

**Appendix to Össur hf.'s Statutory Statement
on Corporate Governance**

The report concerns the financial year **2015**.

Recommendation	The company complies	The company complies partially	The company does not comply	Explanations
1. Communication and interaction by the company with its investors and other stakeholders				
<i>1.1. Dialogue between company, shareholders and other stakeholders</i>				
<p>1.1.1. The Committee recommends that the board of directors ensure ongoing dialogue between the company and its shareholders in order for the shareholders to gain relevant insight into the company’s potential and policies, and in order for the board of directors to be aware of the shareholders’ views, interests and opinions on the company.</p>				<p>The Company has an Investor Relations policy in place that addresses dissemination of information, communication with stakeholders, comments on quiet periods, comments on sensitive business activities as well as authorized spokespersons. The Company communicates with its shareholders in English and publishes all press releases and announcements through recognized distribution vehicle. The releases and announcements are accessible on the Company’s website</p>

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				<p>and the website of NASDAQ. Additionally the Company distributes its releases and announcements to its investor mailing list (which investors can sign up to through the Company's website). The Company uses a distribution system that allows it to publish releases simultaneously to the Company's website, the website of NASDAQ as well as to the investor mailing list. The Company publishes detailed information on its financial results and operations on quarterly basis in addition to other key events in line with the disclosure requirements of NASDAQ Copenhagen. The Company meets with shareholders and other investors on a regular basis. The Company communicates with both institutional</p>

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				investors as well as private investors. The CEO gives the Chairman updates on investor activities on regular basis. The shareholders also have the opportunity to meet with the Board of Directors and the CEO at Shareholders' Meetings, see 1.2.1.
1.1.2. The Committee recommends that the board of directors adopt policies on the company's relationship with its stakeholders, including shareholders and other investors, and that the board ensures that the interests of the shareholders are respected in accordance with company policies.				The Company's communications to its various stakeholders are in accordance with the relevant policies such as the Investor Relations policy and the Company's communication strategy. See also 1.1.1.
1.1.3. The Committee recommends that the company publish quarterly reports				The Company publishes quarterly financial reports through recognized publication vehicles.
<i>1.2. General meeting</i>				

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<p>1.2.1. The Committee recommends that when organizing the company's general meeting, the board of directors plans the meeting to support active ownership.</p>				<p>The planning of Shareholders' Meetings supports active ownership and ensures the shareholders have the opportunity to participate and voice their opinions. The Company's Articles of Association allow the Board of Directors to decide to hold Shareholders' Meetings electronically, either partly or fully, but to date the Board of Directors has resolved to hold Shareholders' Meetings in person. That gives the shareholders an opportunity to meet the members of the Board and the CEO and express their views, interests and opinions on the Company, see recommendation 1.1.1. On the Company's website all shareholders can obtain the convocation, the agenda, the documents submitted to the</p>

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				<p>Shareholders' Meeting, as well as proposals and remarks on each item of the agenda. The shareholders also have an opportunity to influence Shareholders' Meetings by having a specific item of business included on the agenda, and they can also submit questions and requests. Furthermore, the shareholders have the opportunity to cast votes on items on the agenda in writing or electronically or grant proxies if they are unable to attend. With all the above in mind, the shareholders are truly provided with opportunities to influence and guide on developments both short term and long term.</p>

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1.2.2. The Committee recommends that proxies granted for the general meeting allow shareholders to consider each individual item on the agenda.				The Company's proxy form allows shareholders to consider each individual item on the agenda.
1.3. Takeover bids				
1.3.1. The Committee recommends that the company set up contingency procedures in the event of takeover bids from the time that the board of directors has reason to believe that a takeover bid will be made. According to such contingency procedures, the board of directors should not without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions which in reality prevent the shareholders from deciding on the takeover bid themselves.				The Board of Directors' Rules of Procedure are in line with the recommendations. The provisions in the Board's Rules are based on the takeover rules in the Icelandic Act No. 108/2007 on Securities Transactions, as amended, which applies to the Company because it is legally domiciled in Iceland.
2. Tasks and responsibilities of the board of directors				
2.1. Overall tasks and responsibilities				

