



ANNUAL GENERAL MEETING

Material for the Annual General Meeting
of Marel hf. 18 March 2020



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Please note that the last day for submitting shareholder proposals is 8 March 2020 and the last day for declaring candidacy to the Board of Directors is 13 March 2020. In the event that shareholders have submitted proposals or matters to be considered by the meeting, the final agenda will be revised and published along with proposals no later than three days before the AGM. This document might therefore be subject to an update. Any update will be marked as such and published on the Company's website www.marel.com/agm, in the EEA and changes made to information in the relevant shareholder portals.

MAREL HF. - Annual General Meeting 2020

The Annual General Meeting of Marel hf. will be held at the Company's headquarters at Austurhraun 9, Gardabaer, Iceland, on Wednesday 18 March 2020 at 16:00 GMT / 17:00 CET.

Draft Agenda:

1. Opening remarks. Election of Chair and Secretary of the meeting
2. Board of Directors' report on activities of the Company for the previous operating year
3. CEO's operational report
4. Submission of the annual accounts of the Company for the preceding year for confirmation
5. Decision on how to address the profit from the Company's operations for the year 2019
6. Report on the execution of the Company's remuneration policy
7. Proposal on the Company's remuneration policy
8. Decision on remuneration to the members of the Board of Directors for the year 2020
9. Decision on remuneration of the Auditor for the preceding year of operation
10. Board of Directors' proposals concerning amendments of the Company's Articles of Association
 - 10.1. Article 2.2 – Proposal to amend wording to reflect the fact that the nominal value of shares is designated in ISK, until registered share capital has been converted to EUR
 - 10.2. Article 2.4 – Proposal to amend wording in order to further clarify the Board of Directors' authorization to decide to register the share capital of the Company in EUR
 - 10.3. Article 2.10 – Proposal to amend wording to clarify further the shareholders' obligation to abide by the Articles of Association as they are at any given time
 - 10.4. Article 4.2 – Proposal to amend wording, stating the shareholders' right to bring an advisor to a shareholders' meeting and that the Board of Directors have the right to attend shareholder meetings
 - 10.5. Article 4.11 – Proposal to amend the Article so that it states that a shareholder meeting of the Company is lawful without regard to attendance if the meeting is lawfully convened
 - 10.6. New Article 4.16 – Proposal to add a new Article stating that the Board may decide to hold a shareholders' meeting in a different location than at the company's domicile
 - 10.7. Article 4.16 – Proposal to amend the wording regarding publication methods of convocations in line with the Act respecting Public limited companies no. 2/1995
 - 10.8. Article 4.17 – Proposal to remove the wording regarding the maximum convocation notice of four weeks
 - 10.9. Article 4.18 – Proposal to align wording to the provision of Article 88(C) of the Act respecting Public limited companies no. 2/1995, regarding the items to be included in the convocation to a shareholder meeting
 - 10.10. Article 4.21 – Proposal to align wording to the provision of Article 88(4) of the Act respecting Public limited companies no. 2/1995, stipulating that agenda and final proposals shall be available at the Company office for 14 days before the Annual General Meeting
 - 10.11. Article 5.3. – Proposal to change the notice of candidature to the Board of Directors from latest five days before the shareholder meeting to no later than 14 days before the shareholder meeting

- 10.12. Article 5.5. – Proposal to change the disclosure time for the Company regarding information concerning Board candidates from two days before the shareholder meeting up to 10 days before the shareholder meeting
11. Election of the Board of Directors
12. Election of the Company's auditors
13. Proposal to renew authorization to the Board of Directors to purchase treasury shares of the Company
14. Any other business lawfully presented and close of the meeting

The meeting will be conducted in English.

In particular it should be noted that shareholders holding shares listed on Euronext Amsterdam that wish to attend and vote at the Annual General Meeting must ensure that their respective custodian/broker (intermediary) has registered their attendance through ABN AMRO's web portal and that the registration has been received by the Company before 12:00 GMT/13:00 CET on the day of the meeting. This applies to all shareholders holding shares listed on Euronext Amsterdam, including those that are also holding shares listed on Nasdaq Iceland.

Voting at the Annual General Meeting will take place by electronic means, by the use of the Lumi AGM app and Lumi AGM web solution. Shareholders are encouraged to download the Lumi AGM app to an internet enabled device such as a mobile phone or tablet, prior to the meeting.

Marel's Board of Directors has decided to allow shareholders to vote electronically before the Annual General Meeting. Electronic voting for shares listed on Nasdaq Iceland will be through Marel's shareholder portal, operated by Computershare A/S and for shares listed on Euronext Amsterdam through ABN AMRO's web portal. Usernames and passwords will be sent to all shareholders holding shares listed on Nasdaq Iceland with a valid mailing address in Marel's share register as of the end of day 19 February 2020. Shareholders holding shares listed on Nasdaq Iceland can also request usernames and passwords through the shareholder portal on Marel's investor site. Shareholders holding shares listed on Euronext Amsterdam must inform their custodians/intermediaries on how they would like to vote and the custodians/intermediaries vote through the ABN AMRO's web portal. Votes must be received by the Company no later than at 12:00 GMT/13:00 CET on the day of the shareholders' meeting.

Candidatures for the Board of Directors shall be submitted in writing to the Board of Directors at least five full days prior to the meeting, i.e. before Friday 13 March at 16:00 GMT/17:00 CET.

Shareholders are entitled to have a specific matter taken for consideration at the Annual General Meeting and such proposals shall be accompanied by a statement or draft resolution to the Board of Directors. In order for shareholders to have proposals or matters considered by the meeting, they must have been submitted to the Board of Directors at least ten days prior to the meeting, i.e. by the latest on 8 March at 16:00 GMT / 17:00 CET. In the event that shareholders have submitted proposals or matters to be considered by the meeting, the final agenda and proposals will be available at the meeting's website no later than three days before the Annual General Meeting.

On the Company's AGM website, www.marel.com/agm, further information in relation to the Annual General Meeting can be found, including further information on the right of shareholders to submit items and proposals to the meeting's agenda, a draft agenda for the meeting, proposals of the Board of Directors, Company's annual statements for the year 2019, information on the total number of shares and voting rights as of 18 February 2020, rules on electronic voting, as well as information on documents to be submitted in relation to the meeting.

