

**MAREL HF.
ANNUAL GENERAL MEETING 2011**

2 MARCH 2011

PROPOSALS OF THE BOARD OF DIRECTORS

1. Proposal on dividends payment to the Annual General Meeting

The Board of Directors proposes that no dividends will be paid for the financial year 2010.

2. Proposal on compensation to board members for the year 2011 and of the Auditor for the year 2010

The Board of Directors proposes that the compensation to Board members for the year 2011 will be increased from the previous year and shall be as follows: the Chairman will receive €6,000 per month, the Vice Chairman and Chairman of the Audit Committee will receive €4,000 per month and other members of the Board of Directors will receive €2,000 per month. The compensation will be paid on the 15th day of each month. Furthermore, the Board of Directors proposes that the Auditor's fees will be paid against their invoices approved by the Company.

3. Proposal submitted to the Annual General Meeting of Marel hf. for a remuneration policy for the company

The Board of Directors proposes that the Remuneration Policy for the year 2010 will be approved unamended for the year 2011. It is as follows:

Article 1. Objective

The remuneration policy of Marel hf. has the aim of making the company and its subsidiaries competitive in hiring outstanding employees, a necessary prerequisite to fulfilling the company's vision for its presence on the global market. The remuneration policy covers all main aspects of salary and benefits for the Chief Executive Officer (CEO) and management of the company. A wage and benefits committee operates within the company comprised of three to four Board members.

Article 2. Remuneration for Board members

Board members shall receive a fixed, monthly payment in accordance with the decision of the annual general meeting of the company, as stipulated in article 79 a of Act No. 2/1995 on Public Limited Companies. The Board of Directors shall submit a proposal on the fee for the upcoming operating year and shall take into account the time board members spend on their duties, the responsibility involved and company performance.

Article 3. Remuneration for the CEO

A written employment contract shall be made between the company and the CEO. His terms of employment shall be competitive on an international standard. The amount of salary and other payments to the CEO shall be decided on the basis of his education, experience and

previous occupation. Other terms of employment shall be specified in the contract, along with pension payments, vacation rights, benefits and terms of notice.

When preparing employment contract the emphasis shall be that no additional payments will be made at termination other than those stipulated in the employment contract. However, special circumstances in the opinion of the Board of Directors may lead to a separate termination agreement being concluded with the CEO.

Article 4. Acknowledgements to senior management

The CEO is authorized to propose to the Board of Directors and Compensation Committee that senior management should be rewarded in addition to their set terms of employment in the form of delivery of shares, performance based payments, stocks, stock options or other forms of payment having to do with company shares or the future value of such shares, pension fund contributions, retirement or redundancy payments.

When deciding whether senior managers should be granted rewards in addition to the set terms of employment, the status, responsibility and future prospects of the respective manager within the company shall be taken into consideration.

Article 5. Disclosure of information

At the Annual General Meeting, the Board of Directors shall present information on the remuneration of the Chief Executive Officer, managing directors and board members. Information shall be presented on the total amount of salary payments during the year, payments from other companies in the group, the amount paid in bonuses and stock options, other forms of payment related to the value of company shares, termination payments if applicable, and the total amount of any other payments.

The Company's remuneration policy shall be published on the Company's website.

Article 6. Approval of the Remuneration Policy and other matters

The company's Remuneration Policy shall be presented to the shareholders in the annual general meeting for their approval or rejection.

The Remuneration Policy is binding for the Board of Directors in regards to stock options and payments on the basis of share price movements as per paragraph 2 article 79.a of Act No. 2/1995 on Public Limited Companies. In all other aspects the policy shall be viewed as guidelines for the company and its Board. The Board of Directors shall note in the minutes of its meeting any major deviation from the Remuneration Policy and such deviation shall be well justified. The Board of Directors shall inform the annual general meeting of such a deviation.

4. Amendment of the Company's Articles of Association

The Board of Directors proposes that Clause 4.14 of the Company's Articles of Association, on the minimum ratio of shareholders which can demand a shareholders' meeting, is amended in accordance with recent amendment of Article 85 of the Act on Public Limited Companies No. 2/1995, i.e. from 1/10 to 1/20.

5. Election of Board

The Board of Directors proposes that the Company's shareholders elect eight Directors to serve on the Board of Directors. The Board nominates the following eight individuals as Directors, which have all declared their candidacy:

Arnar Þór Másson, Reykjavik, Iceland
Árni Oddur Þórðarson, Reykjavik, Iceland
Ásthildur Margrét Otharsdóttir, Reykjavik, Iceland
Friðrik Jóhannsson, Reykjavik, Iceland
Helgi Magnússon, Seltjarnarnes, Iceland
Margrét Jónsdóttir, Seltjarnarnes, Iceland
Theo Bruinsma, Oss, The Netherlands
Smári Rúnar Þorvaldsson, Hafnarfjordur, Iceland

The deadline for nominations to the Board of Directors of Marel hf. will expire at 16:00 pm, February 25th 2011.

6. Election of auditors

The Board of Directors proposes that the auditors KPMG ehf. will be the company's auditors.

7. Proposal to grant authorization to the Board of Directors to purchase treasury shares in the company submitted to the Annual General Meeting of Marel Food Systems hf.

The Board of Directors proposes that the company is authorized, pursuant to the provisions of Article 55 of the Act on Public Limited Liability Companies No. 2/1995, to acquire up to 10% of its own shares at a price which is no higher than 10% over and no lower than 10% under the posted average price of shares in the Company for the two weeks immediately preceding the acquisition.

It is furthermore proposed, that this authorisation is effective for the next 18 months from approval. Earlier authorisation shall be withdrawn.

8. Other matters, rightfully proposed.