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<p>2.1.1. The Committee recommends that at least once a year the board of directors take a position on the matters related to the board’s performance of its responsibilities.</p>				<p>According to the Board of Directors’ Rules of Procedure, the Board shall at least once a year evaluate the work, results, size and composition of the Board, as well as the work and results of individual Board Members and the Board’s Committees. The Board shall discuss the results of the assessment and decide which actions are to be taken, if any. This is on the agenda for a Board Meeting in December each year.</p>
<p>2.1.2. The Committee recommends that at least once a year the board of directors take a position on the overall strategy of the company with a view to ensuring value creation in the company.</p>				<p>In line with the Board of Directors’ Rules of Procedure, the Board yearly discusses the Company’s strategy at a Board Meeting in September, and the strategy and financials are later approved at a Board Meeting in December, all with the view of</p>

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				ensuring value creation in the Company.
<p>2.1.3. The Committee recommends that the board of directors ensure that the company has a capital and share structure ensuring that the strategy and longterm value creation of the company are in the best interest of the shareholders and the company, and that the board of directors presents this in the management commentary on the company’s annual report and/or on the company’s website.</p>				<p>In accordance with the Board of Directors’ Rules of Procedure, the Board makes an assessment each year whether the Company’s capital and share structures continue to be in the best interest of the shareholders and the Company. The Company’s Capital Structure and Dividend Policy is published in the Annual Report and on the Company’s website.</p>
<p>2.1.4. The Committee recommends that the board of directors annually review and approve guidelines for the executive board; this includes establishing requirements for the executive board on timely, accurate and adequate reporting to the board of directors.</p>				<p>The role and duties of the CEO are defined in the Board of Directors’ Rules of Procedure, including requirements for timely, accurate and adequate reporting to the Board and other communication. The</p>

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				Board's Rules are reviewed at least once a year.
2.1.5. The Committee recommends that at least once a year the board of directors discuss the composition of the executive board, as well as developments, risks and succession plans.				According to the Company's Articles of Association the Executive Board is composed of the CEO alone. According to the Board of Directors' Rules of Procedure the Board shall evaluate the work and results of the CEO according to previously established criteria, including whether the CEO has prepared and carried out a business strategy which is consistent with the established goals. The Board shall discuss the results of the assessment and decide which actions are to be taken, if any. This is done at a Board Meeting in December.
2.1.6. The Committee recommends that once a year the board of directors discuss the company's activities to ensure relevant diversity at management levels, including setting specific goals and accounting for its				Össur has equal opportunities plan in place. Its purpose is to ensure equal opportunities

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<p>objectives and progress made in achieving the objectives in the management commentary on the company’s annual report and/or on the website of the company.</p>				<p>and equality of women and men within the Company. The goal is to utilize the skills, strengths and knowledge of employees in full, without gender-based discrimination. With this plan, the management and employees are at the same time reminded of the importance of everyone being able to reach their full potential regardless of sex, religion, opinion, nationality, race, sexual orientation, age or position, and to utilize equally the wealth inherent in the education, experience and attitudes of women and men. The CEO is responsible for the execution of this plan and it is not discussed annually within the Board of Directors. Further details on measurements and the results are presented annually in the</p>

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				Company's CSR progress report.
<i>2.2. Corporate social responsibility</i>				
2.2.1. The Committee recommends that the board of directors adopt policies on corporate social responsibility.				Since 2008 the Company has been monitoring various aspects of Corporate Social Responsibility (CSR) in connection with its operations and in 2011 the Company confirmed the UN Global Compact principles. The Company discloses a CSR progress report on yearly basis, which is available on the Company's website. In addition, key highlights of the CSR activities and measurements are included in the Annual Report.
<i>2.3. Chairman and vice-chairman of the board of directors</i>				
2.3.1. The Committee recommends appointing a vice-chairman of the board of directors who will assume the responsibilities of the chairman in				In accordance with the Board of Directors' Rules of