The meeting's agenda and final proposals will be available to shareholders fourteen days prior to the meeting, both on the aforementioned AGM webpage of the Company as well as at the Company's offices at Austurhraun 9, Gardabaer, Iceland.

Shareholders may appoint agents to attend a shareholders' meeting on their behalf. Agents of shareholders shall submit valid proxies at the entrance of the meeting. On-site registration will begin at 15:00 GMT / 16:00 CET on the day of the meeting.

The Board of Directors of Marel hf.

PRACTICAL INFORMATION FOR SHAREHOLDERS

The following documents are available on the Company's AGM website, www.marel.com/agm, and at Marel's headquarters at Austurhraun 9, Garðabaer, Iceland.

- The convocation of the Annual General Meeting 2020, agenda, proposals of the Board of Directors including explanatory notes
- Marel hf. Annual Report 2019 - *available from 17 March 2020*
- Marel hf. Annual Financial Statements 2019
- Final Proposals of the Annual General Meeting 2020 – *available from 4 March 2020*
- Final Agenda of the Annual General Meeting 2020, including shareholder proposals and final declarations to candidacy to the Board of Directors – *available from 15 March 2020*
- Report on the Execution of the Remuneration Policy
- The Nomination Committee's recommendations to the Board of Directors
- Rules for electronic voting
- Summary of ownership of shares and voting rights
- Information document on shareholder rights

Lawful shareholders' meeting

The AGM is deemed duly constituted if representatives attending control at least half of all shares. For the avoidance of doubt, pre-meeting voting counts into the attendance numbers.

The right to attend the AGM

The right to attend the Annual General Meeting is granted to shareholders, shareholders' proxies, shareholders' advisors, Company auditors, the Board of Directors and the Chief Executive Officer of the Company, irrespective of whether he/she is a shareholder or not. The Board of Directors can invite specialists to individual meetings if their expertise or assistance is needed.

Icelandic Company law does not allow for setting record dates for AGMs. Further information on how to produce ownership of the shares for shareholders is provided below: *Attending the AGM in person*.

In case many persons own a share together they can exert their rights by means of a joint representative only.

Attending the AGM in person

A. Shares listed on Nasdaq Iceland

Shareholders attending the AGM have to be registered in the Company's share register by name or otherwise be able to prove his/her ownership of the shares.

A shareholder can appoint one or more proxies to attend, speak and vote at the AGM on his/her behalf. Shareholders can issue proxies through the Shareholder portal, accessible on Marel's website, <https://marel.com/investors/shareholder-center/>. Shareholders' proxies and persons attending on behalf of shareholders that are legal persons, have to provide a valid proxy at the entrance of the AGM.

All persons attending the AGM have to prove their identity at the entrance of the AGM presenting a valid identification. Passports, identity cards, drivers license and payment cards with a photo of the cardholder are considered to be valid identification.

Even though not mandatory, but to avoid unnecessary delay at registration to the AGM, shareholders attending the AGM in person are encouraged to register their attendance before the AGM through the Shareholder portal. In the Shareholder portal shareholders can also see their shareholding as listed in the share register.

B. Shares listed on Euronext Amsterdam

Shareholders holding shares listed on Euronext Amsterdam hold their shares under the Dutch giro system and are not registered in Marel's share register in their own name. Shareholders holding shares listed on Euronext Amsterdam who wish to attend the AGM in person (or their proxy holders as the case may be), are required to notify their intended attendance to their custodian or broker (intermediary), or through ABN AMRO's web portal, www.abnamro.com/evoting, as soon as possible and advise them of their intention to attend the AGM in person. The validity of the instruction of shareholders to register attendance to the meeting is subject to ownership of the shares on 18 March 2020. All instructions must be received by the Company by 12:00 GMT/ 13:00 CET on 18 March 2020. Shareholders/shareholders' proxies will receive an admittance card from their custodian or broker (intermediary) that they have to present at registration of the AGM as a proof of their ownership of the shares, in addition to a valid identification. Passports, identity cards, drivers license and payment cards with a photo of the cardholder are considered to be valid identification.

C. Shareholders/shareholders' proxies holding both shares listed on Nasdaq Iceland and Euronext Amsterdam

Shareholders and shareholders' proxies attending the AGM in person and holding both shares listed on Nasdaq Iceland and Euronext Amsterdam have to follow instructions listed under both capital letters A and B above. Please note that it is not enough to follow only A or B if shareholders would like to be able to exert all their voting/proxy rights at the AGM.

D. Shareholders' advisors and other invited guests attending the AGM in person

Shareholders' advisors attending the AGM have to register at the entrance of the AGM at the same time as the shareholder they are advising, unless they have been pre-registered. Other guests that have received an invitation to the AGM have to register at the entrance of the AGM as well. Advisors and other guests attending the meeting that are not shareholders or their proxies will be provided with a "guest" tag to be visibly worn at the meeting.

Electronic voting before the AGM

Shareholders not attending the AGM in person/by proxy that would like to vote on the AGM proposals, can cast their votes electronically before the AGM, as provided for by Rules for electronic voting, set by the Board of Directors and dated 19 February 2020. The Rules for electronic voting can be found in its entirety on the Company's website www.marel.com/agm. Votes cast before the AGM have to reach the Company before 12:00 GMT /13:00 CET on 18 March 2020 by the means described below. Shareholders will not be able to cast their votes after that time electronically or by other means unless they attend the AGM in person/by proxy.

A. Electronic voting for shares listed on Nasdaq Iceland

- Shareholders holding shares listed on Nasdaq Iceland can vote electronically before the AGM through the Shareholder portal, accessible on Marel's website, <https://marel.com/investors/shareholder-center/>. The Shareholder portal will be open for voting from the day of this AGM convocation until 12:00 GMT /13:00 CET on 18 March 2020. Shareholders can change/revoke their votes until the close of voting through the Shareholder portal.
- **Please note that for shareholders to be able to access the Shareholder portal they have to login using a valid username and password. Shareholders are strongly advised to test/request login credentials as soon as possible since in case of problems it can take up to 5 working days to receive new login credentials.**
- Usernames and passwords for the Shareholder portal will be sent to all shareholders holding shares listed on Nasdaq Iceland having valid mailing addresses registered in Marel's share register on 19 February 2020. First time usernames and

passwords are only sent through regular mail to the mailing address of the shareholder as listed in Marel's registry of shareholders.

