

Norsk Hydro ASA's remuneration policy for executive management



Introduction

Norsk Hydro ASA's ("Hydro" or the "Company") remuneration policy for executive management ("Policy") describes the governing principles for remuneration of the members of the Board of Directors ("board") and members of the Executive Lead Team ("ELT"). The ELT is composed of the Chief Executive Officer ("CEO"), the EVPs for the Business Areas and the EVPs for the corporate staff areas.

The Policy has been prepared in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act, Regulations on guidelines and report on remuneration of executive management and the Accounting Act, section 7-31b.

Subject to the approval of the Annual General Meeting ("AGM"), 7 May 2026, this Policy replaces the previous remuneration policy approved at the AGM on 7 May 2024. The policy will come into force from 1 January 2027. A change log with information on the material changes in the new Policy can be found in the Appendix.

Purpose and principles

The purpose of Hydro's policy is to attract and retain qualified people in the ELT to manage the company sustainably and according to its long-term strategy. To do this, Hydro needs to offer competitive salaries and compensation packages that are in line with what is common in the relevant markets. However, Hydro aims to be competitive without being market leading.

The compensation for ELT members includes both fixed and variable elements. The variable pay plans are designed to encourage behaviors and actions that help achieve Hydro's strategy, increase long-term value for shareholders, and contribute to a sustainable society. The policy is based on Hydro's reward philosophy, reward principles and our reward fundamentals.

Reward philosophy

Our attitude

At Hydro, we believe that our people drive our success. We recognize that the value we create depends on the effort of each and everyone.

We are committed to creating a workplace that is fair and equitable for all, regardless of background and personal characteristics.

Reward principles

Our system of belief

Market competitive

Total reward shall be aligned with local market to ensure competitiveness.

Performance oriented

The total reward should enhance and encourage performance oriented behavior, short- and long-term, and retention of critical competence and resources.

Transparent

A description of the organization's reward elements should be available to all employees, and each employee (and her/his leader) should have a clear understanding of the employee's total reward. The reward should be based on clear and consistent criteria with due regard to the basic needs of the worker.

Holistic

Total reward should be viewed holistically and be a well-balanced mix of monetary and non-monetary compensation elements, incl. career opportunities and other recognition elements, having the potential for differentiation, immediate and over time.

Our reward fundamentals

How we execute our beliefs

In Hydro, the total reward concept includes all reward elements, both monetary and non-monetary.

The sum of all elements should aim at ensuring the attractiveness of the total reward package.

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In addition to complying with statutory requirements and general best practice, the Company's remuneration guidelines include the following elements:

- total remuneration shall be at a level which attracts and retains the desired expertise, i.e. the remuneration must be competitive but not market leading;
- differences between remuneration of executive management and other employees may be considered when assessing changes to remuneration schemes and -levels;
- annual salary adjustment for members of the ELT shall, amongst others, be assessed based on the general salary adjustments in relevant markets, including salary adjustments for Hydro employees;
- annual salary adjustments for the ELT shall be evaluated using both nominal (NOK) and percentage perspectives to ensure fair, competitive, and well-balanced outcomes.
- surveys and benchmarking are used to ensure competitiveness of Hydro's compensation levels. To ensure a relevant basis for comparison, the following factors are assessed, amongst others:
 - a sufficient number of companies (listed on stock exchanges) that reflect Hydro's size, complexity, and geographical presence as well as the composition of the ELT,
 - foreign companies when there is a need to attract and retain expertise outside the Norwegian executive market;
- in order to ensure a competitive remuneration level at all times, the discontinuation or reduction in compensation elements may be compensated through an increase in other compensation elements, or by allowing existing participants to remain in the current plan such that the revised plan applies only to employees who join after the implementation date.

In individual cases where there is a need to retain critical expertise, remuneration can be adjusted independently of the annual salary adjustment, i.e. off cycle.

Remuneration of the Board of Directors

Members of the board receive a fixed fee determined by the AGM on an annual basis. Members of the board's two committees, the Audit Committee and the People & Remuneration Committee, receive a fixed annual fee in addition to the ordinary board fee.

A fixed travel allowance (per meeting) is paid to board members who live outside Norway and are present at the meetings. Travel expenses of members living in Norway are reimbursed on account.

The fees of the members of the board and the two committees, as well as the fixed travel allowance, are based on a recommendation from the Company's Nomination Committee (the guidelines for the Nomination Committee are available at [Hydro.com](https://www.hydro.com)).

The AGM can decide that members of the board may be required to use part of their fee to acquire shares in the Company.

The members of the board do not receive variable remuneration from the Company. Members of the board elected from among the employees are included in the Company's general annual short-term incentive program for all employees.

Pension contributions or vacation pay are not paid on the fees of board members.



