

MAREL HF.

EXTRAORDINARY SHAREHOLDERS' MEETING

22 NOVEMBER 2018

PROPOSALS OF THE BOARD OF DIRECTORS

1. Proposal to reduce the Company's share capital

The Board of Directors proposes that the Company's share capital will be reduced. Following is the proposal:

"Marel's Shareholders' Meeting, held on 22 November 2018, approves that the Company's share capital shall be reduced by ISK 52,983,076 nominal value, from ISK 735,568,997 to ISK 682,585,921 nominal value. The reduction will be executed by way of cancelling 52,983,076 of the Company's own shares of ISK 1 each, in accordance with the provisions of Act no. 2/1995 respecting Public Limited Companies."

As a result of the capital reduction, it is proposed that Article 2.1 of the Company's Articles of Association is amended and shall state as follows:

"The share capital of the Company amounts to ISK 682,585,921."

and in Icelandic:

„Hlutfé félagsins er kr. 682.585.921.“

The Board of Directors' statement:

In line with the Company's intention to pursue dual listing of its shares, it is anticipated that the Company will at the 2019 AGM request shareholders' authorization to issue new share capital of up to 15% to support a successful international listing, fair valuation and liquidity.

In order to align the interests of current and future shareholders regarding aforementioned anticipated share capital increase in connection with the listing project, the Board of Directors proposes that the Company's share capital will be reduced, and that the Board of Directors will be granted authorization to initiate a formal share buy-back program that complies with the Act on Securities transactions no. 108/2007, Regulation on Insider Information and Market Manipulation no. 630/2005 and the Act respecting Public Limited Companies no. 2/1995.

As of 31 October 2018, the Company held 60,736,826 own shares that have been acquired in the past few years based on Marel's AGM authorizations to the Board of Directors, for the purpose of being used as payment for potential future acquisitions as well as for hedging of existing stock option programs. The proposal entails that 52,983,076 own shares in the company will be cancelled and its share capital reduced accordingly. If the proposal is approved, the Company will hold 7,753,750 own shares, to be used to fulfil the Company's obligations according to stock option agreements.

2. Proposal to grant authorization to the Board of Directors to initiate share buyback programs

The Board of Directors proposes that the Shareholders' meeting approves an authorization for the Company to initiate a formal share buyback program that complies with the provisions of the Act on Securities transactions no. 108/2007 and appendix to Regulation on Insider Information and Market

Manipulation no. 630/2005. The main purpose of the program shall be to reduce the Company's share capital, but the shares purchased may also be used to meet the Company's obligations under share incentive programs with employees. The program shall be managed by an investment firm or a credit institution which makes its trading decisions in relation to the Company's shares independently of, and without influence by, the Company with regard to the timing of the purchases. The Company may purchase up to 34,129,296 shares in total under the program, assuming the proposal on reducing the current share capital will be approved, corresponding to 5% of the share capital. The trading under the program shall be in accordance with the provisions of the Act on Public Limited Companies No. 2/1995 as well as the appendix to Regulation on Insider Information and Market Manipulation no. 630/2005. The Company's purchases under the program shall be disclosed in accordance with the applicable laws. This authorization is effective for the next 18 months from approval.

Gardabaer – Iceland, 31 October 2018
The Board of Directors of Marel hf.