

# Marel Nomination Committee

## Recommendations to the Board of Directors

### February 2021

## 1. Recommendations

Marel's Nomination Committee puts forth the following recommendations to the Company's Board of Directors in relation to the Annual General Meeting on 17 March 2021.

### 1.1 Chair of the Annual General Meeting

The Nomination Committee recommends that the Board of Directors propose to shareholders that Arni Sigurjonsson, General Counsel of Marel, be elected Chair of the Annual General Meeting.

### 1.2 Number of Directors to be elected

The Nomination Committee recommends that the Board of Directors propose to shareholders that seven Directors will be elected to serve on the Board.

### 1.3 Candidates to the Board of Directors

The Nomination Committee recommends that the Board of Directors propose to shareholders that the following candidates, listed in alphabetical order, will be elected to serve on the Board:

- Ann Elizabeth Savage
- Arnar Thor Masson
- Astvaldur Johannsson
- Lillie Li Valeur
- Olafur Gudmundsson
- Svafa Grönfeldt
- Ton van der Laan

Section 3 of this report includes candidate profiles.

## 2. Background and Reasoning

The Board of Directors (Board) is accountable to all Marel's (Company) shareholders and other stakeholders for the way the Company conducts its business. The composition of the Board must therefore be such that the consolidated competences of its members are aligned with Marel's long-term strategy, enabling it to inspire, guide and oversee the Company's development and diligently address and resolve the issues and problems faced at any time.

The Nomination Committee is a committee of the Board, established in accordance with the Board's Rules of Procedure.

The Nomination Committee shall assist the Board with the process and oversight of Board succession development and identification and nomination of Board candidates.

The Board is responsible for the appointment and activities of the Nomination Committee and it operates under the Board's authority.

The Nomination Committee's Rules of Procedure can be found on Marel's website, [here](#).

### 2.1 Composition

The Nomination Committee is composed of three Board Members, Arnar Thor Masson (Chairman), Asthildur Otharsdottir and Olafur Gudmundsson. All members are independent of the Company. Gudmundsson is a member of the Board of Directors of Eyrir Invest, Marel's largest shareholder. Otharsdottir is the Chairman of the Board of Directors and Masson is the Vice Chairman of the Board of Directors.

### 2.2 Main Activities

According to the Nomination Committee's Rules of Procedure, it shall regularly review and evaluate the structure, size and composition (including the balance of skills, knowledge, experience, diversity, tenure and independence) of the Board and its committees, taking into account the challenges and opportunities facing the Company at each time. The Nomination Committee shall make recommendations to the Board with regard to any changes, considering both a short-term (upcoming Annual General Meeting) and longer-term horizon.

In order to fulfill its role, the Nomination Committee has undertaken or supported the following activities in preparation for the upcoming Annual General Meeting:

- Preparation of a Board skills matrix, outlining the key personal attributes all Directors must possess, as well as the professional knowledge and experience the Board shall collectively have to effectively govern and direct the Company (Appendix);
- Meetings between the Chairman of the Nomination Committee and each individual Director to discuss Board composition and skills/experience which would be beneficial to strengthen the Board going forward;
- Meetings between the Chairman and Vice Chairman of the Board and several of the Company's largest shareholders where the focus was on discussing corporate governance matters, including Board composition and succession, skill areas which would be beneficial to strengthen and the nomination process;

- Meeting between the Chairman of the Nomination Committee and the Company's CEO to discuss Board composition;
- Engagement of an executive search firm to facilitate candidate search;
- Preparation of a *Position and Candidate Specification*, outlining the criteria for experience, personal attributes and required time commitment;
- Screening of potential candidates for the Board and obtain references from candidates' superiors and peers;
- Preparation of a report with the Nomination Committee's recommendations to the Board. The report can be shared with the Company's shareholders prior to the Annual General Meeting in order to provide transparency to the nomination process.
- Evaluation of Directors' independence of the Company and its major shareholders.
- Annual self-assessment process for the Board and its committees; The self-assessment for 2020 was conducted in January 2021 by an anonymous survey among Directors. The compiled results were then discussed at a Board only session in February 2021.
- In line with the Board's previous decisions, an externally facilitated assessment shall be conducted at least every third year and was planned for 2020. Due to Covid 19 this evaluation was postponed and is on the agenda of the Nomination Committee in 2021.