Remuneration of the Executive Leadership Team

Structure

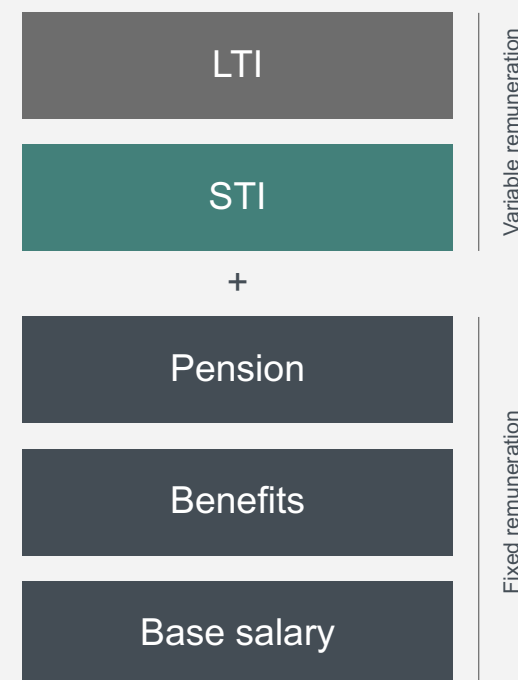
Remuneration of the members of the Executive Leadership Team (ELT) shall consist of both fixed and variable elements. Fixed remuneration includes base salary, benefits and pension. Variable remuneration consists of a short- and long- term incentive plan. In addition, the Company offers an employee share purchase plan (ESPP) to all employees on Norwegian contracts, including members of the ELT.

Members of the ELT do not receive remuneration for management or board roles in the Company's subsidiaries or cooperating companies (e.g., joint ventures).

A brief description of the various elements offered to the members of the ELT is set out below.

Element	Purpose	How it operates
Base salary	Attract and retain qualified people to corporate management. Competitive but not market leading.	The base salaries of the CEO and other ELT members are, in general, adjusted annually according to the local salary adjustment framework for all employees. Hydro regularly benchmarks the CEO's and ELT's salary levels through benchmark analyses of market pay for similar positions in relevant markets to ensure market competitiveness.
Pension and benefits	Attract and retain qualified people to corporate management. Competitive but not market leading.	In general, members of the ELT participate in the defined contribution scheme offered to all employees. Benefits include a car and mileage allowance in addition to work-related benefits such as phone, internet, etc.
Short-term incentive (STI)	Drive performance that will help Hydro deliver on its strategic agenda, increase long-term value for our stakeholders and contribute to a sustainable society.	Cash-based with a qualifying period of 12 months that follows the calendar year. Maximum potential for the members of the ELT, including the CEO, is 25% of base salary. For members joining the ELT prior to January 1 2024, see the STI text on page 8.
Long-term incentive (LTI)	Support the Company's long-term strategy, contribute to the retention of corporate management and align the interest of management and shareholders through share ownership.	CEO and ELT members participate in the company's Performance Share Plan (PSP). The maximum potential for CEO and ELT members is 30% of base salary.
Employee share purchase plan (ESPP)	Promote share ownership among employees, including ELT, to align interests with shareholders.	Employees, including the CEO and ELT members on Norwegian contracts can, subject to certain performance criteria, purchase Hydro shares worth up to NOK 30,000 at a 50% discount.

Executive remuneration in Hydro



Base salary

The base salary is the main element in the total remuneration granted to members of the ELT. The base salaries of the members of the ELT shall reflect the complexity and responsibility of their roles and of their contribution, qualifications, experience and salary levels in applicable markets.

The base salary is reviewed annually in Hydro's global salary adjustment process. In general, the salary adjustments for the members of the ELT will follow the results of the annual salary negotiations between Hydro and its Norwegian employee organizations or, as applicable, relevant foreign employee organizations for ELT members on international contracts. Extraordinary salary adjustments might occur if benchmark analyses confirm that adjustment is necessary to ensure competitiveness in the relevant market.

Variable remuneration

Variable remuneration shall be linked to performance. The variable remuneration plans shall motivate the members of the ELT to achieve performance targets that are closely linked to the Company's long-term strategy and sustainability.

The Company's strategic agenda of "shifting gear to capture opportunities in a new reality" lays the foundation to position the Company as a robust and profitable industrial leader based on innovation and sustainability.

Hydro remain committed to our 2030 ambition of pioneering the green aluminium transition, powered by renewable energy. We have confidence in our long-term direction, but recognize the need to adjust the pace and scope of our growth ambitions in line with market developments. Following the annual strategy review process, the Board of Directors reaffirmed Hydro's strategic direction while clarifying priorities to address this. Our strategy continues to rest on four main pillars:

- Drive profitable growth in Recycling and Extrusions
- Scale renewable power generation
- Execute on ambitious decarbonization and technology road map, and step up to contribute to a nature positive and just transition
- Shape the market for low-carbon aluminium through commercial partnerships

Variable remuneration in Hydro is designed to reward performance and to support the long-term value creation embedded in the Company's strategy. The variable pay plans shall motivate the ELT to deliver on performance targets that are directly linked to Hydro's strategic priorities, ensuring alignment between leadership actions, long-term ambitions, and sustainable outcomes. Hydro's refined strategic agenda reflects a company accelerating its pace to capture opportunities in an evolving geopolitical and green transition landscape. Building on Hydro's strengths as a renewable-powered, integrated aluminium company

Variable remuneration in Hydro is structured to reinforce this strategic direction. A balanced mix of financial, strategic, climate and ESG-related measures through the categories People, Planet, Partner and Profit are essential for driving the Company's long-term agenda. By linking incentives to these priorities, the remuneration framework encourages leaders to pursue growth opportunities in recycling, execute on ambitious decarbonization and technology road map, strengthen Hydro's competitiveness, and actively shape customer demand for low-carbon aluminium solutions.

