

2021 Guidelines for remuneration of Group Executive Board and Board Members in Yara

Yara's guidelines for remuneration of Group Executive Board and Board members is prepared in accordance with the Public Limited Companies Act section 6-16a. Pursuant to the Public Limited Companies Act section 6-16a (5) the statement will be presented to the Annual General Meeting (AGM) 2021 for approval. The Ministry of Trade, Industry and Fisheries disclosed amended guidelines for remuneration of executives in state-owned and partly state-owned companies with effect from 13 February 2015 (State guidelines). Yara's remuneration principles applying to Yara CEO and the other members of the Group Executive Board comply with these guidelines. Potential deviations will be reported in the report on remuneration of Group Executive Board and Board Members to the Annual General Meeting. The first report on remuneration will be reported at the Annual General Meeting 2022. For members of the Group Executive Board employed by Yara companies in other countries remuneration may deviate from the State guidelines depending on local market conditions. There is currently one member of Yara's Group Executive Board who is employed by a non-Norwegian Yara company.

Guidelines for remuneration of Board Members

The Chair and other Board members receive remuneration as Board members and members of Board Committees. The remuneration is determined by the General Meeting on the basis of recommendation from the Nomination Committee. Employee-elected Board members receive the same remuneration as shareholder-elected Board members. None of the shareholder elected Board members are employed by the Company.

None of the employee-elected Board members are executives. The employee-elected Board members receive salary, pension and other remuneration such as bonuses, share-based remuneration, car allowance, etc. in accordance with the Company's general terms for employment.

The Chair and other members of the Board have no agreements for compensation in the event of termination or changes in their positions as Board members.

Guidelines for remuneration of Group Executive Board

The Board of Directors determines the remuneration of the President and CEO (CEO) and approves the general terms of the company's incentive plans for the Group Executive Board based on proposals from the HR Committee. The CEO determines the remuneration to the other members of the Group Executive Board.

Deviation from the guidelines

The Board of Directors may decide to deviate entirely or partly from the guidelines temporarily in individual cases provided that it has been regarded to be exceptional circumstances that make it necessary to deviate from the guidelines in order to safeguard the company's long-term interest, financial sustainability or ensure the company's viability. Potential deviations and the reason for this will be reported in the report on remuneration of Group Executive Board and Board Members to the Annual General Meeting.

General principles

The Board determines the total remuneration to the CEO and other members of the Group Executive Board on the basis of;

- A commitment to exercise moderation through responsible and not market leading remuneration;

- Incentivize management in line with maximizing long-term sustainable value creation to Yara's shareholders and other stakeholders;
- The need to offer competitive terms to secure the company's competitiveness in the labor market

Total remuneration for each member of the Group Executive Board, including all compensation elements, value of pension plan benefits and other benefits is compared to the relevant market on a regular basis. Pension plans for the Group Executive Board are moderate and in accordance with the State Guidelines for all members of the Group Executive Board that have joined after 3 December 2015 as further described below in the section Company paid Pension Plans.

The total remuneration for the members of the Group Executive Board comprises the following elements, that will be explained in detail

- Base salary
- Share Based Remuneration
- Short-Term incentive plan
- Pension plan benefits
- Other compensation elements such as internet connection and company car

Base salary

Base Salary is reviewed once a year as per 1st June as part of the Annual Salary Review for all employees in Yara. In addition, salaries may be reviewed if scope of responsibility is materially changed. The development of basic salary for Executive Management is based on the following:

- Annual salary adjustment for employees in Yara International ASA and Norwegian subsidiaries
- Benchmark of Executive Management Salaries in peer companies

Yara CEO and the other members of the Group Executive Board voluntarily abstained from the annual salary adjustment in both 2019 and 2020. The Group Executive Board will for the third year running abstain from the annual salary adjustment as per 1st June 2021.

Share Based Remuneration (SBR)

To support the alignment between executives and shareholder interests and to ensure retention of key talent in the company, an amount equal to 30% of the base salary for the CEO and 25% of the base salary for the other members of the Group Executive Board may be awarded by the Board on an annual basis. The net after tax amount must be invested in Yara shares within a period of one month after the grant and the shares must be retained for minimum 3 years. Executives who resign from Yara must reimburse to the company at the time of resignation the net proceeds of the selling of the shares that are still within the lock-in period.

