



Norsk Hydro ASA's remuneration policy for executive management



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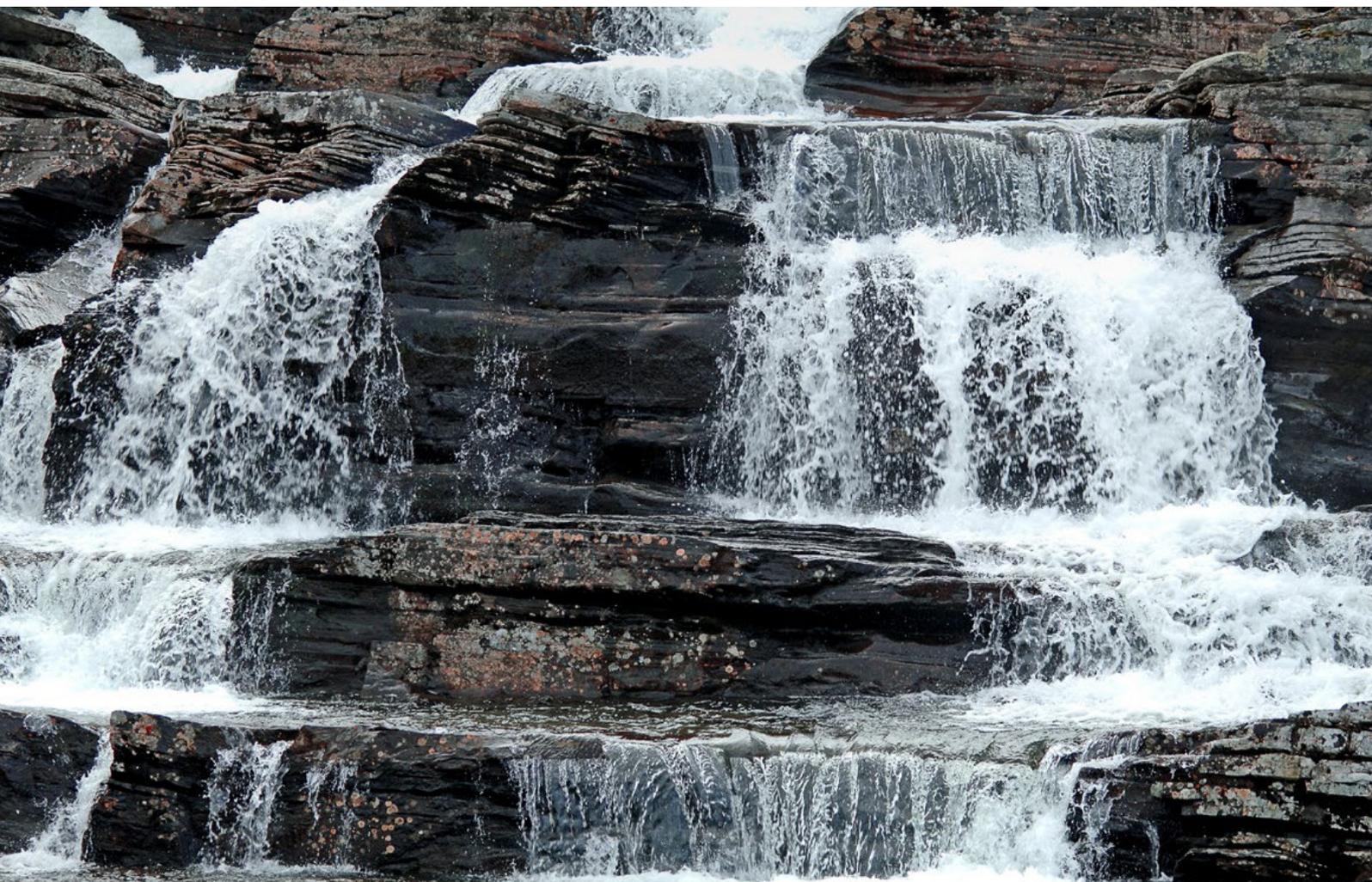
1. Introduction

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 Corporate Management Board ("CMB"). The CMB 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 2024, this Policy replaces the previous remuneration policy approved at the AGM on 10 May 2022. A change log with information on the material changes in the new Policy can be found in the Appendix.

