
Rules of Procedure

Audit Committee
Marel hf.

Valid as of 16 December 2015

The Marel logo is displayed within a dark blue rectangular box. It features a stylized red swoosh above the word "marel" in a white, lowercase, sans-serif font.

RULES OF PROCEDURE

FOR

THE AUDIT COMMITTEE OF MAREL HF.

1. COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee shall be established no later than one month after the Annual General Meeting of Marel hf. (the "Company") and shall be composed of three or four members, unless the Board decides otherwise. The Audit Committee shall however always be composed of at least three members.

Audit Committee members shall be independent from the auditor of the Company. The majority of the Audit Committee shall be independent of the Company and its management. At least one Member of the Audit Committee who is independent of both the Company and its management shall also be independent of shareholders that hold 10% or more of the total share capital of the Company. The CEO and other day-to-day managers may not be members of the Committee.

Committee members shall have qualifications and experience in accordance with the activities of the Committee, and at least one member shall have detailed expertise in the field of accounting or auditing.

2. AUDIT COMMITTEE'S ROLE

The Audit Committee's key roles are to review:

1. Financial statements and financial reports of the Company;
2. Management of the Company's risk and internal controls;
3. Compliance with legal and regulatory requirements;
4. External Auditor's qualifications, independence and performance; and
5. Performance of the Company's internal audit function.

3. KEY TASKS

To fulfil its roles the Audit Committee shall:

1. Review, and challenge where necessary, the actions and judgments of management, as well as all working processes, in relation to the preparations of the Company's financial statements, interim reports and other formal financial information, before submission to and approval by the Board.
2. Review the Company's procedures for detecting fraud and review effectiveness and integrity of the systems for internal financial control, financial reporting and overall risk management and responses to risk.
3. Review the internal audit program and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company. Monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management system and appoint or dismiss the head of internal audit.
4. Review the external auditor's proposed audit scope and approach. Review with the external auditors, the finding of their work and review the audit reports before consideration by the Board giving particular consideration to matters that relate to non-standard issues. Review the performance of the external auditors, and recommend to the board on the appointment or discharge of the auditors.

5. Review the effectiveness of the system for monitoring compliance with laws and regulations. Review the findings of any examinations by regulatory agencies and obtain regular updates from management and company legal counsel regarding compliance matters.
6. Regularly report to the Board of Directors about Audit Committee activities and issues that arise in the Audit committee meetings. Report annually to the shareholders, describing the committee's composition, responsibilities and assessment on its work.
7. Require, if needed, the CEO, the CFO, the Internal Auditor, the External Auditor and Compliance Officer to provide the Audit Committee with any documents and information related to specific tasks of the Audit Committee. The form, quality and detail of the information shall be decided by the Audit Committee each time.

4. MEETINGS

Audit Committee meetings shall be called as often as necessary for the Audit Committee to be able to perform its tasks and duties in an efficient manner, but no less than four times a year, coinciding with the Company's financial reporting cycle.

The CEO, the CFO, the External Auditors, Internal Auditor and Compliance Officer shall be invited to Audit Committee Meetings as the Committee deems appropriate in order to fulfil its duties. Other members of the Executive Team or other Marel employees may be invited to the Audit Committee meeting in relations to specific topics being discussed.

The Audit Committee shall annually schedule a joint meeting of the Board, the Committee and the external auditors, where the day-to-day management of the Company is not present.

Minutes shall be kept of all proceedings at Meetings of the Audit Committee. The Board's rules regarding Minutes of Board Meetings shall apply as appropriate.

5. MISCELLANEOUS

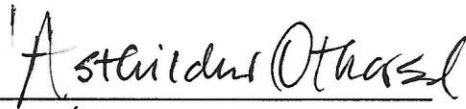
The Board is responsible for the appointment and activities of the Audit Committee and it operates under the Board's authority. The Audit Committee does not reduce the responsibilities of the Board or relieve it of any liability. Decision-making powers remain with the entire Board. The Audit Committee may require reasonable assistance from external advisors when performing its tasks and duties and it can institute and oversee special investigations as needed.

Members of the Audit Committee have the same general obligations as Board Members, as stipulated in the Board's Rules of Procedure.

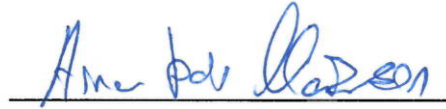
These Rules enter into force at the date of the adoption by the Board. Only the Board may amend these Rules with a majority vote. The original of these Rules, as amended (if applicable), shall at all times be maintained in the Company's Book of Minutes. At the time of the adoption of these Rules, all Members of the Board shall sign the original thereof. The Rules shall be published on the Company's website.

These Rules have been adopted in accordance with Articles 108 (a)-(d) of the Icelandic Act No. 3/2006 on Annual Accounts, Nasdaq OMX Iceland hf.'s Rules for issuers of Financial Instruments, and the Guidelines on Corporate Governance published by the Icelandic Chamber of Commerce, Nasdaq OMX Iceland hf. and the Confederation of Icelandic Employers.

Adopted by the Board of Directors of Marel hf. on 16 December 2015



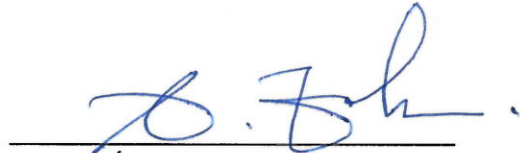
Ásthildur M. Otharsdóttir



Arnar Þór Másson



Ann Savage



Ástvaldur Jóhannsson



Helgi Magnússon



Margrét Jónsdóttir



Ólafur S Guðmundsson



Áni Oddur Þórðarson
CEO



Linda Jónsdóttir
CFO