

2022 Guidelines on salary and other remuneration for executive personnel

Yara's guidelines for remuneration of the 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) 2022 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 30 April 2021 (State Guidelines). Yara's remuneration principles applying to Yara CEO and the other members of the Group Executive Board comply with these guidelines. The State guidelines apply at the outset to the entire group. Potential deviations will be reported in the report on remuneration of the Group Executive Board and Board Members to the Annual General Meeting. 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 a 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 Board 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 from the guidelines temporarily in individual cases. This requires exceptional circumstances making this necessary in order to safeguard the company's long-term interest, financial sustainability or ensure the company's viability. Potential deviations and the reasons for this will be reported in the report on remuneration of the 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;

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

Total remuneration for each member of the Group Executive Board 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. This is 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:

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

The group executive board has over the past three years had an accumulated base salary increase of 0 % as the members have abstained from salary adjustments. The corresponding average Norwegian salary increase in the same period was 8,3 percent on an accumulated basis. Salary adjustments in 2022 will for the Group Executive Board as a maximum be set equal to the frame for salary regulation according to applicable central collective bargaining agreements in Norway.

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 Base 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, 2020 and 2021.

Share Based Remuneration (SBR)

To support the alignment between executives and shareholder interests and to ensure retention of key talents in the company, an amount equal to 30% of the Base Salary 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 SBR percent for other members of the Group Executive Board than the CEO were adjusted from 25% to 30% with effect from 2023. The change has been made to ensure that the SBR plan is competitive and adapted to the market. The CEO was eligible for a 30% SBR also before 2023.

The grant of SBR is conditional on Yara's Net Result excluding special items and currency gain/loss being positive in sum 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

The Short-Term Incentive Plan contributes to realizing Yara's strategy, its long-term value creation and capital allocation policy. The plan sets stretched annual goals covering the dimensions People, Planet and Prosperity on the basis of Yara's communicated strategic scorecard goals, which are reported quarterly.

The annual goals are divided into Company Performance and Strategic Focus Areas as further described below. If all stretched goals are met, the CEO and the members of the Group Executive Board will obtain a target bonus of 40% of Base Salary. Maximum gross before tax payout is 50% of Base Salary. The maximum payout includes accrual of holiday pay on the bonus payout where this is applicable.

The target bonus for other members of the Group Executive Board than the CEO was adjusted from 35% to 40% with effect from 2022. The target bonus for the CEO was 40% also before 2022.

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 includes the performance indicators set to drive performance for 2022, in line with Yara's strategic goals. A reference table shows for each indicator what is required to achieve the different performance scores. Each indicator has an individual weight and the weighted sum of the performance score for each indicator represents the overall outcome as a percentage of Base Salary. The maximum bonus is 30% of Base Salary.

The objectives for the year and achieved results will be disclosed in the report on remuneration of the Group Executive Board and Board Members to the Annual General Meeting. Some of the performance indicators are market sensitive and consequently yearly targets will not be specified.

People (25% weight) 					Planet (25% weight) 					Prosperity (50% weight) 				
Yara KPI	2020	2021	2025 Target	Measure	Yara KPI	2020	2021	2025 Target	Measure	Yara KPI	2020	2021	2025 Target	Measure
Strive towards zero accidents	1.3	1	<1.0	TRI	Energy efficiency ²	33.2	33.4	32.7	Gj/t NH3	Amonia production ¹	7.7	7.8	8.9	Mt
Process Safety	71 %	87 %	95 %	%	GHG emissions	2.97	2.99	2.70	CO2/ton	Finished Fertilizer Production ⁴	21.3	21.8	23.9	Mt
Engagement Index ¹	79 %	79 %	Top quartile	Index	Active Hectares ³	8	8	150	MHa	Premium generated	1 036	280	N/A	MUSD
Diversity and Inclusion Index ¹	74 %	77 %	Top quartile	Index	Carbon Marketplace	-	-	TBD		Revenues from new business models	6	11	1 500	MUSD
Female senior managers	24 %	29 %	40 %	%						Revenues from online sales	0	4	1 200	MUSD
F/M ext. Recruitment senior personnel	25 %	30 %	50 %	%						EBITDA	2 223	2 804	>2 800	MUSD
										Working capital days ^{4,5}	113	83	92	Days
										Capital return (ROIC) ⁵	8.0%	7.9%	>10%	%
										Fixed costs ^{4,5}	2 322	2 487	2 314	MUSD
										Capex ⁶	0.8	0.9	1.2	BUSD
										Progress projects on planned time/cost	According to project plan			
										MSCI rating	BBB	A	A	Score
										Sustainalytics rating	Med	Med	Med	Score
										Net debt / EBITDA ⁵	1.36	1.36	1.5-2.0	Ratio

1) Measured annually
 2) Energy efficiency target is for 2023
 3) Cropland with digital farming user activity within defined frequency parameters
 4) YIP target for 2023
 5) Alternative performance measures are defined, explained and reconciled to the Financial statements in the APM section of the 4Q 21 Report on pages 31-36
 6) CAPEX max 1.2 for 2022 onwards (including maintenance)

Strategic focus areas

A set of strategic focus areas to drive performance is established for each year. The following focus areas are set for 2022:

- Implement **Grow@Yara** with focus on **leadership** development & leadership communication
- Scale up digital **farmer connectivity** and commercialize **food value** chain partnerships
- Establish mineral fertilizer as a key component in regenerative agriculture, supported by growth in **bio-stimulants** and **organic farming**
- **Decarbonize** and improve the competitiveness of our asset base, by continuing to drive **operational excellence**
- Accelerate the **digital transformation** of our **core processes**, including a new ERP platform

The achievement of goals for the individual Strategic Focus Area will be assessed in accordance with the following table with a maximum bonus of 20% of Base Salary:

Performance Scale on Strategic Focus Areas

The planned action have been taken during the year with the following success score	Less than 50%	50%	75 %	100 %	110%
Correspond to the following pay-out in % of Base Salary	0 %	8,0 %	12,0 %	16,0 %	20,0 %

The achieved result for each of the Strategic Focus Areas will be disclosed in the report on remuneration of the Group Executive Board and Board Members to the Annual General Meeting.

In addition to the performance evaluation described above, the board will take into account 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. Members of the Group Executive Board 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 Group Executive Board who are members of the plan at commencement, future contributions to the plan stops and they become deferred members of the plan. One current member of the Group Executive Board at 3 December 2015 remains active member 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 the Group Executive Board on Norwegian contracts are entitled to a severance pay equal to six months Base 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.

Ad-hoc compensation elements

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