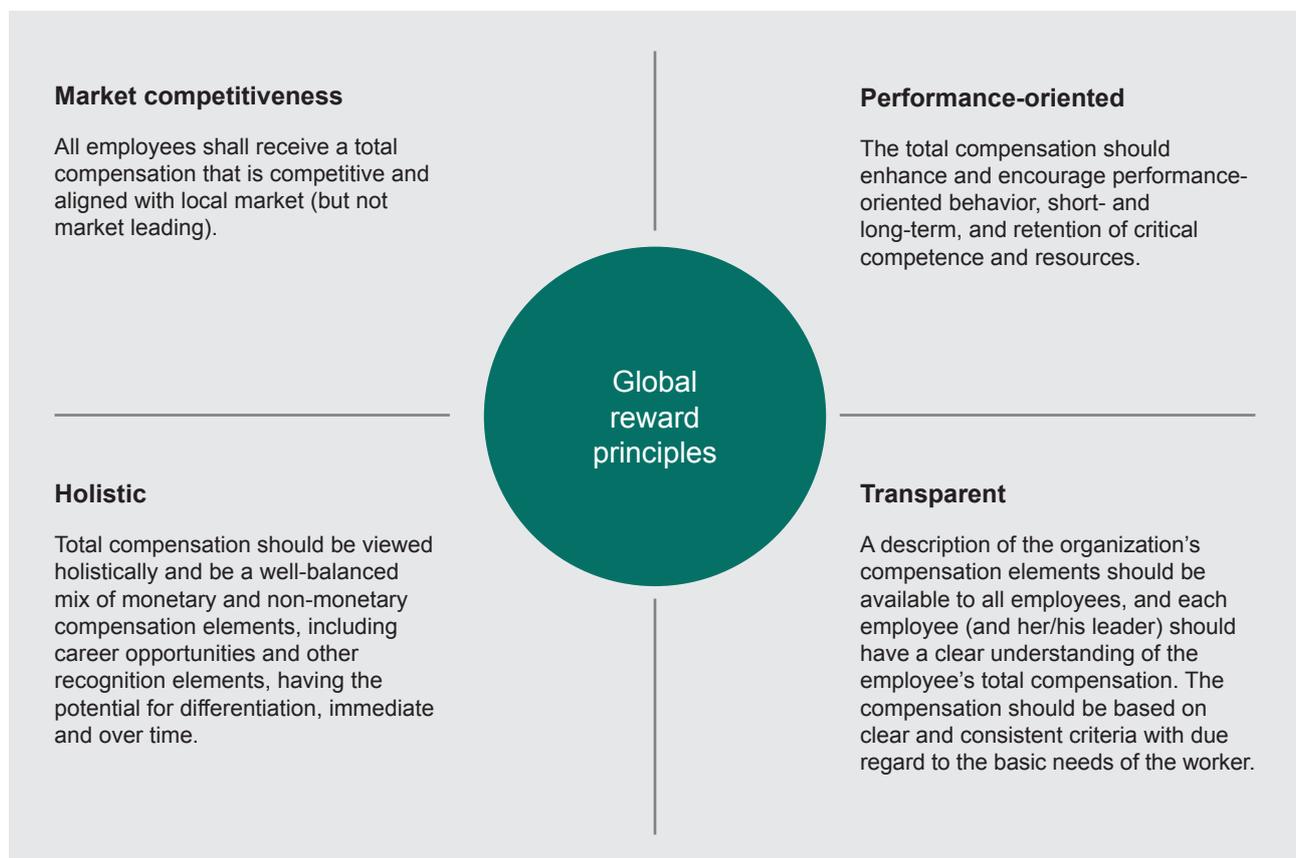


2. Purpose and principles

Hydro has four global reward principles applicable to all employees: *Market competitiveness*, *Performance-oriented*, *Holistic* and *Transparent*.

Based on the principles, the objective of the Policy is to provide an executive remuneration structure ensuring that Hydro attracts and retains qualified individuals in governing bodies and leadership roles, meeting Hydro's requirements for achieving short- and long-term strategic goals and maximizing value creation over time in a sustainable manner, whilst also ensuring that

- Hydro offers competitive compensation and benefit packages for all employees, including members of the CMB, that are aligned with relevant external markets,
- the compensation and benefit packages incentivize desirable behaviors and actions, thereby helping Hydro to deliver on its strategic agenda, increase long-term value for our stakeholders, and contribute to a sustainable society,
- the remuneration structure is simple and transparent, thereby offering predictability for all employees, including executives, shareholders and other relevant stakeholders,
- shareholder expectations are taken into consideration.

