



CONSTITUTING DOCUMENT

INTERNAL

Mandate for the Board's Compensation and People Committee

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Changes from last revision:

Change of name from the Board's Compensation Committee by adding "and People".
Expanded Committee mandate by adding strategic people processes (items 2 (iii) and 4 (vi))

Established by: The Board of Directors

References: Rules of Procedure for the Board of Norsk Hydro ASA, Rule 7 - Sub-committees

1 Appointment

The Board of Directors (the "BoD") shall appoint a Compensation and People Committee (the "Committee") consisting of not less than three members of the BoD who are not officers of the Company. The employee representatives on the BoD may nominate one member to the Committee. The BoD appoints the Chair of the Committee. The Committee members are appointed for a two-year term.

2 Objective

The Committee shall assist the BoD in exercising its oversight responsibility, in particular in relation to

- (i) compensation matters pertaining to the President and CEO (the "CEO") and other members of the Corporate Management Board (the "CMB"),
- (ii) other compensation issues of principal importance, and
- (iii) strategic people processes in the Company, in particular related to succession, leadership and talent, and diversity and inclusion.

The Committee shall regularly consider the appropriateness and competitiveness of the remuneration arrangements for the CEO and other members of the CMB.

3 Meetings

The Committee shall meet at such times as are determined by the Chair of the Committee, but at least once annually. A majority of the members of the Committee shall constitute a quorum for transaction of business.

Mandate for the Board's Compensation and People Committee

4 Duties and Responsibilities

The Committee shall, *inter alia*, annually;

- (i) Conduct a CEO and CMB performance review process. The CEO review process shall be based on a preceding appraisal conversation between the CEO and Chair of the Committee. The CMB review shall be based on an appraisal presentation made by the CEO.
- (ii) Prepare and recommend proposals for the CEO's compensation, including base salary adjustments, incentive plans and/or other CEO benefits. Such proposals shall be brought before the BoD for its collective consideration.
- (iii) Review and advise the CEO on the compensation of the other members of the CMB.
- (iv) Prepare the BoD's deliberations of matters of principle regarding salary level, bonus systems, pension schemes/terms, employment agreements and similar for executive employees in Hydro as well as other issues regarding compensation which the Committee finds to be of material importance for the Hydro Group's competitiveness, recruitment, reputation etc.
- (v) Prepare and recommend proposal for, or amendments of, the Company's remuneration policy for leading persons and the annual remuneration report for the same in accordance with the Norwegian Act on Public Limited Liability Companies and associated regulations.
- (vi) Oversee and review, among others,
 - succession planning and talent management processes
 - leadership development, with particular focus on CEO successor candidates
 - diversity and inclusion management
 - employee engagement surveys.

5 Reporting

The Committee shall prepare and submit minutes from its meetings to the BoD. Such minutes shall contain recommendations for BoD action when appropriate.

6 Management Support

To assist the Committee in fulfilling its duties, the CEO is responsible for making available information and recommendations as needed and requested. The Committee shall be entitled to call upon any member of the senior management to participate in its meetings, as and when deemed appropriate by the Committee. The Committee shall have access to the Company General Counsel and/or outside legal counsel and consultants at its discretion if it deems such access to be necessary. Further, the Committee shall have direct access to internal and/or external case handling resources so that no person who may be perceived having a significant personal or financial interest in the decisions of the Committee participates in the deliberations.

The Group HR Compensation & Benefits shall act as Secretary to the Committee.