the Board of Directors

Shareholding (number of Class B shares with a nominal value of DKK 0.50 each)*	
Member of the Board of Directors	Number of shares
Jens Bager * (C)	150,000
Mikael Worning (VC)	61,400
Oliver Johansen (MB)	4,420
Allan Søgaard Larsen (MB)	200,000
Christian Sagild (MB)	185,000
Henrik Ehlers Wulff (MB)	10,645
Thomas Lykke Henriksen (EEMB)	9,270
Jakob Koch (EEMB)	1,045
Jakob Bønnelykke Kristensen (EEMB)	8,185
Total	629,965

*The number of shares is determined at the end of FY 2017/18.

Ambu's remuneration policy	
General	<ul style="list-style-type: none"> The Board of Directors' remuneration structure is based on a basic remuneration which forms the basis of the remuneration for the members of the Board of Directors, the Chairman and the Vice-Chairman. The remuneration for the members of the Board of Directors consists solely of a fixed remuneration, and the remuneration structure is therefore basically the same for the individual members of the Board of Directors. Members serving on committees receive separate remuneration for this work. The remuneration report therefore reviews the connection between the Board of Directors' remuneration and Ambu's remuneration policy together.
Remuneration policy	<ul style="list-style-type: none"> The remuneration for the Board of Directors is in keeping with Ambu's remuneration policy, which stipulates that the Board of Directors receives a fixed annual remuneration, and that the Board of Directors does not receive incentive-based remuneration or share-based incentives.

Annexe C: Five-year overview of existing share programmes

The options under the share programmes included in this overview had not yet been fully exercised by the option holders at the end of FY 2017/18¹

	Purchase options						Warrants					Purchase options (employee shares)		Total	
	2013	2015	2020 (year 1)	2020 (years 2-3)	Big Five 2020	Sub-total	2013	2014	2015	2016	Sub-total	2016	2017		
Number of participants	Executive Board	2	2	2	2	2	-	-	-	-	-	2	2	-	
	Other members of the	2	3	2	2	2	-	-	-	-	-	2	2	-	
	Vice Presidents	-	-	29	26	-	-	25	21	25	27	-	25	27	-
	Others	-	-	38	17	-	-	27	1	21	44	-	587	639	-
	Total	4	5	71	47	4	-	52	22	46	71	-	616	670	-
Number of options issued ² ('000)	Lars Marcher, CEO	2,752	790	217	549	1,246	5,554	-	-	-	-	-	2	1	5,557
	Michael Højgaard, CFO	1,307	379	50	164	372	2,273	-	-	-	-	-	1	-	2,274
	Executive Board in total	4,059	1,170	267	713	1,618	7,827	-	-	-	-	-	3	2	7,831
	Other members of the	2,044	327	35	67	153	2,627	-	-	-	-	-	1	1	2,628
	Vice Presidents	-	-	259	483	-	743	1,540	1,990	665	290	4,485	11	6	5,244
	Others	-	-	103	140	-	243	460	10	105	130	705	71	45	1,064
	Total	6,103	1,497	665	1,404	1,771	11,439	2,000	2,000	770	420	5,190	86	53	16,768
	Executive Board's share	67%	78%	40%	51%	91%	68%	-	-	-	-	-	3%	3%	47%
	Allocated and vested	YES	YES	YES	NO	NO	NO	YES	YES	YES	YES	-	YES	YES	NO
	Matured	YES	YES (year	NO	NO	NO	NO	YES	YES	YES	NO	-	YES	NO	NO
Value of exercised options (DKKm)	Lars Marcher, CEO	134	-	-	-	-	134	-	-	-	-	-	-	-	134
	Michael Højgaard, CFO	81	-	-	-	-	81	-	-	-	-	-	-	-	81
	Executive Board in total	216	-	-	-	-	216	-	-	-	-	-	-	-	216
	Other members of the	130	-	-	-	-	130	-	-	-	-	-	-	-	130
	Vice Presidents	-	-	-	-	-	-	86	156	-	-	243	-	-	243
	Others	-	-	-	-	-	-	11	2	-	-	14	-	-	14
	Total	346	-	-	-	-	346	98	159	-	-	257	-	-	602
Executive Board's share	62%	-	-	-	-	62%	-	-	-	-	-	-	-	36%	
Number of outstanding options ('000)	Lars Marcher, CEO	1,680	790	202	549	1,246	4,468	-	-	-	-	-	2	1	4,471
	Michael Højgaard, CFO	207	379	47	164	372	1,169	-	-	-	-	-	1	-	1,171
	Executive Board in total	1,888	1,170	249	713	1,618	5,637	-	-	-	-	-	3	2	5,642
	Other members of the	376	236	33	32	74	751	-	-	-	-	-	1	1	753
	Vice Presidents	-	-	241	483	-	725	110	600	665	290	1,665	11	6	2,406
	Others	-	-	95	140	-	236	40	-	90	118	248	71	45	600
	Total	2,264	1,406	618	1,369	1,692	7,349	150	600	755	407	1,912	86	53	9,401
	Executive Board's share	83%	83%	40%	52%	96%	77%	-	-	-	-	-	3%	3%	60%
Exercise price, DKK	10	43	115	129	134	-	13	23	39	77	-	0	0	-	
Year of expiration	2021	2023	2023	2025	2024	-	2019	2020	2021	2022	-	2018	2019	-	
Market value (as at 30.09.18) Outstanding options (DKKm)	Lars Marcher, CEO	243	88	8	14	25	378	-	-	-	-	-	-	-	378
	Michael Højgaard, CFO	30	42	2	4	8	86	-	-	-	-	-	-	-	86
	Executive Board in total	273	131	10	18	33	464	-	-	-	-	-	-	-	464
	Other members of the	54	26	1	1	1	84	-	-	-	-	-	-	-	84
	Vice Presidents	-	-	10	12	-	22	16	79	76	22	192	2	1	216
	Others	-	-	4	4	-	7	6	-	10	9	25	11	7	50
	Total	327	157	24	35	34	577	21	79	86	31	217	13	8	815
	Allocated and vested	327	157	24	-	-	508	21	79	86	31	217	13	-	738
Conditionally allocated	-	-	-	35	34	69	-	-	-	-	-	-	8	77	
Total	327	157	24	35	34	577	21	79	86	31	217	13	8	815	
Executive Board's share	83%	84%	40%	52%	96%	80%	-	-	-	-	-	-	-	57%	

¹ Share-based incentive schemes allocated prior to FY 2012/13 are not shown in this table, including a three-year scheme for the Executive Board allocated in the financial years from 2008/09 to 2011/12. All purchase options related to this scheme had been exercised at the end of FY 2015/16.

² Calculated before cancellation of options due to non-vesting of options, resignations etc.

Conditionally allocated: A written agreement has been entered into stating that options are allocated on condition that future financial KPIs are achieved / **Vested:** The financial KPIs have been determined, and the allocation has been calculated accordingly. All conditions are met, except for continued employment / **Matured:** The vesting period set out in the option agreement has expired, and the option can be freely exercised within the remaining term of the agreement