In order to drive the right behaviors and create the desired results, plan design shall be simple and easy to understand, with relevant, transparent, measurable, and influenceable criteria. In the target-setting, the relevant criteria should reflect performance beyond what is expected.



Short-term Incentive (STI)

The STI plan is cash-based with a performance period of 12 months that follows the calendar year. The purpose of the STI plan is to reward short-term achievements on pre-defined performance measures that are aligned with Hydro's long-term strategy.

The maximum bonus potential in the STI plan for members of the ELT with a Norwegian employment contract joining the ELT on or after 1 January 2024, is 25% of base salary.

Members of the ELT with a Norwegian employment contract who joined the ELT prior to 1 January 2024, will retain the bonus potential of their respective positions and any other positions in the ELT to which they may later be appointed (horizontally or laterally), i.e. 50% for the CEO and 40% for other members of the ELT, for as long as they are members of the ELT. The need to retain critical competence and to preserve continuity in the ELT justify this deviation from the Policy.

Short-term Incentive (STI) Plan design

The Short-Term Incentive (STI) Plan is designed to strengthen the alignment between our strategic ambitions, operational execution, and individual contributions across the organization. By linking annual rewards directly to financial performance, strategic progress, and personal impact, the STI framework ensures that CEO and members of the ELT work toward common goals while recognizing the differentiated responsibilities and prioritization in the various business areas.

The STI plan is built on three equally important components: Financial Goals, Performance Goals, and Individual Goals. Together, these elements create a balanced and transparent incentive structure that drives both company-wide results and individual accountability.

Financial Goals (35%)

The financial component provides a clear and measurable link to the company's overall economic performance. As a fixed portion of the STI opportunity, it ensures that profitable growth, cash discipline, and efficient operations remain central drivers of reward outcomes.

For the CEO and EVPs for the corporate staff areas, the financial component is measured on Group Free Cash Flow (FCF), ensuring alignment with enterprise-wide financial priorities and the company's total value creation. For EVPs for the Business Areas (BA), the financial component is measured on FCF within their own BA, reinforcing direct accountability for business area performance and operational delivery.

Performance Goals (40%)

Performance goals reflect our strategic priorities across the four dimensions of People, Planet, Partner, and Profit. These goals reinforce our commitment to delivering sustainable value and progress in areas that are critical to long-term success.

The CEO and EVPs for the corporate staff areas are measured on performance criteria at group level. The performance criteria carry 40% weighting of the STI potential. The weighting is distributed equally (10% each) across the four strategic categories, People, Planet, Partner, and Profit, ensuring comprehensive focus on group-wide ambitions.

The EVP's for the BAs are measured both on performance criteria at group level and on specific performance criteria at BA level. The weighting is 20% on group level as well as on BA level, with a total weight of 40%.

This structure ensures a balanced emphasis on enterprise-wide impact and localized business performance.

Individual Goals (25%)

The individual performance component measures individual performance of the ELT members in the areas of safety, leadership and execution on specific strategic initiatives in their respective functional areas.

The individual component recognizes the unique contribution each member of the ELT makes to delivering on our shared strategy and operational priorities.

STI structure

This figure summarizes the structure of the STI plan in Hydro with performance measures and weighting. Payment under the STI plan is conditional on the Company having a positive adjusted EBIT.

Financial goals	Free Cash Flow on Group or BA				Weight Group/BA 35%
Categories	 People	 Planet	 Partners	 Profit	
Performance goals	ONE group goal in each category				40%/20%
	Bauxite & Alumina				20%
	Aluminium Metal				
	Hydro Extrusions	BA specific People goal	BA specific Planet goal	BA specific Partners goal	BA specific Profit goal
	Energy				
Individual goals	Overall assessment based on Group and BA specific targets that support the 2030 long-term strategy				25%

Financial goal

Free Cash Flow

For the purpose of the STI plan, the financial goal is free cash flow, which is calculated using a simplified approach¹, enabling measurement on all level of the organization.