- Shareholders can also request a username and password through the Shareholder portal on Marel's website <https://marel.com/investors/shareholder-center/>. As stated before, first time usernames and passwords are only sent by regular mail and can take up to 5 working days to reach shareholders and shareholders are advised to act in good time.
- Shareholders can vote on proposals by choosing **FOR**, **AGAINST** or **ABSTAIN** on the electronic ballot in the shareholder portal.
- Shareholders should note that even though it is possible to vote electronically on the AGM proposals from the date of this convocation notice (19 February 2020), items can be added to the agenda of a shareholders' meeting after the opening of voting in the Shareholder portal. Shareholders can submit proposals/items on the agenda of a shareholders' meeting until 10 days before the meeting and in case shareholder proposals are submitted the final agenda for a shareholders' meeting will be published 3 days before the meeting.
- New candidates to Marel's Board of Directors can come forward after the opening of voting in the Shareholder portal since candidates have until 5 days before a shareholders' meeting to declare candidacy to Marel's Board of Directors.
- Shareholders that control at least 1/10 of the shares of the Company can request that a proportional or cumulative election be held when electing directors for Marel's Board of Directors. Shareholders have until 5 days before a shareholders' meeting to submit this request to Marel's Board of Directors. Should such a request come forward the Shareholder portal will be amended to be able to receive votes as per the requested voting rule. Votes cast in the Shareholder portal before the request was made will be considered to be in equal proportions to all candidates voted on.
- According to article 4.22 in Marel's Articles of Association, lawfully submitted proposals to supplement or alter the agenda may be proposed at the meeting itself, even though they have not been available to shareholders for examination. Votes that have been cast before the AGM through the Shareholder portal on proposals that may be supplemented or altered at the AGM will be deemed to be for the original proposal and against the supplemented/alterd agenda.
- Shareholders that have voted electronically through the Shareholder portal can attend a shareholders' meeting and vote at the meeting and revoke votes cast through the Shareholder portal or attend the meeting without voting rights.
- Marel takes no responsibility for shareholders not being able to access the Shareholder portal in time for voting due to the lack of username and password to the portal, technical difficulties or other problems that may arise and prevent them from voting through the Shareholder portal. Furthermore Marel takes no responsibility for shareholders voting on an agenda that is not final or based on voting rules that are later changed due to a lawful request for a proportional or cumulative election.

B. Electronic voting for shares listed on Euronext Amsterdam

- Electronic voting for shares listed on Euronext Amsterdam will be through a web portal managed by ABN AMRO Bank NV, Marel's AGM agent. Electronic voting of shares listed on Euronext Amsterdam is based on a power of an attorney issued by Euroclear Nederland as legal owner of all shares in Marel listed on Euronext Amsterdam to the beneficial owners holding an interest via Euroclear Nederland (shareholders). This allows shareholders to exercise the voting rights and attend a shareholders meeting, or give instructions relating to those voting rights or attendance.
- Custodians/intermediaries can access the web portal through ABN AMRO's website www.abnamro.com/intermediary. Shareholders holding their Marel shares via Euroclear Nederland can vote via www.abnamro.com/evoting. Shareholders are advised to contact their custodian/broker (intermediary) as soon as possible to obtain further information on how to vote electronically without attending the AGM.
- Shareholders inform their custodians/intermediaries on how they would like to vote and the custodians/intermediaries vote through the web portal on proposals by choosing **FOR**, **AGAINST** or **ABSTAIN** on the electronic ballot in the web portal.
- Shareholders should note that even though it is possible to vote electronically on the AGM proposals from the date of this convocation notice (19 February 2020), items can be added to the agenda of a shareholders' meeting after the opening of voting in the web portal. Shareholders can submit proposals/items on the agenda of a shareholders' meeting until 10

days before the meeting and in that case the final agenda for a shareholders' meeting including shareholder proposals will be published 3 days before the meeting.

- New candidates to Marel's Board of Directors can come forward after the opening of voting in the web portal since candidates have until 5 days before a shareholders' meeting to declare candidacy to Marel's Board of Directors. A final list of candidates will be published by the latest 2 days before the meeting.
- Shareholders that control at least 1/10 of the shares of the Company can request that a proportional or cumulative election be held when electing directors for Marel's Board of Directors. Shareholders have until 5 days before a shareholders' meeting to submit this request to Marel's Board of Directors. Should such a request come forward the web portal will be amended to be able to receive votes as per the requested voting rule. Votes cast in the web portal before the request was made will be considered to be in equal proportions to all candidates voted on.
- Votes must be cast in ABN AMRO's web portal no later than at 12:00 GMT / 13:00 CET on 18 March 2020. Votes cast after that time will be considered invalid. Custodians/brokers (intermediaries) may close for voting at an earlier time and Marel will not be held responsible or otherwise liable if a shareholder cannot vote or vote on final proposals that have been added to the agenda, or based on different voting rules, or due to the fact that a custodian/broker/intermediary has closed for voting too early.
- According to article 4.22 in Marel's Articles of Association, lawfully submitted proposals to supplement or alter the agenda may be proposed at the meeting itself, even though they have not been available to shareholders for examination. Votes that have been cast before the AGM through the web portal on proposals that may be supplemented or altered at the AGM will be deemed to be for the original proposal and against the supplemented/altered agenda.
- Marel takes no responsibility for shareholders not being able to cast their votes before the AGM through custodians/brokers (intermediaries) due to technical difficulties or other problems that may arise and prevent them from voting through their respective custodians/brokers (intermediaries).

C. Electronic voting of shareholders holding both shares listed on Nasdaq Iceland and Euronext Amsterdam

Shareholders that hold both shares listed on Nasdaq Iceland and Euronext Amsterdam, that would like to vote electronically before the AGM, have to follow the instructions listed under both capital letters A and B above. Shareholders are made aware of that it is neither possible to cast votes electronically for shares listed on Euronext Amsterdam through the Computershare shareholder portal nor cast votes for shares listed on Nasdaq Iceland through ABN AMRO's web portal via brokers/custodians (intermediaries).

