

MAREL – CORPORATE GOVERNANCE STATEMENT

Icelandic law and Marel's corporate governance framework determine the duties of the various bodies within the Company. Corporate governance defines the way in which the company is directed and controlled – it involves the broader interworkings of the day-to-day management, the Board of Directors, the shareholders at large, and other interested parties to formulate and implement corporate strategy.

1. Rules on corporate governance which the Company follows

The Company's corporate governance policy is based on the Guidelines on Corporate Governance issued in March 2012 by the Iceland Chamber of Commerce, NASDAQ OMX Iceland hf. and the Confederation of Icelandic Employers, in accordance with Clause 2.27 in the Rules for issuers of financial instruments on NASDAQ OMX Iceland issued in December 2009. The Guidelines can be found and accessed on the website of the Iceland Chamber of Commerce, www.chamber.is/english.

2. Departures from the Guidelines on Corporate Governance

In general, the Company is in compliance with the Guidelines on Corporate Governance. The Board of Directors evaluates at least once a year the performance of the CEO, but not specifically the performance of other members of the Board of Management. The CEO is responsible to the Board of Directors for the performance of the Board of Management.

The Board of Directors has not established a nomination committee, as such a committee is currently not considered necessary, taking into account the balanced and relevant expertise and experience of the current Board members. Furthermore, the Rules of Procedure for the Board of Directors clearly stipulate what items shall be taken into consideration when preparing the nomination of Directors.

3. Main aspects of internal controls and the Company's risk management in connection with the preparation of financial statements

External audit

An independent auditing firm is elected at the Annual General Meeting (AGM) for a term of one year. The auditor shall examine the Company's annual accounts in accordance with generally accepted accounting standards, and shall for this purpose inspect account records and other material relating to the operation and financial position of the Company. KPMG ehf. was elected as the Company's auditor at the AGM on 29 February 2012. Auditors on its behalf are Saemundur Valdimarsson and Kristrun H. Ingolfsdottir, both State Authorized Public Accountants. They have audited and signed without reservation Marel's consolidated financial statements for the year 2012.

Internal audit and control

The Company's risk management and internal controls, in relation to financial processes, are designed with the purpose of effectively controlling the risk of material misstatements in financial reporting. Marel's internal auditor, a position which was established in late 2010, plays a key role in relation to internal control along with the external auditors, as applicable.

4. The Company's values, code of conduct and social responsibility policy

Values

Marel's company values are shared ideals and standards that provide direction in day to day operations. As part of the integration process in 2010, employees had a direct hand in defining the values that the company will henceforth embrace. The outcome was a set of eight values: commitment, partnerships

with customers, diversity, teamwork, learning and excellence, open communication, humour and fun, and success. Initiatives have been launched throughout the company to promote and embed these values in daily operations.

Code of Conduct

The Board of Directors of Marel approved a Code of Conduct with global application in October 2012. It is closely linked with Marel's company values and is built on four pillars, i.e. Employees' (including officers and directors) commitment to: (i) each other; (ii) customers and marketplace; (iii) shareholders; and (iv) partners, communities and the environment. The Code is accessible at: www.marel.com/code.

Corporate social responsibility

Being a responsible corporate citizen means going beyond statutory legal requirements to aligning all business operations with socially accepted principles and contributing to society in a positive way. Following the formal conclusion of the company's integration process, focus is now on the development of a global social responsibility policy for the whole company.

5. Composition and activities of the Board of Directors, Board of Management and sub-committees of the Board of Directors

Board of Directors

The Company's Board of Directors is the supreme authority in the affairs of the Company between shareholders' meetings. It is elected by shareholders at the AGM for a term of one year and operates in accordance with the Company's Articles of Association and the Board's Rules of Procedure. The Board currently comprises seven members who were elected at the Company's AGM on 29 February 2012.

The Board is responsible for the organisation of the Company and for ensuring the proper conduct of its operation at all times. The Board of Directors shall decide on all matters regarded as extraordinary or of major consequence. The same applies to major borrowing, whether requiring pledging of the Company's property and assets or not. The Board shall establish goals for the Company in accordance with the Company's objectives and shall formulate the policy and strategy required to achieve these goals.

Regular board meetings are held with management over the course of the year, including quarterly results meetings, a strategy meeting in autumn and a next-year budget meeting in December. In addition, the Board of Directors meets twice a year without the management. Additional meetings are convened as needed. All matters brought before a Board meeting shall be decided by majority vote, provided that the Board meeting has been lawfully convened. In the event of a tie vote, the Chairman of the Board casts the deciding vote. However, important decisions shall not be taken unless all members of the Board have had the opportunity to discuss the matter, if possible.

Profiles of the Board members will be provided on pages 54-55 of Marel's Annual Report.

Board sub-committees

The Board's work is supported by its working committees: Remuneration Committee and Auditing Committee. Members of the Remuneration Committee are Arnar Thor Masson, Arni Oddur Thordarson and Asthildur Margret Otharsdottir. Its field of work involves negotiating wages and other benefits for the CEO and senior management, and framing the company's remuneration policy, including wage incentives and stock option rights for company shares. Members of the Auditing Committee are Asthildur Margret Otharsdottir, Fridrik Johannsson and Margret Jonsdottir. Its field of work includes monitoring Marel's financial status and evaluating the Company's internal monitoring and risk management systems,

management reporting on finances, whether laws and regulations are followed, and the work of the Company's statutory auditors.