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<p>the event of the chairman’s absence, and who will also act as effective sparring partner for the chairman.</p>				<p>Procedure a Chairman and a Vice-Chairman are elected by the Board of Directors at a Board Meeting immediately following the Annual General Meeting. The tasks, duties and responsibilities of the Chairman are set out in the Board’s Rules. The Vice-Chairman assumes the Chairman’s tasks, duties and responsibilities in the Chairman’s absence.</p>
<p>2.3.2. The Committee recommends ensuring that, if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special operating activities for the company, including briefly participating in the day-to-day management, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, overall management and control function. Resolutions on the chairman’s participation in day-to-day management and the expected duration hereof should be published in a company announcement.</p>				<p>According to the Board of Directors’ Rules of Procedure the Chairman shall not take on other work than stipulated therein, unless it is considered a normal part of his work as Chairman. Thus the Chairman does not participate in day-to-day management.</p>
<p>3. Composition and organization of the board of directors</p>				

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<i>3.1. Composition</i>				
<p>3.1.1. The Committee recommends that the board of directors annually accounts for</p> <ul style="list-style-type: none"> • the skills it must have to best perform its tasks, • the composition of the board of directors, and • the special skills of each member. 				<p>The Board of Directors evaluates its composition each year to ensure the members of the Board have between them the relevant knowledge, professional experience, expertise and skills required to perform the Board’s tasks in the best interest of the Company.</p>
<p>3.1.2. The Committee recommends that the selection and nomination of candidates for the board of directors be carried out through a thoroughly transparent process approved by the overall board of directors. When assessing its composition and nominating new candidates, the board of directors must take into consideration the need for integration of new talent and diversity in relation to age, international experience and gender.</p>				<p>The Board of Directors has the role and responsibilities a nomination committee would otherwise have. When nominating candidates to the Board, the Board shall, in accordance with the Board’s Rules of Procedure, take into consideration the legal requirements as well as the composition of the Board and what kind of experience, knowledge, expertise and</p>

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				other qualities the candidate should possess.
<p>3.1.3. The Committee recommends that a description of the nominated candidates' qualifications, including information about the candidates'</p> <ul style="list-style-type: none"> • other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises, be accompanied by the notice convening the general meeting when election of members to the board of directors is on the agenda. • demanding organizational tasks, and information • about whether candidates to the board of directors are considered independent. 				<p>The recommended information on candidates nominated by the Board of Directors accompanies the convocation to the Annual General Meeting. However, it should be noted that candidates to Board have until five days before the Annual General Meeting to notify of their candidature and provide the Board with the necessary information according to the Icelandic Act No. 2/1995 on Limited Liability Companies, as amended, which applies to the Company because it is legally domiciled in Iceland. The information shall be published no later than two days before the Annual General Meeting.</p>

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3.1.4. The Committee recommends that the company's articles of association stipulate a retirement age for members of the board of directors.				The Company's Articles of Association do not include a provision on a retirement age for members of the Board of Directors. In the Board's opinion, age is irrelevant as long as the contribution of the respective member of the Board is considered valuable.
3.1.5. The Committee recommends that members of the board of directors elected by the general meeting be up for election every year at the annual general meeting.				All members of the Board of Directors are elected for a term of one year in accordance with the Company's Articles of Association.
3.2. Independence of the board of directors				
3.2.1. The Committee recommends that at least half of the members of the board of directors elected by the general meeting be independent persons, in order for the board of directors to be able to act independently of special interests. To be considered independent, this person may not:				The majority of the Board of Directors (3 of 5) is considered dependent. Two of the members of the Board represent the interest of the Company's controlling shareholder. One member has

