

## Össur hf.'s Annual General Meeting 2019 - Minutes of the Meeting

Minutes of the Annual General Meeting of Össur hf. held on the 7<sup>th</sup> of March 2019, at the Company's headquarters at Grjótháls 5, Reykjavík.

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 368,949,897 shares, representing 87.1% 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 2018 on behalf of the Board.

### 2. Decision on the distribution of the Company's net profit for the fiscal year 2018

The shareholders lawfully approved that the Company pays a dividend of DKK 0.14 per share to shareholders for the year 2018, corresponding to approximately 12% of the Company's net profit. The Ex-Date is 8 March 2019, the Record Date is 11 March 2019 and the Payment Date is 21 March 2019. The remaining net profit in 2018 shall be carried over to the following year.

### 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 2018. Jón also gave an overview of the current and ongoing operations and activities.

The shareholders lawfully approved the Consolidated Financial Statements for the year 2018.

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

## 6. Decision on remuneration to the Board of Directors for 2019

The shareholders lawfully approved the following remuneration to the Board of Directors for 2019:

Chairman of the Board	USD 97,000
Vice Chairman of the Board	USD 58,200
Board Members	USD 38,800

## 7. 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:

Mr. Arne Boye Nielsen  
Mrs. Guðbjörg Edda Eggertsdóttir  
Dr. Kristján Tómas Ragnarsson  
Mr. Niels Jacobsen  
Dr. Svafa Grönfeldt

## 8. Election of an Auditor

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

## 9. Share capital reduction

The shareholders lawfully approved to reduce the Company's share capital by ISK 5,430,259 nominal value by way of cancelling 5,430,259 of the Company's own shares of ISK 1 each. Thus, the share capital was decreased from ISK 430,808,063 nominal value to ISK 425,377,804 nominal value.

As a result of the capital reduction, Article 4, paragraph 1, of the Company's Articles of Association was amended and now states as follows:

*"The share capital of the Company amounts to ISK 425,377,804 – fourhundredtwentyfive-millionthreehundredseventyseventhousandandfourcelandickrónur – and is divided into the same number of shares with a nominal value of ISK 1 each."*

Article 4, paragraph 1, of the Company's original Articles of Association in Icelandic now states as follows:

*„Hlutfé félagsins er kr. 425.377.804 – fjögurhundraðtuttuguogfimmilljónirþrjúhundrað-sjötiúogsjöþúsundáttahundraðogfjórarkrónur – að nafnverði og skiptist í jafnmarga hluti að nafnverði 1 króna hver.“*

## 10. Authorization to initiate share buyback programs

The shareholders lawfully approved the following motion on an authorization to initiate share buyback programs:

*“The Board of Directors is authorized, until the next Annual General Meeting 12 March 2020, 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 12,000,000 shares in total under the Programs, corresponding to 2.8% 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.”*

#### **11. Amendments to Articles 7 and 18 of the Company’s Articles of Association**

The shareholders lawfully approved to amend Articles 7 and 18 of the Company’s Articles of Association.

Article 7 of the Company’s Articles of Association now states as follows:

*“The Board of Directors shall maintain a share register in accordance with law and shall ensure the share register includes correct information at each given time.*

*The share register shall be kept at the Company’s office and all shareholders shall have access to it and may acquaint themselves with its content.*

*The Company’s shares shall be issued in an electronic manner.*

*The share register shall be regarded as full proof of ownership of shares in the Company. A person who has acquired a share can exert his/her rights as a shareholder if his/her name has been recorded in the share register or he/she has given notice and produced evidence of his/her ownership of the share, such as a satisfactory confirmation of ownership from the custodian registered in the share register.”*

Article 7 of the Company’s original Articles of Association in Icelandic now states as follows:

*„Stjórn félagsins skal halda hlutaskrá í samræmi við lög og skal hún gæta þess að hlutaskráin geymi réttar upplýsingar á hverjum tíma.*

*Hlutaskráin skal vera geymd á skrifstofu félagsins og eiga allir hluthafar aðgang að henni og mega kynna sér efni hennar.*

*Hlutabréf félagsins skulu gefin út með rafrænum hætti.*

*Hlutaskráin skoðast sem fullgild sönnun fyrir eignarrétti að hlutum í félaginu. Sá sem hefur eignast hlut getur beitt réttindum sínum sem hluthafi ef nafn hans er skráð í hlutaskrá eða hann hefur tilkynnt og fært sönnur að eignarhlut sínum, s.s. með fullnægjandi staðfestingu á eignarhlutum frá vörsluaðilanum sem skráður er í hlutaskrá.”*

Article 18 of the Company's Articles of Association now states as follows:

*"Shareholders shall be given the opportunity of casting votes on items on the agenda of a Shareholders' Meeting in writing or electronically. Instructions on the voting shall be included in the convocation."*

Article 18 of the Company's original Articles of Association in Icelandic now states as follows:

*„Hluthöfum skal gefinn kostur á að greiða atkvæði um mál, sem eru á dagskrá hluthafafundar, bréflaga eða rafrænt. Í fundarboði skal koma fram hvernig atkvæðagreiðslan skuli framkvæmd.“*

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

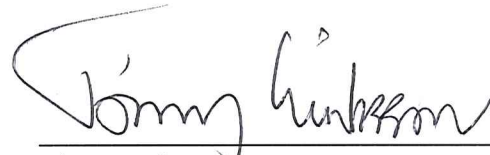
No one took the floor under this item.

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

The Chairman declared the Meeting adjourned at 9:40 a.m.



Gunnar Sturluson, Chairman



Tómas Eiríksson, Secretary

## Össur hf.'s Annual General Meeting 2019 – Approved Remuneration Policy

### 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.

If bonus payments have clearly been based on false, misleading or insufficient data, such payments shall be repaid to the extent correct data shows that no or lower bonus would 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.*