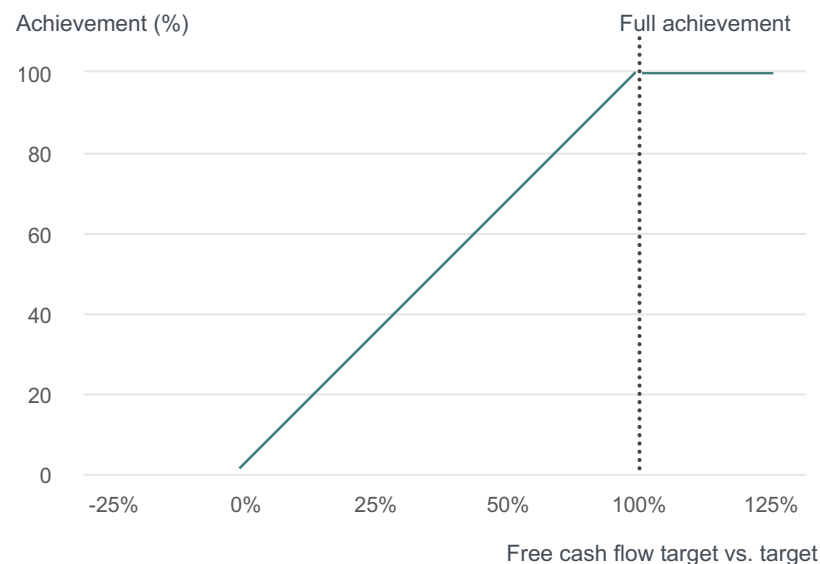
The financial goal is to deliver free cash flow higher than the target set as part of Hydro's business plan, which is approved by the Board of Directors at the end of the preceding year. The financial goal is set in accordance with Hydro's strategy and priorities.

Free cash flow incentivizes strong operational performance, continuous focus on operating capital and capex efficiency, and links the financial goal to Hydro's capital structure and shareholder returns. The financial goal is relevant under market fluctuations, as the target is set in line with market outlook at end of preceding year and working capital release and capex prioritization are important levers used to offset reduced cash flow in periods with lower market prices.

To further enhance the incentive to drive performance and relevance of the target under significant market fluctuations, the target will be adjusted based on the largest market drivers using a simplified sensitivity, specifically, the aluminium price, the alumina price and USD/NOK FX-rate.

The financial goal has a total weight of 35%. All members of the ELT are measured on the financial component. The BA EVPs are measured on the free cash flow for the respective BAs, while the remaining ELT members are measured on the Hydro free cash flow.

The financial component is achieved in full if Hydro's free cash flow (or BA free cash flow for BA EVPs) is in line with respective targets (or higher). If the Hydro ARoACE is below 5% threshold the achievement is scaled down by 50%. Bonus is earned linearly from 0% at zero free cash flow to 100% at the free cash flow target. Maximum performance is capped at 100%. In case a BA has a business plan with negative or near zero free cash flow (e.g. due to high strategic investment level), the free cash flow can be measured from a specified level below zero, earning 0%, and linearly up to the target, earning 100%.



¹ Footnote





Performance goals

Achieving Hydro's long-term strategic ambition.

The performance measures of this component are grouped into four categories: Profit, Partners, Planet and People. The measures are a mix of financial, operational, strategic and organizational goals supporting the Hydro's long-term ambition.

Hydro follows a rigorous approach to setting annual performance measures for the members of the ELT. The process begins after the annual strategy and risk update to provide alignment with Hydro's key strategic priorities.

Selected performance measures are cascaded down to the BA EVPs and their respective organizations.

The final annual targets are set in the bottom-up business planning process, thereby ensuring sufficiently stretched goals while also securing buy-in throughout the organization.

The performance-setting process undergoes several rounds in the ELT and the Remuneration & People Committee before being submitted to the board for final approval.

All members of the ELT are measured on the performance goal component.

The CEO and the EVPs for the corporate staff areas are measured on performance measures at group level. The total weighting is 40%.

The BA EVPs are measured both on performance measures at group level and on specific performance measures at BA level. The weighting is 20% on group level as well as on BA level, with a total weight of 40%.

Performance measures are either binary (achieved/not achieved) or have a linear earning profile, with a threshold of 80% and 100% target score. The 80% threshold equals 75% earning. Maximum performance is capped at 100%.

The following table describes Hydro's long-term strategy and long-term ambition by the four categories Profit, Partners, Planet and People. The performance targets and results for the specific years will be available in the Remuneration Report for the relevant year.

