



MINUTES

36th Annual General Meeting 2019 of Marel hf.

The Annual General Meeting 2019 of Marel hf. was held at the Company's headquarters, Austurhraun 9, 210 Garðabær, Iceland on Wednesday, 6th March, 2019 at 16:00.

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.
3. Submission of the annual accounts of the Company for the preceding year for confirmation.
4. Decision on how to address the profit or loss from the Company's operations for the year.
5. Report on the execution of the Company's remuneration policy.
6. Proposal on the Company's remuneration policy.
7. Proposal on the Company's share-based incentive scheme.
8. 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.
9. Proposal concerning amendments of the Company's Articles of Association:
 - a) Article 15.1 – Proposal to renew authorization to increase share capital to be used to fulfil share option contracts with employees;
 - b) Article 15.2 – Proposal to renew authorization to increase share capital to be used as payment in relation to acquisition of new businesses;
 - c) New Article 15.3 – Proposal to authorize the Board of Directors to increase the Company's share capital in connection with the dual-listing of the Company's shares.
10. Proposal to reduce the Company's share capital.
11. Elections of Board of Directors.
12. Election of an auditor or auditing firm.
13. Proposal on an authorisation for the Company to buy treasury shares.
14. Any other business, lawfully presented.

The Chairman of Marel's Board of Directors, Asthildur Margret Otharsdottir, announced the Annual General Meeting open. She welcomed the shareholders to the Meeting.

The Chairman proposed that Arni Sigurjonsson to be elected to Chair the Meeting. The proposal was unanimously agreed. The Chair proposed that Kristjan Thorsteinsson to be elected Secretary of the Meeting to keep the Records of Minutes. The proposal was unanimously agreed.

The Chair established whether the Meeting was duly constituted and whether it could be considered lawful.

The Meeting was announced according to rules.

According to received ballots shareholders holding shares of 530,978,237 outstanding shares attended the Meeting, equal to 80.4% of the Company's voting share. The condition of Article 4.11 of Marel's Articles of Association, that shareholders or representatives controlling at least half of all shares of the Company need to attend for the Meeting to be duly constituted, was satisfied.

The Annual Report for 2018 was formally released in an interactive form and is available on the Company's website: <http://ar2018.marel.com/>

The Consolidated Financial Statements, 31 December 2018 was available at the Meeting. The agenda and all proposals presented to the Meeting were available to the attendants in English and Icelandic languages. The Meeting was conducted in English.

Passing to the Agenda.

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

The Chairman of the Board of Directors, Asthildur Margret Otharsdottir addressed the Meeting. Here are the highlights from her report.

“After thorough analysis of the alternative listing options available to Marel offered by five international exchanges, the Board of Directors has decided to seek a dual listing of Marel's shares on Euronext Amsterdam in addition to its listing in Iceland. The objective of the dual listing is to facilitate trade and ensure fair pricing of Marel shares for the benefit of all shareholders. As announced at the AGM in March 2018, Marel engaged independent international consultant STJ Advisors to evaluate potential listing alternatives to further advance the Company's global vision and provide continued strong shareholder returns. Although the listing on NASDAQ Iceland since 1992 has served Marel well, there have been clear indications for some time now that we are outgrowing the small Icelandic stock market.

Throughout the listing venue selection process, Marel has emphasised the importance of the shareholder journey and smooth clearing and settlement mechanics between Iceland

and each of the two potential listing venues. A number of criteria were evaluated across each of the potential listing venues, including certain Marel-specific criteria such as operational footprint and reporting (and trading) currency as well as the global investor participation on the market. In the judgement of the board and management, the case for Euronext Amsterdam was the strongest, and Marel will continue to work closely with the Euronext Team as we progress towards listing.

We are proud of our achievements in 2018. Excellence in operations and disciplined capital allocation are the foundation for us to effectively serve our customers and other stakeholders, as well as provide a healthy return to our shareholders. In 2018, earnings per share increased by 31%. In line with our capital allocation and dividend policy, the Board of Directors proposed to the 2019 Annual General Meeting that shareholders be paid a dividend of EUR 5.57 cents per share, which corresponds to close to EUR 37 million, or approximately 30% of net profits, compared to around EUR 29 million last year."

