



Norsk Hydro ASA

Base Prospectus

Joint Lead Managers:



Oslo, 26 June 2020

Important information

The Base Prospectus is based on sources such as annual reports and publicly available information and forward-looking information based on current expectations, estimates and projections about global economic conditions, as well as the economic conditions of the regions and industries that are major markets for Norsk Hydro ASA's (the Company) lines of business.

A prospective investor should consider carefully the factors set forth in Chapter 2 Risk factors, and elsewhere in the Prospectus, and should consult his or her own expert advisers as to the suitability of an investment in the bonds.

IMPORTANT – EEA RETAIL INVESTORS - If the Final Terms in respect of any bonds includes a legend titled "Prohibition of Sales to EEA Retail Investors", the bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ('EEA'). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of the Markets in Financial Instruments Directive II ('MiFID II'); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "Packaged Retail Investment and Insurance-Based Products, PRIIPs Regulation") for offering or selling the bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II product governance / target market – The Final Terms in respect of any bonds will include a legend titled "MiFID II product governance" which will outline the target market assessment in respect of the bonds and which channels for distribution of the bonds are appropriate. Any person subsequently offering, selling or recommending the bonds (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

This Base Prospectus is subject to the general business terms of the Joint Lead Managers, available at their websites (www.danskebank.no, www.dnb.no, www.seb.no).

The Joint Lead Managers and/or any of their affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Base Prospectus and may perform or seek to perform financial advisory or banking services related to such instruments. The Joint Lead Managers' corporate finance department may act as manager or co-manager for this Company in private and/or public placement and/or resale not publicly available or commonly known.

Copies of this Base Prospectus are not being mailed or otherwise distributed or sent in or into or made available in the United States. Persons receiving this document (including custodians, nominees and trustees) must not distribute or send such documents or any related documents in or into the United States.

Other than in compliance with applicable United States securities laws, no solicitations are being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States without registration or an applicable exemption from registration requirements.

The distribution of the Base Prospectus may be limited by law also in other jurisdictions, for example in non-EEA countries. Approval of the Base Prospectus by Finanstilsynet (the Norwegian FSA) implies that the Base Prospectus may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Base Prospectus in any jurisdiction where such action is required.

The Base Prospectus dated 26 June 2020 together with a Final Terms and any supplements to these documents constitute the Prospectus.

The content of this Base Prospectus does not constitute legal, financial or tax advice and potential investors should seek legal, financial and/or tax advice.

Unless otherwise stated, this Base Prospectus is subject to Norwegian law. In the event of any dispute regarding the Base Prospectus, Norwegian law will apply.

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1 Risk factors

Investing in bonds issued by Norsk Hydro ASA involves inherent risks.

As the Company is the parent company of the Group, and primarily a holding company, the risk factors for the Group are deemed to be equivalent for the purpose of this Base Prospectus.

The risks and uncertainties described in the Prospectus are risks of which the Company is aware and that the Company considers to be material to its business. If any of these risks were to occur, the Company's business, financial position, operating results or cash flows could be materially adversely affected, and the Company could be unable to pay interest, principal or other amounts on or in connection with the bonds. Prospective investors should carefully consider, among other things, the risk factors set out in this Base Prospectus, before making an investment decision.

An investment in the bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

A. Hydro's main incident risks

1. Hydro could be affected by operational disruptions or other major incidents and may not be able to maintain sufficient insurance to cover all risks related to its operations

Hydro is exposed to a number of risks and hazards which could result in disruptions to operations. Breakdown of critical equipment, power failures or other events leading to production interruptions in key plants could have a material adverse effect on our financial results and cash flows. Some operations are located in close proximity to sizable communities, and major accidents could result in substantial claims, fines or significant damage to Hydro's profitability, and or reputation.

