

Constituting Document

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Mandate for the Board Audit Committee

Established by: The Board of Directors
References: Governing regulations for the Board of Directors of Norsk Hydro ASA
Item 7 - Sub-committees
Effective from: 2001-11-01

1 Objective

The Audit Committee (the "Committee") acts as a preparatory body in connection with the Board of Directors' (the "Board") supervisory roles in financial control and external audit. 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 Accounting Act (regnskapsloven), applicable accounting regulations and other legislation implementing Directive 2006/43/EC (the "Audit Directive"), and
- (c) the Norwegian Securities Exchange Act (børsloven) and applicable listing standards of the securities exchanges on which the company's securities are listed.

The primary function of the Committee is to assist the Board in exercising its oversight responsibility, with respect to:

- the integrity of the company's financial statements;
- the company's financial reporting processes
- the internal controls and the company's risk assessment and risk management policies;
- 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 his or her 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. The Committee should be comprised of at least one member who has competence in accounting and/or auditing as defined by the Audit Directive and applicable Norwegian legislation.

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The company's internal audit department ("Internal Audit Corporate" or "IAC") shall provide support to the Committee as necessary, and shall act as its secretary.

The Head of IAC reports functionally 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 participate in relevant agenda points at all meetings.

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

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

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 discussion 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 judgment 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;

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- be involved, as appropriate, in earnings press releases including profit warning releases and other ad-hoc releases with financial reporting relevance, prior to release.

4.2 Oversight of the Relationship with the External Auditor

The Committee shall:

- support the Board and the Corporate Assembly in their roles related to 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 ensure that the external auditor does not provide any non-audit services that would impair their independence;
- supervise and have the primary responsibility for the oversight of the work performed by the external auditor on audit related matters or other review or attest services;
- evaluate the qualifications, performance and independence of the external auditor;
- oversee the external auditor's compliance with the audit engagement team rotation requirements.

4.3 Handling Complaints

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

4.4 Supervision of the Internal Audit Function

The Committee shall:

- be the functional reporting body of Internal Audit Corporate;
- approve IAC's annual audit plan;
- evaluate the results of the internal audit activities and ensure that recommendations are paid appropriate attention;
- oversee employment decisions related to the Head of IAC, including decisions related to appointment, dismissal, position category and remuneration.

4.5 Oversight of the Compliance and Risk Management Systems

The Committee shall:

- discuss the company's policies with respect to risk assessment and risk management;
- discuss the company's compliance system;

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- 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, having an appreciable financial impact and/or a reputational risk.

4.6 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 CEO to provide access to information, facilities and personnel.

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 Audit Committee's Role

The Committee shall base its work on the assumption that the external auditors and the Head of IAC have brought to the Committee's attention any issue 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 particular confirmation of the company's financial statements or any professional certification of the external auditor's work.