

The board proposes the following policy for remuneration to executive management in Norsk Hydro ASA ("the Company") with effect from the Annual General Meeting in 2021.

NORSK HYDRO ASA'S REMUNERATION POLICY FOR EXECUTIVE MANAGEMENT

1. Purpose and remuneration principles

The overall purpose of the remuneration policy is to strengthen the Hydro Group's ability to create value over the long-term by supporting business strategy and long-term interests, and to ensure that the Group is run in a sustainable manner. The capability to attract and retain qualified people in governing bodies and the Corporate Management Board ("CMB") as well as the ability to manage the Group's priorities through incentives are key elements in this context. This capability depends on a transparent, predictable and consistent remuneration policy that is in line with recognized principles of good corporate governance and is further underscored by the fact that the design of variable remuneration is linked to the Company's goals and thereby contributes to the Company's strategy, long-term interests and financial sustainability.

The Company's strategic agenda of "lifting profitability and driving sustainability" lays the foundation to position the Company as a robust and profitable industrial leader based on innovation and sustainability.

Hydro's ambition is to lead the work in creating a more sustainable society, and the Company wants to contribute to this by developing natural resources into products and solutions in innovative and effective ways. The remuneration plans thus include criteria related to the Company's sustainability agenda, including climate, environment and social impact.

In accordance with the Company's strategy, purpose and values, we are focused on building a value-based performance culture in which how we deliver is just as important as what we deliver. This means that both our deliveries and our associated conduct are highly important and represent a key element in the Group's remuneration plans. Further information about the Company's strategy, purpose and values can be found in the latest annual report and on the Company's website.

This document ("the policy") describes the principles for the payment of remuneration to executive management in the Company.

Executive management includes:

- Members of the Company's Corporate Assembly, both shareholder-elected and employee-elected
- Members of the Company's board of directors (the "board"), both shareholder-elected and employee-elected
- The CEO and other members of the CMB.

The policy primarily applies to executive management on Norwegian contracts, but as an international company, they may also apply to individuals on international contracts. The terms and conditions for these individuals will be based on corresponding principles and in accordance with this policy (see more in section 2.3.8).

2. Remuneration

Remuneration includes all salary and benefits received by executive management, including fixed and variable remuneration, pension plans and other specific remuneration for executive management.

Hydro wishes to offer all executive management conditions which are competitive in relevant markets, but not market leading, and which in addition reflect the Hydro Group's international focus and presence. The Company emphasizes moderation in the composition of executive management remuneration.

Other major Norwegian listed companies with global operations would be a relevant comparison.

2.1 Corporate Assembly

Fees to members of the Corporate Assembly, including deputies, are determined by the Annual General Meeting each year.

The Chair of the Corporate Assembly receives a fixed fee as well as a fee for each meeting in which he or she participates. Other members of the Corporate Assembly, including deputies, receive a fee for each meeting.

In addition, travel expenses are reimbursed on account.

The members of the Corporate Assembly do not receive variable remuneration from the Company.

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

2.2 Board of Directors

Each member of the board receives a fixed fee determined by the Corporate Assembly on an annual basis.

Members of the board's two committees, the audit committee and the compensation committee, receive a fixed annual fee in addition to the ordinary board fee. The committee member fees are determined by the Corporate Assembly on an annual basis. The Corporate Assembly can decide that board members may be required to use part of their fee to acquire shares in the Company.

In addition, travel expenses are reimbursed on account.

The members of the board do not receive variable remuneration from the Company. Board members 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.

2.3 Corporate Management Board (CMB)

2.3.1 General

The remuneration of members of the CMB should reflect the responsibility of the CEO and the other members of the CMB for the management of Hydro, taking into account the complexity and breadth of the Company's operations, as well as the growth and sustainability of the Company.

Remuneration consists of

- (a) base salary
- (b) performance-based variable remuneration (short-term incentive and long-term incentive)
- (c) pension and severance pay plans
- (d) other benefits.

The individual elements are described in more detail below.