Hydro obtains its bauxite from two main sources, the majority is via a 244 km pipeline from Paragominas to Alunorte, the remainder transported by vessel from MRN to Alunorte, any major disruption to this supply of bauxite to Alunorte would have material adverse effects on our operations. In 2018, The extreme rainfall and flooding in Brazil resulted in the Brazilian authorities forcing Hydro to reduce Alunorte's production to 50 percent of its capacity. This had a significant negative effect on Hydro's operations and financial results in 2018 and 2019.

In addition, the potential physical impacts of climate change on our facilities and operations is highly uncertain and may cause disruptions in our operations. Effects of climate changes may include changes in rainfall patterns, flooding, shortages of water or other natural resources, changing sea levels, changing storm patterns and intensities, and changing temperature levels.

2. Hydro could be affected by material CSR incidents, investigations, legal proceedings, or major noncompliance with laws and regulations

Hydro could be negatively affected by criminal or civil proceedings or investigations related to, but not limited to product liability, environment, health and safety, alleged anti-competitive or corrupt practices or commercial disputes. In addition, Hydro is exposed to allegations or perceived failures to behave in a socially responsible manner and to manage social impacts, particularly related to human rights breaches. Infringement of applicable laws and regulations could result in fines or penalties, costs of corrective work, the suspension or shutdown of our operations and damage to the company's reputation. Reactions of key stakeholders and communities in which Hydro operates could interfere or interrupt the operations of our business.

Hydro Extrusion Portland, Inc. (formerly Sapa Profiles, Inc.) (SPI), a Portland, Oregon-based indirect subsidiary of Hydro Extruded Solutions AS (formerly Sapa AS) (Hydro), and SPI's U.S. parent company, Hydro Extrusion USA, LLC (formerly Sapa Extrusions, Inc.) (SEI) entered into agreements in April 2019 to resolve the investigations by the United States Department of Justice (DOJ) Civil and Criminal Divisions regarding certain aluminum extrusions that SPI manufactured from 1996 to 2015, including extrusions that were delivered to a supplier to NASA. SPI pled guilty to one charge of mail fraud, received three years of probation, and paid approximately NOK 400 million. SEI separately entered into a deferred prosecution agreement in which it admitted to mail fraud, but the prosecution of the charge is deferred for three years, subject to SEI's fulfillment of certain obligations. As part of the share purchase agreement between Hydro and Orkla ASA, Orkla ASA indemnified Hydro for 50 percent of the liability related to these investigations.

3. *Hydro is exposed to supply chain concentration risk and may experience disruption in supply of alumina, anodes or certain alloy materials*

Hydro is exposed to risks related to supply chain concentration. This includes parts of the supply chain with one or a limited number of suppliers, or where multiple suppliers are concentrated in the same area and where there is a risk of simultaneous supply interruptions. Such interruptions could be a result of changes in regulatory framework, operational disruption, major public health issues etc. Hydro's assets within Bauxite & Alumina are concentrated in Brazil and include the Paragominas bauxite mine, Alunorte alumina refinery and the 244km bauxite slurry pipeline connecting the two. As Hydro receives almost all of its alumina from Alunorte, these assets are critical for the supply of alumina to the rest of the Hydro Group, both in Brazil and Europe, and Hydro is reliant on their ability to maintain stable operations. Hydro's exposure to supply chain concentration risk also includes risks related to the supply of anodes and certain alloy materials from China.

B. *Hydro's main strategic risks*

1. *Hydro is exposed to competition from China, which could have an impact on market prices and demand for our products*

China is the world's largest consumer and producer of aluminium, with more than half of the global production capacity. As a result, changes and developments in aluminium supply and demand in China have a significant impact on global market fundamentals.

Hydro is exposed to the development in China broadly on three levels; 1) although the explicit effect on Hydro is limited, China's increased demand for imported bauxite and the fulfillment of its requirements affect global bauxite prices, 2) the risk of Chinese surplus aluminium production (i.e. increased capacity utilization) negatively affects prices outside China and 3) increases in Chinese exports of aluminium semis and fabricated products affect primary demand and demand for semi-fabricated products in the importing regions such as Europe and the US (Hydro core markets) and Asia (Hydro's export markets).