Asthildur Otharsdottir, chairman of the Board of Directors, who has diligently served on the Board for 11 years, thereof 8 years as chairman and one year as vice-chairman, informed the Board of her decision to decline re-election at the Company's Annual General Meeting in 2021. The Nomination Committee on behalf of the Board would like to thank Otharsdottir for her invaluable work for Marel during her tenure and for her excellent leadership as chairman of the Board of Directors.

### 2.3 Criteria and Evaluation

Taking into consideration Marel's long-term strategy, opportunities and challenges, the Nomination Committee was looking for an individual with international experience in a growth company, both through internal and external growth. Also preferably an individual with experience of overseeing service process design and or experience of digital transformation. The Nomination Committee did also look for a candidate with solid financial acumen.

In light of Asthildur Otharsdottir's decision to step down from the Board, the Nomination Committee engaged an executive search firm to facilitate a Director search, based on the above criteria, as well as the general personal attributes required. The Nomination Committee emphasized that potential candidates would commit to the time required to serve on the Board.

Out of several strong candidates identified and evaluated during the search process, the Nomination Committee

concluded that Dr. Svafa Grönfeldt would be the preferred new candidate for Marel's Board.

Dr. Svafa Grönfeldt, born in 1965, is a Professor of Practice at the Massachusetts Institute of Technology. She is a founding member of MIT's newest innovation accelerator DesignX focused on the design and development of technology- and service-based ventures created at MIT. Grönfeldt is the co-founder of The MET fund, a Cambridge based seed investment fund. She is a member of the Board of Directors and Audit Committee of Össur, a global leader in orthopaedic solutions since 2008, and the Board of Directors and Audit Committee of Icelandair. She is also on the Board of Directors of Origo, a Nordic IT service company since 2019.

Previous positions include executive leadership positions at two global life science companies where she served as Chief Organizational and Development Officer of Alvogen and Deputy to the CEO of Actavis Group. For more than twenty years, her executive career has been focused on organizational design for high growth companies, strategy implementation, service process design, and performance tracking as well as the integration of acquired companies and new business units. She is a former President of Reykjavik University.

Grönfeldt holds a Ph.D. from the London School of Economics where she examined the impact of customer-oriented behaviours and service design on business outcomes.

The Nomination Committee has assessed that the seven proposed candidates fulfill the requirements regarding independence in the Icelandic Corporate Governance Code. All proposed candidates are independent of the Company. All candidates are independent of large shareholders, with the exception of Olafur Gudmundsson, who is a member of the Board of Directors of Eyrir Invest, holding 24.69% of Marel shares at 3 February 2021. It is noted that the tenure of a Director does not affect the independency assessment, in line with the Icelandic Corporate Governance Code.

Furthermore, the Nomination Committee has assessed that the proposed Board of Directors fulfills the gender quota requirements for corporate boards, as stipulated in the Icelandic Act on Public limited companies no. 2/1995.

In line with Icelandic law, the Board of Directors convenes immediately following the General Meeting in which it is elected to allocate responsibilities between the Board members. The Board of Directors elects a Chairman and Vice-Chairman, as well as the Chairmen and members of its committees.

## 3. Candidate Profiles

Candidate profiles, listed in alphabetical order.

### 3.1 Ann Elizabeth Savage

Ann Savage, born in 1957, heads the Food Technical function at Gousto, a UK meal kit manufacturer and retailer. Savage previously served as Group Technical Director of Bakkavor. Her primary responsibilities have included food safety, health and

safety management, manufacturing excellence and corporate social responsibility management in the UK, US and Asia. Savage has held a variety of roles in technical, and research and development departments within the retail and food industry over her 40-year career. She worked for the Cooperative Wholesale Society (CWS), Northern Foods from 1990 until 1999 and at Geest/Bakkavor for over 19 years.

Savage's responsibilities have included representing businesses with UK regulators such as Food Standards Agency, Department for Environment Food and Rural Affairs, Health Protection England. She has chaired the Food Network for Ethical Trade, the IGD Technical Leadership Forum, and been a member of the advisory group for the Better Regulation Task Force and the British Retail Consortium Advisory Board. Savage has worked closely with UK retailers to deliver on their corporate social responsibility commitments and to develop reporting procedures.

