

## CONSTITUTING DOCUMENT

## INTERNAL

### Board Audit Committee Mandate

No.: CD-05  
Rev.: 13  
Date: 2022-12-12  
Page: 1 of 5

---

Owner	: EVP CFO, by proxy	Pål Kildemo
Responsible	: Chief Audit Executive	Per Wongren
Author	: Chief Audit Executive	Per Wongren

---

#### Changes from last revision:

- BAC's ESG oversight role
- Specification of BAC's ERM oversight role
- Minor language updates for improved readability

Established by: The Board of Directors

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

Effective from: 2001-11-01

## 1 Objective

The Board Audit Committee (the "Committee") acts as a preparatory body in connection with the Board of Directors' (the "Board") supervisory roles in internal control, external audit, internal audit, compliance, and system of risk management. The Committee is appointed by and shall report regularly to the Board.

The Committee supports the Board in the administration and exercise of its responsibility for supervisions in accordance with:

- (a) the Norwegian Public Limited Companies Act (allmennaksjeloven);
- (b) the Norwegian Auditor Act, implementing Regulation (EU) 537/2014 (the "Regulation");
- (c) the Norwegian Accounting Act (regnskapsloven), applicable accounting regulations and other legislation implementing Directive 2006/43/EC (the "Audit Directive");
- (d) the Norwegian Securities Exchange Act (børsloven) and applicable listing standards of the securities exchanges on which the company's securities are listed;
- (e) the Norwegian Code of Practice for Corporate Governance issued on 14 October 2021.

The primary function of the Committee is to assist the Board in exercising its oversight responsibility concerning risks related to:

- the integrity of the company's financial statements;
- the integrity of the company's sustainability reporting;
- the company's financial and sustainability reporting processes;
- the robustness of internal control and appropriateness of the system of risk management;

**Board Audit Committee Mandate**

- the qualifications, independence of the external auditor;
- the performance of the company's internal audit function;
- the company's compliance system.

**2 Organization**

The Board appoints at least three Committee members from its own members and appoints one of these as Committee chairperson. The employee representatives on the Board may nominate one Committee member. The Committee members are appointed for a two-year term.

The Committee shall comply with the independence regulations for each Committee member as defined by applicable law. Each member shall be unconnected to any relations that could, in the opinion of the Board, interfere with the exercise of their independent judgment as a member of the Committee.

When appointing members to the Committee, the Board shall take into consideration whether the person concerned has the necessary knowledge of basic finance and accounting practices. At least one member of the Committee shall be independent of the organization and hold competence in accounting, finance, and/or audit as defined by the Audit Directive and applicable Norwegian legislation.

The company's internal audit department (Group Internal Audit & Investigation, GIA&I) shall provide support to the Committee as necessary and shall act as its secretary.

The Chief Audit Executive (CAE) reports functionally and directly to the Board through the Committee and administratively to the Chief Financial Officer ("CFO").

**3 Meetings**

The Committee shall meet in connection with the quarterly and annual financial reporting and otherwise as often as it considers necessary.

The Committee chooses who shall represent the company at its meetings. It is assumed that the CFO will attend all meetings.

The external auditor shall at least participate in relevant agenda points at all meetings.

The Committee shall meet with the Head of Group Compliance minimum twice per year to get an update on the adequacy of the company's compliance program/system.

The Committee shall meet with the CAE and the external auditor, both separately, at least once a year without the presence of corporate management.

**Board Audit Committee Mandate**

Each regularly scheduled meeting shall conclude with a separate session for the Committee members.

**4 Committee Tasks**

The Committee's tasks shall encompass:

**4.1 Oversight of the Integrity of the Company's Financial Statements, Financial Reporting Process and Internal Controls**

The Committee shall:

- discuss with management and the external auditor (a) the company's financial reporting practices and requirements, (b) the quality, adequacy and effectiveness of the company's disclosure controls and procedures, and (c) the company's internal controls over financial reporting;
- discuss with management and the external auditor the annual audited financial statements, half-year financial statements and quarterly financial statements, including disclosures made in the Directors' Report and in management's discussions and analysis;
- review with the external auditor (a) critical accounting policies and practices to be used by the company, and (b) alternative accounting treatments;
- review the results of the annual audit and quarterly reviews carried out by the external auditor;
- discuss with management and the external auditor significant financial reporting issues and judgments made in connection with the preparation of the company's annual and quarterly financial statements;
- discuss with the company's legal counsel and external auditor the process to ensure compliance with relevant standards of conduct and legal matters that could have a significant impact on the company's annual and quarterly financial statements or accounting policies;
- resolve significant disagreements between management and the external auditor on financial reporting;
- prepare the follow-up of the financial report process for the Board and submit recommendations or proposals to ensure its integrity;
- be involved, as appropriate and prior to release, in earnings press releases including profit warning releases and other ad-hoc releases with financial reporting relevance;
- inform the Board about results of the external audit and explain how the audit contributed to the integrity of financial reporting and the role of the Committee in the process.