Chinese alumina refineries and, consequently, aluminium smelters are dependent on imports of bauxite. Imported bauxite has traditionally been sourced from the Pacific region, with Australia, Indonesia and Malaysia as major suppliers. Following export restrictions imposed in Indonesia and Malaysia, increasing bauxite volumes have become available from Guinea to supply Chinese demand since 2016. While the increased export volumes from Guinea have removed the risk of a bauxite supply shortage for China, sourcing from Guinea increases the freight distance and relative costs compared with Pacific supply sources.

In past years, China has followed a policy of promoting a balanced internal market for primary aluminium including incentives to discourage the export of primary metal while encouraging domestic production of more labor-intensive semi-fabricated and finished aluminium products. Over the last years, overcapacity in China led to a continued rise in exports in the form of semi-fabricated products. Such exports affect metal prices outside China. Exports from China have varied considerably, driven, amongst other factors, by periodic arbitrage opportunities between Chinese and international metal prices. Exports have increased in volume over the last years. The Chinese central authorities have for several years voiced their concerns regarding the market surplus and inadequate implementation of regulations to discourage further smelter construction. Since 2017, supply-side reform has been enforced across several industries, including aluminium. The target was smelter capacity deemed to be illegal, i.e. not possessing all necessary authorizations. An estimated 3 million tons of capacity has subsequently been closed down. An increase in the oversupply of primary metal in China may lead to higher export of rolled and extruded downstream products, affecting demand for Hydro's metal products.

2. *Commodity prices and currency fluctuations*

Hydro's operating results are primarily affected by price developments of our main products, raw materials, margin developments and to fluctuations in the most significant currencies for Hydro, which are the USD, NOK, EUR and BRL.

Hydro has a substantial portion of its primary metal capacity based in Norway and its accounting and reporting currency is the Norwegian krone. Primary aluminium prices, alumina and certain product premiums as well as a major part of the raw materials for producing aluminium are denominated in US dollars.

Commodity price volatility and currency fluctuations in general have increased significantly in recent years and can have a substantial impact on the Group's operating costs directly and can also have a significant effect on the Group's reported operating results due to realized and unrealized gains and losses on derivative instruments. Underlying results for the Group's trading and hedging operations are also subject to substantial variations in periods of significant fluctuations of spot and forward prices for aluminium.

Any revaluation of derivative instruments and contracts classified as derivatives may influence reported earnings. For accounting purposes, derivative financial and commodity instruments are recognized at fair value, with changes in fair value impacting earnings unless specific hedge criteria are met. This may result in volatility in earnings, since the associated gain or loss on the related physical transactions may be reported in earnings in different periods.

3. *Changes in the regulatory framework or political environment in which Hydro operates could have a material effect on the company*

Hydro needs competitive and predictable framework conditions. Hydro is subject to a broad range of laws and regulations in the legal jurisdictions in which we operate. These laws and regulations impose stringent standards and requirements and potential liabilities. Some examples include accidents and injuries, the construction and operation of our plants and facilities, taxes and tariffs, air and water pollutant emissions, the storage, treatment and discharge of waste waters, the use and handling of hazardous or toxic materials, waste disposal practices, and the remediation of environmental contamination, among other things. Changes in such laws and regulations, or changes in the way these laws and regulations are interpreted or enforced, may impact Hydro's operations.

c. *Hydro's main HSE risks*

1. *Climate change and environmental risks*

Hydro is exposed to physical climate related risks, risks related to the transition to a low-carbon economy and other environmental risks mainly related to our operations in Brazil. Climate-driven changes in consumer behavior, such as substitution of aluminium by other materials is also a risk to Hydro. In addition to environmental incidents, there are risks related to the effects of known and unknown historical and current emissions to air, water and soil.

Hydro's operations and facilities are subject to risks arising from physical climate change, that may impact Hydro's operations. Effects of climate change include changes in rainfall patterns, flooding, shortages of water or other natural resources, changing sea levels, changing storm patterns and intensities, and changing temperature levels. The changes may be acute and/or chronic. The risks from climate change could lead to operational and environmental incidents within our operations, for example by flooding of containment basins, increasing temperatures leading to increased emissions from processes etc. that must be considered in our business strategy.