Electronic voting at the AGM (shareholders and shareholders' proxies)

Voting at the AGM will be by electronic means, using smartphones or tablets with the Lumi AGM voting application installed or through the Lumi AGM web solution.

It is recommended that persons entitled to vote at the AGM download the Lumi AGM voting app prior to the AGM in the iOS App Store or the Google Play Store by searching and downloading "LUMI AGM". Alternatively, for those that do not wish to download the app or have not downloaded the app before arriving at the AGM they can vote during the AGM via the webpage: web.lumiagm.com

A Meeting ID, username and password for electronic voting will be distributed to those entitled to vote at the AGM upon registration at the entrance of the AGM.

Please make sure your smartphone is sufficiently charged before the meeting.

Technical assistance will be provided both before and during the AGM for the electronic voting and extra smartphones will be available for voting for persons without their own smartphones.

Instructions for voting at the AGM using the Lumi AGM app and Lumi web solution

1. Before the AGM download the Lumi AGM app through iOS App Store or the Google Play Store by searching and downloading "LUMI AGM".

If you have not downloaded the Lumi AGM app before you arrive at the AGM you are kindly asked not to download the Lumi AGM app but to use the Lumi web solution by entering the following address into your browser: web.lumiagm.com

2. Once you have opened the Lumi AGM app or entered the Lumi AGM web address into your browser you will be prompted to enter a Meeting ID and accept the terms and conditions. The Meeting ID will be printed on the admittance card you will receive at the entrance of the AGM and also posted in the meeting room.
3. You will then be required to enter your username and password, also printed on the admittance card you will receive at the entrance of the AGM.
4. The Chair of the AGM will declare when a resolution is open and closed for voting. Once a resolution is open the voting options will be displayed. To cast your vote you press the desired voting option. Your choice will be marked in color. You can change your voting option for as long as the voting is open but not after the Chair of the AGM has declared that voting for that proposal has closed. The Chair may declare that voting for more than one proposal will be open and closed at the same time.

Webcast

A recording of the Board of Directors' report and CEO's operational report will be available after the AGM on www.marel.com/agm

AGENDA – DRAFT

Annual General Meeting of Marel 2020

1. Opening remarks. Election of Chair and Secretary of the meeting
2. Board of Directors' report on activities of the Company for the previous operating year
3. CEO's operational report
4. Submission of the annual accounts of the Company for the preceding year for confirmation
5. Decision on how to address the profit from the Company's operations for the year 2019
6. Report on the execution of the Company's remuneration policy
7. Proposal on the Company's remuneration policy
8. Decision on remuneration to the members of the Board of Directors for the year 2020
9. Decision on remuneration of the Auditor for the preceding year of operation
10. Board of Directors' proposals concerning amendments of the Company's Articles of Association
 - 10.1. Article 2.2 – Proposal to amend wording to reflect the fact that the nominal value of shares is designated in ISK, until registered share capital has been converted to EUR
 - 10.2. Article 2.4 – Proposal to amend wording in order to further clarify the Board of Directors' authorization to decide to register the share capital of the Company in EUR
 - 10.3. Article 2.10 – Proposal to amend wording to clarify further the shareholders' obligation to abide by the Articles of Association as they are at any given time
 - 10.4. Article 4.2 – Proposal to amend wording, stating the shareholders' right to bring an advisor to a shareholders' meeting and that the Board of Directors have the right to attend shareholder meetings
 - 10.5. Article 4.11 – Proposal to amend the Article so that it states that a shareholder meeting of the Company is lawful without regard to attendance if the meeting is lawfully convened
 - 10.6. New Article 4.16 – Proposal to add a new Article stating that the Board may decide to hold a shareholders' meeting in a different location than at the company's domicile
 - 10.7. Article 4.16 – Proposal to amend the wording regarding publication methods of convocations in line with the Act respecting Public limited companies no. 2/1995
 - 10.8. Article 4.17 – Proposal to remove the wording regarding the maximum convocation notice of four weeks
 - 10.9. Article 4.18 – Proposal to align wording to the provision of Article 88(C) of the Act respecting Public limited companies no. 2/1995, regarding the items to be included in the convocation to a shareholder meeting
 - 10.10. Article 4.21 – Proposal to align wording to the provision of Article 88(4) of the Act respecting Public limited companies no. 2/1995, stipulating that agenda and final proposals shall be available at the Company office for 14 days before the Annual General Meeting
 - 10.11. Article 5.3. – Proposal to change the notice of candidature to the Board of Directors from latest five days before the shareholder meeting to no later than 14 days before the shareholder meeting
 - 10.12. Article 5.5. – Proposal to change the disclosure time for the Company regarding information concerning Board candidates from two days before the shareholder meeting up to 10 days before the shareholder meeting
11. Election of the Board of Directors
12. Election of the Company's auditors

13. Proposal to renew authorization to the Board of Directors to purchase treasury shares of the Company
14. Any other business lawfully presented and close of the meeting

PROPOSALS OF THE BOARD OF DIRECTORS

Explanatory notes to voting items on the agenda

Agenda item 4

Submission of the annual accounts of the Company for the preceding year for confirmation

The Board of Directors proposes to confirm the audited Annual Financial Statements for the year 2019.

Agenda item 5

Decision on how to address the profit or loss from the Company's operations for the year 2019

The Board of Directors proposes that a dividend of 5.79 euro cents per share be paid for the operational year 2019. The estimated total dividend payment will be around EUR 44.0 million corresponding to approximately 40% of profits for the year, which amounted to EUR 110.1 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 20 March 2020 (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 23 March 2020, which is the proposed record date for dividends. The Board of Directors will propose that payment date of the dividend is 8 April 2020.

Shareholders holding shares listed on Nasdaq Iceland will receive the dividend payment in ISK based on the midrate of EUR/ISK as published by the Central Bank of Iceland in the morning of the AGM. Shareholders holding shares listed on Euronext Amsterdam will receive the dividend payment in EUR.

The Board of Directors otherwise refers to the annual accounts for the year 2019 as regards how to address the profit for the year 2019 and proposes that the profit will be carried over to the following year.