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<ul style="list-style-type: none"> • be or within the past five years have been member of the executive board, or senior staff member in the company, a subsidiary undertaking or an associate, • within the past five years, have received larger emoluments from the company/group, • a subsidiary undertaking or an associate in another capacity than as member of the • board of directors, • represent the interests of a controlling shareholder, • within the past year, have had significant business relations (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management in companies with corresponding connection) with the company, a subsidiary undertaking or an associate. • be or within the past three years have been employed or partner at the external auditor, • have been chief executive in a company holding cross-memberships with the company, • have been member of the board of directors for more than 12 years, or • have been close relatives with persons who are not considered independent. 				<p>been on the Board for 17 years. The two other members are considered independent. In the Board's opinion it is normal and understandable that the controlling shareholder is represented by two out of five members of the Board. It is also the Board's opinion that its longest serving member is in fact acting independently of special interest and his skills and experience, including his medical expertise and knowledge of the US healthcare system, are valuable to the Board and ensure diversity within it.</p>
<p><i>3.3. Members of the board of directors and the number of other executive functions</i></p>				
<p>3.3.1. The Committee recommends that each member of the board of directors assesses the expected time commitment for each function in</p>				<p>All members of the Board of Directors have to assess their expected time commitment</p>

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<p>order that the member does not take on more functions than he/she can manage satisfactorily for the company.</p>				<p>and ensure they do not take on more tasks than they can manage in a satisfactory way for the Company.</p>
<p>3.3.2. The Committee recommends that the management commentary, in addition to the provisions laid down by legislation, includes the following information about the members of the board of directors:</p> <ul style="list-style-type: none"> • the position of the relevant person, • the age and gender of the relevant person, • whether the member is considered independent, • the date of appointment to the board of directors of the member, • expiry of the current election period, • other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises and • demanding organizational tasks, and • the number of shares, options, warrants and similar in the company, and other group companies of the company, owned by the member, as well as changes in the portfolio of the member of the securities mentioned which have occurred during the financial year. 				<p>A profile of each member of the Board of Directors is published in the Annual Report and on the Company's website which addresses all of the recommended points, directly or indirectly.</p>
<p><i>3.4. Board committees</i></p>				

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<p>3.4.1. The Committee recommends that the company publish the following on the company’s website:</p> <p>The terms of reference of the board committees,</p> <ul style="list-style-type: none"> • the most important activities of the committees during the year, and the number of meetings held by each committee, and • the names of the members of each committee, including the chairmen of the committees, as well as information on which members are independent members and which members have special qualifications. 				<p>Currently the Company only has one Board committee, i.e. the Audit Committee. The Audit Committee’s Rules of Procedure, which include provisions on its role and duties and thus its activities during the year, are published on the Company’s website, as well as the number of meetings each year. The relevant information on members of the Audit Committee is also published on the Company’s website.</p>
<p>3.4.2. The Committee recommends that a majority of the members of a board committee be independent.</p>				<p>The majority of the members of the Audit Committee are independent. The Audit Committee is the only Board committee, see 3.4.1.</p>
<p>3.4.3. The Committee recommends that the board of directors set up a formal <u>audit committee</u> composed such that</p>				<p>The Audit Committee is composed of three members of the Board of Directors. The Chairman of the Board</p>

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<ul style="list-style-type: none"> the chairman of the board of directors is not chairman of the audit committee, and between them, the members should possess such expertise and experience as to provide an updated insight into and experience in the financial, accounting and audit aspects of companies whose shares are admitted to trading on a regulated market. 				<p>does not sit on the Audit Committee and is thus not the Chairman of the Audit Committee. Members of the Audit Committee possess the necessary expertise and experience between them to fulfill the role and responsibilities of the Audit Committee.</p>
<p>3.4.4. The Committee recommends that, prior to the approval of the annual report and other financial reports, the audit committee monitors and reports to the board of directors about:</p> <ul style="list-style-type: none"> significant accounting policies, significant accounting estimates, related party transactions, and uncertainties and risks, including in relation to the outlook for the current year. 				<p>The Audit Committee monitors and reports on the recommended points to the Board.</p>
<p>3.4.5. The Committee recommends that the audit committee:</p> <ul style="list-style-type: none"> annually assesses the need for an internal audit, and in such case, makes recommendations on selecting, appointing and removing the head of the internal audit function and on the budget of the internal audit function, and 				<p>The Company has no internal audit function, but uses internal control systems that are monitored by the Audit Committee and assessed by the external Auditors. The</p>