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

The Company does not use options or option-like instruments as part of the remuneration.

2.3.2 Base salary

The base salary is the main element in the total remuneration granted to members of the CMB. Through the value which a stable base salary represents, the base salary is the element that best supports the Company's ability to attract and retain qualified managers and thereby ensure long-term fulfillment of the Company's strategy and vision.

The base salaries of individual members of the CMB are assessed annually in light of the complexity and responsibility of the relevant employee's role and of his or her contribution, qualifications and experience, and general salary trends in applicable markets. The assessment also takes into account the results of the annual salary negotiations between the Company and its Norwegian employee organizations, or alternatively, relevant foreign employee organizations if the assessment concerns a member of the CMB on an international contract.

Every other year the base salaries of members of the CMB on Norwegian contracts are compared, or benchmarked, with base salaries of similar positions in comparable Norwegian companies. The benchmarking is carried out to control the quality of the Company's remuneration levels to fulfil the principle of being competitive, but not market leading, and is based on the assumption that all members of the CMB could assume similar positions in comparable Norwegian companies. The benchmarking preferably applies to base salary, supplemented by a limited number of other remuneration elements (incl. total remuneration), based on information predominantly extracted from the companies' annual reports. In addition, information is obtained from external neutral sources, e.g. Mercer's IPE-based remuneration data.

The salary assessment usually takes place during the first half of the year, and any change in the base salary is applied retroactively from 1 January.

The board determines the CEO's base salary.

The base salary of other members of the CMB is determined by the CEO. The same applies when new members of the CMB are appointed.

2.3.3 Variable remuneration

Performance-based variable remuneration helps to place the focus on elements that are important for promoting the Company's strategy, and thereby profitability and value creation in the short and long term, both through the goals as such and through a shared responsibility for goal achievement.

The board determines the variable remuneration plans for the CMB on an annual basis, including the components of the plans, the goals, weighting of components and goals, and any conditions for payment under the plans.

The Company has two plans for variable remuneration: a cash-based short-term incentive (STI) and a share-based, long-term incentive (LTI). Payments from both plans are conditional on the Company having a positive underlying result before financial items and tax (underlying EBIT). Underlying EBIT is chosen because it is a measure that is determined at all operational levels in the Hydro Group, and it is considered necessary that the basic payment assumption is applied in a consistent manner throughout the organization.

2.3.3.1 Short-term Incentive (STI)

Structure

The STI plan is cash-based with a qualifying period that follows the calendar year.

The plan consists of the following three components, where the goals under (b) are established in the annual business plan process, with a focus on being ambitious and balanced, objective and measurable, and that they should reflect the various aspects of Hydro's operations and support the Company's overall goals, expressed as "Lifting profitability" and "Driving Sustainability".

- (a) Return on capital employed (RoaCE), measured against the company's internal return target (weighted 35 percent).

The earning profile is linear within an interval of 10 percentage points.

All members of the CMB are fully measured on this goal.

- (b) Strategic, operational, financial and organizational goals related to the Company's overall goals (total weight 40 per cent).

In order to create a greater degree of collectivity and shared responsibility for goal achievement, goals set at the Group level will apply to all members of the CMB. In addition, specific goals have been set for the executive vice presidents responsible for the business areas, pertaining to their respective business areas.

Normally there are ten goals set at the Group level and ten for each business area. The goals are equally weighted, and payment is dependent on the achievement of each individual goal.

- (c) For each member of the CMB: Achievement of concrete individual goals, contribution to the company's development, compliance and promotion of Hydro's core values (The Hydro Way), as well as a comprehensive, discretionary assessment based on individual and group-oriented attitude and behavior throughout the year (weighted 25 percent combined).

The Group goals and the CEO's individual goals are adopted by the board, while the business area goals and the individual goals for the senior vice presidents are determined by the CEO.

The overview below shows examples of goal categories that may form the basis for specific goals established pursuant to (b) above. The board will strive to carry forward most of the goals from one year to another (and also in the longer term), but the Company's need for performance management may necessitate changes.