Operational performance, and the occurrence of environmental incidents, is also affected by other factors than physical climate change such as the lack of suitable technological solutions; changes or variations in hydrological and geological conditions; environmental hazards; extreme weather, and other natural phenomena; mining and processing equipment failures and unexpected maintenance problems and interruptions and critical failures to infrastructure integrity that can lead to environmental spills and danger to surrounding communities. In addition to environmental incidents, there are risks related to the effects of known and unknown historical and current emissions to air, water and soil. These may have legal, financial and reputational consequences and require mitigating actions.

There are risks associated to the transition to a low-carbon economy. Hydro is, directly and indirectly, exposed to increasingly demanding legislation on reducing greenhouse gas emissions, and associated regulatory risk. Hydro's risk exposure mainly relates to, but is not limited to, the cost of CO₂ and stricter emissions abatement requirements, please see "Changes in the regulatory framework and political environment" in this section. The transition to a low-carbon economy has associated technology and market risks. Hydro's technology may not be able to meet the abatement and emissions requirements set by regulatory bodies: Increased concern over climate change may lead to changes in consumer behavior, increased demand for low-emission products or substitution of aluminium by other materials.

D. *Bond specific risks*

Investing in bonds issued by Norsk Hydro ASA (the "Issuer") involves inherent risks. Prospective investors should consider, among other things, the risk factors set out in the Base Prospectus, before making an investment decision. The risks and uncertainties described in the Base prospectus are risks of which the Issuer is aware and that the Issuer considers to be material to its business. If any of these risks were to occur, the Issuer's business, financial position, operating results or cash flows could be materially adversely affected, and the Issuer could be

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unable to pay interest, principal or other amounts on or in connection with the bonds. Prospective investors should also read the detailed information set out in the Base Prospectus dated 26 June 2020 and reach their own views prior to making any investment decision.

1. Risk related to the market in general

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. There are five main risk factors that sum up the investors' total risk exposure when investing in interest bearing securities with a floating interest rate: liquidity risk, interest rate risk, settlement risk, credit risk and market risk (both in general and issuer specific).

2. Interest rate risk

Is the risk that results from the variability of the NIBOR interest rate, and is not relevant for bonds with fixed interest rate. The coupon payments, which depend on the NIBOR interest rate and the Margin, will vary in accordance with the variability of the NIBOR interest rate. The interest rate risk related to this bond issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the reference interest rate (NIBOR 3 months) over the tenor. The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. A possible increase in the credit spread trading level relative to the coupon defined credit margin may relate to general changes in the market conditions and/or Issuer specific circumstances. However, under normal market circumstances the anticipated tradable credit spread will fall as the duration of the bond issue becomes shorter. In general, the price of bonds will fall when the credit spread in the market increases, and conversely the bond price will increase when the market spread decreases.

3. Market risk

Is the risk that the value of the bonds will decrease due to the change in market conditions. The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of this bond issue in the market. In spite of an underlying positive development in the Issuer's business activities, the price of a bond may fall independent of this fact. Bond issues with a relatively short tenor and a floating rate coupon rate do however in general carry a lower price risk compared to bonds with a longer tenor and/or with a fixed coupon rate. No market-maker agreement is entered into in relation to this bond issue, and the liquidity of bonds will at all times depend on the market participants view of the credit quality of the Issuer as well as established and available credit lines.

4. Unsecured debt obligations

The Bonds are unsecured, and will rank pari passu with all of the Issuer's other unsecured and unsubordinated indebtedness. In the event of a default on the Bonds or in the event of bankruptcy or liquidation, to the extent that the Issuer has granted security over its assets and such security becomes enforceable, the assets securing such obligations will be used to satisfy such secured obligations before the Issuer can make payments on the Bonds. In the absence of sufficient collateral to satisfy any secured obligations, the remaining amounts on the secured obligations would share equally with all unsubordinated unsecured indebtedness.

