

2023 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) 2023 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 12 December 2022 (State Guidelines). Yara's remuneration principles applying to the CEO and the other members of the Group Executive Board aim to comply with these guidelines. The State guidelines apply at the outset to the entire group. Potential deviations will be reported to the Annual General Meeting in the report on remuneration of the Group Executive Board and Board. 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.

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 Annual 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 temporarily deviate from the guidelines in individual cases where exceptional circumstances make 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 these 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:

- Management incentives 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;

- 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
- Local Market Allowance
- Share Based Remuneration
- Short-Term Incentive plan
- Pension plan benefits
- Other compensation elements such as internet connection, company car or car allowance

The annual salary increases in 2022 for each member of the Group Executive Board was 3.7% from 1 June 2022, after having abstained from annual salary adjustments for the years 2019 to 2021. The average Norwegian salary increase for the period 2019 to 2022 was 12.9 percent on an accumulated basis. The average salary increase frame in 2022 for Yara employees in Norway was 4.8%.

Base Salary

Base Salary is reviewed once a year as per 1 June as part of the Annual Salary Review for all employees in Yara. In addition, salaries may be reviewed if the scope of responsibility is materially changed. The development of Base Salary for the Group Executive Board is based on the following:

- Annual salary adjustment for all employees in Yara International ASA and Norwegian subsidiaries as average percentage adjustment and average salary adjustment in terms of nominal amount
- Benchmark of Executive Management Salaries in peer companies

Local Market Allowance

The positions as regional EVPs are placed in markets where Yara's compensation levels are significantly below the market standard. To reduce the retention risk for these positions, a Local Market Allowance will be added as a new element in the respective compensation packages from January 2023. The allowance is linked to the position, which means that the EVPs only receive it for the period they hold this position. Furthermore, the allowance is not included in the basis for calculating the allocation of SBR shares, Short-term Incentive plan or pension contributions. For 2023, the annual Local Market Allowance for the three regional EVP positions (EVP Europe, EVP Americas, and EVP Africa & Asia) is 50 TEUR (approximately 55 TUSD) respectively.

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 percentage 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 stated 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 the member's 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, long-term value creation, and capital allocation policy. The plan sets stretched annual goals covering the dimensions People, Planet and Prosperity based on 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.

According to the amended State Guidelines, maximum achievable bonus should not exceed 25% of base salary with expected implementation as of 1 January 2024. Potential changes to the Short-term Incentive Plan with effect from 2024 in accordance with the amended State Guidelines will be presented to the 2024 annual general meeting.

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 2023, in line with Yara’s strategic goals. The 2023 KPI scorecard has been simplified compared to the 2022 scorecard and the number of KPIs, especially for the Prosperity dimension, has been reduced. 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 related to company performance 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	2021	2022	2025 Target	Measure	Yara KPI	2021	2022	2025 Target	Measure	Yara KPI	2021	2022	2025 Target	Measure
Strive towards zero accidents	1	1,1	<1.0	TRi rate	GHG emissions, intensity	2.99	3.05	2.70	CO2/ton	Amonia production ³	7.8	7.7	8.6	Mt
Engagement Index ²	79 %	78 %	78 %	%	GHG emissions, scope: 1 17.3 16.3 2 -5% -12%				Mt Co ₂ e % Co ₂ e	Finished Fertilizer Production ³	21.8	20.5	22.5	Mt
Diversity and Inclusion Index ¹	77 %	75 %	76 %	%	Digitalized Hectares	8	14,8	150	MHa	Premium generated ⁴	280	1808	N/A	MUSD
Female senior managers	29 %	29 %	40 %	%	MSCI rating	A	A	A	Score	Revenues from new products and services	15	35	1 500	MUSD
										Revenues from online sales	4	17	1 200	MUSD
										Capital return (ROIC) ⁵	12,7 %	25,3 %	>10%	%
										Fixed costs + CapEx ⁶	3.1	3.4	4.3	BUSD

1) L12M per October 2022
 2) Measured annually
 3) YIP target for 2023 accounts for market optimizations and turnarounds
 4) Premium generated: Excluded from STIP due to highly uncertain and very subject to or driven by the market environment and volatility - more so than any of the others
 5) ROIC excl. special items
 6) Fixed cost ambition is to beat inflation in core business. Capex guidance is 1.2 BUSD in real terms



Strategic focus areas

A set of strategic focus areas to drive performance is established for each year. The following focus areas are set for 2023:

- Grow an entrepreneurial culture through deploying Grow@Yara for all employees, supported by implementing our leadership behaviors and clarifying roles and mandates where needed
- Increase resilience and competitiveness of our asset base under geopolitical uncertainty through continued focus on operational excellence, decarbonization and a more active prioritization of resources towards our top-performing assets

- Scale-up the digitalization of our core processes through executing on e.nable and establishing traceability across the food supply chain
- Accelerate scale-up in digital transformation and tools across customers and channels by fully implementing regional and global operating models for digital innovation
- Grow Yara’s commercial offering in regenerative agriculture through innovation and asset growth, with priority on premium products and solutions, digital offerings, clean ammonia and biostimulants

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 to the Annual General Meeting in the report on remuneration of the Group Executive Board and Board Members.

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 in this plan are 7% of the pensionable salary up to 7.1 times Norwegian Social Security Base Amount (G) and 18% of the 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 stop and they become deferred members of the plan. One current member of the Group Executive Board who was recruited before 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 or 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.