Example goal categories
Hydro's improvement program
Net operating capital
Operational stability in Brazil
Customer satisfaction
Completion of strategic projects in recycling and renewable energy
Safety / HSE
Cybersecurity
CO2 reduction
Sale of greener products
Succession planning and talent development

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

The board assesses and determines the achievement of the Group goals, while the achievement of business area goals is assessed and determined by the CEO.

The board makes a discretionary assessment and determination of the CEO's goal and performance achievement under (c) and determines the CEO's final remuneration under the STI plan.

For other members of the CMB, the goal and performance achievement under (c) is assessed and determined at the CEO's discretion. The CEO also determines the final remuneration under the STI plan.

Payment under the STI plan presupposes that the goals are achieved in full or in part. The basis for calculating the remuneration under the STI plan is normally the gross base salary as of 31 December in the qualifying year, though such that the estimated net home income is the basis for calculating the remuneration for any members of the CMB on a net salary contract (assignment contract). If the net salary contract only applies to parts of the qualifying year, the earned remuneration is calculated pro rata on the basis of base salary and estimated net home income, respectively. The maximum earning potential under the STI plan is 50 percent of the base salary.

Maximum remuneration is only paid if all goals are fully achieved (100% achievement).

Earned remuneration is not included in the basis for occupational pension.

Participation and earning

All members of the CMB at the beginning of the qualifying year participate in the STI plan. New members of the CMB who join during the qualifying year earn remuneration in the plan pro rata from

the date of joining the CMB unless the board, in the case of the CEO, or the CEO, in the case of other members of the CMB, decides otherwise.

Upon leaving the CMB, the following applies:

- If the person in question takes another position in the Group, remuneration is earned in the STI plan pro rata up to the date of leaving.
- If the person in question leaves the Group, he or she will be entitled to remuneration in the STI plan if the notice period expires after 1 January in the following year. If the notice period expires before goal achievement for the qualifying year has been determined, the variable remuneration will be calculated and paid at the same time as the calculation and payment of variable remuneration to other members of the CMB.
- No remuneration is earned in the STI plan in the year in which the employment relationship ends unless the board, in the case of the CEO, or the CEO, in the case of other members of the CMB, decides otherwise.
- The right to variable remuneration in the STI plan is forfeited if the member leaves the CMB as a result of termination or dismissal.

2.3.3.2 Long-term incentive (LTI)

Structure

The LTI plan is share-based with a qualifying period that follows the calendar year. The board decides on an annual basis whether the CMB's LTI plan will be in force.

The LTI plan normally consists of two components (equally weighted at 50 percent), and in recent years these components were:

- (a) average of the Company's return on capital employed (RoaCE) in the past three years', measured against the Company's internal return target.

The earning profile is linear within an interval of 10 percentage points.

- (b) The company's total shareholder return (TSR) measured against a weighted average of TSR for comparable companies. The compensation committee determines which companies are included in the comparison group.

Goal achievement on TSR is calculated over a three-year period with compound interest and two measurement points per year. Deviations in goal achievement are measured in percentage points (not percentage deviation). The earning profile is linear within an interval of 15 percentage points.

Achievement of goals in the LTI plan is usually calculated by the Company's Group Finance unit with subsequent consideration by the compensation committee and the board. Earning of LTI presupposes that the goals are achieved in full or in part, and maximum remuneration is earned only if all goals are fully achieved (100% achievement).

Remuneration under the LTI plan is normally calculated based on the base salary as of 31 December in the qualifying year, and the maximum earning potential is 30% of gross base salary. Members of the

CMB on a net salary contract (assignment contract) also receive their LTI calculated based on their gross base salary.

The board has a discretionary right to adjust the overall LTI achievement by up to 20 percentage points (upwards or downwards) in the case of external and special circumstances of a significant and unpredictable nature. Such an 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%.

The participants in the LTI plan are obliged to invest the earned amount (net after deduction of calculated marginal tax) in actual Hydro shares at a price corresponding to the share's average closing price on the 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. The Company's external auditor calculates the share price to be used.