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	<p>Drive profitable growth in Recycling and Extrusions to strengthen Hydro's position amid green and geopolitical shifts</p>	<p>Strategic</p>	<p>Performance measure</p>	<p>Targets and ambitions</p>
	<p>Scale renewable power generation to support competitiveness and low-carbon position</p>		<p>Number of fatal accidents</p>	<p>Zero fatal accidents</p>
	<p>Execute on ambitious decarbonization and technology road map, and step up to contribute to a nature positive and just transition</p>	<p>People</p>	<p>Total recordable injuries</p>	<p>Zero life-changing injuries</p>
	<p>Shape the market for low-carbon aluminium through commercial partnerships to unlock further investments across the value chain</p>		<p>Equal opportunities</p>	<p>30 percent women employees in permanent and temporary positions, and 25 percent women in leadership positions, by 2030</p>
		<p>Planet</p>	<p>Total greenhouse gas emissions</p>	<p>30 percent by 2030 against 2018 baseline</p>
			<p>Other emissions (SO₂, NO_x and PM)</p>	<p>50 percent reduction by 2030 against 2017 baseline</p>
		<p>Profit</p>	<p>Nature and biodiversity</p>	<p>No net loss of priority biodiversity in new projects and major changes to existing operations, and no net loss of priority biodiversity for the bauxite mine by closure from a 2020 baseline</p>
			<p>Adjusted RoaCE</p>	<p>Profitability target of > 10 percent over-the-cycle</p>
		<p>Partners</p>	<p>Improvement program</p>	<p>NOK 6.5 billion accumulated improvements by 2030 against 2024 baseline</p>
			<p>Pay-out ratio</p>	<p>≥ 50 percent of adjusted net income over-the-cycle</p>
			<p>Strategic customer partnerships</p>	<p>Shape a paying market for greener aluminium through partnerships with key customers</p>
			<p>Greener premiums</p>	<p>Increase sales of Hydro CIRCAL and Hydro REDUXA to realize greener premiums potential</p>
			<p>Indirect Scope 3 GHG emissions</p>	<p>30 percent reduction of indirect GHG emissions per tonne aluminium by 2030 against 2018 baseline</p>

Individual performance

The individual performance component measures individual performance of the ELT members in the areas of safety, leadership and execution on specific strategic initiatives in their respective functional areas.

The individual component includes business sensitive targets. Hence, individual performance goals and their evaluation will not be disclosed, neither in the Policy nor in the Remuneration Report. Typical performance goals include, but are not limited to, HSE targets, targets related to Hydro's work environment survey, solidity of succession pipelines, portfolio structure and technological developments.

For the BA EVPs, progress on relevant BA specific KPIs is systematically followed up through the quarterly internal boards, ensuring transparency, accountability, and continuous performance dialogue. This structured governance supports consistent tracking of progress, promotes early identification of risks and opportunities, and strengthens alignment between individual execution and business area outcomes.

The individual performance score is based on an overall assessment of performance of the individual performance goals. The individual performance component has a total weight of 25%. Maximum achievement score cannot exceed 100%.



Long-term incentive (LTI)

The Long-Term Incentive (LTI) plan is a Performance Share Plan (PSP) as opposed to the previous Restricted Share (RS) plan. The change from RS to PSP strengthens the link between long-term value creation for shareholders and the remuneration of Hydro's executives, while continuing to align with market practice and the Company's strategic ambitions. The PSP significantly increases the future performance orientation of the LTI framework.

The PSP introduces a three-year performance period in which shares are only vested if pre-defined financial and market-based targets are achieved. Grants to the CEO and the other members of the ELT will be made annually as performance shares corresponding to a maximum of 30% of base salary. These shares will vest at the end of a three-year performance period, contingent on the achievement of Hydro's key long-term value drivers: Total Shareholder Return (TSR) and adjusted Return on Average Capital Employed (RoACE), weighted 40% on TSR and 60% RoACE (compared with previous LTI-plan, TSR is down from 50% and RoACE is up from 50%)

Since there is no company with similar market exposure as Hydro, a constructed peer-group based on the different sectors Hydro operates in (basket of peers) is used to measure Hydro's performance against the performance of the basket of peers, thus making it relevant to focus on RoACE over-the-cycle.

As part of Hydro's commitment to responsible and balanced executive remuneration, the revised LTI plan includes a cap on the value of vested performance shares. To ensure predictable outcomes and maintain a clear link between sustainable performance and reward, Hydro applies a maximum limit of 300% of the grant value. If the share price at vesting exceeds this level, the number of shares delivered will be adjusted accordingly. This cap supports a prudent remuneration framework that safeguards against disproportionate payouts while preserving the plan's long-term performance incentives. This renewed LTI structure reinforces Hydro's commitment to responsible remuneration, pay-for-performance alignment, and long-term sustainable value creation.

The value of granted performance shares for each ELT member will be included in Hydro's Remuneration Report for the relevant year, ensuring transparency in accordance with reporting requirements.

Payment under the LTI plan is conditional on the Company having a positive adjusted EBIT in the last earning year of the cycle.

The LTI amount will depend on the achievement of the following two performance elements.

Hydro’s three-year average ARoaCE based on book value of equity

The average ARoaCE, calculated over a three-year period, including the grant year and the following two years, measured against Hydro’s internally defined ARoaCE target, which is 10% over the cycle.

Maximum performance is capped at 100%, and 100% achievement will equal 60% earning of the LTI maximum potential.

