

## Össur hf.'s Annual General Meeting 2021 - Minutes of the Meeting

Minutes of the Annual General Meeting of Össur hf. held on 8 March 2021. The Meeting was fully virtual as decided by the Board of Directors with an authorization in Article 17 of the Company's Articles of Association.

The Chairman of the Board of Directors, Mr. Niels Jacobsen, opened the Meeting at 9:00 a.m.

Mr. Gunnar Sturluson was elected the Chairman of the Meeting and Mr. Tómas Eiríksson was elected the Secretary of the Meeting.

Present at the Meeting were shareholders holding 346,757,937 shares, representing 82.2% of the active share capital of the Company.

The Chairman declared that the Meeting was lawfully convened and empowered to decide on all items on the agenda.

The Meeting was convened in accordance with its agenda.

### 1. The Board of Directors' report on the Company's activities for the preceding year

The Chairman of the Board of Directors, Mr. Niels Jacobsen, reported on the Company's operations in the year 2020 on behalf of the Board.

### 2. Decision on the distribution of the Company's net profit for the fiscal year 2020

The shareholders unanimously approved to carry the net profit in 2020 over to the following year and not pay any cash dividend.

### 3. Submission of the Consolidated Financial Statements of the Company for the preceding year for confirmation

Mr. Jón Sigurðsson, President & CEO, presented the Consolidated Financial Statements for the year 2020. Jón also gave an overview of the current and ongoing operations and activities.

The shareholders unanimously approved the Consolidated Financial Statements for the year 2020.

### 4. The Board of Directors' report on remuneration and benefits

The Chairman of the Board of Directors, Mr. Niels Jacobsen, discussed the Company's compensation philosophy. He then reported on the remuneration and benefits of the Board of Directors, the President and CEO and the Executive Management, the estimated remaining costs of the current share option program and the execution of the Company's Remuneration Policy.

### 5. Decision on the Company's Remuneration Policy

The shareholders approved the Remuneration Policy for the Company, as set out in Annex 1 to these minutes.

Shareholders holding 1,100 votes voted against and shareholders holding 1,527 votes abstained.

**6. Decision on remuneration to the Board of Directors for 2021**

The shareholders approved the following remuneration to the Board of Directors for 2021:

Chairman of the Board – USD 100,000

Vice Chairman of the Board – USD 60,000

Board Members – USD 40,000

Shareholders holding 1,100 votes voted against and shareholders holding 801 votes abstained.

**7. New Long-Term Incentive Program**

The shareholders approved the following proposal on a new long-term incentive program:

Type of share-based incentive program: Share options.

Participants: The CEO and other members of the Executive Management, their direct reports (with exceptions) and key specialists in strategic positions.

Total number of share options: Up to 2,800,000 share options, for one share each, may be granted and be in effect at each time under the program. If any share options lapse prior to their vesting date, new share options may be granted instead.

Cap: Up to 420,000 share options may be granted to the CEO in total (15% of the program) and up to 150,000 shares may be granted to each member of the Executive Management (approx. 5% of the program each).

Granting time: The share options shall be granted periodically. No more than 1,400,000 share options shall be granted and be in effect under the program in 2021.

Vesting time: 3 years from the grant date.

Exercise period: 1 year immediately after the share options have vested.

Exercise price: The Company's average share price on Nasdaq Copenhagen the 20 trading days prior to the grant date.

Other key terms and conditions:

*Participants may not exercise their share options when they are in possession of inside information.*

*The CEO and other members of the Executive Management are required to hold shares, corresponding to 5% of the profit gained of the share options after deduction of taxes, until their employment with the Company is terminated.*

*The Company has the option to reclaim, in whole or in part, remuneration that has been based on false, misleading, insufficient or incorrect data, or if the recipient acted in bad faith in respect of other matters, which resulted in too high remuneration or remuneration which would otherwise not have been granted.*

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

Shareholders holding 415,054 votes voted against and shareholders holding 2,369,160 votes abstained.

## 8. Election of the Board of Directors

The Chairman informed the Meeting that five candidates had notified the Board of Directors of their candidature to the Board. As there were no other candidates, the Chairman declared that the following candidates were lawfully elected to the Board of Directors of Össur hf. until the next Annual General Meeting:

Mrs. Guðbjörg Edda Eggertsdóttir

Dr. Alberto Esquenazi

Dr. Svafa Grönfeldt

Mr. Niels Jacobsen

Mr. Arne Boye Nielsen

## 9. Election of an Auditor

The shareholders unanimously elected Deloitte ehf. as the Company's auditor.