2 Definitions

Annual Report 2019	Norsk Hydro ASA's annual report of 2019
Articles of Association	The articles of association of Norsk Hydro ASA, as amended and currently in effect
Base Propectus	This document dated 26 June 2020. The Base Propectus has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Base Propectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval shall not be considered as an endorsement of the Issuer that is the subject of this Base Propectus. The Base Propectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129. Investors should make their own assessment as to the suitability of investing in the securities.
Board or Board of Directors	The board of directors of Norsk Hydro ASA
Companies Registry	The Norwegian Registry of Business Enterprises (<i>Foretaksregisteret</i>)
Company/Issuer/ Norsk Hydro ASA/NHY	Norsk Hydro ASA, a Norwegian public limited liability company incorporated under the laws of Norway, including the public limited companies act
Consolidated Financial Statements	The consolidated financial statements and notes included in the Annual Report 2019
EEA	European Economic Area
Final Terms	Document to be prepared for each new issue of bonds under the Prospectus.
Group	The Company and its subsidiaries from time to time
IFRS	International Financial Reporting Standards
ISIN	International Securities Identification Number
Prospectus	The Base Prospectus together with a Final Terms and a summary constitutes the Prospectus.
NOK	Norwegian kroner
VPS or VPS System	The Norwegian Central Securities Depository, Verdipapirsentralen ASA

3 Persons responsible

3.1 Persons responsible for the information

Persons responsible for the information given in the Base Propectus are as follows:
Norsk Hydro ASA, Drammensveien 264, N-0283 Oslo, Norway

3.2 Declaration by persons responsible

Norsk Hydro ASA declares that to the best of its knowledge, the information contained in the Base Propectus is in accordance with the facts and that the Base Propectus makes no omission likely to affect its import.

Oslo, 26 June 2020

Norsk Hydro ASA

Katrine Barø Talgø
Head of Group Treasury and Tax

Anne Johnsrud Hagen
Head of Financing & FX

4 Statutory Auditors

The statutory auditor for the Issuer for the period covered by the historical financial information in this Base Prospectus has been KPMG AS, independent public accountants.

KPMG AS is member of The Norwegian Institute of Public Accountants (Norwegian: Den Norske Revisorforeningen).

5 Information about the Issuer

5.1 Legal and commercial name of the Issuer

The legal name of the Issuer is Norsk Hydro ASA, and the commercial name of the Issuer is Norsk Hydro.

5.2 Domicile and legal form

The Company is domiciled and incorporated in Norway. The Company is a public limited liability company incorporated under the laws of Norway, including the Public Limited Companies Act.

The Company's registered address is P.O. Box 980 Skøyen, N-0240 Oslo, Norway. The Company's LEI code is 549300N1SDN71ZZ8BO45.

The Company has no telephone number at its registered office according to the Norwegian Companies Registry. The Company's telephone number is +47 22 53 81 00.

The Company's website is www.hydro.com. The information on the website does not form part of the Base Propectus unless that information is incorporated by reference into the Base Propectus.

5.3 Other relevant factors associated with this type of investment

1. Hydro is exposed to macro-economic developments, including price and currency risk, demand/supply balances, and changes in global trade policy framework

The aluminium industry is pro-cyclical with demand for products closely linked to economic development. This results in volatility in the market prices for aluminium products in periods of macroeconomic uncertainty or recession. Specific incidents with a macro-economic impact such as the US-Iran conflict or a major epidemic outbreak could also have an impact on Hydro. Macroeconomic development and political instability also drive changes in currency rates, which have a significant effect on Hydro's cost and competitive position. A large share of Hydro's operations has production cost in local currencies, in countries such as Norway, Germany, Brazil, Canada and Australia. If these currencies appreciate against the USD, this will increase cost and may weaken Hydro's global competitive position relative to production from other regions. Aluminium products are traded globally, and therefore affected by the development in global trade flows, trade frameworks, tariffs and anti-dumping legislation.

