PROPOSED 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.


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.

RULES ON SHAREHOLDERS’ PARTICIPATION AND VOTING

Shareholders have the right to put items to the agenda of the Annual General Meeting and submit proposed resolutions, provided a written or electronic request thereof has been made no later than on Monday 25 February 2019. Shareholders may submit questions before or at the Annual General Meeting. Further information on shareholders’ rights, including the requirements to exercise the rights, is available on the Company’s website.

Each share in the Company carries one vote, except Treasury Shares that do not carry voting rights. To be able to vote, shareholders need to be registered by name in the Company’s share register or give notice and produce evidence of their ownership of shares, such as satisfactory confirmation of ownership from the respective custodian registered in the Company’s share register if the shares are held in a nominee account.

Shareholders attending the Annual General Meeting in person will be registered at the entrance of the Meeting and will receive their ballots and other relevant documents there.

Shareholders, who do not attend the Annual General Meeting in person, can either: (i) cast their votes on items on the agenda in writing or electronically, or (ii) grant a proxy.

A shareholder’s request to vote in writing must be received by the Company no later than five days prior to the Annual General Meeting. Shareholders can request to have their ballots sent to them or they can claim their ballots at the Company’s office and cast their votes there on weekdays during normal business hours. Votes must be received by the Company prior to the Annual General Meeting. Shareholders can vote electronically through the Company’s shareholder portal prior to the Meeting.

Shareholders can either grant written or electronic proxies, subject to certain formalities outlined on the Company’s website. Electronic proxies must be submitted through the Company’s shareholder portal. Proxies must be received by the Company prior to the Annual General Meeting or when a proxy holder registers for the Meeting.

Further information on the voting rules and the use of proxies is available on the Company’s website.

FURTHER INFORMATION

The Annual General Meeting will be conducted in English. Documents to be submitted to the Annual General Meeting, including the audited Consolidated Financial Statements for 2018 and the Annual Report for 2018, as well as the proposed resolutions and remarks from the Board of Directors on each item of the agenda are available on the Company’s website. The documents are also available to shareholders at the Company’s office at Grjótháls 5, 110 Reykjavík, Iceland, on weekdays during normal business hours.

The final agenda and proposals will be published on Thursday 21 February 2019. If shareholders have requested to put items on the agenda or submitted proposed resolutions at any time between 21 February and 25 February 2019, the final agenda and proposals will be updated on the Company’s website no later than three days prior to the Annual General Meeting.

Shareholders are also advised that according to Article 63 a. of the Icelandic Companies Act No. 2/1995, as amended, written notices on candidature to the Board of Directors can be made until five days before the Annual General Meeting. Thus, information on all candidates to the Board of Directors will be made available no later than two days before the Meeting.

Shareholders and proxy holders can register for the Annual General Meeting at the Company’s office from 8:30 am on the day of the Meeting. The Annual General Meeting will start punctually at 9:00 am.

Further information on the Annual General Meeting and the meeting material can be found on the Company’s website: www.ossur.com/investors/AGM

Reykjavík, 14 February 2019,
The Board of Directors of Ossur hf.
Össur hf.’s Annual General Meeting 2019
– Proposed resolutions and remarks on each item of the agenda

1. The Board of Directors' report on the activities of the Company for the preceding year
   The report will be presented by Mr. Niels Jacobsen, the Chairman of the Board of Directors.

2. Decision 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.

   In addition, the Board has submitted a separate proposal on granting an authorization to initiate share buyback programs, see item 10 on the agenda.

   The proposals are made in conformity with the Company’s Capital Structure and Dividend Policy approved by the Board of Directors in February 2017:

   “Össur’s policy is to maintain a healthy balance sheet and the ratio of net interest-bearing debt to EBITDA in the range of 1.0-2.0x.
   Excess capital is returned to shareholders via annual cash dividends and/or purchase of own shares.
   Össur’s policy is to distribute a relatively stable cash dividend. The cash dividend will be decided annually in DKK per share.
   Return of capital to shareholders is based on objectives of maintaining a solid financial position, operational outlook and investment requirements.”

   The dividends will be paid out in DKK.

3. Submission of the Consolidated Financial Statements of the Company for the preceding year for confirmation
   The Board of Directors proposes the Consolidated Financial Statements for 2018 are approved.

   The Consolidated Financial Statements are available on the Company’s website, www.ossur.com/investors/AGM

   The Consolidated Financial Statements for 2018 will be presented by Mr. Jón Sigurðsson, President and CEO.

4. The Board of Directors’ report on remuneration and benefits
   A report on the remuneration and benefits of the Board of Directors, the CEO and the Executive Management, the expected costs related to share option agreements and the execution of the Remuneration Policy.


   The Board of Directors’ report will be presented by Mr. Niels Jacobsen, the Chairman of the Board.

