

# DRAFT AGENDA

## Annual General Meeting of Marel 2023

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 **(Voting item)**
5. Decision on how to address the profit from the Company's operations for the year 2022 **(Voting item)**
6. Report on the execution of the Company's remuneration policy
7. Proposal on the Company's remuneration policy **(Voting item)**
8. Proposal on the Company's share-based incentive scheme **(Voting item)**
9. Decision on remuneration to the members of the Board of Directors for the year 2023 **(Voting item)**
10. Decision on remuneration of the Company's auditors for the preceding year of operation **(Voting item)**
11. Board of Directors' proposals concerning changes to the Company's Articles of Association
  - 11.1. **New Article 4.3** - Proposal to add a new article authorizing the Company to set a Record Date for registration of attendance to shareholders' meetings, in line with Article 1 of Act no. 119/2022 amending Act no. 2/1995 on public limited liability companies. **(Voting item)**
  - 11.2. **Article 4.5** – Proposal to amend Article 4.5, if proposal 11.1 is approved, to align notices of electronic participation with registration period of shareholders' meetings. **(Voting item)**
  - 11.3. **Article 4.20** – Proposal to amend Article 4.20, if proposal 11.1 is approved, so that information concerning the Record Date must be included in convocation to a shareholder meeting. **(Voting item)**
  - 11.4. **Article 4.22** – Proposal to amend Article 4.22 concerning shareholders' right to have a specific topic discussed at a shareholders' meeting so that notice to the Board must be made no later than 7 days after the documents stipulated in Paragraph 4 of Article 88 of the Act no. 2/1995 on public limited liability companies have been published. This change is in line with Article 2 of Act no. 119/2022 amending Act no. 2/1995 respecting public limited companies. **(Voting item)**
  - 11.5. **Article 15.2** - Proposal to renew the authorization in Article 15.2 of the Company's Articles of Association. The Article authorizes the Board of Directors to increase share capital up to the amount of 75,000,000 nominal value to use in relation to acquisition of new businesses. **(Voting item)**
12. Election of the Board of Directors
  - Proposal for appointments of members to the Board of Directors
    - 12.1. Ann Elizabeth Savage **(Voting item)**
    - 12.2. Arnar Thor Masson **(Voting item)**
    - 12.3. Astvaldur Johannsson **(Voting item)**
    - 12.4. Lillie Li Valeur **(Voting item)**
    - 12.5. Olafur Steinn Gudmundsson **(Voting item)**

12.6. Svafa Grönfeldt (**Voting item**)

12.7. Ton van der Laan (**Voting item**)

13. Election of the Company's auditors (**Voting item**)

14. Proposal to renew authorization to the Board of Directors to purchase treasury shares of the Company (**Voting item**)

15. 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 2022.

### Agenda item 5

#### Decision on how to address the profit from the Company's operations for the year 2022

The Board of Directors proposes that a dividend of 1.56 euro cents per outstanding share be paid for the operational year 2022. The estimated total dividend payment will be around EUR 11.7 million corresponding to approximately 20% of profits for the year, which amounted to EUR 58.7 million. The proposed dividend is in line with Marel's dividend policy.

If approved by Marel's shareholders, the Company's shares traded on and after 24 March 2023 (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 27 March 2023, which is the proposed record date for dividends. The Board of Directors will propose that payment date of the dividend is 14 April 2023.

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 2022 as regards how to address the profit for the year 2022 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 that the Remuneration Policy from 2022 will be approved with certain changes for 2023. The proposed Policy is as follows, proposed changes are marked in the text:

#### 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 ~~Board~~Team and Board of Directors.

#### *Executive ~~Board~~Team Remuneration*

The remuneration of Marel's Executive ~~Board~~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, ESG (Environmental, Social & Governance) and strategic business targets approved by the Board of Directors. Short-term incentives for the CEO amount up to 60% of annual base salary at target and can reach a maximum of 1.5 times target. Short-term incentives for other members of the Executive ~~Board~~**Team** can amount up to 50% of the annual fixed base salary at target and reach a maximum of 1.5 times target. 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 ~~performance shares/stock options~~. The performance shares program is based on pre-defined key performance indicators aligning Marel's 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. Long-term incentive targets will be calculated as a percentage of base salary. The CEO target will be up to 80% of base salary, and for other Executive Board members the target will be up to 60% of base salary. The maximum incentive possible will be 1.5 times target for all eligible members. 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, however never exceeding the equivalent of 24 months' base salary.
- **Stock options** that have not been granted under the 2022 Share-based Incentive Scheme become invalid when the performance shares program will be implemented in 2024. No additional stock options will be granted in 2023 unless in relation to acquisitions, new hires or changes in strategic positions within Marel, and approved by the Board of Directors.

