

The Board of Directors of Marel hf.
Chairman Ásthildur M. Otharsdóttir
Austurhraun 9
Garðabær

Reykjavík, 26 February 2018

Amendment proposal for the Annual General Meeting of Marel on 6 March 2018

Gildi Pension Fund, as shareholder, hereby submits the following amendment proposal to be discussed and voted on at the Annual General Meeting of Marel to be held on 6 March 2018.

The amendment proposal relates to item 6 on the agenda (“Proposal to renew authorization to the Board of Directors to purchase treasury shares of the Company”). The proposal is as follows (the underlined text represents the proposed text amending the current proposal by the Board of Directors):

“The Company is authorized to acquire up to 10 % of its own shares on the basis of formal share repurchase programs. Requirements pursuant to Article 55 of the Icelandic Companies Act No. 2/1995 shall be taken into consideration when own shares are purchased on the basis of this authorization. Shares currently or in the future held by the Company may only be (i) used to lower issued share capital, (ii) used as payment in potential future acquisitions, or (iii) used to fulfil the Company’s obligations under share incentive programs.

This authorization is effective for the next 18 months from approval. Earlier authorization shall be withdrawn.

Notes relating to the proposal:

The proposal is set forth on the basis that the authorization to the Board of Directors is not general, but limited to formal share repurchase programs. If the proposal is accepted this would apply to any future transactions with own shares.

Formal share repurchase programs refer to programs that generally fulfil the following criteria:

- Each Program should be notified in advance with information on purpose, total number of shares, total purchase price and timeframe of the Program and 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 regarding the timing of the purchases.
- The Company should not purchase more than 25% of the average volume of the shares each trading day based on the average volume the 20 trading days preceding the date of purchase on the regulated market where the purchase is carried out.

- The purchase price should not be higher than the price of the last independent trade or the highest current independent bid, whichever is higher, on the regulated market where the transaction is carried out.
- The Company's purchases under the Programs shall be disclosed in accordance with law and regulations.

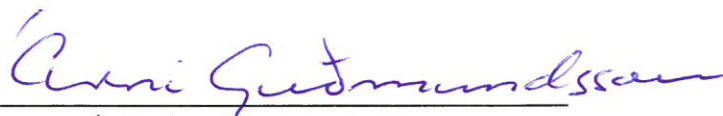
It is in addition proposed that shares currently or in the future held by the Company may only be (i) used to lower issued share capital, (ii) used as payment in potential future acquisitions, or (iii) used to fulfil the Company's obligations under share incentive programs. Items (ii) and (iii) are in line with the Company's notified purpose for transacting in own shares and item (i) is to allow the Company to dispose of own shares not required for the other purposes.

As of 22 February 2018 Marel was the Company's 4th largest shareholder, holding 46,747,226 shares representing 6,35% of the Company's issued share capital. It is expected that formal share repurchase programs should be sufficient for Marel to attain its goals. Formal repurchase programs are designed to avoid the relevant issuer becoming a large participant in its own share transactions with respect to volume and are usually carried out by an independent third party.

It is important to note that the Board of Directors has the authorization under Article 15.1 and 15.2 of the Company's Articles of Association to issue new share capital to fulfil obligations under share incentive programs or to use as payment in potential future acquisitions, and should therefore have a lesser need to maintain an inventory of own shares to meet future obligations with respect to acquisitions that may take place in the future. Gildi is of the opinion that such inventories should not be maintained except for commitments already entered into for example with respect to management incentives, although flexibility for future commitments will remain in place with this proposal.

Authorizations of Boards of Directors to purchase own shares should be clear and well defined with respect to size, purpose and pricing for market participants. The proposal of Gildi Pension Fund is submitted with the aim of defining further the authorization of the Board of Directors to purchase own shares to further increase transparency relating to those transactions.

On behalf of Gildi Pension Fund



Árni Guðmundsson Managing Director