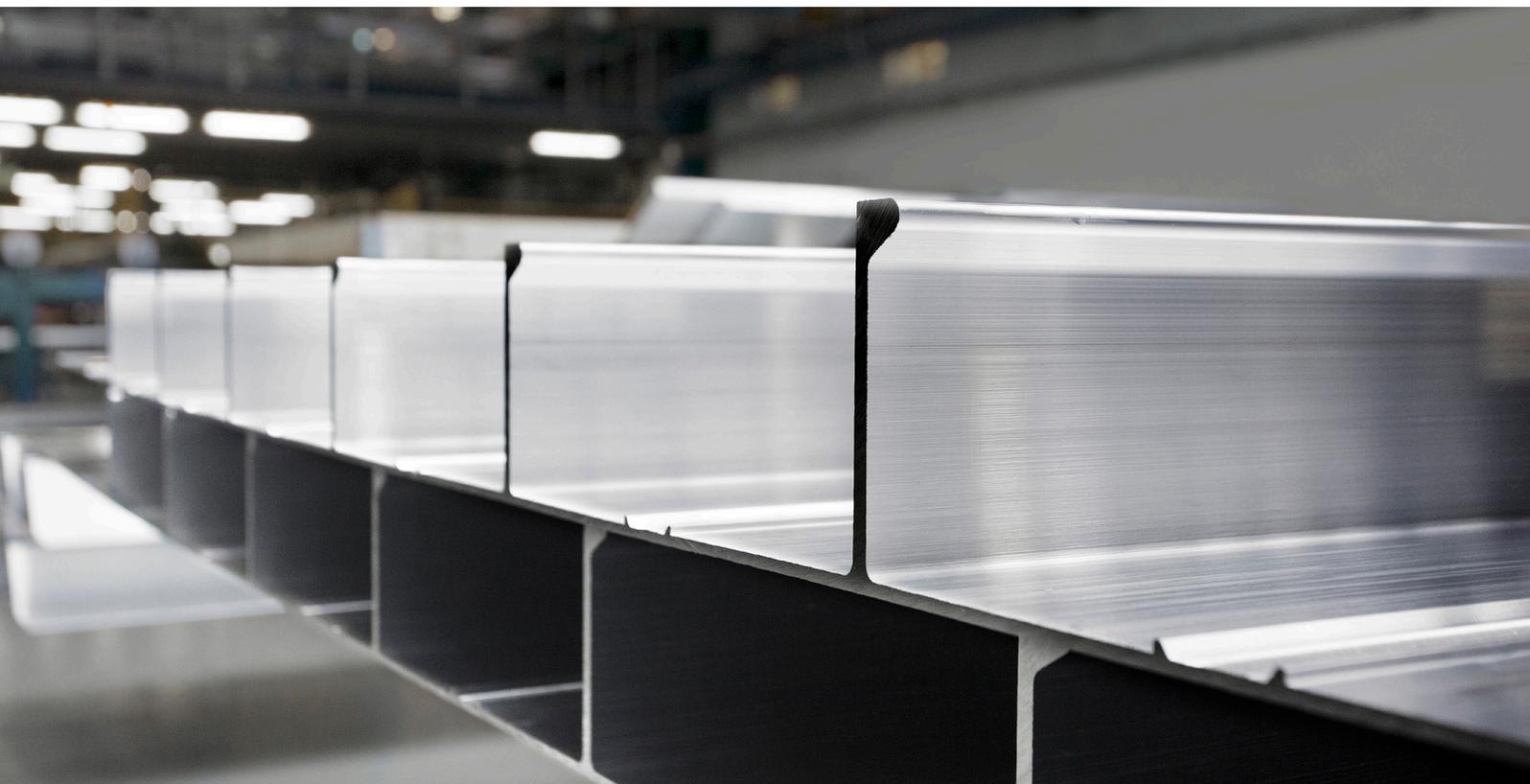


In addition to complying with statutory requirements and general best practice, the Company's compensation guidelines include the following elements:

- 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 CMB shall, amongst others, be assessed based on the general salary adjustments in relevant markets, including salary adjustments for Hydro employees;
- 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 CMB,
 - 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.



3. Remuneration of the Board of Directors

Members of the board receives a fixed fee determined by the AGM on an annual basis. Members of the board's two committees, the Audit Committee and the Compensation & People 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).

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.



4. Remuneration of the Corporate Management Board

4.1 Structure

Remuneration of the members of the CMB 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 CMB.

Members of the CMB 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 CMB is set out below.

Remuneration structure

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 CMB members are, in general, adjusted annually according to the local salary adjustment framework for all employees. Hydro regularly benchmarks the CEO's and CMB'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 CMB 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 CMB, including the CEO, is 25% of base salary. For the current members of the CMB (as of January 1, 2024), see Section 4.3.1.
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.	Performance-based LTI plan in which the CEO and CMB members must invest the LTI-amount rewarded in Hydro shares with a lock-in-period of three years. Maximum potential for CEO and other CMB members is 30% of base salary.
Employee share purchase plan (ESPP)	Promote share ownership among employees, including CMB, to align interests with shareholders.	Employees, including the CEO and CMB members on Norwegian contracts, can purchase Hydro shares worth up to NOK 30,000 at a 50% discount.



4.2 Base salary

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

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

4.3 Variable remuneration

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

The Company's strategic agenda of "pioneering the green aluminium transition, powered by renewable energy" lays the foundation to position the Company as a robust and profitable industrial leader based on innovation and sustainability.

Hydro's track record of renewable, sustainable industrial development and close customer collaboration combined with an interlinked commercial and sustainability agenda provide a solid foundation for the future. Hydro's four key strategic areas for unleashing the green aluminium transition will be focusing on: Recycling, Renewable power generation, Decarbonization, and Shaping the market for greener aluminium.

The variable pay plans in Hydro will support the long-term strategic agenda through balanced scorecards of performance measures linked to the various aspects of Hydro's strategy. 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.

4.3.1 Short-term Incentive (STI)

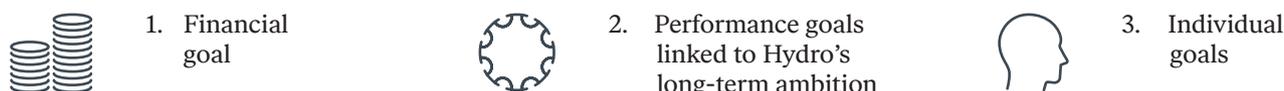
The STI plan is cash-based with a performance period of 12 months that follows the calendar year. The purpose of the STI plan is to reward short-term achievements on pre-defined performance measures that are aligned with Hydro's long-term strategy.

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

Members of the CMB with a Norwegian employment contract who joined the CMB prior to 1 January 2024, will retain the bonus potential of their respective positions and any other positions in the CMB to which they may later be appointed (horizontally or laterally), i.e. 50% for the CEO and 40% for other members of the CMB, for as long as they are members of the CMB.

The need to retain critical competence and to preserve continuity in the CMB justify the above deviation from the Policy.

The STI plan consists of three components:



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.

Structure		Performance measures	Weight per role	
			CEO & EVP corporate staff	EVP business area
Financial goal		ARoaCE Based on market value of equity	35%	35%
Performance goals	Group level	 Profit Partners Planet People	40%	20%
	Business level		n/a	20%
Individual goals		Achievement of concrete individual goals	25%	25%
Total			100%	100%



1. **Financial goal.** The financial goal is the adjusted return on average capital employed (ARoaCE).

