

## MAREL – DECISIONS OF ANNUAL GENERAL MEETING

At the Annual General Meeting of Marel hf. which took place at the company's headquarters on 2 March 2017 the following 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 2016 were approved**
- 2. Proposal on how to address the profit for the operational year 2016 was approved**

The Meeting approved that a dividend of 2.14 euro cents per share will be paid for the operational year 2016. The total dividend payment will be approximately 15.3 million euro, corresponding to approximately 20% of profits for the year. The company's shares traded on and after 3 March 2017 (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 6 March 2017, which is the proposed record date. Payment date of the dividend is 23 March 2017.

- 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 13.5 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 5 million shares shall be granted as options and be in effect under the program in 2017.

**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:**

- Participants are required to hold shares, corresponding to the net profit gained of the share options after deduction of taxes, until their employment with the Company is terminated.
- 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 (accelerated vesting) in the proportion of the relevant applicable vesting period (from granting date until accelerated vesting date).

The Company shall not grant any loans or guarantees to participants in connection with the share options.

**5. Proposal on remuneration to board members for the year 2017 and of the Auditor for the year 2016 was approved**

The Meeting approved that the remuneration to Board members for the year 2017 shall be as follows: remuneration to Board members for the year 2017 will be €3,000 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 €800 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. 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:

Ann Elizabeth Savage, Spalding, UK  
Arnar Thor Masson, London, England  
Asthildur Margret Otharsdottir, Reykjavik, Iceland  
Astvaldur Johannsson, Seltjarnarnes, Iceland  
Helgi Magnusson, Seltjarnarnes, Iceland  
Margret Jonsdottir, Seltjarnarnes, Iceland  
Olafur S. Gudmundsson, Princeton, US

**7. Election of auditors**

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

**8. Proposal to grant 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.