
Rules of Audit Committee

Marel Food Systems hf.

Valid as of 9 February 2010



RULES OF AUDIT COMMITTEE

FOR

MAREL FOOD SYSTEMS HF.

1. COMPOSITION OF THE AUDIT COMMITTEE

- 1.1 The Audit Committee is composed of either three or four Board Members, unless the Board decides otherwise.
- 1.2 The majority of the Audit Committee shall be independent of the Company and the Auditor. At least one Member of the Audit Committee shall be independent of shareholders that hold 10% or more of the total share capital of the Company.
- 1.3 The Members of the Audit Committee shall possess the knowledge and expertise needed to perform the tasks of the Audit Committee. At least one Member of the Audit Committee shall have solid knowledge and experience in the field of financial statements or auditing.

2. AUDIT COMMITTEE'S ROLE AND DUTIES

- 2.1 The Audit Committee shall:
 - 2.1.1 ensure a competent and independent audit of the Company;
 - 2.1.2 monitor working progress in the preparation of financial statements;
 - 2.1.3 monitor the organization and effectiveness of the company's internal controls, internal auditing, if applicable, and risk management and other supervisory activities;
 - 2.1.4 monitor the accuracy of financial information disclosed in annual and quarterly reports as well as other important financial reports issued by the Company, including ensuring that accounting policies are relevant and applied consistently
 - 2.1.5 in consultation with the CEO, submit proposals to the Board on the nomination of an auditor candidate at the Annual General Meeting and make a specific and critical assessment of the auditor's independence and competence in relation thereto;
 - 2.1.6 present proposals to the board as regards the selection of auditors; and
 - 2.1.7 assess the independence of the auditor or auditing firm and monitor any other work performed by the auditor or auditing firm.
- 2.2 The Audit Committee is only acting as an advisor to the Board and has no authority to take any decision on behalf of the Board.

3. MEETINGS

- 3.1 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.
- 3.2 The CEO, the CFO and the Auditor shall be invited to Audit Committee Meetings as the Audit Committee deems appropriate in order to fulfil its duties.
- 3.3 The Audit Committee makes assessment of its work and the work of individual committee members each year.
- 3.4 Otherwise the Board's rules regarding Board Meetings shall apply, as appropriate.

4. MINUTES OF MEETINGS

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. REPORTS AND OTHER INFORMATION FROM THE CEO, THE CFO AND THE AUDITOR

The Audit Committee may require the CEO, the CFO and the Auditor to provide the Audit Committee with any documents and information related to specific tasks of the Audit Committee. The form and quality of the information shall be decided by the Audit Committee each time.

6. REPORTS AND OTHER INFORMATION TO THE BOARD

6.1 At least once a year the Audit Committee shall report to the Board on its activities for the previous year.

6.2 The Board may require the Audit Committee to provide Board Members with additional documents and information related to specific tasks of the Audit Committee. The form and quality of the information shall be decided by the Board each time.

7. OTHER RESOURCES

The Audit Committee may require reasonable assistance from external advisors when performing its tasks and duties.

8. DEFINITIONS

8.1 When referred to in these rules ("the Rules"):

8.1.1 "Annual General Meeting" shall mean the Company's Annual General Meeting.

8.1.2 "the Audit Committee" shall mean the Audit Committee of the Company,

8.1.3 "the Auditor" shall mean the external Auditor of the Company,

8.1.4 "the Board " shall mean the Board of Directors of the Company,

8.1.5 "Board Members" shall mean the Members of the Board of Directors of the Company,

8.1.6 "the CEO" shall mean the Chief Executive Officer of the Company,

8.1.7 "the CFO" shall mean the Chief Financial Officer of the Company,

8.1.8 "the Company" shall mean Marel Food Systems hf.,

9. MISCELLANEOUS

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

9.2 These Rules enter into force on the date of the adoption by the Board.

9.3 Only the Board may amend these Rules. A majority vote of the Board is required to amend these Rules.

9.4 The original of these Rules, as amended (if applicable), shall at all times be maintained in the Company's Book of Minutes.

9.5 At the time of the adoption of these Rules, all Members of the Board shall sign the original thereof. If the Board approves any amendments to the Rules all Members of the Audit Committee shall sign an original copy of the Rules as amended. The Rules shall be presented to New Members of the Audit Committee, who shall sign the original thereof to confirm their receipt of the Rules.

9.6 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 Food Systems hf. on 9 February 2010.