For the purpose of the STI plan, the financial goal ARoaCE means adjusted return on average capital employed based on market value of equity. With effect from 2023, the valuation was changed from book value of equity (which is used to measure the results for the Group as a whole and within the various operating segments).

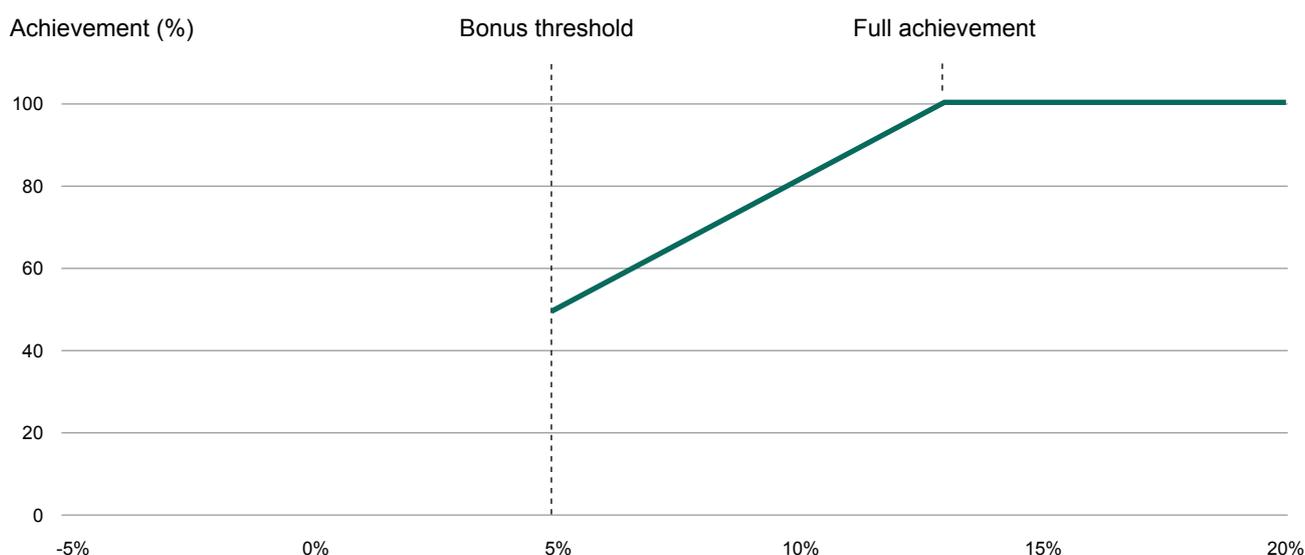
The financial goal is to ensure that the ARoaCE is higher than the annual internal return requirement of 13 percent. The financial goal is in accordance with Hydro's priority of securing a return on capital that is higher than the cost of capital.

ARoaCE incentivizes profitable investment decisions as well as improving profitability in existing assets. ARoaCE is a measure of the long-term value creation in the Company, thereby reflecting progress on the profitability and sustainability strategy.

The financial goal has a total weight of 35%. All members of the CMB are measured on the financial component.

The performance measure has a threshold of 5%. Bonus will not be earned on this component if the annual result of the ARoaCE is below the threshold.

The financial component is achieved in full if Hydro's annual ARoaCE result is 13% (or higher), which is above the internal target of 10%. Bonus is earned linearly from 5% to 13%, where 5% equals 50% earning and 13% (or higher) equals 100% earning. Maximum performance is capped at 100%.



Calculation of the achievement of the group financial goal shall be based on sound accounting practice and is confirmed through the presentation of the annual financial statements adopted by the board.



2. Performance goals. The second component of the STI plan shall be closely linked to 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.

Performance is measured at both group level and business area ("BA") level. The specific performance measures in each category could vary from year to year depending on Hydro's priorities. The performance measures are equally weighted.

Hydro follows a rigorous approach to setting annual performance measures for the members of the CMB. 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 CMB and the Compensation & People

Committee before being submitted to the board for final approval.

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

The CEO and the EVPs in 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.



