



MINUTES

28th Annual General Meeting 2011 of Marel hf.

The Annual General Meeting 2011 of Marel hf. was held on 2 March, 2011 at 16:00 at the Company's headquarters, Austurhraun 9, 210 Garðabær, Iceland.

Agenda

1. The report of the Board of Directors on the activities of the Company during the preceding year of operation.
 2. CEO's operational report. Submission of the annual accounts of the Company for the preceding year for confirmation, and decision on how to address the profit or loss from the Company's operations for the year.
 3. Decision in respect of dividends for the year 2010.
 4. Decision on remuneration to the members of the Board of Directors for the next year of operation and of the Auditor for the preceding year of operation.
 5. Proposal on the Company's remuneration policy.
 6. Proposals on amendments of the Company's Articles of Association.
 - a) Clause 4.14 on minimum ratio of shareholders which can demand a shareholders' meeting, amended in accordance with Article 85 of the Act on Public Limited Companies No. 2/1995 (from 1/10 to 1/20).
 7. Elections to the Board of Directors.
 8. Election of an auditor or auditing firm.
 9. Proposal on a renewed authorisation for the Company to buy shares in itself.
 10. Any other business, lawfully presented.
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The Chairman of Marel's Board of Directors, Mr. Árni Oddur Þórðarson, announced the Annual General Meeting open. He welcomed the shareholders to the meeting and also guests, among them guests from the six international banks which refinanced Marel in November 2010. The Chairman proposed that Mr. Árni Sigurjónsson be elected to Chair the Meeting. The proposal was agreed unanimously. The Chair proposed that Mr. Kristján Þorsteinsson be elected Secretary of the Meeting to keep the Records of Minutes. The proposal was agreed unanimously. The Chair reviewed the Meeting's calling and announced the Meeting to be in accordance with the Company's Articles of Association.

According to received ballots shareholders holding 604,334,943 of 735,568,997 outstanding shares attended the meeting, equal to 82.16% of the Company's voting share.

All proposals presented to the meeting were distributed to the attendants both in English and Icelandic. The meeting was performed in English and Icelandic translation was made available.

Passing to the Agenda.

1. The report of the Board of Directors on the activities of Marel during the preceding year of operation

The Chairman of the Board of Directors, Mr. Árni Oddur Þórðarson addressed the Company's last year operations and future outlook. The highlights of the Chairman's speech is available at the Company's webpage:

<http://marel.com/resources/Files/ir/2011/Marel---AGM-2011---Chairman.pdf>

Mr. Þórðarson spoke about the market for food processing equipment, a market of 4 billion euro in size and 5-6% annual growth. He discussed the importance of a better technology in the food production.

The Chairman recapped the strategy disclosed at the AGM in 2006 and how it has been executed. The results in 2010 are in line with the strategy with reference to revenues (EUR 582 million), EBIT margin (11%) and the Company is a global leader in its industries (15% market share). Marel makes quality food affordable with its technology. He mentioned especially new products like the Sensor X and Revoformer.

Marel was refinanced in November 2010 with a long-term financing of EUR 350 million, supplied by club of six international banks at favourable terms and conditions. This makes the full integration of the Company's operations possible.

The performance in 2010 was strong, with growth 34% from 2009 and good profitability. The year 2011 starts with record high order book and continued momentum. The target is a leverage ratio (Net debt/EBITDA) 2-3x, which at end of last year was 2.9x. The cash flow is expected to remain strong and the excess capital will be used to stimulate growth and pay dividend, targeted at 20 – 40% of net profit. Dividends could be executed through share buy back.

The Chairman discussed shareholders information and corporate governance.

The target for 2015 is a 20% market share with EUR 1 billion in revenues and increased profitability.

Finally the Chairman expressed his gratitude to the management and the employees of the Company for the performance. After the integration period Marel is now one company with one team.

2. CEO's operational report. Submission of the annual accounts of Marel for the preceding year for confirmation, and decision on how to address the profit or loss from Marel's operations for the year

Marel's CEO, Mr. Theo Hoen discussed the importance of innovation activities in Marel, which is the Company's DNA. The cost of innovation is about 6% of the annual revenues and will be maintained. He presented a video showing miscellaneous Marel equipment in action. Marel wants to be the leader in its market. The CEO discussed the market situation and summarized the main developments in the markets Marel is serving. Marel brings innovation to each market. Marel is now a one company after the completion of the integration phase which started in 2006. The company is based on three pillars, i.e. market penetration, innovation and operational excellence. "Marel on the move" is the next phase, where the focus is on the Company's vision for the future, the values and new organisational structure.

The CEO submitted the audited Consolidated Financial Statements of 2010 of Marel hf and discussed the key numbers of the Company's operation. Reference is made to the Annual Report 2010 of Marel hf which was distributed at the meeting and is available at the Company's webpage:

<http://marel.com/resources/Files/ir/2011/Marel---Annual-Report-2010.pdf>

Mr. Hoen summarized the results of the Company's core businesses which are comparable figures between the years 2010 and 2009. Net debt was lowered dramatically. Strong cash flows. The Working Capital Project aiming for optimization of the working capital is ongoing.