She has experience in operational management, product development and incident management. She has worked with Farm Africa in both Tanzania and Kenya to support African endeavors in tilapia fish farming and beekeeping. She is a member of her parish council and a Governor of Boston College, one of the top five colleges in the UK.

Savage holds a degree in Systems and Technology from the Open University and a Post Graduate Diploma in Management Studies from Nottingham University.

Savage was elected to the Board of Directors of Marel in 2013. She is a member of the Audit Committee and the Remuneration Committee.

Savage neither holds shares nor share options in the Company. She has no interest links with the Company's main customers, competitors or major shareholders.

### 3.2 Arnar Thor Masson

Arnar Masson, born in 1971, is an independent advisor and board member, currently working with Summa Asset Management on infrastructure and renewable energy investments. Before that Arnar was Chief Human Resources and Strategy Officer at Isavia, a company that handles the operations and development of all airports in Iceland. Masson was an alternate director at the European Bank for Reconstruction and Development (EBRD) in London, an investment and development bank that works primarily with private sector clients in developing economies.

Before joining EBRD, he was Director-General in the Prime Minister's Office in Iceland, overseeing organizational changes and coordinating the implementation of cross departmental policies and strategic initiatives. Prior to that, he worked in the Ministry of Finance and was responsible for public sector reforms, performance management, and state-owned enterprise governance. From 2000-2008 Masson held an adjunct lecturer position at the Department of Political Science of the University of Iceland. Masson has experience in corporate strategy, human resources, corporate social responsibility and finance and has worked with emerging markets. He has done executive courses for board directors both at Harvard Business School in the US and IMD in Switzerland.

Masson holds a MSc degree in Comparative Politics from the London School of Economics and Political Science and a BA degree in Political Science from the University of Iceland.

Masson was elected to the Board of Directors of Marel in 2001. He is the Vice Chairman of the Board of Directors, Chairman of the Audit Committee and Nomination Committee and member of the Remuneration Committee. Masson has decided to step down as Chairman of the Audit Committee following the Annual General Meeting.

Masson neither holds shares nor share options in the Company. He has no interest links with the Company's main customers, competitors or major shareholders.

### 3.3 Astvaldur Johannsson

Astvaldur Johannsson, born in 1961, is Business Development Director at Controlant, a global real-time monitoring software solution (IoT) provider focusing on the Pharmaceutical industry. His previous international business experience includes senior management positions within different markets at Össur hf., a global medical devices manufacturer and as an Executive Director leading the international division of Valitor hf., an eCommerce payment solutions and services provider. Previously Johannsson also served as a member of the Executive Team of the IT company Nyherji hf., as a Sales and Marketing Director at Penninn, and as a system analyst expert in the IT sector focusing on process design and development.

Johannsson is a proactive professional with extensive international experience of leadership within different marketplaces in EU, US and Asia, a multi-national culture, and cross-functional environments, both on the executive and on a board level. He has a comprehensive background and knowledge in formulating and implementing policy and strategy, leading and integrating new businesses and initiatives to improve business performance. Johannsson has a solid background in managing business-to-business and business-to-consumer sales and marketing, business development, supply chain, outsourcing, negotiating, contracts and product management along with operations knowledge and experience in varying industries with progressive and successful organizations.

Johannsson holds an MBA degree from the University of Iceland and a BS degree in Management Information Systems from Heriot-Watt University.

Johannsson was elected to the Board of Directors of Marel in 2014. He is a member of the Audit Committee.

Johannsson neither holds shares nor share options in the Company. He has no interest links with the Company's main customers, competitors or major shareholders.

### 3.4 Lillie Li Valeur

Lillie Li Valeur, born in 1970, is the CEO for Good Food Group in Denmark and a member of the Board of Directors, Remuneration Committee, and Science & Innovation Committee of Chr. Hansen Holding, listed on Nasdaq Copenhagen.

