



## Knowledge grows

### The Board of Director's response to shareholder's proposal item 13 on the agenda for Yara International ASA's Annual General Meeting 2023

#### 1 Introduction

Pursuant to the Norwegian Public Limited Liability Companies Act (PLC) § 5-11, a shareholder in a Norwegian public limited liability company has the right to put matters on the agenda of the general meeting, including a proposal for resolution.

On April 18, 2023, the board of Yara International ASA (the "Company") received a proposal (the "Proposal") for resolution at the Company's upcoming annual general meeting. The Proposal has been included as agenda item 12 in the agenda for the annual general meeting, as set out in the notice of the annual general meeting published on 19 May 2023. The shareholder's supporting statement is available at <https://www.yara.com/investor-relations/reports-presentations/>.

#### 2 Background

The shareholder that has made the proposal is Mr. Michael Anderson, a private individual who at the date of this memo holds one (1) share in the Company. The share was acquired on 13 December 2022.

The shareholder was previously employed as an associate lawyer by PWC Norway and part of PWC's legal services team. The allegations made by the shareholder have their basis in a conflict between the shareholder and PWC, and the shareholder has over time presented various allegations towards his former employer, mainly through his webpage [www.pwcsaken.no](http://www.pwcsaken.no)

PWC has commented on the conflict in a statement (the "PWC Statement") enclosed hereto as Appendix 1.

The shareholder contacted the Company in June 2022, including by delivering personal letters addressed to Svein Tore Holsether, CEO, and Trond Berger, Chairman of the board. The Company has, through the communications department, acknowledged receipt of the letters and information and responded that it has taken note of the comments made, but without commenting on content of the letters as such as the matter does not relate to the Company.

#### 3 The Company's work relating to respect for human rights and decent working condition in its supply chain

The Company is committed to secure that fundamental human rights and decent working conditions are respected in connection with its business and acknowledges its responsibilities relating to its supply chain.

All business partners of the Company are expected to do business in accordance with laws and regulations and adhere to the Company's Code of Conduct for Business Partners, available at [Business Partner Code of Conduct - English \(yara.com\)](https://www.yara.com/business-partner-code-of-conduct-english).

It is a clear legal obligation in the Code of Conduct for Business Partners that a business partner provides a safe and healthy workplace in compliance with international standards and national laws to their employees and contractors. Any business partner registered in Norway is required to comply with all relevant Norwegian labour laws and regulations.

The Company further reserves its right to discontinue business relationships in case of material breaches of strict legal obligations by a business partner and will address and support remediation with its business partners in case of breaches of expected standards. The Company also reserves its right to audit or inspect its business partners in relation to the obligations and expectations outlined in the Code of Conduct for Business Partners.



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The Company has an extensive integrity due diligence program designed to assess the integrity of its business partners. An integrity due diligence assessment is carried out prior to engaging business partners to identify actual or possible risks relating to corruption or human rights and re-performed on a frequent basis during the engagement.

PWC Norway is engaged by the internal audit division of the Company. The division has not instructed PWC in any manner which could result in, or otherwise been involved in or made aware of, any labour law crimes or indecent working conditions within PWC Norway. Integrity due diligence assessments have been carried out by the Company in accordance with its policies and no risks have been identified by the Company in relation to PWC Norway.

### **4 The Board's assessment of the Proposal**

The right for a shareholder to put matters on the agenda for a general meeting pursuant to PLC § 5-11 is wide-ranging and the threshold for dismissing a proposed matter is high. It is ultimately up to the board of the Company to decide if a matter raised by a shareholder shall be included on the agenda for a general meeting. Although the threshold for dismissing a matter raised by a shareholder is high, there are limitations in that the matter must relate to the Company and be within the authority of the general meeting. Matters of personal or political character will typically not be relevant.

The allegations made by the shareholder in this case do not relate to the Company, but its business partner PWC Norway, and there have been no allegations towards any persons in the Company for having been involved in or having had any connections to the underlying allegations towards PWC Norway. The matter is also clearly of a personal character.

Nevertheless, the board of the Company has after careful considerations resolved to include the matter on the agenda for this year's annual general meeting. It should however be noted that the board of the Company does not support the Proposal for the reasons set out above, and recommends the general meeting to vote against the proposal.



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**Memo**

To: Yara International ASA  
Att: [REDACTED]  
From: Advokatfirmaet PricewaterhouseCoopers AS  
Date: May 3, 2023

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**Smear campaign against PwC and colleagues**

PwC Norway is aware that a former PwC employee publishes what he calls notifications on his own websites (pwcsaken.no and krimnett.no), where he amongst others names and denounces colleagues at PwC. We recommend that all of our clients and business relations that are contacted by the said individual visit these sites to get a better understanding of the case and the said individual's behavior/modus operandi.

As his publications and allegations to a large extent relate to personnel matters, there are clear limitations to what we (PwC) can share regarding the details of the individual accusations that are made. We would nevertheless like to state that we do not in any way agree with the presentation from the former PwC employee.

As a part of his smear campaign against PwC, we are also aware that some of our clients have been contacted in connection with an alleged case of "labor crime". The allegation is also discussed on his own website (pwcsaken.no). The matter relates to alleged overtime work that the former employee claims to have the right to receive compensation for and in addition is to be considered as "illegal" overtime. The claim relates to 13 different days in the period 26 March to 16 May 2019. The claim was formally presented to us on 20 April 2022 via copies of taxi receipts.

We have carried out a thorough investigation of his claim and allegations and have concluded that this is "overtime" that is not submitted in the ordinary time management system or in any other form or way known to us. The only "documentation" available is receipts for private taxi rides from locations near our offices to and from his home, often late at night. We have not found any reason to compensate these Taxi receipts and have no knowledge of or possibility to compensate the former employee for the alleged overtime work based on these receipts. Consequently, we can not relate to his claim nor his allegations about "illegal overtime/labor crime".

It should also be noted that the said individual did receive payment for overtime work while he was employed at PwC Norway. These extra hours were duly noted in our time management system and he has not claimed that these time specifications include any "illegal" overtime work.

The former employees publications and behavior in general, including contact with our clients and business relations, is in our opinion done with malicious intent. We find this completely unacceptable and we fully understand that this is experienced as unpleasant and disturbing for those of our clients and business relations who are contacted. For the record, we wish to clarify that the person concerned now has no connection to PwC and that we have no instructional authority over him. Our experience is that the person in question seeks attention to his affairs and that correspondence/dialogue about the situation can lead to unwanted interference from the person in question.

If you have any further questions please feel free to contact Risk Management team PwC.