

## MAREL – DECISIONS OF ANNUAL GENERAL MEETING

At the Annual General Meeting of Marel hf. which took place at the company's headquarters on 6 March 2019 all of the Board of Directors' proposals were approved.

Below are the decisions of the Annual General Meeting ("Meeting").

- 1. The Consolidated Financial Statements and the Report of the Board of Directors and CEO for 2018 were approved**
- 2. Proposal on how to address the profit for the operational year 2018 was approved**

The Meeting approved that a dividend of 5.57 euro cents per share will be paid for the operational year 2018. The total dividend payment will be approximately EUR 36.7 million, corresponding to approximately 30% of profits for the year which amounted to EUR 122.5 million. The Company's shares traded on and after 7 March 2019 (EX-Date) will be ex-dividend and the right to a dividend will be constricted to shareholders identified in the Company's shareholders registry at the end of 8 March 2019, which is the proposed record date. Payment date of the dividend is 27 March 2019.

- 3. The Company's Remuneration Policy was approved**

It is as follows:

### **Marel Remuneration Policy**

The Remuneration Policy of Marel hf. and its subsidiaries (the "Company"), is designed to attract, motivate and retain exceptional employees in a competitive and international market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Remuneration Policy applies to the Company's senior management, including its Executive Team and Board of Directors.

### **Executive Team Remuneration**

The remuneration of Marel's Executive Team is proposed by the Remuneration Committee and subsequently approved by the Board of Directors. It is evaluated annually against performance and a benchmark of international companies, which in size and complexity are similar to Marel. Benchmark information is obtained from internationally recognized compensation service consultancies.

Total remuneration shall be comprised as follows:

- A **fixed base salary**, set at a level aimed at attracting and retaining executives with professional and personal competences required to drive the Company's performance.
- **Short-term incentives**, based on the achievement of a number of pre-defined financial and non-financial strategic business targets approved by the Board of Directors. Short-term incentives for the CEO amount to 50% of annual base salary at target and can reach a maximum of 70%. Short-term incentives for other members of the Executive Team can amount to up to 45% of the annual fixed base salary at target and reach a maximum of 60%. Short-term incentive payments are subject to recovery, provided that they have been based on data, which proved to be manifestly misstated, false or misleading.

- **Long-term incentives** in the form of **stock options**. Marel has implemented stock option programs with the objective of aligning interests of executive management and selected employees in strategic positions with the long-term goals of the Company and its shareholders. The key terms of share-based incentive agreements and programs shall be submitted to a Shareholders' Meeting for approval.
- **Pension contributions**, made in accordance with applicable laws and employment agreements.
- **Severance payments** in accordance with termination clauses in employment agreements. Severance payments shall comply with local legal framework.

### **Board of Directors**

Members of the Board of Directors shall receive a fixed, monthly payment in accordance with the decision of the Annual General Meeting of the Company. The Board shall submit a proposal on the fee for the upcoming operating year, taking into account the extent of responsibilities and time commitment, the results of the Company and benchmark data on fees paid by European peer companies, which in size and complexity are similar to Marel.

Board members are not offered stock options or participation in incentive schemes.

Individual board members may take on specific ad hoc tasks outside their normal duties assigned by the Board. In each such case, the Board may determine a fixed fee for the work carried out related to those tasks, which shall be disclosed in the Company's annual financial statements.

### **Disclosure of Information**

Information on the total remuneration of members of the Company's Board of Directors, Executive Team and senior management accountable for more than 10% of the assets or earnings of the Company, shall be disclosed in the Company's annual financial statements. This includes any deferred payments and extraordinary contracts during the preceding financial year.

### **Approval of the Remuneration Policy**

This Remuneration Policy shall apply to all future employment agreements with members of Company's Executive Team and Board of Directors.

The Remuneration Policy is binding for the Board of Directors as regards its provisions on stock options. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Board's minutes.

This Remuneration Policy has been approved by the Board of Directors of Marel hf. in accordance with article 79a of the Icelandic Companies Act No. 2/1995, taking into consideration the NASDAQ Iceland Rules for Issuers of Financial Instruments and the Icelandic Guidelines on Corporate Governance. The Remuneration Policy is reviewed annually and shall be approved by the Company's Annual General Meeting, with or without amendments.

The Company's Remuneration Policy shall be published on its website.

## **4. The Company's Share-Based Incentive Scheme proposal was approved**

It is as follows:

**Type of share incentive program:** Stock options.

**Participants:** The CEO and selected employees in strategic positions.

**Total number of share options:** Up to 25 million shares may be granted as options and be in effect at each time under the program. If any stock options lapse prior to their vesting date, new stock options may be granted instead.

**Granting time:** The stock options shall be granted periodically. No more than 6 million shares shall be granted as options and be in effect under the program in 2019.

**Vesting time:** 3 years from the grant date.

**Exercise period:** Immediately after the stock options are vested and/or within 1 year thereafter (within selected exercise periods).

**Exercise price:** The EUR equivalent of the closing rate of Marel shares at NASDAQ Iceland on granting date (calculated with the Central Bank of Iceland midrate EUR/ISK). The exercise price shall be adjusted for future dividend payments (cent against cent).