#### *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, performance shares 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 ~~Board~~**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 ~~Board~~**Team** and Board of Directors.

The Remuneration Policy is binding for the Board of Directors as regards its provisions on stock options and performance shares. 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 Main Market~~Iceland~~ Rules for Issuers of

~~Shares~~ ~~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 Board of Director's Statement:

The proposal is to change the vehicle of long-term incentives from stock options to performance shares, change the target of long-term incentives for the CEO from up to 60% of base salary to up to 80% of base salary and to cap maximum long-term incentives at 1.5 times target for all eligible members.

By changing the vehicle of long-term incentives from stock options to performance shares a better alignment is made between long-term incentives and key business metrics, driving strategy and performance as core to the long-term business success of Marel. By raising the target for long-term incentives, the Board of Directors moves towards industry benchmarks emphasizing the importance of variable remuneration, driving long-term results and creating better balance between short- and long-term incentives.

## Agenda item 8

### Proposal on Marel's Share-based Incentive Scheme

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

**Type of share incentive program:** Performance shares.

**Participants:** The CEO, Executive Board, and selected employees in strategic positions.

**Total number of share options:** Up to 25 million shares may be granted as performance shares and be in effect at each time under the program. If any performance shares lapse prior to their vesting date, new performance shares may be granted instead.

**Granting time:** The performance shares shall be granted periodically.

**Vesting time/Performance period:** 3 years from the grant date.

**Key performance indicators (KPIs):** Include total shareholder return, financial metrics and ESG.

#### **Other key terms and conditions:**

- At the end of the three-year vesting/performance period, performance shares vest and are delivered, net of tax<sup>1</sup>, based on achieved KPIs.
- The performance shares program may be subject to holding requirements. Marel's Executive Board members are required to hold shares 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 Board two times.
- In general, any unvested performance shares 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 Act No. 108/2007 on Take-overs, any outstanding performance shares 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 performance shares.
- This performance shares plan will be implemented in 2024.

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<sup>1</sup> In line with local tax requirements.

## The Board of Directors' statement:

Marel's long-term incentive program is designed to align interest of the Company's management and its shareholders. The proposal is to change the vehicle of long-term incentives from stock options to performance shares and to implement the change in 2024. By changing the long-term incentive program from stock options to performance shares, alignment is made between long-term incentives and key business metrics, core to the long-term business success of Marel, to drive strategy and performance.

Marel's AGM on 16 March 2022 approved a stock option scheme in the size of up to 25 million stock options. In May 2022 and February 2023 around 10.4 million shares were granted as stock options under this authorization, to the CEO, other Executive Board members and key employees, in total of 398 employees.

If the proposal will be approved stock options that have not been granted under the 2022 Share-based Incentive Scheme, approved in the 2022 AGM, become invalid when the performance shares program will be implemented in 2024. No additional stock options will be granted in 2023 unless in relation to acquisitions, new hires, or changes in strategic positions within Marel, and approved by the Board of Directors.

## Agenda item 9

### Decision on remuneration to the members of the Board of Directors for the year 2023

Based on comparison of remuneration levels of listed benchmark companies, the Board of Directors proposes an adjustment of the current base fee of 5.0% from EUR 47,652 to EUR 50,035 per annum. The same applies for Audit Committee member fees, Remuneration Committee member fees and Nomination Committee member fees that will increase by 5.0%. As before, the Chairman will receive a triple annual fee, the Vice-Chairman x1.5 times annual fee, the Chairman of the Audit Committee receives x0.5 times annual fee, the Chairman of the Remuneration Committee and Chairman of the Nomination Committee receive 1.5 times the respective committee member's fee.

This will result in the following proposal for remuneration levels for 2023.

	Board of Directors			Audit Committee		Remuneration Committee		Nomination Committee	
	Director	Chair	Vice-Chair	Chair	Member	Chair	Member	Chair	Member
Fees 2023 per annum (EUR)	50,035	150,104	75,052	25,017	13,167	13,825	9,217	7,875	5,250
Ratio to Base fee	1.00	3.00	1.50	0.50	0.26	0.28	0.18	0.16	0.10

Fees are paid in fixed monthly payments.