The grant of SBR is conditional on Yara's Net Result excluding special items and currency gain/loss being positive over the last three years. Yara's CEO can on a discretionary basis decide that SBR shall not be granted for a given year and Yara's Board of Directors can decide that SBR shall not be granted to the CEO for a given year. Such an assessment will amongst other factors be evaluated against Yara's performance towards its strategic targets of sustainable value creation, hereunder Performance Indicators linked to People, Planet and Prosperity.

In cases where members of the Group Executive Board are recruited in other countries than Norway the SBR percentage may deviate from what is mentioned above depending on local market conditions for remuneration.

In order to support alignment between members of the Group Executive Board and the shareholder interests it is furthermore expected that members of the Group Executive Board that participate in the SBR program, every year as a minimum - in addition to the shares received as part of the SBR - invest in Yara shares an amount equaling the lowest amount received as net, after tax Short-Term Incentive payout for the preceding year or the net amount received as SBR for the relevant year. Such investments should be made until the shareholding amounts to two times the gross remuneration package, including pensions. Furthermore, it is also expected that members of the Group Executive Board do not sell any Yara shares as long as they are members of the Group Executive Board.

Short-term Incentive plan

To secure that the Short-Term Incentive Plan contributes to realizing Yara's strategy, its long-term value creation and capital allocation policy, the Short-Term Incentive Plan is based on Yara's strategic targets as presented at Yara's ESG Investor Seminar 7 December 2020, covering the dimensions of People, Planet and Prosperity.

The Short-Term Incentive Plan can have an outcome for the individual executive of 0% to 50% of base salary and is calculated as presented in the following paragraphs.

Company performance

(From 0% to 30% of Base Salary) in line with the strategic targets released at Yara's ESG Investor Seminar 7 December 2020 (goals included below)

Progress on strategic focus areas

(From 0% to 20% of Base Salary) in line with the strategic targets released at Yara's ESG Investor Seminar 7 December 2020 (goals included below)

If all stretched goals have been met and the planned actions have been taken during the year and with the desired result, this will give a Short-Term Incentive pay-out of 40% of the annual Base Salary for Yara CEO and 35% for the other members of the Group Executive Board. The total pay-out cannot exceed 50% of the annual Base Salary.

In cases where members of the Group Executive Board are recruited in other countries than Norway the percentages may deviate from what is mentioned above depending on local market conditions for remuneration.

Company performance

The table below shows the relation between Yara's long-term strategic targets and the Performance Indicators set to drive performance for 2021.

Method of measurement for Company Performance:

The assessment of the performance score is based on a scale for each Indicator, where each Indicator may result in an outcome between 0% of base salary, a target of 24% of base salary for the CEO and 21% for the other members of the Group Executive Board, and a maximum of 30% of base salary.

The weighted sum of the outcome of the factors represents the overall outcome as a percentage of base salary.

For commercial, competitive and general business reasons, the concrete target values of each individual Indicator are not disclosed as part of this statement.

Ambition for 2025	Performance indicators
<p>People</p> <ul style="list-style-type: none"> • No fatalities and TRI<1.0 • Top quartile engagement index score • Top quartile Diversity & Inclusion Index score • >35% female leaders in senior management positions 	<p>People (25% of total company performance)</p> <ul style="list-style-type: none"> • TRI rate development • Process safety (PSI) • Engagement index • Diversity & Inclusion Index • Share of female senior leaders • Female/male external recruitment senior personnel
<p>Planet</p> <ul style="list-style-type: none"> • 150 million hectares under management • 10% lower GHG emissions in kg CO₂e/kg N produced • Launching carbon marketplace • 30% absolute reduction in Scope 1 and 2 by 2030 	<p>Planet (25% of total company performance)</p> <ul style="list-style-type: none"> • Active hectares under management • Greenhouse gas emissions intensity • Energy efficiency
<p>Prosperity</p> <ul style="list-style-type: none"> • 300-600 MUSD incremental EBITDA from new business models - USD 1.5 billion revenues from new business models - USD 1.2 billion revenues from online sales • Delivering on YIP 2.0 by 2023: - Increased production: 1.3 mt ammonia and 2.8 mt finished products - Fixed cost flat at 2.34 BUSD, working capital reduced to 92 days • ROIC > 10% mid cycle • Premium products: volume and commercial margin growth 	<p>Prosperity and capital discipline (50% of total company performance)</p> <ul style="list-style-type: none"> • Ammonia production volume • Finished fertilizer production volume • Premium generated • Revenues from new business models • Revenues from online sales • EBITDA • Fixed costs • Working capital days • ROIC • Capital expenditure • Progress projects on planned time/cost • MSCI rating • Net debt / EBITDA