## 10. Authorizations to increase the Company's share capital

The shareholders approved to renew the Board of Directors' authorizations in Article 5 of the Company's Articles of Association to increase the Company's share capital.

As a result, Article 5 of the Company's Articles of Association was renewed and states as follows:

*"In connection with acquisitions, the Board of Directors of the Company is authorized to increase the share capital of the Company in stages over five years by an amount of up to ISK 67,000,000 – sixtysevenmillionIcelandickrónur – in nominal value, through the sale of new shares without the provision on pre-emptive rights of Article 34 of the Icelandic Act No. 2/1995 on Limited Liabilities Companies being applicable. The Board of Directors determines the offer price of these shares, the terms of sale, the subscription deadline and deadline for payment. The Board of Directors may decide that subscribers pay for the new shares partly or fully with other valuables than cash.*

*The Board of Directors is authorized to increase the share capital of the Company in stages over five years by up to ISK 8,000,000 – eightmillionIcelandickrónur – in nominal value. The authorization shall only be utilized to fulfill share option agreements with employees et al. in accordance with the Company's share incentive schemes. The pre-emptive rights provision of Article 34 of the Icelandic Act No. 2/1995 on Limited Liabilities Companies is not applicable. The share price and the rules governing the purchase of shares shall be in accordance with the terms of the option agreements."*

Article 5 of the Company's original Articles of Association in Icelandic states as follows:

*"Í tengslum við fyrirtækjakaup er stjórn félagsins heimilt að auka hlutafé félagsins í áföngum á fimm árum um allt að kr. 67.000.000 – sextíuogsjömilljónirkróna – að nafnverði, með sölu nýrra hluta án þess að forgangsréttarákvæði 34. gr. laga um hlutafélög nr. 2/1995 eigi við. Stjórn félagsins ákveður útboðsgengi þessara hluta og sölureglur hverju sinni, fresti til áskriftar og fresti til greiðslu þeirra. Stjórn félagsins er heimilt að ákveða að áskrifendur greiði fyrir hina nýju hluti að hluta eða öllu leyti með öðru en reiðufé.*

*Stjórn félagsins er heimilt að auka hlutafé félagsins í áföngum á fimm árum um allt að kr. 8.000.000 – áttamilljónirkróna – að nafnverði. Heimildin skal aðeins nýtt til að uppfylla kaupréttarsamninga sem gerðir hafa verið við starfsmenn o.fl. í samræmi við kaupréttaráætlanir félagsins. Forgangsréttarákvæði 34. gr. laga um hlutafélög nr. 2/1995 eiga ekki við. Kaupgengi hlutanna og sölureglur skulu vera í samræmi við efni kaupréttarsamninga.”*

Shareholders holding 27,845,634 votes voted against and shareholders holding 4,852,258 votes abstained.

Gildi – Pension Fund voted against the proposal and argued that the size of the authorization was proportionally large, that it was valid for a longer period than the Company reasonably required, and that the proposal needed to be more specific with respect to price.

#### **11. Authorization to initiate share buyback programs**

The shareholders unanimously approved the following proposal on an authorization to initiate share buyback programs:

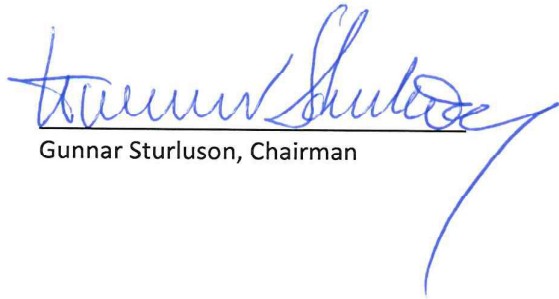
*The Board of Directors is authorized, until the next Annual General Meeting 8 March 2022, to allow the Company to initiate one or more share buyback programs (the “Programs”) that comply with the provisions of Regulation No. 596/2014 of the European Parliament and of the Council on market abuse (“MAR”) and the Commission’s delegated regulation 2016/1052. The main purpose of the Programs shall be to reduce the Company’s share capital, but the shares purchased may also be used to meet the Company’s obligations under share incentive programs with employees. The Company may purchase up to 8,000,000 shares in total under the Programs, corresponding to 1.9% of the current share capital. The total consideration for shares purchased under the Programs shall not exceed USD 40 million. The Company shall not purchase more than 25% of the average volume of the shares each trading day based on the average volume the 20 trading days preceding the date of purchase on the regulated market where the purchase is carried out. The purchase price shall not be higher than the price of the last independent trade or the highest current independent bid, whichever is higher, on the regulated market where the transaction is carried out. Each Program shall be managed by an investment firm or a credit institution which makes its trading decisions in relation to the Company’s shares independently of, and without influence by, the Company regarding the timing of the purchases. The Company’s purchases under the Programs shall be disclosed in accordance with law and regulations.*