	Hydro's long-term strategy	Hydro's long-term ambition
Profit	<p>Hydro is committed to delivering capital returns above the cost of capital, which is reflected in ARoaCE target over the cycle. To achieve this goal, Hydro strives to ensure first quartile cost positions in our upstream portfolio and leading market positions downstream, enabled by a continuous focus on improvements and commercial initiatives. Towards 2030, Hydro aim to take lead in the market opportunities emerging from the green transition, where Hydro will step up growth investments in Recycling and Extrusions, as well as the ambitions within renewable power generation.</p>	<p>Improvement ambitions</p> <ul style="list-style-type: none"> Improvement program target of NOK 14 billion accumulated improvements by 2030 against 2018 baseline. Commercial ambition of NOK 6.1 billion accumulated improvements by 2030 against 2018 baseline. <p>Growth ambitions</p> <ul style="list-style-type: none"> Growth ambitions in Recycling targeting to lift EBITDA to NOK 5-8 billion and increase use of post-consumer scrap to 850-1200 kt by 2030. Growth ambitions in Extrusions targeting to lift EBITDA to NOK 10-12 billion in real 2023 terms.
Partners	<p>Hydro aim to build good relationships with key stakeholders, including customers and suppliers, business partners and local communities. Our commercial success relies on strong customer relationships built on innovation and partnership as well as superior quality, product offerings and customer service.</p> <p>To take lead in the green aluminium transition, Hydro aim to shape the market with selected front-runners in sustainable aluminium solutions and will build a broad low- carbon product portfolio with spearhead products.</p>	<p>Customer satisfaction</p> <ul style="list-style-type: none"> Hydro aims to ensure high customer satisfaction and measures on time delivery using an internal customer satisfaction index. Hydro will continue to stretch the targets for these metrics toward 2030. <p>Greener products</p> <ul style="list-style-type: none"> Hydro is also focused on meeting and shaping customer demand for greener products and has an ambition to increase greener premiums to NOK 2 billion by 2030.
Planet	<p>Hydro is determined to maintain and further strengthen our industry leading sustainability position. This will not only secure our long-term license to operate but will also allow Hydro to capture the opportunities the sustainability megatrend presents, including access to attractive markets and related greener premiums, as well as new talent and capital.</p>	<p>Climate</p> <ul style="list-style-type: none"> Reduce CO2 emissions by 30 percent by 2030 against 2018 baseline, and net zero by 2050. Execute decarbonization roadmap in Alunorte, including fuel switch and electrification of boilers, which is a key enabler for GHG and non-GHG emission reduction in Hydro. Reduce specific Scope 3 emissions by 30 percent per tonne aluminium by 2030 against 2018 baseline. <p>Environment</p> <ul style="list-style-type: none"> Biodiversity: no net loss of biodiversity in new projects and no net loss of biodiversity for our bauxite mine, from a 2020 baseline. Waste: eliminate landfill of recoverable waste (2040), recycle 65 percent of spent pot linings by 2030. Non-GHG emissions: Reduce fossil-fuel based, non-GHG emission by 50 percent by 2030 against 2017 baseline. <p>Social responsibility</p> <ul style="list-style-type: none"> Transparency and traceability of key sustainability data for our products by 2025 or earlier. Support the just transition by contributing to social and economic development. Provide quality education and capacity building for 500,000 people by 2030.
People	<p>Hydro strives to be an attractive employer for current and prospective employees with safety being our first priority, always. Our goal is to ensure the right competence, capabilities and organizational culture needed to realize the business strategy. It is important for Hydro to build a culture of strong collaboration across the value chain, which enables us to further develop our integrated value chain offering.</p>	<p>Health and safety</p> <p>Hydro follows a zero mindset when it comes to the health and safety of our employees and contractors.</p> <ul style="list-style-type: none"> Zero fatalities and zero life changing injuries. Continuous improvement on total recordable injuries (TRI) and high-risk incidents (HRI). <p>People, inclusion and diversity</p> <p>Hydro shall attract, source and retain talent to enable sustainable strategic growth through building a solid pipeline of future successors for business-critical roles. To support this vision, Hydro aim to improve performance on inclusion, engagement, integrity and collaboration indices in the bi-annual Hydro Monitor survey. Furthermore, stated gender diversity targets for 2025 are:</p> <ul style="list-style-type: none"> 25 percent women in permanent and temporary positions by 2025. 25 percent women leaders by 2025.



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

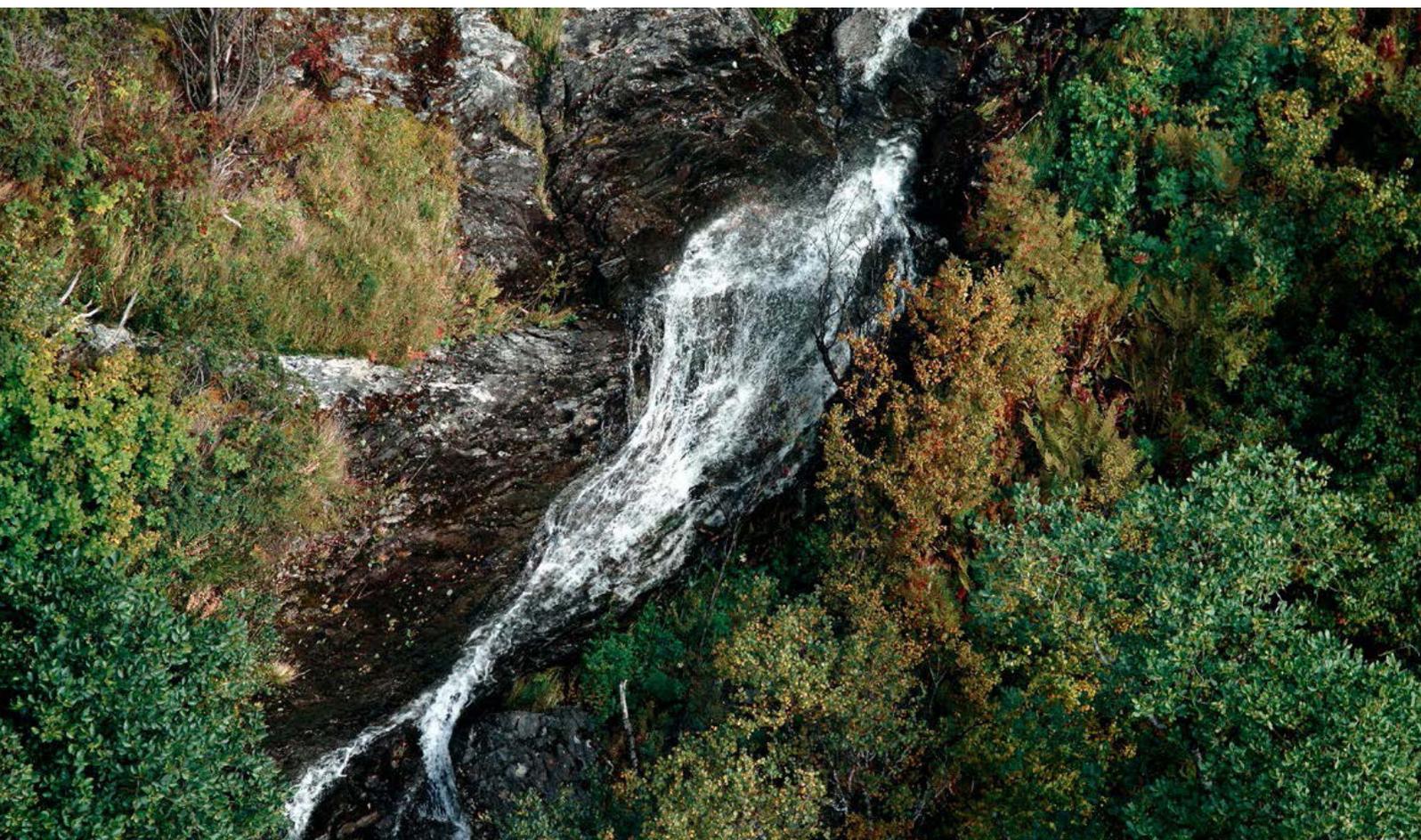
The individual component includes business-sensitive targets. Hence, individual performance goals and their evaluation will not be disclosed, neither in the Policy nor in the Remuneration Report. Typical performance goals include, but are not limited to, HSE targets, targets related to Hydro's work environment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