## Agenda item 10

### Decision on remuneration of the Company's auditors for the preceding year of operation

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

## Agenda item 11

### 11.1 Proposal to add Article 4.3 to the Articles of Association

In December 2022 changes were made to Act no. 2/1995 on public limited liability companies, allowing companies whose shares have been admitted to trading on a regulated market to set a Record Date for registration to shareholders meetings, as is market standard in most EU jurisdictions. This amendment is helpful for Marel as a dual-listed company with shares listed on both Euronext Amsterdam and Nasdaq Iceland, offering shareholders equal

opportunities to attend shareholders' meetings either in Iceland or by virtual means with electronic participation. The proposed new Article 4.3. reads as follows:

*"A shareholder's right to attend a shareholders' meeting, cf. Clause 4.2., is dependent upon the shareholder having notified the company about his attendance before the end of the registration period specified in the convocation for the shareholders' meeting. The end date of the registration period (Record Date) can be up to one week before the meeting. The shareholders' voting rights at the meeting depend on the number of shares held by the shareholder at the time when the registration period ends."*

#### 11.2 Proposal to amend Article 4.5 of the Articles of Association

If proposal 11.1 is approved, it is furthermore proposed to amend Article 4.5 of the Articles of Association to align notices of electronic participation with registration period of shareholders' meetings. The proposed amended Article 4.5. reads as follows, proposed changes are marked:

*"Shareholders intending to participate electronically shall inform the company's office ~~with 5 day's notice before the end of the Record Date, cf. Clause 4.3,~~ and submit written questions regarding the agenda or present documents that they would like answers to at the meeting."*

#### 11.3 Proposal to amend Article 4.20 of the Articles of Association

If proposal 11.1 is approved, it is moreover proposed that Article 4.20 is amended so that information concerning the Record Date must be included in a convocation to a shareholder meeting. It is proposed that the following sentence will be added as Article 4.20(2)(d), proposed changes are marked:

*"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.*
  - d. The Record Date by which shareholders need to have notified the company of their attendance to a shareholders' meeting.*
- 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."*

#### 11.4 Proposal to amend Article 4.22 of the Articles of Association

It is proposed that Article 4.22 concerning shareholders' right to have a specific topic discussed at a shareholders' meeting is amended so that the notice to the Board must be made no later than 7 days after the documents stipulated in Paragraph 4 of Article 88 of the Act no. 2/1995 on public limited liability companies have been published. This change is in line with Article 2 of Act no. 119/2022 amending Act no. 2/1995 respecting public limited companies. The proposed amended Article reads as follows, changes are marked:

*"Each shareholder has the right to have a specific matter discussed at a shareholders' meeting, if he submits a request, in a written form or electronically, 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~~ 7 full days after the documents stipulated in Paragraph 4 of Article 88 of the Act on Public Limited Liability Companies have been published. A rationale or a draft resolution shall be enclosed with such request to the Board. No later than 3 full days prior to the meeting, the Board 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."*

## 11.5 Proposal to renew authorization in Article 15.2 of the Company's Articles of Association

Article 15.2 concerning an authorization to the Board to increase share capital was renewed at Marel's AGM 2022, with validity period of 18 months. It is proposed that the authorization is renewed without any changes.

Article 15.2. reads as follows:

*"The Company's Board of Directors is authorized to increase its share capital by up to ISK 75,000,000 nominal value by issuing new shares. The Company's Board of Directors shall determine details of the 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 in relation to acquisition of new businesses or strategic investments and that the price for the new shares will not be lower than 10% under the average closing price of shares in the Company five days immediately preceding the sale as reported on the regulated markets where the Company's shares are listed. The new shares shall be used as payment in relation to acquisition of new businesses or strategic investments, or sold through an offering managed by a financial institution. 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 authorization shall be valid for 18 months from the date of its adoption, insofar as it has not been utilized prior to that time."*

## Agenda item 12

### Election of the Board of Directors

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 8 March 2023, e-mail: agm@marel.com.

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

- 12.1 Ann Elizabeth Savage**
- 12.2 Arnar Thor Masson**
- 12.3 Astvaldur Johannsson**
- 12.4 Lillie Li Valeur**
- 12.5 Olafur Steinn Gudmundsson**
- 12.6 Svafa Grönfeldt**
- 12.7 Ton van der Laan**

Information on the proposed candidates can be found in the Nomination Committee's recommendations (report) on the Company's AGM website: marel.com/agm

## Agenda item 13

### 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 14

### 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. 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.