Valeur has extensive international experience in the food, ingredients and pharmaceutical industries, with special focus on EMEA, Asia, commercial leadership, innovation, M&A and strategic partnerships. Previously, for a period of 18 years, Valeur held several senior management roles at Arla Foods amla, both in Asia and globally, including VP Greater China, VP South East Asia and VP Global Milk Based Beverages. Prior to that, she held various international business management positions at Lundbeck in Denmark, Novartis Consumer Health Co. in Shanghai, as well as a management consulting position at Bain & Company in Beijing.

Valeur was a member of the Board of Directors and Audit Committee of Aarhus Karlshamn, listed on Nasdaq Stockholm, from 2013 to 2020 and a member of the Board of Directors of Meda in Sweden from 2015 to 2016.

Valeur holds a degree in Medicine from Shanghai Medical University and a MBA degree from China European International Business School in Shanghai.

Valeur was elected to the Board of Directors of Marel in 2020.

Valeur neither holds shares nor share options in the Company. She has no interest links with the Company's main customers, competitors or major shareholders.

### 3.5 Dr. Olafur S. Gudmundsson

Dr. Olafur Gudmundsson, born in 1969, is currently the Head of Discovery Pharmaceuticals and Analytical Sciences at Bristol-Myers Squibb (BMS), a global biopharmaceutical company. For more than two decades, Gudmundsson has held roles of increasing responsibility within research and development, covering multiple therapeutic areas and stages of drug discovery, both for Bristol-Myers Squibb and Genentech. During his tenure at BMS, Gudmundsson has helped bring multiple drug candidates to clinical trials, several of which have become marketed products. In his time within the pharmaceutical industry, Gudmundsson's responsibilities have included involvement with global portfolio strategy, evaluation of external acquisitions, strategic innovations, and integration of merged companies. Gudmundsson has participated in governance teams providing input on global portfolio optimization and prioritization, lead process optimization teams and chaired integration teams.

Gudmundsson is also associated with the graduate program of the Pharmaceutical Chemistry department at Purdue University. Currently, Gudmundsson is a Board member of Eyir Invest and Noruz.

Gudmundsson holds a Ph.D. degree in Pharmaceutical Chemistry from the University of Kansas and a Cand.Pharm. degree from the University of Iceland.

Gudmundsson was elected to the Board of Directors of Marel in 2014. He is a member of the Remuneration Committee and the Nomination Committee.

Gudmundsson and financially related parties hold 1,705,427 shares in the Company but no share options. He has no interest links with the Company's main customers. He is a member of the Board of Directors of Eyir Invest, Marel's largest shareholder.

### 3.6 Dr. Svafa Grönfeldt

Dr. Svafa Grönfeldt, born in 1965, is a Professor of Practice at the Massachusetts Institute of Technology. She is a founding member of MIT's newest innovation accelerator DesignX focused on the design and development of technology- and service-based ventures created at MIT. Grönfeldt is the co-founder of The MET fund, a Cambridge based seed investment fund. She is a member of the Board of Directors and Audit Committee of Össur, a global leader in orthopaedic solutions since 2008, and the Board of Directors and Audit Committee of Icelandair. She is also on the Board of Directors of Origo, a Nordic IT service company since 2019.

Previous positions include executive leadership positions at two global life science companies where she served as Chief Organizational and Development Officer of Alvogen and Deputy to the CEO of Actavis Group. For more than twenty years, her executive career has been focused on organizational design for high growth companies, strategy implementation, service process design, and performance tracking as well as the integration of acquired companies and new business units. She is a former President of Reykjavik University.

Grönfeldt holds a Ph.D. from the London School of Economics where she examined the impact of customer-oriented behaviours and service design on business outcomes.

### 3.7 Ton van der Laan

Ton van der Laan, born in 1953, is a Dutch national residing in the Netherlands. He currently serves as chairman of the Supervisory Board of Royal de Heus, a global feed company and vice-chairman of the Board of Directors of Rainforest Alliance in New York. He is a non-executive board member of Vion Foods and Dümme Orange.

Van der Laan has extensive experience from several executive roles in the food, feed and commodity industries. He is the former CEO of Nidera, a company globally active in financing and distribution of grains and oilseeds, EVP of Animal Proteins and Animal Nutrition at Cargill in the USA and CEO of Provimi in the Netherlands, one of the global leaders in animal nutrition.

