

## Össur hf.'s Annual General Meeting 2020

### - 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.*