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<ul style="list-style-type: none"> monitor the executive board's follow-up on the conclusions and recommendations of the internal audit function. 				Audit Committee at least once a year assesses the need for an internal audit function. The Audit Committee currently doesn't see the need for an internal audit function.
<p>3.4.6. The Committee recommends that the board of directors establish a nomination committee chaired by the chairman of the board of directors with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> describe the qualifications required by the board of directors and the executive board, and for a specific membership, state the time expected to be spent on having to carry out the membership, as well as assess the competences, knowledge and experience of the two governing bodies combined, annually assess the structure, size, composition and results of the board of directors and the executive board, as well as recommend any changes to the board of directors, annually assess the competences, knowledge and experience of the individual members of management, and report to the board of directors in this respect, consider proposals from relevant persons, including shareholders and members of the board of directors and the executive board for candidates for the board of directors and the executive board, and 				No nomination committee has been established, see 3.4.1. In the Board of Directors' opinion such a nomination committee is not necessary taking into account the size of the Board and the balanced and relevant expertise and experience of the current members of the Board. The Board has the role and responsibilities a nomination committee would otherwise have.

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<ul style="list-style-type: none"> propose an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes. 				
<p>3.4.7. The Committee recommends that the board of directors establish a remuneration committee with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> to recommend the remuneration policy (including the general guidelines for incentive-based remuneration) to the board of directors and the executive board for approval by the board of directors prior to approval by the general meeting, make proposals to the board of directors on remuneration for members of the board of directors and the executive board, as well as ensure that the remuneration is in compliance with the company's remuneration policy and the assessment of the performance of the persons concerned. The committee should have information about the total amount of remuneration that members of the board of directors and the executive board receive from other companies in the group, and recommend a remuneration policy applicable for the company in general. 				<p>A remuneration committee was abolished in 2010 and the Company currently has no remuneration committee, see 3.4.1. In the Board of Directors' opinion such a remuneration committee is not necessary taking into account the size of the Board and the balanced and relevant expertise and experience of the current members of the Board. The Board has the role and responsibilities a remuneration committee would otherwise have.</p>
<p>3.4.8. The Committee recommends that the remuneration committee do not consult with the same external advisers as the executive board of the company.</p>				<p>The Board of Directors has not consulted external advisers when performing the</p>

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				role and responsibilities of a remuneration committee.
<i>3.5. Evaluation of the performance of the board of directors and the executive board</i>				
<p>3.5.1. The Committee recommends that the board of directors establish an evaluation procedure where contributions and results of the board of directors and the individual members, as well as collaboration with the executive board are annually evaluated. Significant changes deriving from the evaluation should be included in the management commentary or on the company's website.</p>				<p>According to the Board of Directors' Rules of Procedure the Board shall at least once a year evaluate the work, results, size and composition of the Board, as well as the work and results of individual Board members, the Board's Committees (as applicable) and the CEO, including collaboration between them. The Board shall discuss the results of the assessment and decide which actions are to be taken, if any, see 2.1.1 and 2.1.5. Information on all significant changes deriving from the evaluation are published in accordance with the Investor Relations policy, see 1.1.1.</p>