#### **12. Any other business lawfully submitted or approved for discussion at the Meeting**

Mr. Kristján Tómas Ragnarsson, who decided to step down after 22 years on the Board of Directors, took the floor. Mr. Ragnarsson reflected on his years on the Board. He thanked the Chairman, other Board members and the CEO for the cooperation, and wished the Company continued success.

The Secretary read the minutes aloud at the close of the Meeting. The shareholders made no comments.

The Chairman declared the Meeting adjourned at 10:10 a.m.



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Gunnar Sturluson, Chairman



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Tómas Eiríksson, Secretary

## ANNEX 1

# THE REMUNERATION POLICY OF ÖSSUR HF.

Board of Directors, President & CEO and Executive Management

*It is the policy and priority of Össur hf. and its subsidiaries ("the Company") to attract and retain exceptional employees long-term. In order to achieve this, the Company must have in place a competitive compensation structure in each of its operations. To the extent possible, the remuneration of managers and other employees shall be harmonized and fair, taking into account their responsibilities, local trends, performance and other relevant factors.*

*This Remuneration Policy is designed and implemented to ensure, to the extent possible, the alignment of interest of the Board of Directors, the President & CEO and the Executive Management with the Company's performance long-term and value creation for shareholders.*

The remuneration of the President & CEO and the Executive Management shall be determined as follows:

**1. Fixed salary.** When determining fixed salary, account should be taken of their responsibilities, local trends, performance and other relevant factors, such as the remuneration of their peers in other international companies of similar size.

**2. Bonuses for short-term performance.** Bonuses for short-term performance can be up to 67% of the basic salary. In determining bonuses, special attention shall be given to the Company's overall results, actual growth, long-term profitability and value creation for shareholders. Bonuses may be paid quarterly, semi-annually or annually.

Bonuses may be paid with shares in the Company, in part or in full. The shares shall not be delivered until three years after the bonus has been determined.

The Company has the option to reclaim, in whole or in part, bonus payments that have been based on false, misleading, insufficient or incorrect data, or if the recipient acted in bad faith in respect of other matters, which resulted in too high bonus payments or bonus payments which would otherwise not have been paid.

**3. Share-based incentives for long-term performance.** Share-based incentives, including share options, may be offered. The key terms of such share-based incentive agreements or plans shall be submitted to a Shareholders' Meeting for approval. Put options shall not be offered and no loans or guarantees shall be granted.

**4. Pension contributions.** Pension contributions are paid in accordance with applicable laws and employment agreements. No pension liabilities shall be undertaken, unless required by law.

**5. Severance payments.** No special retirement agreements shall be made, but instead shall mutual termination clauses in employment agreements apply. Termination clauses shall not exceed twenty-four (24) months.

**6. Other benefits.** Other benefits are awarded or reimbursed on the basis of individual employment contracts and local market practices.

The remuneration of the Board of Directors shall be approved by the Company's Annual General Meeting each year and paid in cash.

This Remuneration Policy shall apply to all future employment agreements with the President & CEO and the Executive Management. Existing agreements shall remain unchanged and in full force unless otherwise agreed by relevant parties.

The Remuneration Policy is binding for the Board as regards share options, cf. item 3 above. In other instances the Remuneration Policy shall be of guidance for the Board. Any departure from the Remuneration Policy shall be recorded and reasoned in the Board's Minutes.

*This Remuneration Policy has been approved by the Board of Directors of Össur hf. in accordance with Article 79. a. of the Icelandic Companies Act No. 2/1995, taking into consideration the Danish Recommendations on Corporate Governance. The Remuneration Policy is reviewed once a year and shall be approved at the Company's Annual General Meeting, with or without amendments.*