The Chairman recapped changes in the board's composition. Helgi Magnússon, who joined Marel in 2005, is not standing for re-election. "On behalf of us all, I want to thank Helgi for his contribution and dedicated service to Marel" said the Chairman.

The Chairman welcomed Ton van der Laan, a candidate to the board of directors. Ton lives in the Netherlands. He has extensive experience from several executive roles in the food industry, including roles at global leaders such as Cargill, Unilever and Provimi.

The Chairman thanked her fellow Board members, the management team and other employees for their good performance and the shareholders for the support through the years.

A recording of the Chairman's speech is available on the following webpage:
<http://marel.com/agm>

The video, "From the Sea to the Supermarket, a Journey into High-tech Fish Processing" explaining the traceability of the whole process from catch to retailer enabled by Marel Innova software, was shown.

2. CEO's operational report

Marel's CEO, Arni Oddur Thordarson presented and discussed the operational results 2018. Here are the highlights from his report.

"The year 2018 was yet another great year for Marel. We are delighted to report record revenues of EUR 1,198 million representing a 15% year on year revenue growth, of which 12.5% was organic. High quality of earnings is underpinned by 35% of total revenues deriving from services and spare part business. Our customer base is diverse where the single largest customer in any calendar year counts for less than 5% of total revenues. We have been operating at close to 15% adjusted EBIT margin in recent 3 years with robust cash flow.

Our strong cash flow enables us to invest in talent, innovation, infrastructure and global market presence. In 2018 we further stepped up innovation expenses to a level of 6.2% of revenues compared with 5.7% of revenues in the prior year. A high focus area for us is

further investment into Marel's overarching Innova software platform that enables full production control and traceability of consumer products throughout the value chain.

The dual listing of Marel shares on an international stock exchange in addition to its listing in Iceland is on track. It is important for a global leader to have a global stage to support its ambitious growth plan. Tradable shares on an international stock exchange are an important acquisition currency as we continue our journey of advancing food processing. We have mandated five international banks as joint global coordinators and joint book runners for this process. We look forward to working with them and Euronext Amsterdam on the next steps."

A recording of the CEO's speech and his presentation is available on the following webpage: <http://marel.com/aggm>

There were no further discussions about the Chairman's and the No one wanted to comment on the reports

3. Submission of the annual accounts of Marel for the preceding year for confirmation

The Chair submitted Marel hf audited Consolidated Financial Statements of 2018, for approval of the Meeting. He drew the attendants' attention to that by approving the Consolidated Financial Statements the Meeting is also approving the Parent Company's Financial Statements for 2018.

The attendants were invited to speak about the address of the Chairman, the CEO's presentation and the Company's Financial Statements. There were no further discussions.

The Annual Report 2018, including the Company's Financial Statements, is available on the Company's website in an interactive format: <http://ar2018.marel.com>

The Consolidated Financial Statements for 2018 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.

4. Decision on how to address the profit or loss from the Company's operations for the year.

The following proposal on payment of dividend for the operational year 2018 was brought before the Meeting:

The Board of Directors proposes that a dividend of 5.57 euro cents per share be paid for the operational year 2018. The estimated total dividend payment will be around EUR 36.7 million corresponding to approximately 30% of profits for the year, which amounted to EUR 122.5 million. The proposed dividend is in line with Marel's targeted capital allocation and dividend policy.

If approved by Marel's shareholders, 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. The Board will propose that payment date of the dividend is 27 March 2019.

The Board of Directors otherwise refers to the annual accounts as regards how to address the profit for the year 2018 and proposes that the profit will be carried over to the following year..

The above proposal was agreed by all casted votes.

5. Report on the execution of the Company's remuneration policy

The Chairman of the Board of Directors reported on the main topics regarding execution of the remuneration policy. The Remuneration Policy is presented at Marel's web page.

The Chairman said: "Like most growth companies – in particular those founded on knowledge and intellectual capital – Marel has identified access to qualified employees as a key risk when it comes to realizing its ambitious growth strategy.

Which brings us to the core of Marel's Remuneration Policy, designed to attract, motivate and retain exceptional employees in a competitive and international market.

Our aim is to offer competitive but not excessive remuneration, composed of:

- A fixed annual base salary;
- A short term incentive in the form of an annual cash bonus when predefined targets are met; and
- A long term incentive in the form of stock options

We acquire benchmarking information from internationally recognized compensation consultancies for each of these components, comparing information from companies of similar size and complexity as Marel in Northern Europe, with particular focus on the Nordic Countries.