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<p>3.5.2. The Committee recommends that in connection with preparation of the general meeting, the board of directors consider whether the number of members is appropriate in relation to the requirements of the company. This should help ensure a constructive debate and an effective decision-making process in which all members are given the opportunity to participate actively.</p>				<p>According to the Company's Articles of Association the Board of Directors shall be composed of 5 members elected at the Annual General Meeting. In the Board's opinion the size of the Board allows for a constructive debate and an effective decision-making process and enables all members of the Board to play an active role. The Board evaluates its size annually. When evaluating the size the Board takes into account the Company's operations, policies and practices and the knowledge, experience and expertise of each member of the Board.</p>
<p>3.5.3. The Committee recommends that at least once every year the board of directors evaluate the work and performance of the executive board in accordance with predefined clear criteria.</p>				<p>In accordance with the Board of Directors' Rules of Procedure the Board assesses the performance of the CEO at least once a year according</p>

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				to pre-defined criteria, including whether the CEO has prepared and carried out a business strategy which is consistent with the established goals, see 2.1.5.
<p>3.5.4. The Committee recommends that the executive board and the board of directors establish a procedure according to which their cooperation is evaluated annually through a formalized dialogue between the chairman of the board of directors and the chief executive officer and that the outcome of the evaluation be presented to the board of directors.</p>				<p>In accordance with the Board of Directors' Rules of Procedure the Chairman and the CEO have a meeting at least once a year to discuss the results of the Board's assessment of the CEO's work and results and the proposed actions to be taken, if any, see 3.5.1. The Chairman shall inform the Board of the discussions with the CEO as he/she deems necessary and appropriate.</p>
<p>4. Remuneration of management</p>				
<p><i>4.1. Form and content of the remuneration policy</i></p>				

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<p>4.1.1. The Committee recommends that the board of directors prepare a clear and transparent remuneration policy for the board of directors and the executive board, including</p> <ul style="list-style-type: none"> • a detailed description of the components of the remuneration for members of the board of directors and the executive board, • the reasons for choosing the individual components of the remuneration, and • a description of the criteria on which the balance between the individual components of the remuneration is based. <p>The remuneration policy should be approved by the general meeting and published on the company's website.</p>				<p>The Board of Directors proposes to the Annual General Meeting to approve a Remuneration Policy that applies to the Board of Directors and the CEO. The Remuneration Policy is made in accordance with the Icelandic Act No. 2/1995 on Limited Liability Companies, as amended, which applies to the Company because it is legally domiciled in Iceland. The Remuneration Policy is approved at the Annual General Meeting each year and is disclosed in the Annual Report and published on the Company's website.</p>
<p>4.1.2. The Committee recommends that, if the remuneration policy includes variable components,</p> <ul style="list-style-type: none"> • limits be set on the variable components of the total remuneration package, 				<p>The Remuneration Policy states that bonuses for short-term performance can be up to 67% of the basic salary. The Remuneration Policy is designed and implemented to</p>

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<ul style="list-style-type: none"> • a reasonable and balanced linkage be ensured between remuneration for governing body members, expected risks and the value creation for shareholders in the short and long terms, • there be clarity about performance criteria and measurability for award of variable components, • there be criteria ensuring that qualifying periods for variable components in remuneration agreements are longer than one calendar year, and • an agreement is made which, in exceptional cases, entitles the company to reclaim in full or in part variable components of remuneration that were paid on the basis of data, which proved to be misstated. 				<p>ensure, to the extent possible, the alignment of interest of the Board of Directors and the CEO with the Company's performance long-term and value creation for shareholders. 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 for short-term performance may be paid quarterly, semi-annually or annually. The Company believes it is important to have certain flexibility to pay out such bonuses. However, the Remuneration Policy states that if bonus payments have clearly been based on false, misleading or insufficient data, such payments shall be repaid to the extent correct</p>

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				data shows that no or lower bonus would have been paid.
4.1.3. The Committee recommends that remuneration of members of the board of directors does not include share options.				Remuneration to members of the Board of Directors is fully paid out in cash, and does not include share options.
4.1.4. The Committee recommends that if share-based remuneration is provided, such programmes be established as roll-over programmes, i.e. the options are granted periodically and should have a maturity of at least three years from the date of allocation.				The Company's Share Incentive Program, approved at the Company's Annual General Meeting in 2015, is a roll-over program where options are granted periodically and have a vesting time of 3 years.
4.1.5. The Committee recommends that agreements on termination payments should not amount to more than two years' annual remuneration.				The Company's Remuneration Policy states that 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.