5. Decision 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.

   The Remuneration Policy is available on the Company’s website, www.ossur.com/investors/AGM

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).
6. **Decision on remuneration to the Board of Directors for 2019**

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

<table>
<thead>
<tr>
<th>Role</th>
<th>Remuneration (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman of the Board</td>
<td>97,000</td>
</tr>
<tr>
<td>Vice Chairman of the Board</td>
<td>58,200</td>
</tr>
<tr>
<td>Board Member</td>
<td>38,800</td>
</tr>
</tbody>
</table>

The proposal constitutes an increase of approximately 3% from the Board remuneration last year.

7. **Election of the Board of Directors**

When evaluating its size and composition, the Board of Directors considers the Company's operations, policies and practices and the knowledge, experience and expertise of each Board Member.

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 Grönlund

In the Board's opinion the proposed size and composition complies with the Board's aim to discharge its duties in an efficient manner with integrity in the best interest of the Company.

Further information on the Board candidates is available on the Company's website, www.ossur.com/investors/AGM

Shareholders are advised that according to Article 63 a. of the Icelandic Companies Act No. 2/1995, as amended, written notices on candidature to the Board of Directors can be made until five days before the Annual General Meeting. Thus, updated information on all candidates to the Board of Directors will be made available to the shareholders no later than two days before the Annual General Meeting.

8. **Election 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.

The own shares that are proposed to be cancelled were acquired: (i) between February 2017 and March 2018 via the Company's previous share buyback program – a total of 3,951,559 shares for an average price of DKK 29.66 each; and (ii) on 13 March 2018 via block trades, a total of 1,478,700 shares for the price of DKK 28.10 each. The total purchase price of the shares was approx. DKK 159 million (approx. USD 24.1 million).

The purpose of the transactions was to adjust the capital structure in line with the Company's desired capital level of net interest-bearing debt in accordance with the Company's Capital Structure and Dividend Policy.

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 – fourhundredtwentyfivemillionthreehundredseventyseventhousandandeighthundredandfourIcelandickronur – 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:


As of 14 February 2019, the Company held 6,957,324 own shares. If the proposal is approved, the Company will hold 1,527,065 own shares that can be used to meet the Company's obligations towards relevant employees under share incentive programs.
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.”

This proposal is made in accordance with the Company's Capital Structure and Dividend Policy. There is only one material change proposed to the current authorization to initiate share buyback programs approved at the Annual General Meeting 2018, and that is to decrease the number of shares that the Company may purchase from 20 million to 12 million. This is proposed to better reflect the increase of share price over the last few years as it is still proposed to keep the maximum consideration for share purchased under the programs at USD 40 million.

If the proposal is approved, it will be up to the Board to grant the Company an authorization to initiate one or more Programs within the limits set out in the proposal.

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.

The proposal is made 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. The proposal is based on Article 31 in the Icelandic Companies Act No. 2/1995, as amended, but the last part has been added for clarification. For shareholders, who have their shares in nominee accounts, it means that the Company will accept satisfactory confirmations of ownership from their respective custodians registered in the Company's share register, for example, if they want to attend, participate and vote at shareholders’ meetings. The proposal is line with the Company’s current practice.

Accordingly, it is proposed that Article 7 of the Company’s Articles of Association states as follows:

“This 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 hversum tíma. Hlutaskráin skal vera geymd á skrifstofu félagsins og eiga allir hlutahafar aðgang að henni og mega kyna sér efni hennar. Hlutabréf félagsins skulu gefin út með rafrænum hætti. Hlutaskráin skoðast sem fullgild sönnun fyrir eignarrétti að hlutum í félagninu. Sá sem hefur eignast hlut getur bætt réttindum sínum sem hlutfaci ef nafn hans er skráð í hlutaskrá eða hann hefur tilkynnt og fært sönnur að eignarhlut sínum, s.s. með fullnægandi staðfestingu að eignarhlutnum frá vörsluðil numérique sem skráður er í hlutaskrá.”
b) The Board of Directors proposes to amend Article 18 and delete the last two sentences. The proposal is made to simplify the voting procedures and remove two voting options that haven’t been used by shareholders for several years: (i) a written request from a shareholder to receive his/her voting ballots by regular mail at least 5 days before a shareholders’ meeting, and (ii) a shareholder claiming voting ballots and casting votes at the Company’s office at least 5 days before a shareholders’ meeting.

Shareholders will, of course, continue have multiple options to cast their votes, directly or indirectly, including: (i) to vote in person at the shareholders’ meeting, (ii) to vote electronically through the shareholder portal, (iii) to grant an electronic proxy through the shareholder portal, and (iv) to grant a written proxy.

Accordingly, 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 að greiða atkvæði um mál, sem eru á dagáskrá hluthafafundar, bréflega eða rafrænt. Í fundarboði skal koma fram hvernig atkvæðagreiðslan skuli framkvæmd.”

12. Any other business lawfully submitted or accepted for discussion by the Annual General Meeting

No other business has been submitted.

Shareholders have the right to put items on the agenda of the Annual General Meeting and submit proposed resolutions, provided a written or electronic request thereof has been made no later than Monday 25 February 2019.

Further information on shareholders’ rights, including the requirements to exercise the rights, is available on the Company’s website, www.ossur.com/investors/AGM