



## STATEMENT ON REMUNERATION TO MEMBERS OF EXECUTIVE MANAGEMENT

In accordance with the Norwegian Public Limited Companies Act § 6-16 a, the Board of Directors prepares a separate statement related to the determination of salary and other benefits for the Executive Management. The statement will be presented for the Annual General Meeting for voting. For the year 2014, remuneration of Executive Management has been in accordance with Norwegian State Guidelines for remuneration of executives in state owned companies from 1 April 2011. The Ministry of Trade, Industry and Fisheries has amended the guidelines with effect from 13 February 2015. Yara will consequently evaluate the remuneration principles applying to new members of the Executive Management. The statement of remuneration for 2015 for consideration at the 2016 General Meeting will take into account the conclusions resulting from this evaluation.

Yara's policy concerning remuneration of the CEO and other members of Yara's Executive Management is to provide remuneration opportunities which:

- Are competitive to recruit and retain executives
- Reward the executives' performance, measured as their contribution to the overall success of Yara
- Support the creation of sustainable shareholder value

Yara's remuneration of the Executive Management Group consists of the following elements:

- Base pay
- An annual incentive bonus
- A Long Term Incentive plan
- A retirement plan
- Death and disability coverage
- Other components such as car, phone expenses, etc.

In addition, executives on expatriate contracts have various other costs covered by the company. The annual salary adjustment for employees in Yara International ASA and Norwegian subsidiaries forms the basis for the Yara Executive Management salary development. Members of Yara Executive Management do not receive separate remuneration for board membership in Yara subsidiaries.

Executive Management members employed in Norway can take part in the annual offer to all permanent Yara employees in Norway where they can buy Yara shares to a value of NOK 7,500 alternatively NOK 13,500 with a tax-exempt discount of NOK 1,500 in both cases.

The annual incentive bonus represents performance-driven variable compensation components based on financial and non-financial performance, such as profitability and HES (Health, Environment and Safety) results, at company and/or segment level. The specific performance components vary by unit and position and are set individually on an annual basis. The annual incentive bonus is not linked to the Yara share price, but is conditional on Yara's CROGI (cash return on gross investment) reaching 7%, with progressively higher pay-out levels up to a maximum level when CROGI exceeds 14% (16% for bonuses earned from 2015). The maximum pay-out shall not exceed 50% of annual base salary.

To increase the alignment between Executive and Shareholder interests and to ensure retention of key talent in the company, a Long Term Incentive plan has been approved by the Board. This program provides a fixed cash amount to eligible executives, who are required to invest the net amount after tax in Yara shares within a period of one month after grant. The acquired shares are locked in for a period of three years after the purchase. After this period executives are free to keep or sell the shares at their discretion. The annual amount granted under the Long Term Incentive plan is not linked to Yara's financial results, and shall not exceed 30% of annual base salary. The amount granted is linked to individual position and is determined annually by the CEO.

All new pension plans in Yara should be defined contribution (DC) plans. All executives on Norwegian employment contracts are part of the defined contribution retirement plans, including a DC pension plan covering salary in excess of 12G. For new members of the Executive Management from 2015 Yara will consider making changes with respect to the pension plan for salary in excess of 12G. This is due to the amended State Guidelines for remuneration of executives in state owned companies applicable from 13 February 2015.

For Executives on Norwegian employment contracts Yara has a company set upper limit for retirement at age 67 with a possibility for flexible retirement from age 62 in the company paid DC plans. In addition the executives are members of a defined benefit early retirement plan covering the period from age 65 to 67 with a defined benefit equal to 65% of final salary limited to 12G.

Salary and other benefits earned in 2014 are disclosed in note 34 of the consolidated 2014 annual accounts.