Presently 53% of the Company's revenues are originated from poultry, which is the fastest growing industry. Further processing is also fast growing. Marel's target is to increase other industries as ratios of the total revenues. The European market stands for over half of Marel's revenues. The target is to improve the ratio of other markets.

The highlights of the CEO's presentation are available at the Marel's webpage:

<http://marel.com/resources/Files/ir/2011/Marel---AGM-2011---CEO.pdf>

The attendants were invited to speak about the Company's annual accounts and its day-to-day operations. None of the shareholders wished to accept the invitation. The annual accounts for 2010 and the proposal to carry over the Company's net profit of the year to the following year were subsequently approved with all casted votes.

3. Decision in respect of dividends for the year 2010.

The following proposal on payment of dividends for the year 2010 was brought before the Meeting:

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

No requests to comment on the proposal were put forward and subsequently the proposal was agreed by all casted votes.

4. Decision on remuneration to the members of the Board of Directors for the next year of operation and of the Auditor for the preceding year of operation

The following proposal on remuneration to the members of the Board of Directors for the next year of operation and of the Auditor for the preceding year of operation was brought before the Meeting:

“The Board of Directors proposes that the compensation to Board members for the year 2011 will increase 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”.

The Board of Directors also proposed that the remuneration to the Company's auditors for the preceding operating year should be paid according to invoice approved by the Company.

No requests to comment on the proposals were put forward and subsequently the proposals were agreed by all casted votes.

5. Proposal on Marel's remuneration policy

Proposal on Marel's remuneration policy according to Article 79a of the Act No 2/1995 respecting Public Limited Companies, was brought before the Meeting.

The Chair explained the main substance of the remuneration policy in accordance with the submitted policy agreed by the Board of Directors. It was proposed that the Remuneration Policy approved by the AGM 2010 would 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 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.

Subsequently the proposal was agreed by all casted votes.

6. Proposals on amendments of the Articles of Association of the Company

The following proposal on amendment of the Articles of Association of Marel was brought before the Meeting. The Chair announced the proposal:

- a) Clause 4.14 on minimum ratio of shareholders which can demand a shareholders' meeting, amended in accordance with Article 85 of the Act on Public Limited Companies No. 2/1995 (from 1/10 to 1/20).

If approved, Clause 4.14 of the Company's Articles of Association will be as follows:

"The Board of Directors shall call a shareholders' meeting when deemed necessary, or in accordance with a meeting resolution, or when elected auditors or shareholders that control at least 1/20 of all shares make a written request, stating the subject matter of the meeting".

The above proposal was agreed by all casted votes.

7. Elections to the Board of Directors of Marel

The deadline for declaring candidacy for election to the Board of Directors expired on 25 February 2011 at 16:00, in accordance to Marel's Articles of Association. The Board of Directors proposed that the Company's shareholders elect eight Directors to serve on the Board of Directors. The Board nominated the following eight individuals as Directors, which had all declared their candidacy:

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

No further proposals to Board of Directors were submitted and the proposal of electing eight Directors was agreed by all casted votes, resulting in the above-mentioned candidates chosen without election. The Chair declared them rightfully elected to the Board of Directors of Marel hf. for the next year and congratulated them on the election.

8. Election of an auditor or auditing firm

The following proposal on auditor was presented before the Meeting by the Chair:

“The Board of Directors proposes that the auditors KPMG ehf. will be the Company’s auditors”.

No requests to comment on the proposal were put forward and subsequently the proposal was agreed by all casted votes.

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

The following proposal on the Company’s authorisation to buy shares in itself was brought before the Meeting and announced by the Chair:

“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.”

No requests to comment on the proposal were put forward and subsequently the proposal was agreed by all casted votes.

10. Any other business, lawfully presented

The Chair informed that no other matters had been rightfully proposed to the Company’s Board of Directors before the Meeting but invited attendants to speak about the Company’s matters. No such requests were made.

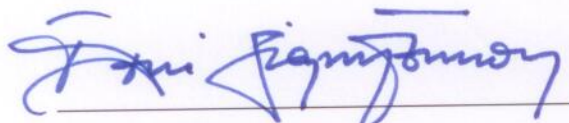
The shareholders were invited to have the minutes of the meeting read aloud. It was approved that the Chair and the Secretary would finalize the minutes of the meeting.

Mr. Skúli Sigurðsson, Product Manager from Marel Inspection Team, introduced and displayed a SensorX machine to the meeting.

Mr. Árni Oddur Þórðarson thanked the trust expressed by the shareholders by re-electing the Board of Directors. Mr. Lars Grundtvig has left the Board and Mr. Þórðarson thanked him for the co-operation. As Mr. Þórðarson closed the meeting at 17:15, he expressed his gratitude to the team of 3,500 Marel’s employees and the shareholders.

Garðabær, 2nd March 2011

Chair:



Árni Sigurjónsson

Secretary:



Kristján Þorsteinsson