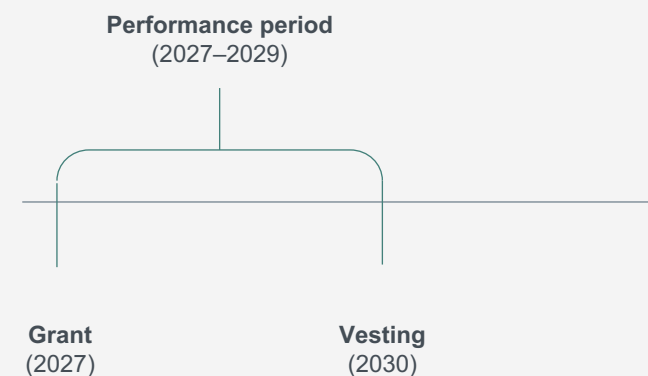
Hydro’s three-year total shareholder return (TSR) vs. basket of peers

Hydro’s annualized TSR performance over a three-year period compared with a basket of peers. The basket of peers is composed of companies representing the same value chain as Hydro’s, i.e. companies from aluminium upstream and downstream sectors and the energy sector. The number of companies will vary, also between the sectors, depending on their capitalized value, which should reflect Hydro’s internal sector capitalization. The companies in the basket of peers should also, to the extent possible, reflect the geographical spread of Hydro’s presence.

Performance will be measured as percentage-point (pp) deviations between Hydro’s TSR result and the TSR result of the basket of peers.

Bonus is earned if Hydro achieves a TSR result which, compared with the basket of peers, is between the delta of -5 pp and +10 pp or higher. Maximum performance is capped at 100%, and 100% achievement will equal 40% earning of the LTI maximum potential.

Illustration of revised LTI plan



Grant equal 30% of annual salary, vesting will be contingent on performance in the upcoming performance period

Holding of shares / repayment / claw-back

The following two paragraphs apply to the shares awarded in the LTI program until and including the performance year 2026

Lock-in of LTI-shares

Shares that are acquired by a member of the ELT pursuant to the Company's previous LTI program, shall be subject to a lock-in period of three years regardless of whether the applicable member of the ELT leaves the ELT for another position in Hydro before the lock-in period expires.

Repayment of LTI-shares

If a member of the ELT leaves the Hydro Group on her/his own initiative or is terminated or dismissed by the Company, that member must at the time of leaving repay an amount to the Company corresponding to the market value of the shares acquired pursuant to the Company's LTI program that do not meet the three-year lock-in requirement, adjusted for tax (gain or loss) on the difference between the initial value of the shares and the value of the shares upon leaving.

The following applies to the LTI program effective from the performance year 2027

Forfeiture of unvested LTI-shares

If a member of the ELT leaves the Hydro Group on her/his own initiative or is terminated or dismissed by the Company, that member will forfeit their unvested shares.

The following applies to all vested shares, regardless of earning/performance year

Prohibition on the sale of Hydro shares

A member of the ELT and/or persons closely associated with the member ("Close Associates") may not sell or otherwise dispose of shares in Norsk

Hydro ASA which the member and/or the Close Associates own as long as the person in question is a member of the ELT. This applies regardless of how the shares were acquired, including through Hydro's LTI program or the ESPP program, or acquired privately. Exceptions to this provision may be made in special cases and by decision of the People & Remuneration Committee in the case of the CEO, and by decision of the CEO in the case of other members of the ELT.

Claw-back

Hydro may reclaim, cancel or withdraw ("claw back"), in full or in part, any STI pending or already paid to, and/or any unvested or vested LTI awards made, to ELT members, in the event of misconduct or bad faith on the part of the ELT member (including but not limited to, material breach of obligation and violation of Hydro's Code of Conduct or other ethical guidelines, policies or standards, or applicable law or regulations). The same applies if STI and/or LTI is awarded, granted, earned or paid based on accounts that prove to be materially misstated or otherwise based on information which subsequently proves to be incorrect. Enforcement of any claw-back is subject to local law but does not preclude Hydro from also claiming for any loss in accordance with tort law, nor is it affected by the recipient having left the Hydro Group's employ.

Pension

Hydro shall offer pension plans that are attractive and aligned with local practice. In general, members of the ELT shall participate in a defined contribution scheme.

In Norway, base salary and fixed car allowance are included in the pensionable salary.

Defined contribution ("DC") plan

The Company's DC plan is the only open occupational pension plan in Norway. All new employees, including new members of the ELT, must join this plan.

The contribution rate in the DC plan is 7% of pensionable salary between 0 and 7.1G¹ and 21% of pensionable salary between 7.1G and 12G. No pension entitlement is earned on the portion of pensionable salary that exceeds 12G. The contribution rates can be changed with the approval of the board.

Pension on the part of pensionable salary that exceeds 12G ("12G plan")

The Company's 12G plan was closed to new members in 2016. Employees with salaries above 12G at the time of closing remained in the plan (the plan was subject to soft-close).

