

ÖSSUR HF.'S ANNUAL GENERAL MEETING
THURSDAY 10 MARCH 2016 AT 9:00 AM (GMT)
AT GRJÓTHÁLS 5, REYKJAVÍK, ICELAND

A. AGENDA

1. The Board of Directors' report on the Company's activities for the preceding year.
2. Decision on the distribution of the net profit of the Company over the fiscal year 2015.
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 2016.
7. Election of the Board of Directors.
8. Election of an Auditor.
9. Motion to renew and amend authorizations to increase the Company's share capital.
10. Motion to reduce the Company's share capital.
11. Motion to grant an authorization to initiate share buyback programs.
12. Any other business lawfully submitted or accepted for discussion by the Annual General Meeting.

B. PROPOSALS

2. Proposal on the distribution of the net profit of the Company over the fiscal year 2015

The Board of Directors proposes the Company pays a dividend of DKK 0.12 per share to the shareholders for the year 2015, corresponding to approximately 16% of the Company's net profits. The Ex-Date is 11 March 2016, the Record Date is 14 March 2016 and the Payment Date is 22 March 2016.¹

The Board proposes that the remaining net profits in 2015 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 2015 are approved.

5. Proposal on the Company's Remuneration Policy

The Board of Directors proposes to approve the Company's Remuneration Policy laid before the Annual General Meeting.

6. Proposal on remuneration to the Board of Directors for 2016

The Board of Directors proposes the following Board remuneration for 2016:

Chairman of the Board	USD 88,500
Vice Chairman of the Board	USD 53,000
Board Members	USD 35,500

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

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

Record Date: The day shareholders have to 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 (twelve days after the AGM).

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 renew and amend authorizations to increase the Company's share capital

The Board of Directors proposes to renew and amend its authorizations in Article 5 of the Company's Articles of Association to increase the Company's share capital. The existing authorizations will expire on 4 March 2016.

The proposal entails the following:

- a) The authorization to increase the share capital in connection with acquisitions, without shareholders' pre-emptive rights being applicable, is lowered significantly from ISK 161,250,000 to ISK 67,000,000, corresponding to approx. 15% of the Company's current share capital.
- b) The authorization to increase the share capital in connection with acquisitions, where shareholders' pre-emptive rights are applicable, is not renewed (the existing authorization is ISK 9,608,310).
- c) The authorization to increase the share capital to fulfill share option agreement is renewed without any amendments. The existing authorization is ISK 8,000,000, corresponding to approx. 2% of the Company's current share capital.

Accordingly, it is proposed that Article 5 of the Company's Articles of Association is renewed and amended and shall state 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 – sixtysevenmillionIcelandicrónur – 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 – eightmillionIcelandicrónur – 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."

If the motion is approved, Article 5 of the Company's original Articles of Association in Icelandic will also be renewed and amended and shall state 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.“

10. Proposal to reduce the Company's share capital

The Board of Directors proposes to reduce the Company's share capital by ISK 3,292,688 nominal value by way of cancelling 3,292,688 of the Company's own shares of ISK 1 each.

As a result 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 443,000,557 – fourhundredfortythree-millionandfivehundredfiftysevenIcelandickrónur – and is divided into the same amount of shares with a nominal value of ISK 1 each."

If the motion 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:

„Hlutafé félagsins er kr. 443.000.557 – fjögurhundruðfjörutíuogþrjúmilljónirog fimm-hundruðfimm tíuogsjökrónur – að nafnverði og skiptist í jafnmarga hluti að nafnverði 1 króna hver.“

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

The Board of Directors proposes that the following motion is approved:

"The Board of Directors is authorized, until the next Annual General Meeting 9 March 2017, to allow the Company to initiate one or more share buyback programs (the "Programs") that comply with the provisions of the European Commission's regulation No. 2273/2003 (the "Safe Harbor rules"). 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 20,000,000 shares in total under the Programs, corresponding to 4.5% 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 50% 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 with regard to the timing of the purchases. The Company's purchases under the Programs shall be disclosed in accordance with law and regulations."