

OSSUR HF. ANNUAL GENERAL MEETING
HELD AT GRAND HOTEL, SIGTÚN, REYKJAVÍK,
FRIDAY, 22 FEBRUARY 2008, AT 8:30 A.M.

AGENDA:

1. The report of the Board of Directors on the activities of the Company for the preceding year.
2. Submission of the annual accounts of the Company for the preceding year for confirmation.
3. Decision on remuneration to the Members of the Board of Directors.
4. Decision on the disposal of the net profit of the Company over the fiscal year 2007.
5. Elections to the Board of Directors pursuant to section 5.01 of the Articles of Association.
6. Election of Auditors pursuant to section 7.02 of the Articles of Association
7. Motion to approve Remuneration Policy in accordance with Article 79.a. of the Company Act
8. Motion regarding equity incentive plan for management
9. Proposal to grant authorisation to the Board of Directors to purchase treasury shares in the Company.
10. Motion to change the Company's Articles of Association
11. Any other business lawfully submitted or accepted for discussion by the Meeting.

3. Proposal for remuneration to the Board of Directors of Ossur hf. for the last year of operation.

A proposal is submitted for remuneration of the Board of Directors for the past year of operation, in US dollars, as follows:

Chairman of the Board	USD 50,000
Vice-Chairman of the Board	USD 30,000
Members of the Board	USD 20,000

4. A proposal on the disposal of the net profit of the Company.

A proposal is submitted to carry over the net profit of the Company in 2007 to the following year.

6. Nomination of an Auditor for Ossur hf. for the next year of operation.

A nomination is submitted for election of the auditing firm Deloitte hf. as Company Auditor for the next year.

7. Motion to approve Remuneration Policy in accordance with Article 79.a. of the Company Act.

A motion on Remuneration Policy submitted for confirmation.



The Remuneration Policy of Össur hf.

In accordance with Article 79.a. of the Act respecting Limited Liability Companies No. 2/1995

To be submitted before the Annual General Meeting of Össur hf., February 22nd 2008

It is the policy and priority of Össur hf. to attract and retain exceptional employees. In order to achieve this, the Company must have in place a competitive compensation structure in each of its operations. This remuneration policy is designed and implemented to ensure the alignment of interest of the long-term shareholders of Össur hf. and its employees and other stakeholders, in a principled, simple and transparent way.

In addition to base salary, Össur hf. (the “Company”), provides employees with necessary working equipment. The Company compensates managers and employees with other payments, reimbursements and other rewards including:

1. With performance-linked payments and benefits. The Company can pay bonuses that reflect individual contribution to the Company's projects, specific divisions or the Company as a whole. Managers will also be provided with vehicles in few exceptional cases.
2. With share options. The Board of Directors of Össur hf. (the “Board”) can offer employees share options in the Company. The strike price of such share options agreements shall never be below the market prices of the Company's shares at the time of issuing. All share option agreements offered to the managers of the Company will be laid before a shareholders meeting for approval. Össur's annual report always discloses the share options held by managers and members of the Board. The Board can in exceptional circumstances provide the Company's managers with sales rights on their options of shares in the Company.
3. Össur hf. does not provide managers or other employees with loans or guarantees in relation to purchase of shares in the Company, as authorised in 2nd paragraph of Article 104 in the Act respecting Public Limited Companies, or for other purposes.
4. Össur hf. pays employer's share to pension funds for employees in accordance with applicable laws and general labour contracts. The Company does not enter into special pension fund agreements and no such agreements exist. The Company, in exceptional circumstances, pays an additional pension contribution for managers, never exceeding 20% of annual salary.
5. Össur hf. does not enter into special retirement agreements with managers and other employees, but prefers to have mutual termination clauses apply as practiced on the labour market. Össur's employees have three months notice clause in accordance with employment agreements or general union labour requirements. The Board reserves the right to approve, in specific instances, a termination notice up to 12 [twelve] months, particularly in the case of managers located abroad. Currently some managers have up to 12 [twelve] months termination clause.
6. The remuneration of the Board of Directors is approved, with forward effect for one year at a time, by the Company's Annual General Meeting in accordance with Company Law.

This Remuneration Policy is reviewed once a year by The Board of Directors of Össur hf.

8. Motion regarding equity incentive plan for management

Background: The Board of Directors proposes to further develop the Össur's current Equity Incentive Plan for the Company's management. Accordingly, the Board proposes that the Annual General Meeting of 22 February 2008 authorises the Board to increase the incentive provided to Managers by:



A. Share option agreements with senior management

The Annual General Meeting authorises the Board of Directors of Ossur hf. to revise previous share option agreements, and/or grant new, to the CEO, and the six other members of the Executive team, whose key terms shall be in line with the Company's practice and custom in granting such share options agreements, and the Board's long term consideration of the use of such incentive mechanism.

B. Increase the number of employees that have incentive through stock options agreements

The Annual Meeting of Ossur hf. grants the company's Board of Directors the authorisation to grant managers of the Company, other than those in the Executive Committee, at its discretion, share options agreements in accordance with the following key terms:

- Allocated number of shares: 3,000,000 [three million] shares of common stock
- Vesting time: 4 years
- Strike price: the average of the Company's share price 20 working days prior to the Board's decision to grant options

9 Proposal to grant authorisation to the Board of Directors to purchase treasury shares in the Company, submitted to the Annual General Meeting of the Company on 22 February 2008.

The Company is authorised, pursuant to the provisions of Article 55 of the Companies Act No. 2/1995, to acquire up to 10% of its own shares at a price which is no higher than 10% over and no lower than 10% under the posted average price of shares in the Company for the two weeks immediately preceding the acquisition.

This authorisation is effective for the next 18 months. Earlier authorisation is withdrawn.

10 Motion to change the Company's Articles of Association

The Board of Directors of Ossur hf. proposes to revise the Company's Articles of Association in order to modernize its language and align with wording of company law as follows:

- a. The Board of Directors authorised to change the share capital currency from ISK to foreign currency
- b. Number of board seats changed from five (5) to four-to-seven (4-7)
- c. The requirement that 2/3 of all shareholders' equity must support the decision not to offer shareholders pre-emptive rights to new share capital, in case of a share increase, will be deleted. The provision replaced with the requirement that such a decision will only become valid if it obtains the approval of a minimum of 2/3 of the votes cast and at least 2/3 of the share capital in respect of which votes are wielded at the shareholders' meeting.
- d. Deletion of the requirement that shareholders, intent on voting at a shareholder's meeting, are registered in the Company's share registry eight days prior to vote
- e. Two weeks' notice of shareholder's meetings reduced to one week
- f. The Board of Directors authorised to have shareholder's meeting outside the Company's Headquarters
- g. The Board of Directors authorised to have shareholders meetings, fully or partly, internet based
- h. Latest possible date for the Annual General Meeting moved forward, from the end of June, to the end of April



- i. The order on Annual General Meeting's agenda revised
- j. The Icelandic term „framkvæmdastjóri” replaced with „forstjóri”
- k. Wording to reflect that shares are issued electronically
- l. Procedure rules regarding the vote to The Board of Directors aligned with current wording in Company Law
- m. Wording on when the Board of Director's signature is required, aligned with current wording in Company Law

11 Any other business lawfully submitted or accepted for discussion by the Meeting.