Members of the 12G plan who were also members of the ELT at the time of closing of the plan, have the right to remain in the plan. Members recruited to the ELT after 2016 will have their 12G accruals suspended while serving on the ELT. To ensure an overall competitiveness of reward, the loss related to the suspension of 12G accruals is compensated annually with 20% of the portion of pensionable salary at the date of promotion to the ELT that exceeds 12G, with an upper limit of MNOK 3.5. The pension compensation is not pensionable and is not included in the basis for variable compensation.

Early retirement – closed to new entrants

The Company's early retirement plan was closed to new members in 2011. Employees who joined Hydro before 2011 continue in the plan (the plan was subject to soft-close). Members of the ELT who qualified for membership in the early retirement plan have the right to maintain the membership in this plan.

Details concerning the pension plans and annual pension accruals of the members of the ELT are included in the Remuneration Report.

Other benefits

The members of the ELT receive an annual car allowance which is paid monthly together with the base salary. The car allowance is included in the basis for pension and vacation pay (applies to members of the ELT on a Norwegian employment contract).

The members of the ELT also receive work-related tools and certain non-monetary benefits, including benefits that apply to other employees.

Employee share purchase plan ("ESPP")

Hydro offers a share purchase program to all employees on a Norwegian employment contract, including members of the ELT. Participants can purchase Hydro shares to a value of up to NOK 30,000 with a discount of 50%. The discount amount is reported as a taxable benefit.

Due to the size of the applicable amount (max benefit is NOK 15,000, i.e. 0,2%-0,5% of base salary), the shares purchased by members of the ELT under the ESPP are not included in the maximum LTI potential. Shares purchased under the ESPP are paid partly in cash and partly through a taxable discount, and the shares are therefore neither subject to a three-year lock-in period nor to the repayment condition.

Termination of employment

The members of the ELT usually have a notice period of six months. During the notice period, the agreed remuneration terms continue, though with reservations for STI and LTI, which may lapse in accordance with the rules for the plans in force at any given time.

Upon termination of an employment relationship initiated by the Company, the concerned member of the ELT is usually entitled to six months' severance pay calculated from the date of termination of the employment relationship. The severance pay is paid monthly on the basis of base salary.

Remuneration or other income which the outgoing member of the ELT earns during the severance pay period shall be deducted from the severance pay.

If the employment contract terminates as a result of a gross breach of duty, or other material breach of the employment contract, the right to severance pay will lapse.

The right to severance pay will also lapse if the outgoing member of the ELT is entitled to disability benefit, early retirement pension or retirement pension.

If a non-compete clause or similar restriction is enforced against a member of the ELT leaving Hydro, that member may be entitled to compensation in accordance with applicable law and/or agreement.

Remuneration in special circumstances

In special circumstances, members of the ELT may be granted additional remuneration. These circumstances are limited to:

- Sign-on bonuses in relation to recruitment
- Stay-on bonuses in the event of mergers or divestments
- Compensation for extraordinary effort over time in exceptionally demanding work situations

The total of such remuneration cannot exceed 50% of the recipient's annual base salary. Decisions on special remuneration are made by the board if it concerns the CEO, and by the CEO if it concerns other members of the ELT.

Employment on terms other than Norwegian terms

Members of the ELT on an international employment contract may receive remuneration that deviates from the provisions in the Policy in terms of size, content and character, provided that the remuneration should reflect the purpose and principles of this Policy. However necessary consideration must be given to local conditions and/ or market practice in the applicable country in order to ensure competitiveness.

Remuneration in Norwegian subsidiaries

The principles in this Policy regarding the determination of remuneration and framework for variable pay and pension schemes shall in all material respects also apply to Norwegian companies where Hydro has a controlling interest. For Norwegian companies where Hydro is a shareholder but does not have a controlling interest, Hydro shall work actively to promote and, potentially, implement the principles in deliberations on executive remuneration matters. Where reasonable, the principles shall apply to management in wholly owned subsidiaries outside Norway.

Comparison of ELT remuneration with remuneration of other employees

Remuneration of the members of the ELT, as described in this Policy, is compared with the Company's general remuneration arrangements for other employees in the following table. Remuneration elements and their size and character will vary depending on position level, position type and geography.

	CEO and the other ELT members	Other employees
Remuneration level	Competitive but not market leading.	Competitive but not market leading.
Assessment of base salary	The base salaries of the CEO and other ELT members are, in general, adjusted annually according to the local salary adjustment framework for all employees.	The base salaries are, in general, adjusted annually according to the local salary adjustment framework.
Cash-based STI	Maximum bonus level is 25% of base salary.	In general, most employees participate in a cash-based STI plan. Maximum bonus level will vary according to position level and geography.
Performance share-based LTI	Only for CEO and other ELT members. Maximum level 30% of base salary.	No
Other LTI	No	For key employees, participation in a cash-based deferred bonus plan might be offered. Maximum bonus level varies according to position level and geography.
Pension	Defined contribution according to market level. In Norway, same contribution as other employees.	Defined contribution according to market level. In Norway, same contribution as ELT.
Notice period	Usually six months.	Usually three months.
Severance pay	Upon termination of the employment relationship on the initiative of the Company.	No
Car allowance	Yes	Yes, at certain position levels.
Other benefits	Yes	Depending on position level.