The shares are placed in securities accounts (VPS) established by the Company for, and in the name of, each individual member of the CMB with a lock-in period of three years from the first day of the month in which the shares were placed in the account (normally March or April). This means that each member of the CMB can have up to three allocations existing at any one time.

Earned LTI is not included in the basis for vacation pay or occupational pension.

If a member of the CMB leaves the Hydro Group for specific reasons as defined in the LTI plan's guidelines, including on his or her own initiative or being terminated or dismissed by the Company, he or she must at the time of leaving repay an amount to the Company corresponding to the value of the shares that do not meet the three-year 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.

Participation and earning

The board decides annually who is invited to participate in the LTI plan. Normal practice is that the CEO and all other members of the CMB participate.

When appointing new members to the CMB during the qualifying year, the board decides whether the person in question will participate in the qualifying year's LTI or whether participation will be postponed until next year's LTI. When participating in the qualifying year's LTI, LTI is earned pro rata from the date decided by the board.

In addition, the following applies (unless the board decides otherwise):

- Earning of LTI is conditional on the recipient not having been terminated or been dismissed from his or her position at the time when the shares are placed in the securities (VPS) account (see above).
- Members of the CMB who resign from the CMB and take up another position in the Group during the qualifying year will earn LTI pro rata relative to their time as a member of the CMB in the qualifying year.
- LTI is not earned in the year the employment ends.

2.3.3.3 Repayment

The Company may demand repayment of variable remuneration which was paid on the basis of facts that were self-evidently incorrect, if the Company paid the remuneration incorrectly or if calculation and payment of the remuneration was based on accounting errors that were not discovered until after the payment was made, if the results were achieved on the basis of undesirable risk-taking or if the Company becomes aware that the recipient materially breached his or her obligations or violated the Company's ethical guidelines.

This provision does not preclude the Company from also claiming for any loss compensated in accordance with general rules of tort law.

The Company's repayment claim is not affected by the fact that the recipient has left the Company.

Members of the CMB may not have insurance policies against loss of performance-related remuneration.

2.3.4. Pension

Pension is considered to be a key remuneration element with a view to attracting and retaining qualified employees. Consequently, the Company's pension plans must be competitive, but without being market leaders.

2.3.4.1 Defined contribution occupational pension (DC) in Norway

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

The contribution rate in the DC plan is 6 percent of pensionable salary between 0 and 7.1G and 20 percent of pensionable salary between 7.1G and 12G. No pension entitlement is earned on the portion of pensionable salary that exceeds 12G¹ (see, however, section 2.3.4.2.2).

The contribution rates can be changed with the approval of the board.

The DC plan is administered by an external pension manager.

2.3.4.2 Other pension plans in Norway

2.3.4.2.1 Defined benefit occupational pension (DB)

The company's DB plan is closed, and no new members will be admitted to the plan. Active membership consists only of employees, including members of the CMB, who, at the time of the last transfer of employees from the DB to the DC plan, were members of the plan and were 52 or older.

The DB plan is administered by Norsk Hydro's pension fund (Pensjonskasse).

2.3.4.2.2 The Company's 12G plan

For employees with a defined contribution occupational pension, the Company's 12G plan stipulates that an amount equivalent to 20 percent of the portion of pensionable salary exceeding 12G is allocated as a vested (pension) right.

¹ G corresponds to the basic amount in the National Insurance Plan in Norway, which as of 1 May 2020 amounts to NOK 101 351. 12G then corresponds to NOK 1 216 212.

For employees with a defined benefit occupational pension, the plan stipulates that the portion of pensionable salary exceeding 12G is included in the final salary that forms the basis for calculating pension.

The 12G plan is closed. Nevertheless, employees who at the time of closing had pensionable salary above 12G, remained in the plan.

The plan is funded through operations, which means that the provision for pensions on the portion of pensionable salary that exceeds 12G is not secured but represents a receivable from the Company. This applies to both defined contribution and defined benefit occupational pensions.

