



Knowledge grows

Proposal from the Nomination Committee to the Yara International ASA Annual General Meeting 8 May 2018

The Nomination Committee in Yara International ASA consists of the following members:

Tom Knoff (chair)

Advisor / Chairperson MyBank ASA

Thorunn Kathrine Bakke

Director in Norwegian Ministry of Trade, Industry and Fisheries, Ownership Department

Ann Kristin Brautaset

Deputy Director Equities, Folketrygdfondet

Anne Carine Tanum

Chairperson DNB, Den Norske Opera & Ballet, E-CO Energi Holding AS, E-CO Energi AS and Nordisk Film Kino AS

Reference is made to Yara's web pages for information on the Nomination Committee members:

<https://www.yara.com/this-is-yara/corporate-governance/shareholders/nomination-committee/>

Since the General Meeting in May 2017 the Nomination Committee has held 13 meetings, including individual meetings with all members of the board and Yara's CEO. The committee has received the board's own evaluation, and has reviewed the board's work and composition. The Nomination Committee considers that Yara's board functions well, and that its members have the appropriate competence to meet the company's needs and challenges going forward.

The current Board members' term of office runs until 2018, and the chair of the Board Leif Teksum has notified the Nomination Committee that he will not seek re-election to the Board. The other four shareholder-elected Board members have expressed willingness to stand for re-election. In preparing its proposal, the Nomination Committee has in particular considered the board members' independence and the need for broad and relevant competence and continuity in the board.

The current Nomination Committee members' term of office runs until 2018, and Tom Knoff and Anne Carine Tanum have decided to not seek re-election to the committee, while the other committee members have expressed willingness to stand for re-election. In preparing its proposal, the Nomination Committee has considered several factors including the need for broad and relevant competence and experience and also continuity in the committee. The Nomination Committee aims for a gradual rotation of committee members, but will also take candidate proposals from larger shareholders into consideration.

The Nomination Committee has as part of its work sought input directly from Yara's largest shareholders, and more broadly through communication on Yara's web pages.

The Nomination Committee proposes an increase in the remuneration of corporate body representatives. For some of the representatives larger increases are proposed, and these are explained below.

For the chair of the Board the committee proposes an increase of 5.9 percent, which will bring the remuneration to a level which to a greater extent reflects the role's responsibility, scope and time demands, in addition to the company's complexity and international exposure. The Nomination Committee highlights the increased expectations to chairpersons of international companies in terms of knowledge, availability and time commitment. Furthermore the Nomination Committee underlines the importance of being able to offer remuneration which contributes to recruitment and retention of needed competence and experience in the board.

For the vice chair of the Board, other Board members and the chair of the Nomination Committee the Nomination Committee proposes increases of respectively 5.2 percent, 5.8 percent and 29 percent, which will bring their remuneration to a level which to a greater extent reflects the roles' responsibility, scope and time demands.

The Nomination Committee makes the following proposal to the Yara International ASA General Meeting 8 May 2018:

1. Election of Board members

The Nomination Committee proposes re-election for a period of two years of Hilde Bakken, Maria Moræus Hanssen, Geir Isaksen and John Thuestad as Board members.

The Nomination Committee proposes election for a period of two years of Trond Berger as a new Board member.

Trond Berger (born 1957) has broad international experience from a sector marked by major changes of technology and business models. He has been CFO of Schibsted ASA since 1999, and is a member of the boards of Arcus ASA and Polaris Media. Berger has previously been Investment Director at Stormbull (1998-1999), Corporate Investment Director at Nycomed Amersham (1996-1998), CFO of Hafslund Nycomed (1994-1996) and manager and partner in Arthur Andersen (1982-1994). He is also a member of the boards of several subsidiaries within the Schibsted group. Berger holds an MA in Economics from the BI Norwegian School of Management and is a State-Authorized Public Accountant. He is independent of Yara's executive management and Yara's material business interests.

With this proposal the Nomination Committee considers the Yara board will be broadly composed with regard to relevant competence and experience. The Board will have significant experience from international business and from agriculture, industry, energy, finance, digital business models and customer-facing activities, in addition to experience from restructuring and change management.

Reference is made to the Nomination Committee's evaluations described above. Furthermore, reference is made to Yara's web pages for information on the current Board members' competence and background:

<https://www.yara.com/this-is-yara/management-and-board/>

2. Recommendation to the Board regarding election of chair and vice chair

As already mentioned, the chair of the Board Leif Teksum will not seek re-election to the Board, and the Nomination Committee recommends that the Board elects Geir Isaksen as the new chair of the Board.