Process for determining remuneration

The board has established the Remuneration & People Committee (“Committee”) consisting of three members of the Company’s board. The Committee assists the board in exercising its supervisory responsibilities related to remuneration of the members of the ELT.

Among other things, the Committee prepares and makes recommendations to the board prior to the board’s consideration of and decisions on all matters concerning the remuneration of the CEO, including, but not limited to, base salary and variable remuneration.

The Committee also advises the CEO regarding remuneration of the other members of the ELT.

In addition, the Committee’s mandate includes preparing the board’s consideration of any matters of principle related to salary levels, plans for variable remuneration, employment contracts and the like for executive management in the Company, as well as other remuneration matters which the Committee considers to be of significance for the Hydro Group’s competitiveness, recruitment, reputation, etc.

The above implies that,

- the board makes all decisions concerning the CEO’s remuneration. The decisions are based on material prepared by and advice given by the Committee; and
- the CEO makes all decisions concerning remuneration of other members of the ELT, including members on international employment contracts, unless otherwise stated in the Policy. The CEO may seek advice from the Committee regarding such decisions. Exceptions are made for matters of principle and changes in general arrangements that affect the ELT, where decisions are made by the board.

During the board’s deliberations on matters related to remuneration, the CEO, or other members of the ELT, as applicable, must not be present when the matter concerns themselves.

This Policy is reviewed annually by the Committee, and the Committee prepares and recommends any changes to the board for approval. Significant changes to the Policy must also be approved by the AGM. In any case, the board shall submit the Policy to the AGM for approval at least every four years.

Hydro’s internal auditing unit may be requested to review the remuneration arrangements for executive management, including assessing whether the arrangements are in accordance with the Policy and whether the Policy is in accordance with current law, regulations and best practices.

Deviations from the Policy

The Public Limited Liability Companies Act permits the board to deviate temporarily from the Policy

in special circumstances, i.e. if this is necessary to safeguard the Company's long-term interests and financial sustainability or to ensure the Company's viability. The board has defined remuneration of the CEO, variable remuneration and pensions as areas where it may be relevant to deviate from the provisions of the Policy. In cases where deviations have been made, the board shall report this to the Company's next AGM. The Committee prepares and presents to the board for consideration all cases involving potential deviations from the Policy.

Appendix

Change log

Document

Norsk Hydro ASA's remuneration policy for executive management

Date of previous version

May 7, 2024

Date of this version

May 7, 2026

Description of changes

See below

Substantive changes to the content of the Policy

Short-term incentive (pages 8-13): The text is updated to reflect Hydro's revised long-term strategy; Shifting gear to capture opportunities in a new reality, and how this is connected to the four pillars in the STI model (People, Planet, Partners and Profit).

Long-term incentive (page 14): Where the text refers to ARoaCE (adjusted return on average capital employed), this means ARoaCE based on book value of equity (previously market value of equity). The LTI is changed from a Restricted Share (RS) plan to a Performance Share Plan (PSP), with the first grant year in the new plan being 2027. To ensure predictable outcomes and maintain a clear link between sustainable performance and reward, Hydro applies a maximum limit of 300% of the grant value. If the share price at vesting exceeds this level, the number of shares delivered will be adjusted accordingly. This cap supports a prudent remuneration framework that safeguards against disproportionate payouts while preserving the plan's long-term performance incentives.

Holding of shares / repayment / claw-back (page 16): Lock-in of shares and repayment of LTI- shares will be phased out and replaced with a Forfeiture of unvested LTI-shares under the new design.

Non-substantive / technical changes to the Policy

The revised Policy contains various changes to wording and structure. These changes do not change the content of the Policy and are therefore not referenced herein.

Definitions

Abbreviation	Definition
AGM	Annual General Meeting
ARoaCE	Adjusted Return on average Capital Employed based on book value of equity
BA	Business Area
BoD	Board of Directors
CEO	Chief Executive Officer
ELT	Executive Leadership Team
Committee	People & Remuneration Committee
Company	Norsk Hydro ASA
EBIT	Earnings Before Interest and Tax

Abbreviation	Definition
ESPP	Employee Share Purchase Plan
EVP	Executive Vice President
HSE	Health Security Environment
Hydro	Norsk Hydro ASA
LTI	Long-term Incentive
Policy	Norsk Hydro ASA's remuneration policy for executive management
STI	Short-term Incentive
TSR	Total Shareholder Return
FCF	Free Cash Flow
RS	Restricted Share Plan
PSP	Performance Share Plan

Norsk Hydro ASA
NO-0240 Oslo
Norway

T +47 22 53 81 00
www.hydro.com

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Hydro is a leading aluminium and renewable energy company committed to a sustainable future. Our purpose is to create more viable societies by developing natural resources into products and solutions in innovative and efficient ways.