Strategic focus areas

The following list of factors are set to drive performance for 2021:

- Scale the Farming Solutions organization
- Strategically develop Yara Clean Ammonia
- Improve plant reliability toolbox
- Strengthen change management and dynamic upskilling

Method of measurement for Strategic Focus Areas:

The assessment of the performance score is based on a scale for each factor, where each factor may result in an outcome between 0% of base salary, a target of 16% of base salary for the CEO and 14% for the other members of the Group Executive Board, and a maximum of 20% of base salary. The weighted sum of the outcome of the factors represent the overall outcome as a percentage of base salary.

For commercial, competitive and general business reasons, the concrete target values and weight of each individual factor are not disclosed as part of this statement.

In the Board's total short-term incentive plan performance evaluation, in addition to the performance towards the factors described above, the Board will put weight on how difficult it has been to achieve the results, changes in external non-controllable factors that were not anticipated at the beginning of the year and that the results have been achieved in accordance with Yara's values and ethical principles.

Claw back of share based remuneration and short-term Incentive payments

Shares provided by the SBR and payments that have already been made from the Short-Term Incentive Plan are subject to claw back provisions covering both situations of misconduct and errors leading to financial re-statement. Enforcement of the provision will be subject to local law.

Benefit Plans

Company paid pension plans

Pension Plans in Yara should be defined contribution ("DC") plans. Executive Management on Norwegian employment contracts are eligible to the company paid DC Pension Plan applicable for all Yara employees in Norway. The contribution rates to this plan is 7% of part of pensionable salary up to 7.1 times Norwegian Social Security Base Amount (G) and 18% of pensionable salary between 7.1G and 12G.

Yara has a DC Pension Plan covering salary in excess of 12G applicable for employees on Norwegian employment contracts. From December 2015 this plan was closed for new members. For internal recruits to the Executive Management who are members of the plan at commencement, future contributions to the plan stops and they become deferred members of the plan. Current members of the Executive Management at 3 December 2015 remain active members of the plan with future contributions.

For employees on Norwegian employment contracts, the upper retirement age is 70 years with the possibility for flexible retirement from age 62 in the company paid DC plans. Yara has a defined benefit early retirement plan for executives on Norwegian employment contracts covering the period from age 65 to 67 with a defined benefit equal to 65% of final salary limited to 12G. From 1 January 2015, the plan was closed for new members and ceased for employees below age 50. A DC pension

plan was established to compensate members for the shortfall. Executives who were previously members of other Defined Benefit Pension Plans being terminated or converted to DC plans might have cash allowances to compensate for the shortfall.

Executives employed by Yara companies in other countries will be covered by company paid pension plans according to national plans and markets.

Personal Insurance schemes

The executives are members of the personal insurance schemes applicable to other Yara employees. These are Group Life Insurance, Disability Pension, lump- sum payment in the event of disability, occupational diseases, occupational and non-occupational accident and Health Insurance. In addition, they are provided with a Travel Insurance covering both the executive and family.

Other compensation elements

Executives are granted benefits in kind according to the applicable market standard. These are typically cell phone, internet connection and company car, alternatively fixed car allowance.

In the event of an international assignment contract, the executive and family will be entitled to allowances and benefits in accordance with Yara's Global Mobility Policy.

Members of Group Executive Board on Norwegian contracts are entitled to a severance pay equal to six months basic salary on certain conditions. The severance pay is calculated from the end of the notice period. Other income the executive receives during the severance pay period will be deducted from the severance pay. For members of the Group Executive Board employed by Yara companies in other countries severance pay may deviate from the above depending on local regulations.

Voluntary share purchase program

Group Executive Board members employed in Norway can take part in the annual offer to all permanent Yara employees in Norway where they can buy Yara shares with a tax-exempt discount being within a threshold set by the Norwegian authorities. Yara offers the employees an interest-free loan with repayment of one year for the purchase of the shares. This plan comes in addition to the SBR.

Ad-hoc compensation elements

In extraordinary circumstances related to recruitment processes, sign-on bonus may be agreed. Any such compensation will be reported in the report on remuneration of Group Executive Board and Board Members to the Annual General Meeting.