**4.2 Oversight of the Integrity of the Company's Sustainability Reporting**

The Committee shall:

- discuss with management and the external auditor (a) the company's sustainability reporting requirements, (b) the quality, adequacy and effectiveness of the company's disclosure

**Board Audit Committee Mandate**

controls and procedures, and (c) the company's internal controls over sustainability reporting;

- discuss with management and the external auditor the assurance over the Company's sustainability reporting in the annual report;
- discuss with management and the external auditor critical sustainability reporting policies and practices, including judgments on (a) material sustainability topics, (b) reporting boundaries and consolidation method, and (c) alternative reporting practices;
- review the results of the annual assurance reviews carried out by the external auditor;
- discuss with management, the company's legal counsel and external auditor the process to ensure compliance with relevant standards of conduct and legal matters that could have a significant impact on the company's annual sustainability reporting;
- prepare the follow-up of the sustainability reporting process for the Board and submit recommendations or proposals to ensure its integrity;
- inform the Board about results of the assurance over sustainability reporting and explain how the assurance contributed to the integrity of sustainability reporting and the role of the Committee in the process.

**4.3 Oversight of the Relationship with the External Auditor**

The Committee shall:

- be responsible for preparing the company's selection, and give its recommendation to the Corporate Assembly on election of external auditors for Norsk Hydro ASA at the Annual General Meeting of Shareholders;
- consider and propose to the Board the external auditor's remuneration for the audit of Norsk Hydro ASA, including subsidiaries, to be fixed by the Annual General Meeting of Shareholders;
- pre-approve the audit and non-audit services as defined in the company's pre-approval policy (including the fees and terms associated with such services) to be performed by the external auditor, and review and monitor that the external auditor provides non-audit services in accordance with the Regulation, Auditor Act § 12-1, that would otherwise impair their independence;
- have continuous contact with the external auditor regarding the auditing of the annual and the consolidated financial statements or other review or attest services, audit plan and key audit findings and monitor the audit performance taking into account any findings of the Financial Supervisory Authority of Norway;
- evaluate and monitor the independence of the external auditor;
- evaluate the qualifications of the external auditor;
- oversee the external auditor's compliance with the audit engagement team rotation requirements.

**4.4 Handling Complaints**

The Committee shall ensure that the company has procedures in place for the proper handling of complaints related to accounting, internal controls and auditing matters, including that employees

**Board Audit Committee Mandate**

can send confidential and/or anonymous, where not prohibited by local legislation, submissions of concern relating to accounting and auditing as well as other matters regarded as breach of the company's code of conduct, steering documents or other statutory provisions (documents / procedures / policies) or breach of applicable law or regulations.

**4.5 Supervision of the Internal Audit Function**

The Committee shall:

- on behalf of the Board be the functional reporting body for Group Internal Audit & Investigation (GIA&I);
- recommend approval of approve GIA&Is annual audit plan to the Board;
- evaluate the results of the internal audit activities and ensure that recommendations get appropriate attention;
- oversee employment decisions related to the Chief Audit Executive (CAE), including decisions related to appointment, dismissal, position category and remuneration.

**4.6 Oversight of the System of Risk Management and Compliance**

The Committee shall:

- discuss the company's compliance risk policies with respect to risk assessment and management in the context of the financial and sustainability reporting processes;
- discuss the company's overall system of risk management (Enterprise Risk Management Framework);
- review the company's assessment of key risks;
- request deep dives on specific risks;
- discuss the company's compliance system and risks;
- be informed of material breaches of conduct regarding accounting and auditing matters;
- be informed of any alleged matter of material non-compliance, including any alleged matter of fraud and corruption, having an appreciable financial impact and/or a reputational risk.

**4.7 Performance Evaluation**

The Committee shall conduct an annual performance evaluation of its activities.

**5 Authority**

The Committee may examine all activities and circumstances connected with the operations of the company in the execution of its tasks. In this connection, the Committee may request the President and Chief Executive Officer (CEO) to provide access to information, facilities and personnel.

**Board Audit Committee Mandate**

No.: CD-05  
Rev.: 13  
Date: 2022-12-12  
Page: 6 of 6

The Committee may carry out the surveys it deems necessary to fulfil its tasks and may use the company's internal audit, external audit and external advisors in this connection.

**6 Reporting**

Minutes from the Committee meetings shall be distributed to the members of the Board at the subsequent meeting. Committee meetings where quarterly and annual financial reporting is discussed shall be coordinated with the Board meetings on these issues. The Committee may give an oral report from these meetings to the Board through the Committee chairperson.

The Board may at any time require more detailed oral or written reports from the Committee.

**7 Limitation on the Committee's Role**

The Committee shall base its work on the assumption that the external auditors and the CAE have brought to the Committee's attention any issues that they, in their best judgment, regard as important for the exercise of the Committee's responsibilities.

The Committee members are answerable only to the Board in connection with the fulfilment of their tasks. The Board retains full responsibility for the Committee's tasks.

The President and CEO is responsible for the company's annual and quarterly financial statements and for presenting the same to the Board. The external auditor is responsible for auditing and/or reviewing these financial statements. While the Committee is entrusted with the tasks set out in this Mandate, it is not the responsibility of the Committee to plan or conduct audits or to determine whether the company's financial statements, the results of operations and cash flows are a fair presentation of the company's financial position in compliance with generally accepted accounting principles. In carrying out its tasks, the Committee does not provide any expert or confirmation of the company's financial statements or any professional certification of the external auditor's work. The Committee shall, regarding the financial reporting process, monitor the systems for internal control, risk management and audit, without breaching its independence.