

ÖSSUR HF.'S ANNUAL GENERAL MEETING
THURSDAY 12 MARCH 2015 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 2014.
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 2015.
7. Motion to approve a new share incentive program.
8. Election of the Board of Directors.
9. Election of an Auditor.
10. Motion to reduce the Company's share capital.
11. Motion to grant an authorization to purchase own shares.
12. Motion to grant an authorization to initiate share buyback programs.
13. 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

The Board of Directors proposes the Company pays a dividend of DKK 0.12 per share to shareholders for the year 2014, corresponding to approximately 14% of the Company's net profits. The Ex-Date is 13 March 2015, the Record Date is 16 March 2015 and the Payment Date is 26 March 2015.¹

The Board proposes the remaining net profits in 2014 are carried over to the following year.

3. Proposal on confirmation of the Consolidated Financial Statements

The Board of Directors proposes the Consolidated Financial Statements for 2014 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 2015

The Board of Directors proposes the following Board remuneration for 2015:

Chairman of the Board	USD 85,000
Vice Chairman of the Board	USD 51,000
Board Members	USD 34,000

7. Proposal on new share incentive scheme

The Board of Directors proposes the following motion on share incentive scheme to be approved:

Type of share 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 6,000,000 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.

Granting time: The share options shall be granted periodically. No more than 3,000,000 share options shall be granted and be in effect under the program in 2015.

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 (two weeks after the AGM).

Vesting time: 3 years from the grant date.

Exercise period: 1 year immediately after the share options have vested (during open trading windows).

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

Other key terms and conditions:

If the share options cannot be settled with shares, e.g. due to currency restrictions, the Company shall pay to the participants the difference of the exercise price and the market price on the day of exercise.

Participants 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 (if share settlement is possible).

In general, the share options 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.

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

8. 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

9. 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.

10. Proposal to reduce the Company's share capital

The Board of Directors proposes to reduce the Company's share capital by ISK 7,456,755 nominal value by way of cancelling 7,456,755 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 shall be amended and state as follows:

"The share capital of the Company amounts to ISK 446,293,245 – fourhundredfortysix-milliontwohundrednintythreethousandtwohundredfortyfivelcelandickrónur – and is divided into the same amount of shares with a nominal value of ISK 1 each."

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

“Hlutfé félagsins er kr. 446.293.245 – fjögurhundruðfjörutíuogsexmilljónirtvöfundruð-níutíuogþrjúþúsundtvöfundruðfjörutíuogfimmkrónur – að nafnverði og skiptist í jafnmarga hluti að nafnverði 1 króna hver.”

11. Proposal on authorization to purchase own shares

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

The Board of Directors is authorized, at any time in the next 5 years, to allow the Company to purchase own shares of up to 10% of the Company's share capital as it stands each time. 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.

This authorization is granted in accordance with Article 55 of the Icelandic Act No. 2/1995 on Limited Liability Companies.

12. Proposal on 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 10 March 2016, 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 4.4% 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.