New members of the CMB with a Norwegian employment contract are not offered the accrual of pension rights in the 12G plan. In order to enable internal recruitment to, and mobility within, the CMB, the following exceptions can nonetheless be made:

- (a) For new members of the CMB recruited internally where the person in question is already part of the 12G plan: In such cases, the person's 12G accruals are suspended, i. e. no new accruals are added, as long as the person in question remains a member of the CMB. If the person in question leaves the CMB and takes another position in the Company, the 12G accruals will resume based on pensionable salary in the new position.
- (b) For members of the CMB who are part of the 12G plan and who change roles (responsibilities) internally in the CMB: In these cases, the members will retain accruals in the 12G plan in the new role, but with a limit set on the basis for accrual - currently MNOK 3.5 with annual adjustment corresponding to the adjustment of the National Insurance Plan basic amount.

2.3.4.3 Pension compensation

The company has the following arrangements for pension compensation:

In connection with the transition from defined benefit occupational pension to defined contribution occupational pension in the period 2010 to 2014, an arrangement was established whereby employees who were transferred from DB to DC receive an annual compensation for any calculated loss in pension capital at age 67 as a result of the transfer. The compensation is based on pensionable salary at the time of transfer and is adjusted annually by 2.5 percent. This compensation arrangement also applies to members of the CMB who were transferred from DB to DC.

Employees in the Company who, by internal promotion to the CMB, have their accruals in the 12G plan suspended, receive an annual compensation for this loss of accrual of pension rights. The compensation amounts to 20 percent 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 compensation is adjusted annually by 2.5 percent.

There is no compensation for any tax disadvantage in any of these arrangements.

2.3.4.4 Early retirement

The company's early retirement plans are closed to new members. Employees who were included in the plans at the time of closing, including individual members of the CMB, are still covered by the plans.

The plans are funded through operations, which means that the benefits are not secured, but represent a receivable from the Company.

2.3.5 Termination of employment

The CEO and other members of the CMB normally have a six-month notice period. 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 member of the CMB concerned is normally entitled to six months' severance pay calculated from the date of termination of the employment relationship. The severance pay is paid monthly and is based on pensionable salary.

Remuneration or other income which the outgoing member of the CMB earns during the severance pay period is 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 other restriction on termination is enforced against a member of the CMB who leaves Hydro, he or she may be entitled to compensation in accordance with applicable law and/or agreement.

2.3.6 Other benefits

The CEO and other 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. The board may decide to include the car allowance in the base salary.

The CEO and other members of the CMB also usually receive work-related tools and benefits, including various benefits that apply to other employees, and the CMB members on Norwegian contracts can, in line with other eligible employees, participate in the Company's Norwegian share purchase plan.

2.3.7 Remuneration in extraordinary circumstances

In extraordinary circumstances, members of the CMB, including the CEO, may be granted additional remuneration or remuneration of a character other than that described in this policy. This will apply to ad-hoc situations where it is considered necessary and correct for the Company to offer extraordinary remuneration as a one-time solution or for a limited time. The following are typical examples:

- Sign-on bonus upon hiring
- Compensation for the loss of bonus from a previous employer
- Compensation for a temporary increase in responsibility
- Recognition for extraordinary work effort
- Retention of critical resources in special situations

The total of such remuneration may not amount to more than 50 percent of the annual base salary for the recipient. 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.

2.3.8 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. As far as appropriate, the remuneration must nevertheless be in accordance with the purpose and principles of this policy, though taking into account local conditions and/or market practice in the individual country. Members of the CMB on an international employment contract are covered by any occupational pension plan in the company in which they are employed. If the company does not have an occupational pension plan, an individual pension plan may be offered. Examples of additional benefits that can be included in an extended arrangement are paid housing, insurance policies, school expenses for accompanying children, and paid travel home.

Decisions on remuneration to members of the CMB on international employment contracts are made by the board if it concerns the CEO, and by the CEO if it concerns other members of the CMB.