**Other key terms and conditions:**

- The stock option program may be subject to holding requirements. Marel's Executive Team members are required to hold shares, corresponding to the net profit gained from the options (after tax) until the following holding requirements are reached, measured in total share value owned as a multiple of annual base salary: CEO three times; other members of the Executive Team two times.
- In general, any unvested share options will lapse if the participants are no longer employed with the Company. The Company may decide to waive this condition, including if a participant becomes disabled or dies.
- If a change of control occurs, as provided for in Article 100 of the Icelandic Securities Transactions Act No. 108/2007, any outstanding stock options shall vest.
- The Board of Directors shall have the discretion to apply these key terms and conditions to new and existing issues, as may be applicable.
- The Company shall not grant any loans or guarantees to participants in connection with the share options.
- Stock options that have not been granted under Marel's share-based incentive scheme approved on the 2017 Annual General Meeting, become invalid when the 2019 program enters into effect.

**5. Proposal on remuneration to board members for the year 2019 and of the Auditor for the year 2018 was approved**

The Meeting approved that the remuneration to Board members for the year 2019 shall be as follows: remuneration to Board members for the year 2019 will be EUR 3,600 per month. The Chairman of the Board receives triple monthly remuneration and the Chairman of the Audit Committee receives double monthly remuneration. Members of sub-committees of the Board will further receive remuneration in the amount of EUR 930 per month. The remuneration will be paid on the 15<sup>th</sup> day of each month. The Meeting approved that the Auditor's fees will be paid against their invoices approved by the Company.

**6. Proposed amendments of the Company's Articles of Association were approved**

The following amendments to the Company's Articles of Association were approved by the meeting:

a) *Article 15.1 – Authorization to increase share capital to be used to fulfil share option contracts with employees*

The article reads as follows:

“The Company’s Board of Directors is authorised to increase share capital by as much as ISK 35,000,000 nominal value by issuing new shares. Shareholders do not enjoy pre-emptive rights to subscribe for these new shares, which shall be used to fulfil share option contracts concluded with employees etc. in accordance with the Company’s currently applicable stock option programme. The purchase price of shares and terms of sale shall be as provided for in contract concluded by the Board or CEO with the individual concerned. This authorisation shall apply for five years from its adoption.”

b) *Article 15.2 – Renewal of authorization to increase share capital to be used as payment in relation to acquisition of new businesses.*

The article reads as follows:

“The Company’s Board of Directors is authorised to increase its share capital by up to ISK 100,000,000 nominal value by issuing new shares. The Company’s Board of Directors shall determine details of the purchase price of shares and terms of sale. Shareholders waive their pre-emptive rights, as provided for in Art. 34 of Act No. 2/1995 on Public Limited Companies provided that the new shares will be used as payment in relation to acquisition of new businesses and that the price for the new shares will not be lower than 10% under the posted average price of shares in the Company for the four weeks immediately preceding the sale. There are no restrictions on trading in the new shares. These new shares shall be of the same class and bear the same rights as other shares in the company. They shall confer rights in the Company as of the date the increase in share capital is registered. The Company’s Board of Directors may decide to have subscribers pay for the new shares in part or in full by other means than cash payment. This authorisation shall be valid for 5 years from the date of its adoption, insofar as it has not been utilised prior to that time.”

c) *New Article 15.3 – authorization for the Board of Directors to increase the Company’s share capital in connection with the dual-listing of the Company’s shares.*

The following provision will be adopted as Article 15.3 of the Company’s Articles of Association:

“The Company’s Board of Directors is authorized to increase share capital by as much as ISK 100,000,000 nominal value by issuing new shares. Shareholders waive their pre-emptive rights to subscribe for these new shares, which shall be used in an offering of shares in connection with the dual listing of the company’s shares. The Board of Directors shall be authorized to make necessary changes to the company’s Articles of Association resulting from the issue.”

Current Article 15.3. will become Article 15.4.

## **7. Proposal to reduce the Company’s share capital was approved**

Following is the decision of the meeting:

“Marel’s Annual General Meeting, held on 6 March 2019, approves that the Company’s share capital shall be reduced by ISK 11,578,005 nominal value, from ISK 682,585,921 nominal value to ISK 671,007,916 nominal value. The reduction will be executed by way of cancelling 11,578,005 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, 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 671,007,916."*

and in Icelandic:

*„Hlutfé félagsins er kr. 671.007.916.“*

## **8. Election of Board of Directors**

The Board’s proposal that seven Directors will be elected to serve on the Board of Directors of the Company was approved by the Meeting.

The following candidates were elected to serve on the Board of Directors until the Company’s next Annual General Meeting:

Dr Ólafur S. Gudmundsson, Princeton, US  
Ástvaldur Jóhannsson, Seltjarnarnes, Iceland  
Margrét Jónsdóttir, Seltjarnarnes, Iceland  
Ton van der Laan, Berlicum, Netherlands  
Arnar Thor Másson, London, England  
Ásthildur Margrét Otharsdóttir, Reykjavik, Iceland  
Ann Elizabeth Savage, Spalding, UK

## **9. Election of auditors**

The Meeting approved that the auditors KPMG ehf. will be the Company’s auditors.

## **10. Proposal to renew authorization to the Board of Directors to purchase treasury shares in the Company was approved**

The Meeting approved an authorization for the Company to acquire up to 10% of its own shares. 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.

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

## **US Disclaimer**

Any sale of Marel hf.'s ordinary shares has not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act), and will not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act. There will be no public offer of the ordinary shares in the United States (for these purposes, the "United States" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia).