



Rules of Procedure for the Board of Yara International ASA

Adopted by: Board of Directors
Valid as of 24 March 2010

1. Purpose

The purpose of the Rules of Procedure is to provide detailed rules to govern the work and procedure of the Board within the framework of the Public Limited Companies Act and the Company's Articles of Association.

The Rules of Procedure shall be decided and adopted by the Board.

The Board shall hold an annual review of its working form and when needed evaluate the content of the Rules of Procedure.

2. Duties of the Board

2.1 Pursuant to Section 6-12 of the Public Limited Companies Act, the Board has the overriding responsibility for the stewardship of the Company.

The Board shall, inter alia, ensure that the enterprise is properly organized, fix plans and budgets for the enterprise, and shall be obliged to ensure that its operations, accounts and asset management are subject to adequate control.

Pursuant to Section 6-13 of the Public Limited Companies Act, the Board shall conduct supervision of the Company's day-to-day management and the Company's activities in general.

2.2 The Board shall concentrate its work on the following tasks:

2.2.1 As part of its stewardship of the Company's activities, the Board will

- appoint the President and CEO and fix his or her remuneration;
- approve the Group's overall organization;
- implement measures to ensure that the Company's financial position is satisfactory;
- determine the overriding strategy for the Group prepared in collaboration with the Management
- fix the financial targets for the Group prepared in collaboration with the Management;
- approve the Group's business plan, investment frameworks and financial plans, including the profit and loss account and the balance sheet;
- undertake periodical review of results compared with the business plan, financial plan, investment framework and adopted target figures;
- submit and report periodic accounts and issue the Report of the Board of Directors;

- make decisions in cases that involve financial dispositions, including divestments that exceed NOK 250 million NOK.
- make decisions in other cases involving financial dispositions that are also major in relation to the Company's operations, or which fall outside the strategy or the business plans previously approved by the Board;
- make decisions in cases that are of an unusual nature or major significance relative to the Company's situation;
- make decisions in cases where this is specifically mandated by statute or regulations.

2.2.2 The Board has delegated to the President and CEO the responsibility for the remaining stewardship of the Company, but will supervise this stewardship in accordance with paragraph 2.2.3.

2.2.3 The Board will ensure that:

- the stewardship undertaken by the President and CEO by delegation from the Board is performed in a proper manner;
- the President and CEO uses proper and effective management and control systems, including systems for risk management, which continuously provide a satisfactory overview of the Group's risk exposure;
- the control functions work as intended and that the necessary measures are taken to reduce extraordinary risk exposure;
- the Board's decisions are followed up;
- follow-up reporting is conducted for the trend in investments of material size in relation to the Company's operations;
- there exist satisfactory routines to ensure follow-up of principles and guidelines laid down by the Board in relation to ethical behavior, conformity to law, health, safety and working environment, and social responsibility;
- the Company has a proper internal auditing system in that the Board considers annual audit reports from the internal audit organization
- directives from the external auditor are obeyed and that the external auditor's recommendations are given proper attention.

3. The Tasks and Duties of the President and CEO vis a vis the Board

3.1 The President and CEO is responsible for ensuring that the Board receives all the information it requires to fulfill its duties pursuant to Rule 2 above.

3.2 The President and CEO is responsible for the day-to-day management of the Company within the guidelines issued by the Board. The President and CEO shall under this head ensure that the Company's accounts are in conformity with statutes and regulations and that the stewardship delegated by the Board to the President and CEO is performed in a proper manner.

3.3 Matters that, relative to the Company's situation, are of an unusual nature or of major significance can only be decided by the President and CEO on authorization by the Board on an ad hoc basis, or when the Board's decision cannot be awaited without material inconvenience of the Company. The Board shall be informed of the decision as soon as possible.

- 3.4 The President and CEO shall appoint a Management that shall assist the President and CEO in his or her stewardship duties delegated by the Board and in the day-to-day management, including the organization and operation, of the Company. The President and CEO shall determine the instructions for Management after prior discussion with the Board.
- 3.5 The instructions for Management, and the function descriptions for, and the appropriation authorizations issued to each member of the Management, shall reflect a joint obligation for these members to safeguard the overall interests of the Group and to protect the Group's financial position. The appropriation authorizations shall be approved by the Board.
- 3.6 The President and CEO shall, in each Board meeting, inform the Board about:
- the Company's operations, position and profit trend;
 - allocation of funds from 50 million NOK to 250 million NOK, approved by the CEO;
 - financial dispositions, including divestments, of material size in relation to the Company's operations;
 - the trend in individual investments and other dispositions of major significance in relation to the Company's operations;
 - major decisions taken by Management;
 - other matters of significance for the Board's performance of its duties relevant to paragraph 2 above.
- 3.7 The Board, and the individual Board member, can at any time demand that the President and CEO provide the Board with a detailed account of particular matters.