3. How salary and terms of employment for the Company's employees are taken into account when designing the policy

Remuneration for the CMB as described in this policy is evaluated in relation to the Company's general remuneration arrangements pursuant to the summary below. The remuneration elements and their size and character vary depending on position level, position type and geography, but are generally based on the following principles:

	Employees of the Company: remuneration in accordance with general principles	Members of the Corporate Management Board (CMB): in accordance with this remuneration policy
Remuneration level	Competitive but not market leading	Competitive but not market leading
Assessment of base salary for individually paid employees	Annually, reference is made to the salary settlement for employees subject to collective agreements	Annually, reference is made to, among other things, the salary settlement for other individually paid employees, including the salary settlement for employees subject to collective agreements, and trends in executive remuneration for comparable positions (pursuant to benchmarking with comparable companies). Efforts are made to have roughly the same salary growth for management as for other employees
Cash-based STI	All employees of the Company. Varying maximum level (between 8.33% and 25%)	Maximum level 50% according to Norwegian state guidelines
Share-based LTI	No	Only for CMB. Maximum level 30% according to Norwegian state guidelines

Other LTI	For the highest position level (under CMB) in the Company's position hierarchy, currently approximately 25 employees in Norway. Maximum level 25%.	No
Occupational pension	Defined contribution. Same contribution rates as CMB	Defined contribution. Same contribution rates as other employees
12G plan	If pensionable salary above 12G as of 31.12.2016	If a participant in the 12G plan prior to 13.2.2015 and pensionable salary above 12G as of 31.12.2016
Early retirement at 62	No	Closed plan (two members of the CMB were in the plan before it was closed)
Early retirement at 65 or 67	If employed at certain job levels with seniority since before plan was closed	If employed at certain job levels with seniority since before plan was closed
Pension compensation	In the event of transition from YTP to ITP, the estimated expected loss in pension capital at age 67	In the event of transition from YTP to ITP, the estimated expected loss in pension capital at age 67. Upon appointment to CMB where 12G accruals are suspended
Notice period	Usually three months	Usually six months
Severance pay	No	Upon termination of the employment relationship on the initiative of the Company
Car allowance	Yes, at certain position levels	Yes
Other benefits	Depending on position level	Yes

4. Process for determining remuneration

The board has established a compensation committee consisting of three of the board's members. The committee assists the board in the exercise of its supervisory responsibilities related to remuneration to the CEO and other members of the CMB.

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

The compensation committee also assesses and advises the CEO regarding remuneration to other members of the CMB.

In addition, the compensation committee's mandate includes preparing the board's consideration of any issues 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 issues which the committee considers significant for the Hydro Group's competitiveness, recruitment, reputation, etc.

From the foregoing it is clear that the board makes all decisions concerning the CEO's remuneration. The decisions are based on material prepared by and advice given by the compensation committee.

Consequently, this also applies to the decisions that, pursuant to this policy, apply to remuneration to the CEO.

It also follows from the foregoing that the CEO makes all decisions concerning remuneration to other members of the CMB, including members on international employment contracts, unless otherwise stated in the policy. The decisions are based on advice the CEO requests from the compensation committee. Consequently, this also applies to the decisions that, pursuant to this policy, apply to remuneration to members of the CMB other than the CEO. Exceptions are made for matters of principal and changes in general arrangements that affect the CMB, where decisions are made by the board.

During consideration in the board of matters related to remuneration, the CEO or other members of the CMB are not to be present when such matters pertain to them.

This policy for remuneration to executive management are reviewed annually by the compensation 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 Annual General Meeting. In any case, the board submits the policy to the Annual General Meeting for approval at least every four years.

The Group's internal auditing unit may be requested to review the remuneration arrangements for executive management, including assessing whether this policy follow relevant provisions in current law, current regulations and best practices.

5. Deviations from the policy

The Public Limited Liability Companies Act permits the board to deviate from this policy temporarily in special circumstances 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 for 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 are permissible, the board reports this to the Company's next Annual General Meeting. The compensation committee prepares and presents to the board for consideration all cases involving potential deviations from the policy.