

Guidelines for remuneration of executives in Yara

The Board of Directors determines the remuneration of the President and CEO based on a proposal from the HR Committee and approves the general terms of the company's incentive plans for Executive Management and other key employees. The President and CEO determines the compensation to the other members of Yara's Executive Management.

The statement is prepared in accordance with the Public Limited Companies Act section 6-16a. Pursuant to the Public Limited Companies Act section 5-6 (3) the statement will be presented to the Annual General Meeting (AGM) for advisory vote except for the parts regarding Share-Based Remuneration (SBR) and Voluntary Share Purchase Program) which will be presented to the AGM 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. Yara's remuneration principles applying to the Executive Management comply with these guidelines. For executives employed by Yara companies in other countries remuneration may deviate from the guidelines depending on local market conditions. There is currently one member of Yara's Executive Management who is employed by a non-Norwegian Yara company.

General Principle

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

- Are attractive to recruit and retain executives;
- Are responsible as well as competitive but not market leading;
- Reward the executives' performance, measured as their contribution to the overall success of Yara;
- Support the creation of sustainable value creation to Yara's shareholders and other stakeholders

Total compensation for each member of Executive Management is compared to the relevant market on a regular basis. Yara's remuneration of the Executive Management includes the following elements:

Base Salary

Base Salary is reviewed once a year as per 1st June along with the Annual Salary Review for all employees in Yara. 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

Share Based Remuneration

The main purpose of the Share Based Remuneration (SBR) is to support the alignment between executives and shareholder interests and to ensure retention of key talent in the company. The SBR provides a 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 the grant, and to retain the shares for minimum 3 years. After the lock-in period, executives are free to keep or sell the shares at their discretion. 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 in any case decide that SBR shall not be granted in a given year and Yara's Board of Directors can decide that SBR shall not be granted to the CEO. Such an evaluation will amongst other factors be evaluated against Yara's performance towards its strategic targets of sustainable value creation, hereunder Key Performance Indicators (KPIs) linked to environmental, social and financial performance. The amount granted is linked to the responsibility in the position. For Yara CEO, SBR is 30% of Base Salary. For the other members of Executive Management, SBR is 20% or 25%.

Short-Term Incentive Plan

Yara has defined and communicated long-term strategic targets. Those targets form the basis for the annual Business Plan. The annual KPIs are ambitious and stretched and are taken from Yara's business plan for the current year as a step towards achieving the company's long-term strategic targets.

The relationship between the long-term strategic targets and the Key Performance Indicators is illustrated in the table below.

Strategic Priorities	Long-term targets	KPIs
Advance operational excellence	Delivering improved operations and superior profits	Yara Improvement Program EBITDA improvements >600 MUSD in 2023 vs 2018
	Driving quality and diversity through an engaged and respected workforce	Engagement index >80% by 2025, and >20% female top managers by 2020 and >25% by 2025
	Protecting the planet by aiming for climate neutrality by 2050	>10% decline in kg CO2e/kg N produced by 2025
Create scalable solutions	Improving margins and nitrogen use efficiency through premium product growth	>3.5 million tons premium products growth and >100 million units of YaraVita sales by 2025, improving overall EBITDA/t in Sales and Marketing
	Build profitable global food chain partnerships	>2 million tons of crop solution sales generated through food companies by 2025
Drive innovative growth	Building closeness to farmers through scaling up digital farming	>10 million ha under management in 2020 and positive EBITDA from digital farming in 2022
	Solving global challenges and growing profitable business through innovation	Shaping the industry by delivering sustainable and profitable innovations with decarbonization and circular economy

The Short-Term Incentive Plan depends on four main factors;

- A trigger which must be met for any incentive at all to be paid out and the trigger is having a net income above zero

Provided this is in place, there are three multipliers defining the pay-out to each member of the plan;

- Target Incentive as a percentage of Base Salary;
- Yara Financial Performance measured by Yara's Return on Invested Capital (ROIC) excluding Special Items;
- Executive Management's contribution to the achieved results of the KPIs and strategic targets. The KPIs should express ambitious and stretched goals

These three elements are described in further detail below;

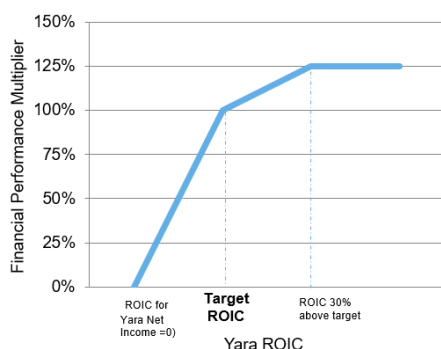
Target Incentive

The Target Incentive is linked to the responsibility in the position and comparison with the market. The Target Incentive is 40% of base salary for Yara CEO and 28% to 35% of base salary for the other members of Executive Management on Norwegian employment contracts. For executives employed by Yara companies in other countries the Target Incentive sometimes deviate from the above depending on local market conditions.

Yara Financial Performance

Given that Yara's net income is above zero, the financial performance multiplier will be in the range of 0 up to maximum 125% depending on the targeted and achieved ROIC. The multiplier scale is shown in the table below.

The basis for setting the ROIC target is Yara's long-term strategic target of 10% return on capital employed. The target for an individual year will vary depending on where we are in the industry cycle and will for some years be lower and for other years higher than the strategic target. The annual target for ROIC is approved by Yara International ASA Board of Directors.



Note: Yara Net Income and ROIC are both excluding special items and currency effects

Special Items are substantial, one-time expenses or sources of income not being expected to recur in future years. For example, restructuring costs, earnings from discontinued operations, etc. In addition, significant events affecting ROIC not considered in the target setting might cause negative or positive adjustments subject to BoD approval.

Such events are mainly:

- Change in gas prices
- Change in nitrogen commodity prices

Executive Management Performance

The Executive Management Performance multiplier is based on measurable KPIs, the promotion of Yara's Mission, Vision and Values and demonstrated behaviors. The relationship between Yara's long-term strategic targets and the annual KPIs is shown in the table above.

To achieve 100% multiplier on Executive Management Performance, all the KPI targets must be fully achieved and the executive must have demonstrated behavior according to Yara's Values.

Short-Term Incentive Payout

For executives on Norwegian employment contracts the maximum Short-Term Incentive Payout is capped at 50% of Annual Base Salary. It is not permitted to accrue any calculated payout in excess of the capped amount to future year where the payment may be less than 50% of Base Salary. For executives employed by Yara companies in other countries the payout may exceed 50% depending on local market conditions. For the year 2016 to 2018 the annual payouts for Yara CEO varied between 21% and 36% of Base Salary. The average annual payouts for the other executives on Norwegian employment contracts varied between 16% and 31% of Base Salary.

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 contribution 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 1st 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 all 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.

Members of Yara Executive Management 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.

Voluntary Share Purchase Program

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 15,000 with a tax-exempt discount of NOK 1,500 in the first alternative and NOK 3,000 in the latter. 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.

Covid-19

In light of the demanding situation globally related to the Covid-19 virus, Yara's Executive Management will for the second year running abstain from any salary increase in 2020. Furthermore, short-term incentive pay-out for Executive Management accrued for 2019 which would normally be paid out in April 2020 will be frozen. A conclusion on whether to cancel or pay the bonuses will be made once the macro-economic situation has normalized.