Agenda item 7

Proposal on the Company's remuneration policy

The Board of Directors proposes an amendment to the Remuneration Policy from 2019, adding the following sentence to the section on long-term incentives: *"The value of stock options, based on the option pricing model of Black-Scholes, granted to an employee in any given year shall not exceed 60% of annual fixed base salary."* It is proposed that the Remuneration Policy is otherwise unamended. The proposed revised Remuneration Policy for 2020 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 value of stock options, based on the option pricing model of Black-Scholes, granted to an employee in any given year shall not exceed 60% of annual fixed base salary. 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.

Agenda item 8

Decision on remuneration to the members of the Board of Directors for the year 2020

The Board of Directors proposes that the remuneration to Board members for the year 2020 will be EUR 3,700 per month (2019: EUR 3,600). The Chairman of the Board receives triple monthly remuneration or EUR 11,100 and the Vice Chairman receives x1.5 monthly remuneration or EUR 5,550. Chairman of the Audit Committee receives x0.5 monthly remuneration or EUR 1,850 and other members of the Audit Committee will each receive remuneration in the amount of EUR 1,000 per month. Members of the Remuneration Committee will receive EUR 700 per month and members of the Nomination Committee will receive EUR 300 per month (2019: all members of sub-committees of the Board received monthly remuneration in the amount of EUR 930). The remuneration will be paid on the 15th day of each calendar month. The total increase in Board and sub-committee fees between years is estimated at 2.8%.

Agenda item 9

Decision on remuneration of the Auditor for the preceding year of operation

The Board of Directors proposes that the Auditor's fees will be paid against their invoices approved by the Company.

Agenda item 10

The Board of Directors proposes to make the following amendments to the Company's Articles of Association. The rationale for the proposed amendments is to increase clarity of the Articles, align the text better with Icelandic law and, in light of increased international shareholding in the Company, to better reflect international market practice in terms of various time limits, within the limits stipulated by Icelandic law. The original and authentic version of the Articles of Association is in Icelandic, and the English version is a translation of the Icelandic version.

Agenda item 10.1

Proposal to amend Article 2.2 of the Company's Articles of Association

The Board of Directors proposes that the wording of Article 2.2 is amended so that it reflects the fact that the nominal value of shares is currently designated in ISK and will remain so until registered share capital has been converted to EUR. The proposed amendment is for clarification purposes.

It is proposed that Article 2.2 will read as follows:

"Each share has a nominal value of ISK 1 until registered share capital has been converted to EUR."

Article 2.2 currently reads as follows:

"Each share has a nominal value of one euro. However, a share shall have a value of ISK 1 until registered share capital has been converted to EUR."

Agenda item 10.2

Proposal to amend Article 2.4 of the Company's Articles of Association

The Board of Directors proposes that the wording of Article 2.4 is amended for clarification purposes as the first and third sentences have the same meaning.

It is thus proposed that the third sentence of Article 2.4. is removed and the Article will read as follows (change in strikethrough):

"The Board of Directors may decide to register the share capital of the Company in foreign currency in accordance with the applicable law on public limited companies. If the Board of Directors decides to use this authorization, the share capital of the Company shall be registered in euros. ~~The company Board of Directors is authorized to establish capital stock in euros in place of Icelandic króna, in accordance with article 4, paragraph 1 of Act no. 2/1995.~~ Share conversion shall be conducted in line with the provisions of the Act respecting Annual Accounts cf. article 5(1) regarding Public Limited Companies no. 2/1995. Furthermore, the Board of Directors shall also be authorized to make necessary changes to the company's Articles of Association resulting from the issue, including changing those amounts that appear in paragraph 2 of the company's Articles of Association regarding the change, with the same method of conversion."

Agenda item 10.3

Proposal to amend Article 2.10 of the Company's Articles of Association

The Board of Directors proposes that the wording of the first sentence of Article 2.10 will be amended, to clarify further the Shareholders' obligation to abide by the Company's Articles of Association as they are at any given time.

It is proposed that Article 2.10 will read as follows:

"Shareholders are obligated, without making specific commitments, to abide by the Articles of Association of the company as they are at any given time. Shareholders are not obligated, neither by Articles of Association of the company nor changes to them, to increase their shareholdings in the company or accept their shares being redeemed. Shareholders are not responsible for any company liabilities beyond their share in the company, unless they accept such responsibility through legal action. This clause will neither be changed nor revoked by any resolution at shareholders' meetings."

Article 2.10 currently reads as follows:

Shareholders are obligated, without their making specific commitments, to abide by the Articles of Association of the company in their current form a, or as they may later be when legitimately changed. Shareholders are not obligated, neither by Articles of Association of the company nor changes to them, to increase their shareholdings in the company or to accept their shares being redeemed. Shareholders are not responsible for any company liabilities beyond their share in the company, unless they accept such responsibility through legal action. This clause will neither be changed nor revoked by any resolution at shareholders' meetings.

Agenda item 10.4

Proposal to amend Article 4.2 of the Company's Articles of Association

The Board of Directors proposes that a third sentence is added to the Article, stating the shareholders' right to bring an advisor to a shareholders' meeting, in line with the Icelandic Act respecting Public limited companies no. 2/1995, and that the Board of Directors' right to attend shareholder meetings is stated. The proposed amendment is for clarification purposes.

It is proposed that Article 4.2 will read as follows:

"The right to attend a shareholders' meeting is granted to shareholders, shareholders' proxies, The Board of Directors, Company auditors and the Chief Executive Officer of the Company, irrespective of whether he/she is a shareholder or not. The Board of Directors can invite specialists to individual meetings if their expertise or assistance is needed. Shareholders have the right to attend a shareholder meeting along with an advisor, but the advisor does not have the right to submit proposals or vote at a shareholders' meeting."

Article 4.2 currently reads as follows:

"The right to attend a shareholders' meeting is granted to shareholders, shareholders' proxies, company auditors and the Chief Executive Officer of the Company, irrespective of whether he is a shareholder or not. The Board of Directors can invite specialists to individual meetings if their expertise or assistance is needed."