Board of Management

The Board of Management is composed of the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Operating Officer (COO). Theo Hoen, CEO, is responsible for daily operations of the company. A further description of the CEO's responsibilities is provided under item 12 below. Other members of the Board of Management are: Erik Kaman, CFO, and Sigsteinn P. Gretarsson, COO.

6. Arrangement of the appointment of sub-committee members

Sub-committee members are appointed by the Board of Directors for a term of one year, in accordance with the rules of each sub-committee adopted by the Board.

The Audit Committee is composed of either three or four members of the Board of Directors, unless the Board decides otherwise. The majority of the Audit Committee shall be independent of the Company and its external auditors. 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. 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.

The Remuneration Committee is composed of either three or four members of the Board of Directors, unless the Board decides otherwise. The majority of the Remuneration Committee shall be independent of the Company. The members of the Remuneration Committee shall possess the knowledge and expertise needed to perform the tasks of the Committee.

7. Information on the number of Board Meetings and sub-committee meetings as well as their attendance

The Board of Directors convened 11 times in 2012, with a weighted average attendance of 95%. The sub-committees of the Board of Directors, the Audit Committee and Remuneration Committee, convened 4 times each in 2012. They were all fully attended.

8. Access information for the written rules of procedure for the Board of Directors and its subcommittees

The rules of procedures for the Board of Directors and its sub-committees can be found on the Company's website: <http://www.marel.com/investors/Corporate-Governance/>

9. Members of the Board of Directors

Profiles of the members of the Board of Directors will be provided on pages 54-55 of Marel's Annual Report.

10. Information on which Board Members are independent of the Company and its major shareholders

The Board of Directors has made an assessment on which Board members are independent according to the Guidelines on Corporate Governance. Four of seven Board members are considered independent of the Company: Arnar Thor Masson, Asthildur Margret Otharsdottir, Fridrik Johannsson and Helgi Magnusson. Furthermore, five of seven Board members are considered independent of the Company's

major shareholders; Arnar Thor Masson, Asthildur Margret Otharsdottir, Fridrik Johannsson, Helgi Magnusson and Theo Bruinsma.

11. Principal aspects in the Board of Directors' performance assessment

At least once a year, the Board of Directors evaluates the work, results, size and composition of the Board, as well as the work and results of individual Board members and the Board's sub-committees. Furthermore, the Board evaluates the work and results of the CEO according to previously established criteria, including whether the CEO has prepared and carried out a business strategy which is consistent with the established goals. The Board shall discuss the results of the assessment and decide which actions are to be taken, if any.

At least once a year the CEO shall evaluate the work and results of the Board of Management, for which he is responsible, according to previously established criteria. The CEO shall discuss the results of the assessment with each member of the Board of Management and decide which actions shall be taken, if any.

At least once a year, the Chairman and the CEO shall have a meeting to discuss the results of the Board's assessment of the CEO's work and results and the proposed actions to be taken, if any. The CEO shall inform the Chairman of the results of his/her evaluation of the Board of Management and which actions will be taken, if any. The Chairman shall inform the Board of Directors of the discussions with the CEO as he/she deems necessary and appropriate.

12. Information on the Company's CEO and a description of his main duties

A profile of Theo Hoen, CEO of Marel, will be provided on page 54 of Marel's Annual Report.

The principal duties of the CEO are as follows:

1. The CEO is responsible for daily operations and is obliged to follow the Board's policy and instructions in that regard. The daily operations do not include measures which are unusual or extraordinary. The CEO may only take such measures if specially authorised by the Board, unless it impossible to wait for the Board's decision without substantial disadvantage to the Company's operations. In such an event, the CEO shall inform the Board of his/her measures, without delay.
2. The CEO shall act as chairman in the Company's material subsidiaries which are connected with the sales and manufacturing activities and/or the core activities of the Company, unless the Board decides otherwise.
3. The CEO is responsible for the work and results of the Board of Management. See further information of this part of his duties in item no. 11 above.
4. The CEO shall ensure that the accounts of the Company conform to the law and accepted practices and that the treatment of the property of the Company is secure. The CEO shall provide any information that may be requested by the Company's Auditors.

13. Information on violations of laws and regulations that the appropriate supervisory or ruling body has determined

No violations of laws and regulations have been determined in 2012 by supervisory or ruling body.

14. Arrangement of communications between shareholders and the Board of Directors

Shareholders' meetings, within the limits established by the Company's Articles of Association and statutory law, are the supreme authority in Marel's affairs as well as the primary communication between

shareholders and the Board of Directors. The AGM is scheduled once a year, before the end of August, and other shareholders' meetings are convened when necessary. The AGM is advertised publicly with at least three-week's notice in accordance with Icelandic law.

Additionally, Marel's communication to shareholders and furthermore to the market shall be in compliance with relevant regulatory bodies at all times and disseminated via recognised distribution vehicles.

15. Analysis of environmental factors and social factors

The Company's Annual Report contains analysis of environmental factors and social factors that help to understand the development, success and position of the Company. The Annual Report is available on the Company's website: www.marel.com/investors.