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<i>4.2. Disclosure of the remuneration policy</i>				
4.2.1. The Committee recommends that the company’s remuneration policy and compliance with this policy be explained and justified annually in the chairman’s statement at the company’s general meeting.				At the Annual General Meeting each year, the Chairman gives a statement on the Company’s Remuneration Policy and compliance with it. The Chairman also reports on the Board of Directors’ and the CEO’s remuneration and other benefits in accordance with the Icelandic Act No. 2/1995 on Limited Liability Companies, as amended, which applies to the Company because it is legally domiciled in Iceland.
4.2.2. The Committee recommends that the proposed remuneration for the board of directors for the current financial year be approved by the shareholders at the general meeting.				The remuneration for the Board of Directors for the current financial year is approved by the shareholders at the Annual General Meeting each year.

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<p>4.2.3. The Committee recommends that the total remuneration granted to each member of the board of directors and the executive board by the company and other companies in the group, including information on the most important contents of retention and retirement/resignation schemes, be disclosed in the annual report and that the linkage with the remuneration policy be explained.</p>				<p>The Annual Report includes information on the total remuneration of each member of the Board of Directors and the CEO and the linkage between the Remuneration Policy and individual components of the remuneration is explained. The Company's Remuneration Policy states that 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.</p>
<p>5. Financial reporting, risk management and audits</p>				
<p><i>5.1. Identification of risks and transparency about other relevant information</i></p>				
<p>5.1.1. The Committee recommends that the board of directors in the management commentary review and account for the most important</p>				<p>According to the Board of Directors' Rules of Procedure,</p>

Recommendation	The company complies	The company complies partially	The company does not comply	Explanations
strategic and business-related risks, risks in connection with the financial reporting as well as for the company's risk management.				the CEO is responsible for identifying the greatest business risks involved in achieving the Board's decision on the Company's strategy and goals. Potential risks and risk areas as well as the Company's procedures and processes to mitigate these risks are updated annually and are available in the Annual Report. A description of the Company's internal controls and risk management systems with the financial reporting process is included in the Annual Report.
<i>5.2. Whistleblower scheme</i>				
5.2.1. The Committee recommends that the board of directors decide whether to establish a whistleblower scheme for expedient and confidential notification of possible or suspected wrongdoing.				The Company provides employees with ways of reporting conduct that they reasonably believe violates applicable laws, regulations or the Company's policies. The

Recommendation	The company complies	The company complies partially	The company does not comply	Explanations
				Company treats all reports as confidential and any issue will be discussed only with those individuals who have a “need to know”. The Company’s policy strictly prohibits any retaliatory action against a person reporting actual or potential compliance issues in good faith, whether or not the reports ultimately prove to be well founded.
5.3. Contact to auditor				
5.3.1. The Committee recommends that the board of directors ensure regular dialogue and exchange of information between the auditor and the board of directors, including that the board of directors and the audit committee at least once a year meet with the auditor without the executive board present. This also applies to the internal auditor, if any.				The Board of Directors maintains a regular dialogue and exchange of information with the external Auditors. The Board and the Audit Committee meet the external Auditors at least once a year without the CEO being present. In addition, the Chairman of the Board has a separate conversation with

Recommendation	The company complies	The company complies partially	The company does not comply	Explanations
				the external Auditors without the CEO being present.
5.3.2. The Committee recommends that the audit agreement and auditors' fee be agreed between the board of directors and the auditor on the basis of a recommendation from the audit committee.				The audit agreement and the external Auditors' fee are approved by the Board of Directors on the basis of recommendations from the Audit Committee.