Agenda item 10.5

Proposal to amend Article 4.11 of the Company's Articles of Association

The Board of Directors proposes that Article 4.11 will be amended in line with the Icelandic Act respecting Public limited companies no. 2/1995, thus stating that a shareholder meeting of the Company is lawful without regard to attendance if the meeting is lawfully convened. Currently the article states that a shareholders' meeting is deemed duly constituted if representatives attending control at least half of all shares, which exceeds legal requirements.

It is proposed that Article 4.11 will read as follows:

"A Shareholder Meeting is lawful if the Meeting has been lawfully convened."

Article 4.11 currently reads as follows:

"A shareholders' meeting is deemed duly constituted if representatives attending control at least half of all shares."

Agenda item 10.6

Proposal to add a new Article 4.16 of the Company's Articles of Association

The Board of Directors proposes that a new Article 4.16 be added to the provision stating that the Board may decide to hold a shareholders' meeting in a different location than at the company's domicile, in line with Article 83 of the Act respecting Public limited companies no. 2/1995. If the proposal is approved, then the subsequent Articles take on new numbering, former Article 4.16 becomes Article 4.17, etc.

It is proposed that the new Article 4.16 will read as follows:

"The Board of Directors may decide to hold a shareholder meeting at a different location than the company's domicile."

Agenda item 10.7

Proposal to amend Article 4.16 of the Company's Articles of Association

The Board of Directors proposes that Article 4.16 concerning the publication of convocations for shareholder meetings is amended to reflect Article 88(b) of the Act respecting Public limited companies no. 2/1995.

It is proposed that the Article 4.16 will read as follows:

"Convocations for shareholder meetings shall be published by electronic means to ensure fast access on a non-discriminatory basis. Reliable media shall be used to ensure active circulation to the general public in the European Economic Area."

Article 4.16 currently reads as follows:

"Shareholder meetings shall be announced with advertisements in the media or through electronic means."

Agenda item 10.8

Proposal to amend Article 4.17 of the Company's Articles of Association

The Board of Directors proposes to remove the wording regarding the maximum convocation notice of four weeks, thus allowing the Company to call a shareholder meeting with more than four weeks' notice if deemed appropriate, in line with international market practice.

It is proposed that the Article 4.17 will read as follows (change in strikethrough):

"Shareholder meetings shall be announced with a minimum of three weeks' notice ~~and a maximum of four weeks' notice~~ unless shareholders of the Company have approved shorter notices as provided for and with the conditions stipulated in Article 88 a of the Act on Public Limited Liability Companies."

Agenda item 10.9

Proposal to amend Article 4.18 of the Company's Articles of Association

The Board of Directors proposes that the wording of Article 4.18 will be aligned with Article 88(C) of the Act respecting Public limited companies no. 2/1995, regarding the items to be included in the convocation to a shareholder meeting.

It is proposed that the Article 4.18 will read as follows:

"The convocation shall at least provide information on the following:

- 1. Place and time of meeting and proposed agenda.*
- 2. Clear and precise rules regarding participation and voting at the meeting, including but not limited to:*
 - a. Shareholders' rights to have items added to the agenda of the meeting and to submit proposals and ask questions as well as information on the deadline by which such rights may be exercised;*
 - b. Rules regarding proxy voting, forms for proxy holders to use when casting vote if applicable, and information on how shareholders may grant proxies by electronic means; and*
 - c. Rules regarding written or electronic casting of votes as applicable.*
- 3. Where, when and how the following documents will be made available:*
 - a. Documents to be submitted to the meeting;*
 - b. Proposals and/or statements from the Board of Directors or its sub-committees on each item of the draft agenda of the meeting;*
 - c. Shareholder proposals."*

Article 4.18 currently reads as follows:

"Matters to be discussed at the meeting shall be stated in the announcement."

Agenda item 10.10

Proposal to amend Article 4.21 of the Company's Articles of Association

The Board of Directors proposes that the wording of Article 4.21 will be aligned with Article 88(4) of the Act respecting Public limited companies no. 2/1995, stipulating that agenda and final proposals shall be available at the Company's office for 14 days before the Annual General Meeting.

It is proposed that Article 4.21 reads as follows (wording to be added in bold):

*"The agenda, as well as final proposals to be voted on, will be available at the Company office for examination not less than 7 full days before the meeting, **or 14 days before the Annual General Meeting.**"*

Agenda item 10.11

Proposal to amend Article 5.3 of the Company's Articles of Association

The Board of Directors proposes to change the notice of candidature to the Board of Directors from latest five days before the shareholder meeting to no later than 14 days before the shareholder meeting, in order to facilitate electronic/proxy voting.

It is proposed that Article 5.3 reads as follows (wording to be added in bold):

*"Those who intend to put themselves forward for election to the Board of Directors shall declare so in writing to the Company's Board of Directors at least ~~five~~ **14** full days prior to the start of a shareholders' meeting. The declaration of candidacy for the Board of Directors shall include, in addition to the candidate's name, ID number and address, information regarding primary occupation, other board of directors participation, education, experience and shareholdings in the company. Information regarding vested interests with the company's main customers and competitors, as well as shareholders who own more than 10% in the company, shall be disclosed."*

Agenda item 10.12

Proposal to amend Article 5.5 of the Company's Articles of Association

The Board of Directors proposes to change the disclosure time for the Company regarding information concerning Board candidates from two days before the shareholder meeting up to 10 days before the shareholder meeting, if the Board's Proposal to amend Article 5.3 of the Articles is approved by the meeting. This is proposed in order to facilitate electronic/proxy voting.

It is proposed that Article 5.5 reads as follows (wording to be added in bold):

*"Information about candidates for the Board of Directors shall be submitted to shareholders for examination at the company's offices not later than **2 10** days prior to the shareholders' meeting."*

Agenda item 11 – Election of the Board of Directors

Marel's Nomination Committee is a sub-committee of the Board and was established in 2019 in accordance with the Board's Rules of Procedure. The Nomination Committee shall regularly review and evaluate the structure, size and composition (including the balance of skills, knowledge, experience, diversity, tenure and independence) of the Board and its committees, taking into account the challenges and opportunities facing the Company at each time. The Committee shall make recommendations to the Board with regard to any changes, considering both a short-term (upcoming Annual General Meeting) and longer-term horizon. The Nomination Committee's recommendations to the Board of Directors for the upcoming Annual General Meeting, including profiles of nominated candidates, is available on the Company's website, www.marel.com/agm. The following proposals of the Board of Directors are based on the Nomination Committee's recommendations.