Previously, for over 22 years, Van der Laan held several executive roles at Unilever, the Anglo-Dutch consumer food company, where he was located in the Netherlands, UK, Czech Republic and Slovakia. He has also served as the Managing Director of Philips Domestic Appliances and Personal Care. Van der Laan possesses extensive experience in multi-national businesses, strategic planning, portfolio management, acquisitions and company restructuring, large and small scale integrations and top team development.

Van der Laan holds a MS degree in Mechanical Engineering from Twente University, completed a New Board Program at Nyenrode Business University and an executive course at Harvard Business School.

Van der Laan was elected to the Board of Directors of Marel in 2019. He is a member of the Audit Committee.

Van der Laan neither holds shares nor share options in the Company. He has no interest links with the Company's main customers, competitors or major shareholders.

# Appendix

## MAREL BOARD OF DIRECTORS' SKILLS MATRIX

### Introduction

This skills matrix is designed to ensure the Board of Directors of Marel (Board) consists of individuals with a balance of skills to oversee the Company, achieve the strategic goals, and direct its future.

All Directors will be expected to possess the full set of personal attributes (outlined in Part A: Personal Attributes) in addition to sound professional knowledge and experience, and contribute to the collective industry skills set held by the Board.

### Principles

The Board shall **collectively** have the skills, knowledge and experience to effectively govern and direct the Company. The skills and attributes of the Board can be broadly categorised as follows:

- Personal attributes or qualities that are considered desirable to be an effective Director;
- Functional experience and skills;
- Industry and geographical experience.

The Board as a whole should also encompass desirable diversity in aspects such as nationality, gender, age, education and different perspectives.

### Policy

The skills, knowledge and experience required will change as the Company evolves. In relation to each skill identified in this matrix, the Board will use this as a guide to ensure reasonable diversity and a broad range of skills are evident across the Board.

The Board skills matrix comprises two parts:

1. A description of personal attributes that all the Directors of the Board are expected to possess.
2. An assessment of functional and industry based skills and experience which should be held collectively by the Board. Each skill area is accompanied by a separate column for the Board to assess whether the skill is essential or desirable (prioritisation).

The skill areas in the matrix will be regularly reviewed to ensure that the composition of skills on the Board remains aligned with Marel's stage of development and strategic direction.

## 1. Personal Attributes

Attributes	Description
Integrity (ethics)	A commitment to: <ul style="list-style-type: none"> <li>• Understanding and fulfilling the duties and responsibilities of a Director, and maintaining knowledge in this regard through professional development;</li> <li>• Putting Marel's interests before any personal interests;</li> <li>• Acting in a transparent manner and declaring any activities or conduct that might be a potential conflict;</li> <li>• Maintaining Board confidentiality at all times.</li> </ul>
Effective Communicator	The ability to: <ul style="list-style-type: none"> <li>• Listen to, and constructively and appropriately debate, other people's viewpoints;</li> <li>• Develop and deliver cogent arguments;</li> <li>• Communicate effectively with a broad range of stakeholders.</li> </ul>
Constructive Questioner	The preparedness to ask questions and challenge Marel's management and peer Directors in a constructive and appropriate way about key issues.
Contributor and team player	The ability to work as part of a team, and demonstrate the passion and time to make a genuine and active contribution to Marel's Board.
Commitment	A visible commitment to Marel's purpose and its on-going success.
Critical and innovative thinker	The ability to critically analyse complex and detailed information, readily distil key issues, and develop innovative solutions to problems.
Leader	Innate leadership skills, including the ability to: <ul style="list-style-type: none"> <li>• Appropriately represent Marel;</li> <li>• Contribute to appropriate Board and organisation culture;</li> <li>• Make and take responsibility for decisions and actions.</li> </ul>

## 2. Functional and Industry Experience & Demographics

Skill/Experience/Attribute (not prioritized)	Priority	Director 1	Director 2	Director ...	Director 7
Corporate Social Responsibility					
Digital/Software					
Financial/Accounting					
Human Resources					
Innovation/R&D					
Legal					
M&A					
Commercial					
Operational/Service					
Enterprise Risk Management					
Strategy					
Capital good industry					
Food industry					
Global business					
Emerging markets					
CEO/EVP in mid/large cap organization					
Board experience					
Other					
Nationality					
Female/Male					
Board tenure					