All members of the CMB are assessed on the individual performance component.

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



Individual performance areas



4.3.2 Long-term incentive (LTI)

For the purpose of the LTI plan, the financial goal ARoACE means adjusted return on average capital employed based on market value of equity. With effect from 2023, the valuation was changed from book value of equity (which is used to measure the results for the Group as a whole and within the various operating segments).

The LTI plan is a share-based incentive plan, containing a performance period prior to grant and a required shareholding period after grant.

The maximum bonus potential in the LTI plan is 30% of base salary for all members of the CMB.

The board decides on an annual basis whether the LTI plan will be in force and who will be invited to participate. Normal practice is that all members of the CMB participate.

The board has a discretionary right to adjust the overall LTI achievement by up to 20 percentage points (upward or downward) in the case of external and special circumstances of a significant and unpredictable nature. Such adjustment can only be made with regard to the overall LTI result in the qualifying year and only with effect for the entire CMB. Total LTI achievement after such adjustment may not exceed 100%.

Payment under the LTI plan is conditional on the Company having a positive adjusted EBIT.

The LTI amount will depend on the achievement of the following two performance elements, each weighted 50%.



Hydro's three-year average ARoACE based on market value of equity

The average ARoACE, calculated over a three-year period, including the plan year and the two previous 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 50% 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 50% earning of the LTI maximum potential.

The participants in the LTI plan are obliged to invest the earned amount (net after deduction of estimated marginal tax) in Hydro shares.¹⁾ The Hydro shares will be subject to a lock-in period of three years (see Section 4.3.3).

Earning of LTI is contingent on the participant not having resigned, been terminated or dismissed at the time of having been personally notified of the granting of the shares through the individual variable pay letter.

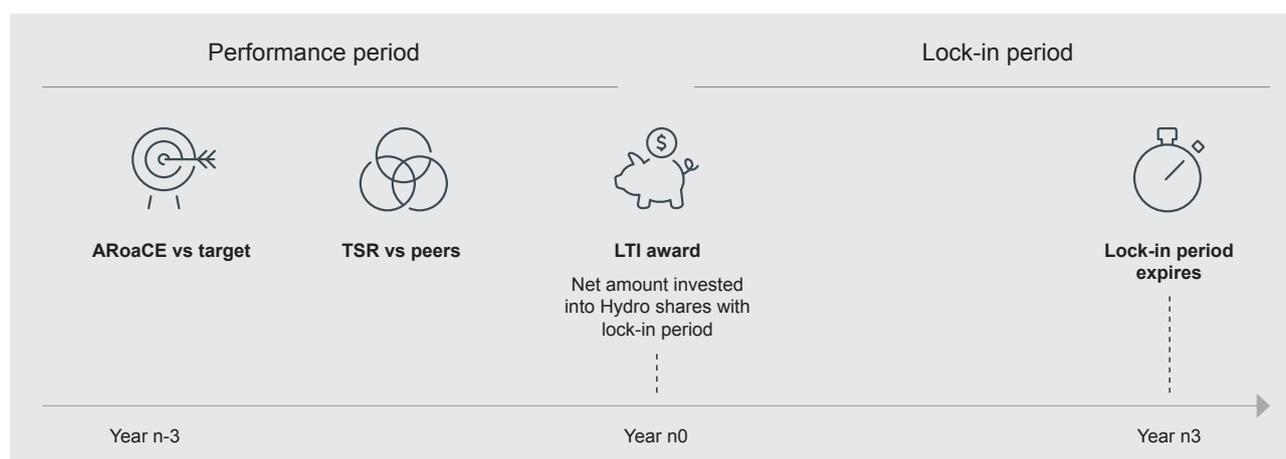


Figure 3: Illustration of plan components and timing.