Candidatures for the Board of Directors shall be submitted in writing to the Board of Directors before 16:00 GMT/ 17:00 CET on 13 March 2020.

Agenda item 11.1

Proposal to elect seven Directors to serve on the Board of Directors

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

Agenda item 11.2

Proposal for appointments of members to the Board of Directors

The Board of Directors proposes that the following candidates will be appointed as members of the Board of Directors:

Ann Elizabeth Savage

Arnar Thór Másson

Ásthildur Margrét Otharsdóttir

Ástvaldur Jóhannsson

Lillie Li Valeur

Dr Ólafur Steinn Guðmundsson

Ton van der Laan

Agenda item 12

Election of the Company's auditors

The Board of Directors proposes according to recommendation of the Audit Committee that the auditors KPMG ehf. will be elected as the Company's auditors.

Agenda item 13

Proposal to renew authorization to the Board of Directors to purchase treasury shares of the Company

The Board of Directors proposes that the Company is authorized to acquire up to 10% of its own shares will be renewed. 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.

SUMMARY OF OWNERSHIP OF SHARES AND VOTING RIGHTS

Annual General Meeting of Marel 18 March 2020

With reference to Article 84(4) of the Icelandic Act respecting Public limited companies no. 2/1995 (lög um hlutafélög) and in order to provide Marel shareholders with an overview of the Company's ownership, The Board of Directors has compiled the following summary of ownership, voting rights and changes thereto during the year 2019 and to 18 February 2020.

Marel's issued share capital is 771.1 million shares compared to 682.6 million shares at the beginning of the year 2019. One vote is attached to each share in the Company. Marel holds 10.8 million treasury shares, the same number of shares as at the beginning of the year 2019. Treasury shares are without voting rights and on 18 February 2020 the total number of shares with voting rights in the Company were 760.3 million.

During the year 2019 Marel purchased 12.1 million and sold 0.5 million treasury shares. Share capital was reduced by 11.6 million shares in March 2019 by cancelling treasury shares and in June 2019 share capital was increased by 100.0 million shares, where new shares were sold to investors in an offering in connection with listing of Marel's shares on Euronext Amsterdam.

More than 4,700 investors participated in the offering, but shareholders in Marel prior to the offering were around 2,500. Shares in Marel began trading on Euronext Amsterdam on 7 June 2019, marking the dual listing of Marel on both Nasdaq Iceland and Euronext Amsterdam. All shares in Marel are in one class, have the same ISIN number, carry the same rights, including voting rights, and are fully fungible between the two markets.

After the listing on Euronext Amsterdam shareholders in Marel are registered in the Company's share register in different ways depending on whether they hold shares listed on Nasdaq Iceland or Euronext Amsterdam. Shareholders holding shares listed on Nasdaq Iceland are registered by name in Marel's share register, while shares listed on Euronext Amsterdam are registered in Marel's share register in a custody account in the name of ABN AMRO on behalf of Euroclear Nederland, and according to Dutch law are beneficially owned proportionally by all shareholders in the custody account.

200.8 million shares or 26.0% of total share capital is listed in the name of ABN AMRO on behalf of Euroclear compared to 13% at listing in June 2019. The proportion of international shareholders has grown from 8-30.8% from the beginning of the year 2019 to date.

Due to the structure of holding shares listed on Euronext Amsterdam, Marel is unable to give information on number of shareholders, shareholding and voting rights of its shareholders aside from information disclosed in notices to the Company, where shareholders are legally obligated to report crossing thresholds of significant proportion of voting rights. The thresholds have the following limits: 5, 10, 15, 20, 25, 30, 35, 40, 50, 66^{2/3} and 90%.

Eyrir Invest hf. is Marel's largest shareholder holding 190,366,838 shares or 24.69% of issued shares in Marel on 18 February 2020. Eyrir Invest has been a principal shareholder in Marel since 2005.

Following is a list of shareholders that have crossed thresholds of significant proportions of voting rights in Marel according to notices to the Company:

Shareholder	Type	Threshold crossed
Eyrir Invest hf.	Investment company	20%
Lífeyrissjóður verslunarmanna	Pension fund	5%
Lífeyrissjóður starfsmanna ríkisins (Divisions A, B & S)	Pension fund	5%
Capital Group	Asset manager	5%

SHAREHOLDER RIGHTS

Participation, proposals and candidature

1. Who can participate in a shareholders' meeting/AGM?

- The right to attend a shareholders' meeting is granted to shareholders, shareholders' proxies, shareholders' advisors, the Board of Directors, the company auditors and the Chief Executive Officer of the Company, irrespective of whether he/she is a shareholder or not. The Board of Directors can invite specialists to individual meetings if their expertise or assistance is needed. (Clause 4.2 of Articles of Association)
 - *Please see further guidance on attending and participating in the AGM 2020 on Marel's AGM website and in the chapter "Practical information for shareholders" in the AGM material.*
- If the Board of Directors does not consider it feasible to give shareholders the opportunity to participate in shareholders' meetings using electronic means, shareholders shall be given the opportunity to vote on proposals or participate in balloting through the mail. The Board of Directors sets regulations regarding implementing such balloting. (Clause 4.8)
 - *The Board of Directors has decided to allow shareholders to vote electronically through shareholder/web portals without attending the AGM 2020. Please see guidance on participation at the AGM 2020 and Rules on Electronic voting set by the Board of Directors, both available on Marel's AGM website. Balloting through mail will not be possible for the AGM 2020.*
- Shareholders may authorize another person to attend shareholders' meetings on their behalf. The representative shall submit a written and dated proxy. (Clause 4.9 of the Articles of Association)
 - *The required form of proxy for the AGM 2020 will be found in the shareholder/web portals. Representatives have to present a valid identification when attending the meeting. Please see further information on attending the AGM 2020 by proxy on Marel's AGM website and in the chapter "Practical information for shareholders" in the AGM material.*
- Proxies will not be validly rescinded as concerns the company after they have been submitted and proxyholder has been registered into the meeting, or after the meeting has been called to order, whichever comes first. (Clause 4.10 of the Articles of Association)

