

ÖSSUR HF.'S ANNUAL GENERAL MEETING

Thursday 7 March 2019 at 9:00 am (GMT)
at Grjótháls 5, Reykjavík, Iceland

AGENDA

1. The Board of Directors' report on the Company's activities for the preceding year.
2. Decision on the distribution of the Company's net profit for the fiscal year 2018.
3. Submission of the Consolidated Financial Statements of the Company for the preceding year for confirmation.
4. The Board of Directors' report on remuneration and benefits.
5. Decision on the Company's Remuneration Policy.
6. Decision on remuneration to the Board of Directors for 2019.
7. Election of the Board of Directors.
8. Election of an Auditor.
9. Proposal to reduce the Company's share capital.
The Board of Directors proposes 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, corresponding to 1.26% of the Company's share capital. Because of the capital reduction, it is proposed to amend Article 4, paragraph 1, of the Company's Articles of Association accordingly.
10. Proposal to grant an authorization to initiate share buyback programs.
11. Proposal to amend Articles 7 and 18 of the Company's Articles of Association.
 - a) The Board of Directors proposes to amend Article 7 and add a sentence to paragraph 4 to clarify what type of evidence will be accepted as proof of ownership so that the Company's investors can exert their rights as shareholders.
 - b) The Board of Directors proposes to amend Article 18 and delete the last two sentences to simplify the voting procedures and remove two voting options that haven't been used by shareholders for several years.
12. Any other business lawfully submitted or accepted for discussion by the Annual General Meeting.



Össur hf.'s Annual General Meeting 2019

– Proposals

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

The Board of Directors proposes the Company pays a dividend of DKK 0.14 per share to the shareholders for the year 2018, corresponding to approximately 12% of the Company's net profits. The Ex-Date is 8 March 2019, the Record Date is 11 March 2019 and the Payment Date is 21 March 2019.¹

The Board proposes that the remaining net profits in 2018 are carried over to the following year.

3. Proposal on confirmation of the Consolidated Financial Statements of the Company for the preceding year

The Board of Directors proposes the Consolidated Financial Statements for 2018 are approved.

5. Proposal on the Company's Remuneration Policy

The Board of Directors proposes that the Company's current Remuneration Policy, approved at the Annual General Meeting in 2018, is approved without any changes.

6. Proposal on remuneration to the Board of Directors for 2019

The Board of Directors proposes the following Board remuneration for 2019:

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

7. Nomination of candidates for the Board of Directors

The Board proposes that its size shall remain unchanged and that all the current Board Members are re-elected:

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

8. Nomination of an Auditor

The Board of Directors proposes, in conformity with the Audit Committee's recommendations to the Board, to re-elect Deloitte ehf. as the Company's Auditor.

9. Proposal to reduce the Company's share capital

The Board of Directors proposes 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.

Because of the capital reduction, it is proposed that Article 4, paragraph 1, of the Company's Articles of Association is amended and shall state as follows:

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

If the proposal is approved, Article 4, paragraph 1, of the Company's original Articles of Association in Icelandic will be amended accordingly and shall state as follows:

¹ **Ex-Date:** The day when trading commences without dividends (the next business day after the AGM).

Record Date: The day shareholders must be registered in the share registry to be entitled to receive dividends (the second business day after the AGM). This means that shareholders that have purchased shares on the day of the AGM will receive dividends, see comment on Ex-Date above.

Payment Date: The day when dividends are paid out to shareholders (two weeks after the AGM).

„Hlutafé félagsins er kr. 425.377.804 – fjögurhundruðtuttuguogfimm milljónir þrjúhundruðs jötíu og sjö þúsund-áttahundruð og fjóarkrónur – að nafnverði og skiptist í jafnmarga hluti að nafnverði 1 króna hver.“

10. Proposal to grant an authorization to initiate share buyback programs

The Board of Directors proposes that the following resolution on share buyback programs is approved:

“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. Proposal to amend Article 7 and 18 of the Company’s Articles of Association

a) The Board of Directors proposes to amend Article 7 and add a sentence to paragraph 4.

It is proposed that Article 7 of the Company’s Articles of Association 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.”

If the motion is approved, Article 7 of the Company’s original Articles of Association in Icelandic shall state 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 eignarhlutnum frá vörluðilanum sem skráður er í hlutaskrá.”

b) The Board of Directors proposes to amend Article 18 and delete the last two sentences.

It is proposed that Article 18 of the Company’s Articles of Association 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.”

If the motion is approved, Article 18 of the Company’s original Articles of Association in Icelandic shall state as follows:

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