4.3.3 Holding of shares / repayment / claw-back

Lock-in of LTI-shares

Shares that are acquired by a member of the CMB pursuant to the Company's LTI program, shall be subject to a lock-in period of three years regardless of whether the applicable member of the CMB leaves the CMB for another position in Hydro before the lock-in period expires. A table in the Company's annual Remuneration Report will show how many LTI shares that are subject to a lock-in provision at any given time.

Repayment of LTI shares

If a member of the CMB 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.

Prohibition on the sale of Hydro shares

A member of the CMB 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 CMB. This applies regardless of how the shares were acquired, including through Hydro's LTI plan (see Section 4.3.2), the ESPP program (see Section 4.6), or acquired privately. Exceptions to this provision may be made in special cases and by decision of the Compensation & People Committee in the case of the CEO, and by decision of the CEO in the case of other members of the CMB.

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 CMB members, in the event of misconduct or bad faith on the part of the CMB 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.

¹⁾ The shares are purchased at a price corresponding to the share's average closing price on Oslo Stock Exchange on the sixth to tenth trading day from and on the date of presentation of the Company's financial results for the fourth quarter of the qualifying year.

4.4 Pension

Hydro shall offer pension plans that are attractive and aligned with local practice. In general, members of the CMB 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 CMB, must join this plan.

The contribution rate in the DC plan is 6% of pensionable salary between 0 and 7.1G²⁾ and 20% 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.

Defined benefit (“DB”) plan – closed to new entrants

The plan was closed to new members in 2010. As of 2014 only members aged 52 or older had the option to continue in the plan. Members of the CMB who qualified for continued membership in the DB plan in 2014 have the right to maintain the membership in this plan (the plan was subject to soft-close).

Employees, who were transferred from the DB plan to the DC plan receive an annual compensation for any calculated loss in pension capital at the age of 67. The compensation is based on pensionable salary at the time of transfer and is adjusted annually by 2.5%. Members of the CMB who qualified for compensation related to the transfer from the DB plan to the DC plan have the right to continue to receive such compensation.

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 CMB at the time of closing of the plan, have the right to remain in the plan. Members recruited to the CMB after 2016 will have their 12G accruals suspended while serving on the CMB. 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 CMB 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 CMB 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 CMB are included in the Remuneration Report.

4.5 Other benefits

The members of the CMB 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 CMB on a Norwegian employment contract).

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

4.6 Employee share purchase plan (“ESPP”)

Hydro offers a share purchase program to all employees on a Norwegian employment contract, including members of the CMB. 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.

²⁾ 1G corresponds to the basic amount in the National Insurance Plan in Norway, which as of 1 May 2023 amounts to NOK 118,620. 12G then corresponds to NOK 1,423,440.

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 CMB under the ESPP are not included in the maximum LTI potential (see section 4.3.2). Shares purchased by members of the CMB 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 (see section 4.3.3 for the LTI shares).

4.7 Termination of employment

The members of the CMB 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 CMB 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 CMB 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 CMB 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 CMB leaving Hydro, that member may be entitled to compensation in accordance with applicable law and/or agreement.

4.8 Remuneration in special circumstances

In special circumstances, members of the CMB 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 CMB.

4.9 Employment on terms other than Norwegian terms

Members of the CMB 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.

4.10 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.

5. Comparison of CMB remuneration with remuneration of other employees

Remuneration of the members of the CMB, 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 CMB 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 CMB 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.
Share-based LTI	Only for CEO and other CMB 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 CMB.
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.

6. Process for determining remuneration

The board has established the Compensation & 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 CMB.

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 CMB.

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 CMB, 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 CMB, where decisions are made by the board.