2. How can shareholders make proposals to a shareholders' meeting/AGM?

- Each shareholder has the right to have a specific matter discussed at a shareholders' meeting, if he/she submits a written request to the Board with enough notice to enable the matter to be placed on the agenda, but no later than 10 full days prior to the meeting. A rationale or a draft resolution shall be enclosed with such request to the Board of Directors. No later than 3 full days prior to the meeting the Board of Directors shall inform the shareholders of the existence of the request, the proposal if applicable, as well as an updated agenda of the shareholders meeting if applicable, such as on the Company's website. (Clause 4.20)
 - *The deadline to have proposals or matters considered by the AGM 2020 expires on 8 March 2020 at 16:00 (GMT).*
- If a matter is not on the agenda, it is not possible to make a final determination on it at a shareholders' meeting, except with the approval of all shareholders in the company, but a resolution may be made concerning it as guidance for the Board of Directors. (Clause 4.23 of the Articles of Association)
- If proposals are submitted under the item "Other matters" they will not be presented for final determination cf. Clause 4.23 (Clause 4.24 of the Articles of Association)

3. How is the process of candidature for directorship?

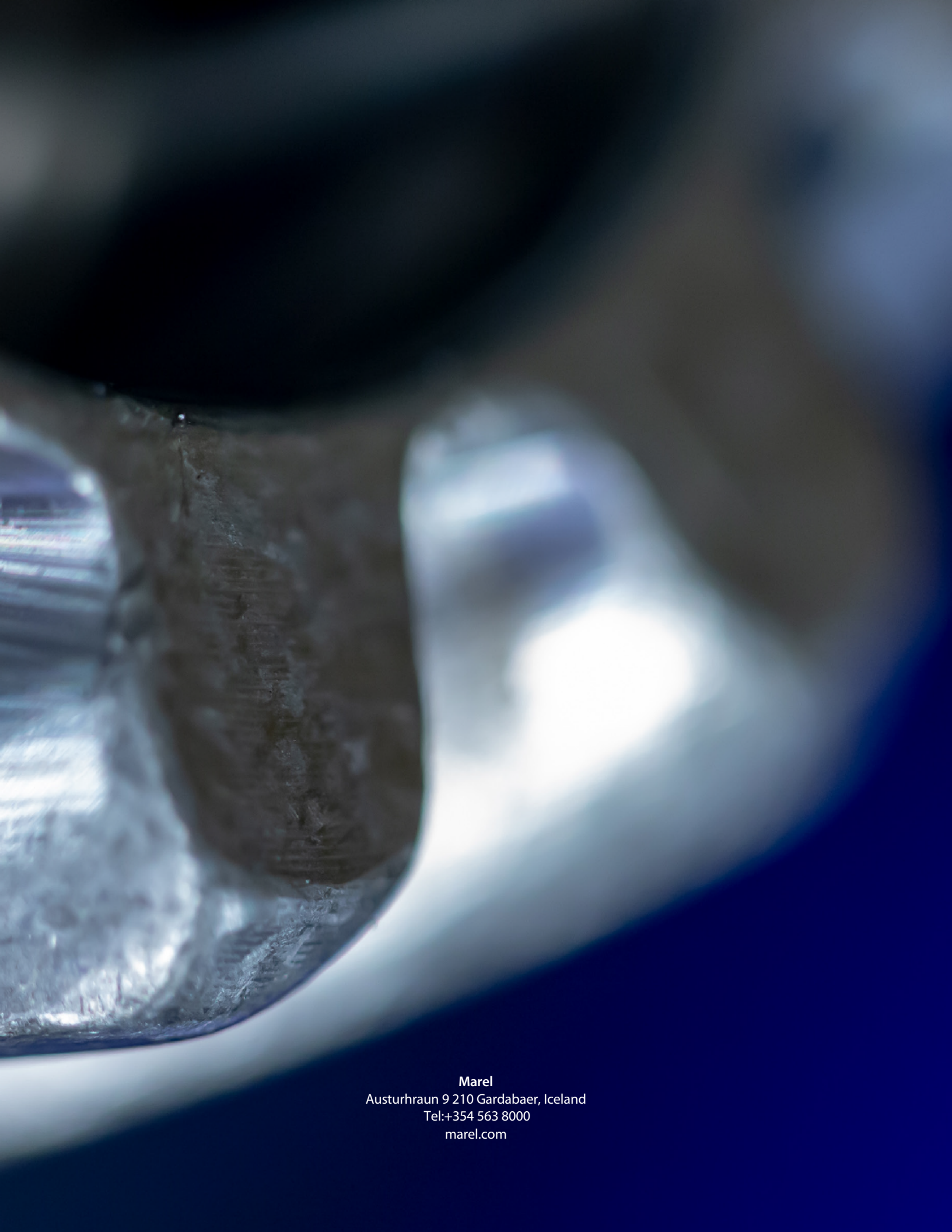
- Those who intend to put themselves forward for election to the Board of Directors shall declare so in writing to the company's Board of Directors at least five full days prior to the start of the Annual General Meeting. The declaration of candidacy for the Board of Directors shall include, in addition to the candidate's name, ID number and address, information regarding primary occupation, other board of directors participation, education,

experience and shareholdings in the company. Information regarding vested interests with the company's main customers and competitors, as well as shareholders who own more than 10% in the company, shall be disclosed. (Clause 5.3 of the Articles of Association)

— *The deadline for submitting valid candidacy declarations for the Board of Directors to be elected on the AGM 2020 expires on 13 March 2020 at 16:00 (GMT).*

- The Board of Directors shall go over the candidacy declarations and give the candidates, in a verifiable manner, an opportunity to resolve any shortcomings in the announcements within a certain time-limit. If improvements are not made to the shortcomings of the declarations within the time-limit, the Board of Directors determines the validity of the candidacy. Board of Directors decisions may be brought before shareholders' meetings, which make final determinations regarding the validity of a candidacy. (Clause 5.4 of the Articles of Association)
- Information about candidates for the Board of Directors shall be submitted to shareholders for examination at the company's offices not later than 2 days prior to the shareholders' meeting. (Clause 5.4 of the Articles of Association)

— *Information about candidates for the Board of Directors will also be accessible on Marel's AGM website.*



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