For the last couple of years, we have been working with Mercer, one of the world's leading human resource consulting firms.

The Board of Directors has proposed that the Remuneration Policy is approved without amendments for 2019.

Now, to the execution of the policy in 2018.

Annual base salaries of the Executive Team members increased by 4% to 10%, depending on benchmarking and assessment.

Our short-term bonus program was based on the achievement of a number of pre-defined financial and non-financial strategic targets – which are set 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%.

There are two short-term incentive levels for other members of the Executive Team. The first one being 30% at target and 40% at maximum and the second one being 45% at target and 60% at maximum.

Last year, financial targets accounted for 2/3 and strategic non-financial targets for 1/3 of the bonus at target.

The non-financial targets included both common targets – for the whole team – and individual targets.

These reflected the strategic focus areas for the year within the perspective of the long-term objectives of the Company. Common targets last year related to development of key strategic projects as well as organizational health.

For example, the Board is particularly pleased with the great progress made in senior management talent and succession development, which was a common target last year.

Annual bonuses are paid out in April of the following year. So in our 2018 financial statements, you can see the bonus amounts awarded for achievements in 2017. I mentioned to you at the last AGM that we expected these to be close to target level, which was indeed the case.

Total bonus payments corresponded to 37% of the aggregate annual base salary of the executive team.

We are currently in the process of determining the final bonuses for 2018 and they are estimated to be close to target level as well.

Once again, considering the great results we had in 2018, I hope that gives you confidence that the Board's target setting is ambitious.

Our long-term incentives are designed to promote a balance between short-term achievements and long-term thinking. The objective is to align the interests of the executive management and the shareholders.

In addition to aligning interests, a healthy structure of fixed and variable components provides financial flexibility and decreases in operating leverage, which the Board considers important through economic cycles.

In February 2018, we granted a total of 3.5 million stock options to the CEO and other members of the executive team. This corresponded to 0.5% of share capital and had an estimated total cost of 1.8 million euro over the 3 year vesting period. Furthermore, 600 thousand options were granted to other members of senior management.

At the end of 2018, the total of outstanding stock options amounted to 11.9 million, corresponding to 1.7% of total issued shares.

I want to give you a quick example of the development of the CEO's compensation in 2018. Some of you may remember this pie chart (presented at the Meeting) from last year. The structure has not changed.

The CEO's base salary was increased by 10% in 2018, reflecting development towards the median of our benchmarking results and Marel's growth in that perspective.

Short-term bonus was set at 50% at target, in accordance with the Remuneration Policy and in line with benchmarks.

Long-term incentives, in the form of stock options were set at around 50% of base salary, calculated according to Black & Scholes, the internationally accepted method for this purposes. Long-term incentives of the CEO are somewhat lower than median according to our benchmarks.

Other members of the Executive Team have a larger portion of fixed salary and smaller portion of variable. They are overall in line with benchmarks.

Very briefly regarding compensation of the Board of Directors. The Board's proposal for this year's board fee is 3.600 euros per month and committee fee 930 euro, representing a 2.6% increase and 3.3% increase from last year, respectively.

I also want to briefly mention the Board's proposal for a new stock option program, which will be put forward later in the Meeting.

In 2017, the Annual General Meeting authorized a program of up to 13.5 million options. Currently, 11 million options have been issued based on this authorization.

The structure of the new stock option program proposed today is fully in line with the previous one, with the following exceptions:

- the program size is up to 25 million stock options and assumes a gradual increase in the number of stock option recipients;
- holding requirements for the Executive Team are amended from holding until retirement to holding until a certain multiple of annual base salary is achieved. The multiple is three times for the CEO and two times for other Executive Team members. This is in line with market practice;
- and vesting in the case of change of control is amended from pro rata vesting to full vesting, which is also in line with market practice.

I want to highlight that granting of stock options is fully in line with the Remuneration Policy – offering competitive but not excessive compensation – based on benchmarking.

I hope this has given you further insights into the remuneration items. As already mentioned, the Board is committed to ensuring the remuneration structure is competitive and prudent, following international market practices.

We welcome any questions you may have and like last year, the highlights of this report will be provided in the minutes for this Annual General Meeting.”