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

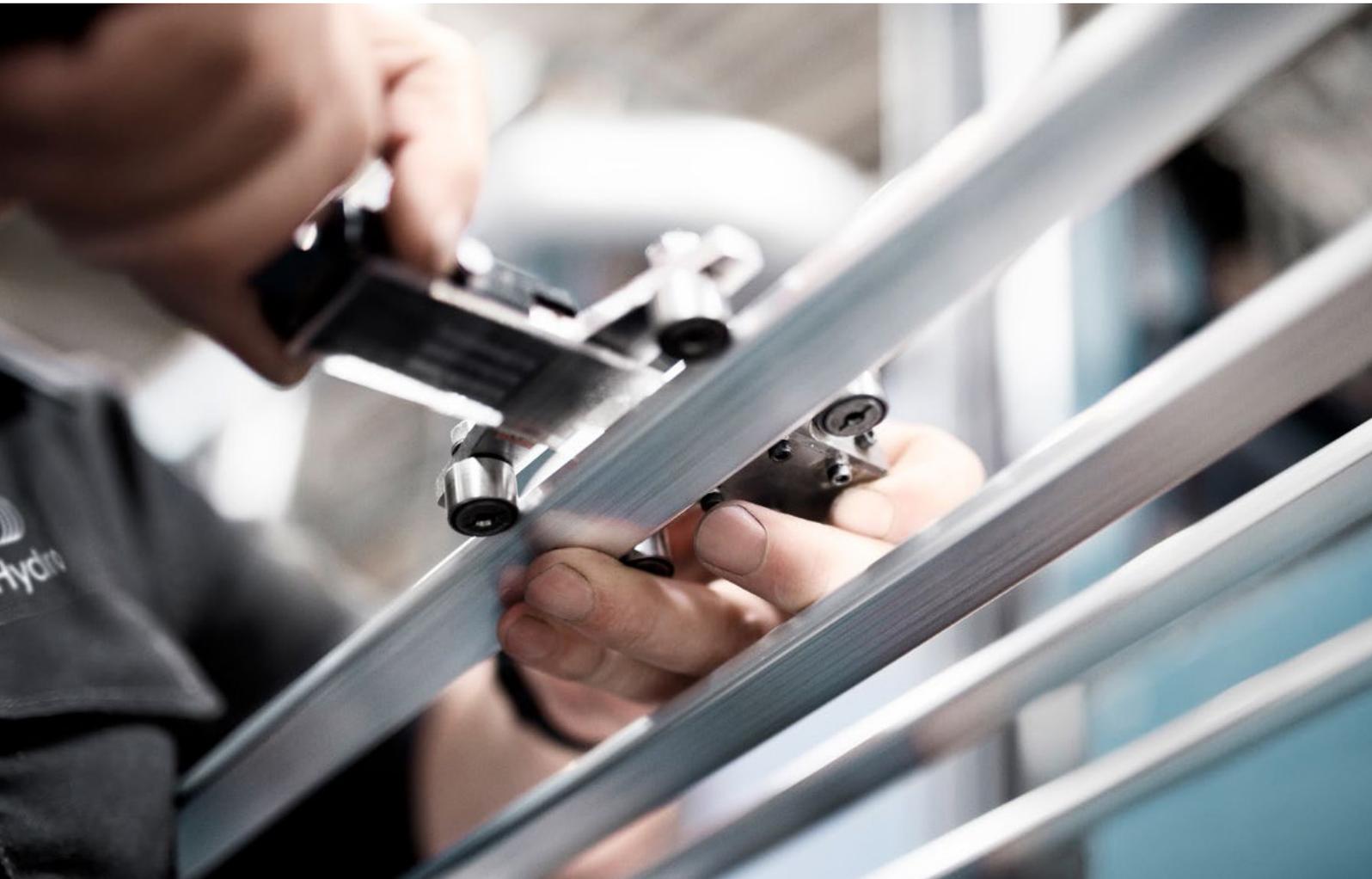
This Policy is reviewed annually by the Committee, and the Committee prepares and recommends any changes to the board for approval. Significant changes to the Policy must also be approved by the AGM. In any case, the board shall submit the Policy to the AGM for approval at least every four years.

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.

7. 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.



8. Appendix

8.1 Change log

Document	Document version	Date of approval	Description of changes
Norsk Hydro ASA's remuneration policy for executive management	Version 3	May 2024 (TBC)	See below

Substantive changes to the content of the Policy

Section 2 Purpose and Principles: The text has been updated with more details and principles on the importance of competitiveness.

Section 3 Remuneration of the Board of Directors: Previous text contained provisions on the Corporate Assembly, which was dissolved by decision of the AGM in May 2022. Specific authority previously assigned to the Corporate Assembly now rests with the AGM. The text has been updated to reflect these changes.

Section 4.3 Variable remuneration: Where the text refers to ARoaCE (adjusted return on average capital employed), this means ARoaCE based on market value of equity (previously ARoaCE based on book value of equity).

Section 4.3.1 Short-term incentive (STI): The maximum bonus potential in the STI plan has been changed to 25% of base salary for new members of the CMB on a Norwegian employment contract joining the CMB on or after January 1, 2024. Members of the CMB with a Norwegian employment contract who joined the CMB prior to 1 January 2024, will retain the bonus potential of their respective positions and any other positions in the CMB to which they may later be appointed (horizontally or laterally), i.e. 50% for the CEO and 40% for other members of the CMB.

Section 4.3.1 Financial goal: The threshold aRoaCE has been changed from 3% to 5% and the earning at threshold has been changed from 30% to 50%.

Section 4.3.1 – Performance Goals: Non-binary KPIs have a linear earning profile from threshold to target (100%). The threshold has been changed from 75% to 80% and the earning at threshold has been changed from 50% to 75%.

Section 4.3.3 Holding of shares / repayment / claw-back: New provision on prohibition to sell Hydro shares while being member of the CMB. The provision on repayment has been moved from Section 4.3.2 (LTI) to Section 4.3.3. The claw-back provision has been redrafted and expanded.

Section 4.6 Employee share purchase plan (“ESSP”): Shares acquired pursuant to the ESSP are not included in the maximum potential for share-based remuneration (30% of base salary) and are neither subject to a three-year lock-in period nor to the repayment condition (see section 4.3.3).

Section 4.10 Remuneration in Norwegian subsidiaries: The principles of the Policy shall, in all material respects, apply in subsidiaries where Hydro has a controlling interest (changed from wholly owned subsidiaries).

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.

8.2 Definitions

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



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Hydro is a leading industrial company that builds businesses and partnerships for a more sustainable future. We develop industries that matter to people and society. Since 1905, Hydro has turned natural resources into valuable products for people and businesses, creating a safe and secure workplace for our 34,000 employees in more than 140 locations and 40 countries. Today, we own and operate various businesses and have investments with a base in sustainable industries. Hydro is through its businesses present in a broad range of market segments for aluminium, energy, metal recycling, renewables and batteries, offering a unique wealth of knowledge and competence. Hydro is committed to leading the way toward a more sustainable future, creating more viable societies by developing natural resources into products and solutions in innovative and efficient ways.