4. The Board's procedure

- 4.1 The Board shall consider matters in meetings, unless the Chairperson of the Board finds that the matter can be presented in writing or dealt with in another proper manner. Any one of the Board members and the President and CEO may demand a meeting. Board consideration outside meetings shall as far as possible be done in a full telephone conference. The annual accounts and annual report shall be considered in a meeting.
- 4.2 The Chairperson shall ensure that relevant matters that pertain to the Board are considered by the Board. The Board members and the President and CEO may demand that the Board consider particular matters.
- 4.3 The President and CEO shall prepare matters to be considered by the Board, in consultation with the Chairperson of the Board. An item shall be prepared and presented in such a way that the Board has an adequate decision-making basis. The Chairperson of the Board may approve the representation of the Management in Board meetings, in addition to the presence of the President and CEO, who participates by virtue of his or her office as General Manager. Normally, the CFO and the Company Secretary will be present in the meetings.
- 4.4 The Board shall be convened by the Chairperson. The notice shall be made by the Company Secretary. The Board shall meet as often as the Company's operations determine, or when a Board member so demands. Meetings shall be announced in a

suitable and timely manner. Any documentation for the Board's discussions and decisions shall as far as possible be sent out together with the invitation.

Documentation shall normally be sent to the Board well in advance of the meeting. Documentation shall otherwise be sent as soon as possible. Changes in the agenda or procedure that are decided on before the meeting shall, if possible, be notified to the Board immediately.

- 4.5 Board meetings are chaired by the Chair man of the Board. If the Chairperson of the Board is not present, the Board shall elect a Chair for the meeting.
- 4.6 Minutes of the Board meeting shall be kept. In the event of dissent, it shall be recorded in the minutes which Board member voted against a resolution.

5. Voting

- 5.1 The Board is quorate when more than half the total number of Board members is present. The Board may nevertheless not make decisions unless all members have as far as possible been given the opportunity to participate in considering the matter.
- 5.2 The decision of the Board shall be whatever a majority among the attendees have voted for, or in the case of a tied vote, whatever the Chair has voted for. Those voting for a decision that involves an alteration of a previous decision must, however, always number at least one third of the full Board.
- 5.3 In elections and appointments, whoever has the most votes shall be elected or appointed. The Board may in advance decide that a new vote shall be held in the event no one obtains a majority of the cast votes. If the voting for the Chair is tied, the vote shall be decided by lot. In other cases of tied votes, the Chair shall have the casting vote.
- 5.4 Neither a Board member nor the President and CEO may participate in the deliberation of decision of a question that is of such particular significance for him or her or for any close associate that the member must be deemed to have a prominent personal or financial interest in the matter. The rest of the Board may decide whether there exist such weighty special interests that can be deemed to constitute a conflict of interest. Otherwise the Board members shall judge their own competence. A Board member may not participate in a matter regarding loans or credit to himself or herself or security for his or her personal debt.

6. Subcommittees

- 6.1 The Board shall appoint a Compensation Committee consisting of at least three of the Board's members which shall act as preparatory body for CEO and top management review and compensation matters to be brought before the Board.

The Committee shall prepare the annual review of the President and CEO's terms and conditions. Prior to the annual determination of the individual terms for Corporate Management, the President and CEO shall discuss these with the Committee. The Committee shall prepare and facilitate the Board's consideration of other compensation cases that are submitted to the Board.

The Committee's members and Chair are appointed by the Board for a period of two years. The Committee should consist of Board Members that are independent of senior corporate officers.

- 6.2 The Board shall appoint an Audit Committee consisting of at least three members of the Board to act as a preparatory body for the Board's stewardship and supervision related to the corporate accounts, the Company's financial reporting and Internal Audit, risk management related to financial matters and the work and independence of the external auditor.

The members of the Audit Committee are appointed for a period of two years. The Chair of the Audit Committee is appointed by the Board and shall not be the Chairperson of the Board. In its appointment of the Committee, the Board shall consider necessary competence in basic economic work processes, internal controls and accounting principles. The Audit Committee shall collectively have the competence that is necessary to perform their tasks. The majority of the Committees members should be independent of the Company. A minimum of one of the independent members shall have accounting or auditing competence.

- 6.3 The Board may also decide to appoint committees consisting of Board members to consider special cases or questions. . The decision to appoint such a committee shall state the committee's terms of reference and duration.
- 6.4 The Board shall constitute the individual subcommittees in connection with the appointment of the Committee.
- 6.5 The Board shall issue individual instructions for the subcommittees appointed pursuant to this paragraph 6.

7. Non-disclosure

- 7.1 The members of the Board shall observe non-disclosure of the Board's discussions and decisions. The individual member of the Board shall nevertheless be able to disclose his or her voting in a specific matter, if this is different from the Board's decision.

8. Annual Plan

- 8.1 The Board shall lay down an annual plan that states how and at what time the Board will discharge its functions pursuant to these Rules of Procedure and legislation in general.

9. Insider Trading Regulations

- 9.1 The Board shall lay down insider trading regulations for trading in financial instruments issued by the Company, or trading in derivatives.