There were no further discussions regarding the report on the remuneration policy.

6. Proposal on the Company's remuneration policy

The Board of Directors proposed that the Remuneration Policy for the year 2018 should be approved unchanged for the year 2019. The proposed Policy 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.

The Chair invited the attendees to speak about the above proposal. There were no further discussions or proposals regarding the remuneration policy. The proposal as submitted by the Board of Directors was approved by majority of the casted votes. Two shareholders abstained.

The one of them was Gildi Pension Fund. In a letter dated 6 March 2019, Gildi Pension Fund disclosed that the Fund will abstain from voting for items 6 and 7 and will vote against item 13 (proposal on an authorisation for the Company to buy treasury shares) on this Meeting's agenda. The Chair recapped the letter from Gildi.

7. Proposal on the Company's share-based incentive scheme

On the basis of the above Remuneration Policy the Board of Directors proposed the following share-based incentive scheme to be approved:

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.*

The Board of Directors' statement regarding the above proposal was as follows:

Marel's long-term incentive program is designed to align interest of the company's management and its shareholders. At Marel's 2017 AGM, shareholders approved a change to the company's Remuneration Policy involving a requirement to separately submit any share-based agreements and schemes to a shareholders' meeting for approval in order to increase transparency on the Board of Director's authorization to issue stock options. Furthermore, the 2017 meeting approved a stock option scheme authorizing the grant of up to 13.5 million stock options subject to certain terms and conditions. The structure of the stock option scheme proposed above is fully in line with the previous scheme, with the following exceptions: the program size is up to 25 million stock options and assumes a gradual increase in the number of stock option recipients; holding requirements for the Executive Team are amended from holding until retirement to holding until a certain multiple of annual base salary is achieved, which is in line with market practice; and vesting at change of control is amended from pro rata vesting to full vesting, which is in line with market practice.

The Chair invited the attendees to speak about the above proposal. There were no further discussions about the Company's share-based incentive scheme proposal.

The proposal as submitted by the Board of Directors was approved by majority of casted votes. Gildi Pension Fund and another shareholder abstained.

8. 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 was submitted:

The Board of Directors proposes that the remuneration to Board members for the year 2019 will be EUR 3,600 per month (2018: EUR 3,500). 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 (2018: EUR 900). The remuneration will be paid on the 15th day of each month. Furthermore, the Board of Directors proposes that the Auditor's fees will be paid against their invoices approved by the Company.

The Chair invited the attendees to speak about the proposal.

No further proposals were made or requests to comment on the Board of Directors' proposal and subsequently the proposal was agreed by all casted votes.

9. Proposal concerning amendments of the Company's Articles of Association

The Board of Directors proposed to make the following amendments to the Company's Articles of Association:

a) Article 15.1 – Proposal to renew authorization to increase share capital to be used to fulfil share option contracts with employees

It is proposed that the authorization to the Board of Directors to increase share capital up to ISK 35,000,000 nominal value, to be used to fulfil share option contracts with employees, is renewed. This authorization was initially adopted by the Company's 2014 Annual General Meeting and is valid for five years from its adoption. It is proposed that the wording of Article 15.1 remains unamended, and 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.”

The proposal was approved with vast majority of the votes

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

It is proposed that the authorization to the Board of Directors to increase share capital up to ISK 100,000,000 nominal value, is renewed. This authorization was initially adopted by the Company's 2015 Annual General Meeting and is valid for five years from its adoption. It is proposed that the wording of Article 15.2 remains materially unamended, and 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.”

The proposal was approved with all casted votes.

c) New Article 15.3 – Proposal to authorize the Board of Directors to increase the Company's share capital in connection with the dual-listing of the Company's shares

It is proposed that the Board of Directors is authorised to increase the Company's share capital by up to ISK 100,000,000 by issuing new shares, and that the following provision 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."

The proposal was approved with all casted votes.

The current Article 15.3. will become Article 15.4 based on the approval of the above proposals.

The Board of Directors' statement regarding the above proposal was as follows:

The Board of Directors' proposal to increase the Company's share capital by issuing new shares is a part of the preparation for potential dual listing of the Company on an international stock exchange in addition to its current listing on NASDAQ Iceland. The purpose of the share capital increase is to support liquidity, fair valuation and to ensure a successful dual listing of the Company's shares. Further reference is made to the decision of the Extraordinary Shareholders' Meeting held on 22 November 2018 to reduce the Company's share capital and to establish a formal share buyback programme.