Geir Isaksen (born 1954) is the CEO of Norwegian State Railways and has been a Yara Board member since 2013. From 1996 to 2011, Mr. Isaksen was CEO of Cermaq ASA (before 2002 Statkorn Holding ASA). During this period he led a comprehensive restructuring process and IPO of the business and contributed to significant growth in Norway and abroad. From 1995 to 1996 Geir Isaksen was CEO of Statkorn AS, and prior to this he has held director positions in the Norwegian agriculture organizations' Brussels office and Gartnerhallen, a food wholesale and distribution company. Mr. Isaksen holds a Dr. Scient. in Agricultural Economics from the Norwegian University of Life Sciences in Ås, Norway. He is independent of Yara's executive management and Yara's material business interests.

The Nomination Committee recommends that the Board elects Maria Moræus Hanssen as Vice chair of the Yara Board of Directors.

Moræus Hanssen (born 1965) is CEO and Chairman of the Management board of DEA Deutsche Erdoel AG, and has been a Yara Board member since 2015. Moræus Hanssen previously held the position as CEO of ENGIE E&P International and Head of E&P Business Unit in the ENGIE Group (2014-2017) and Investment Director at Aker ASA responsible for its E&P portfolio (2008-2013). Before joining Aker ASA, she held various management roles in Norsk Hydro and subsequently Statoil, within oil production and field development in the North Sea. Mrs. Moræus Hanssen holds a Master's degree in Petroleum Engineering from the Norwegian University of Science and Technology (NTNU) and a Master's degree in Petroleum Economics from IFP School (Paris). She is independent of Yara's executive management and Yara's material business interests.

3. Election of members of the Nomination Committee

As already mentioned, Tom Knoff and Anne Carine Tanum will not seek re-election to the Nomination Committee. The Nomination Committee proposes re-election for a period of two years of Thorunn Kathrine Bakke and Ann Kristin Brautaset as members of the Nomination Committee. Reference is made to Yara's website for information on the current members of the Nomination Committee:

<https://www.yara.com/this-is-yara/corporate-governance/shareholders/nomination-committee/>

The Nomination Committee proposes election for a period of two years of Otto Sørberg as a new member of and chair of the Nomination Committee.

Otto Sørberg (born 1957) has since 2016 been CEO of Eksportkreditt Norge AS, and was previously President of Wood Group Mustang Norway AS (2014-2016), CEO of Agility Group AS (2010-2014), Head of Division Oil, Gas & Marine, Siemens AG (2008-2010) in addition to a number of other management positions within export-oriented industry, including President of Kværner Oil & Gas Field Development (1999-2002) and CEO of Aker Yards ASA (1997-1999). Sørberg holds a Master of Science econ. from Copenhagen Business School. He is independent of Yara's board and executive management.

The Nomination Committee proposes election for a period of two years of Ottar Ertzeid as a new member of the Nomination Committee.

Ottar Ertzeid (born 1965) has since 2003 been Group Executive Vice President DNB Markets. He has previously held various positions within the FX/Treasury area at DNB. Ertzeid has previously been CFO of DNB Boligkreditt and head of finance at Realkreditt. He is chair of the board of the Norwegian Banks' Guarantee Fund, vice-chair of the board of the Norwegian Investor Compensation Scheme and a board member of Oslo Børs VPS Holding and Oslo Børs AS. He is independent of Yara's board and executive management.

4. Proposal for remuneration of members of the board of directors

The Nomination Committee proposes the following remuneration for Board members:

Chair:	NOK 609,000
Vice chair:	NOK 375,000
Other members:	NOK 330,000

The remuneration is per year and is calculated proportionally.

Meeting allowance for board members resident outside Scandinavia:
NOK 11,400 per meeting

Remuneration to deputy board members attending:
NOK 10,000 per meeting

5. Proposal for remuneration of members of the HR Committee

Chair:	NOK 7,700 per meeting
Other members:	NOK 7,300 per meeting

6. Proposal for remuneration of members of the Audit Committee

Chair:	NOK 169,000
Other members:	NOK 95,000

The remuneration is for one year and will be calculated proportionally.

7. Proposal for remuneration of members of the Nomination Committee

Chair:	NOK 8,000 per meeting
Other members:	NOK 6,000 per meeting

8. Changes to the Nomination Committee procedure

The Nomination Committee proposes some smaller changes to its procedure. Reference is made to the attached proposal.

Oslo, 6 April 2018



Tom Knoff
Chair of the Nomination Committee