10. Proposal to reduce the Company's share capital.

The Board of Directors proposed that the Company's share capital will be reduced. The proposal is a follows:

"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, it is proposed that 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:

„Hlutafé félagsins er kr. 671.007.916.“

The Board of Directors' statement regarding the above proposal was as follows:

The Board of Director's proposal to reduce the Company's share capital is a part of the preparation for potential dual listing of the Company on an international stock exchange in addition to its current listing on NASDAQ Iceland. In order to align the interests of current and future shareholders regarding the anticipated share capital increase in connection with the listing project, the Board of Directors proposes that the Company's share capital will be reduced. Further reference is made to the decision of the Extraordinary Shareholders' Meeting held on 22 November 2018 to reduce the Company's share capital and to establish a formal share buyback programme.

The Chair invited the attendees to speak about the above proposal.

There were no requests to comment on the Board of Directors' proposal and it was agreed by all casted votes.

11. Elections of Board of Directors.

The deadline for nominations to the Board of Directors of Marel hf. expired at 16:00 pm (GMT), on 1 March 2019, in accordance to Marel's Articles of Association.

The Board of Directors proposed that the Company's shareholders elect seven Directors to serve on the Board of Directors.

The proposal was agreed by all casted votes.

Following candidacy had been declared before the above deadline:

Ann Elizabeth Savage, Spalding, England

Arnar Thor Masson, London, England

Asthildur Margret Otharsdottir, Reykjavik, Iceland

Astvaldur Johannsson, Seltjarnarnes, Iceland

Margret Jonsdottir, Seltjarnarnes, Iceland

Olafur S. Gudmundsson, Princeton, New Jersey, USA

Ton van der Laan, Berlicum, Netherlands

The Board of Directors' statement was as follows:

The Board of Directors of Marel proposes that seven Directors will be elected to serve on the Board of Directors, the same number as in previous years.

During the year, the Board intends to establish, in addition to Audit Committee and Remuneration Committee, the two current sub-committees of the Board, a Nomination Committee, comprised of three members elected by the Board, thereof the majority shall be independent of the Company and of shareholders that hold 10% or more of the total share capital of the Company.

The main objective of the Committee would be to assist the Company's shareholders in a structured and transparent way with ensuring that the Board and its Committees consist of

Directors with the appropriate balance of skills, experience, diversity, independence and knowledge, enabling effective carrying out of duties and responsibilities. The Committee shall give full consideration to succession planning for the Board, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future. The Committee shall propose to the Board a set of Rules of Procedures, specifying its roles and responsibilities, which shall be made available on the Company's website. The Board has taken a balanced view of Corporate Governance Principles in Iceland and the potential countries of dual listing when structuring the framework for the Nomination Committee.

No further proposals to Board of Directors were submitted, resulting in the above-mentioned candidates chosen without election. The condition stipulated in Article 5.2 of the Articles of Association regarding gender ratio of Directors was satisfied as the new Board consists of four males and three females. The Chair declared them rightfully elected to the Board of Directors of Marel hf. for the next twelve months, congratulated them on the election, and continued success.

12. Election of an auditor or auditing firm

The following proposal on auditor was presented before the Meeting:

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.

13. Proposal on an authorisation for the Company to buy treasury shares.

The following proposal was presented before the Meeting

The Board of Directors proposes that the Company is authorized 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.

It is furthermore proposed, that this authorization is effective for the next 18 months from approval. Earlier authorization shall be withdrawn.

The Chair invited the attendees to speak about the above proposal.

There were no requests to comment on the Board of Directors' proposal and majority of votes approved it. Gildi Pension Fund voted against the proposal in accordance with their abovementioned letter.

14. 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 or bring forward questions. There were no further discussions.

The Meeting approved that the Chair and the Secretary will conclude the minutes of this Annual General Meeting.

Asthildur Margret Otharsdottir thanked the shareholders for the attendance to the Meeting.

The Meeting was adjourned at 17:55.

Garðabær, 6th March 2019

Chair:


Árni Sigurjónsson

Secretary:


Kristján Þorsteinsson