After the outbreak of the coronavirus (COVID-19), authorities in an increasing number of countries have taken strong measures to reduce the spread of the virus. This is likely to reduce the global economic activities for a certain period of time, which again will affect the demand for aluminium in such period. Further, due to disruptions in the supply chain, our suppliers, Hydro and Hydro's customers may be inhibited from receiving raw materials, which again may disrupt Hydro's production or sale of products. Except for the macro-economic effects, the situation has currently had limited effect on Hydro's operations, but if the situation continues or escalates, it may have a significant effect on Hydro's financial results. Hydro is monitoring the situation carefully, and is continuously working to find mitigating solutions if the situation continues or escalates.

Hydro is involved in all parts of the aluminium production value chain and therefore exposed to changes in prices of aluminium, alumina and bauxite. In the past decade global aluminium oversupply and high global stock levels, have had a dampening effect on LME prices. Alumina price indices respond to fundamental global supply and demand balances as alumina storage capacity is very limited, in particular outside China. The cost structure of the marginal producers hence drive pricing over the medium term. Curtailment of alumina production from Alunorte leading to an increased alumina price impacted Hydro's profitability in 2019. Increased bauxite export from Guinea and lifting of the bauxite mining ban in Malaysia could have an impact on the bauxite market going forward.

Following improved market conditions in 2016 and 2017, uncertainty around continued strong growth outlook grew in the latter part of 2018. This trend continued into 2019, with further increase in geopolitical and macroeconomic uncertainty, causing weak industrial growth both in US and European markets in addition to slowing growth also in China and other Asian countries. Downstream aluminium markets were directly affected by this development, and key segments such as transportation and construction experienced negative growth in 2019. In the event that this development continues, slower economic growth would further affect demand in key downstream markets.

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Global trade framework and protectionism are moving higher on the agenda, not least through the role of WTO, the new EU legislation on dumping products, Brexit and the agenda of the current US administration. Hydro is following the conflict between Iran and the US, including evaluations of potential direct and indirect impact on Hydro's business operations and the need for mitigating actions where this is possible.

Following the investigation under Section 232 of the Trade Expansion Act of 1962 on steel and aluminium, on March 8, 2018, a 10-percentage tariff on imports to the US of primary aluminium and most fabricated products was announced, effective March 23, 2018. The objective of the tariff is to enable US primary aluminium production to reach an average capacity utilization of 80 percent, an increase from the current 48 percent (restart and/or ramp-up of up to five possible smelters). Even with smelter restarts, the US remains a major deficit region for aluminium, and will need to attract metal imports. So far, the tariff has been transferred to the consumer through a parallel increase in the Mid-West premium. However, the indirect long-term effects of the tariffs on aluminium in the US or other markets remain uncertain and could have a negative impact on Hydro's business.

The majority of Hydro's upstream, Bauxite, Alumina and Primary aluminium capacity, is located in countries where fluctuations in commodity prices are reflected in their exchange rates such as Norway, Brazil, Canada and Australia. There is a fairly strong historic correlation supporting this relationship, however with a volatility around the trend. If our main cost currencies strengthen going forward, this will increase our operating cost and may weaken our global competitive position relative to production from other regions.

Hydro's core strategy to reduce the risks related to unfavorable economic and market developments is the continuous improvement of our business in terms of operational efficiency, cost reductions, enhanced commercial strategies across the value chain and diversification of business across markets. These efforts help us to partly offset the effects of low market prices and raw material cost increases. Hydro is engaged in a systematic dialogue with politicians and trade and industry associations regarding the global trade framework.

In order to secure financial liquidity, we concentrate on maintaining a strong balance sheet, sufficient undrawn credit facilities, capital discipline and a continued focus on working capital. Hydro has established clear priorities and guidelines for capital allocation. This is critical in order to deliver on the company's strategic direction. The strategy is to allocate more growth and return-seeking capital to the areas that have a more stable earnings profile and that have delivered returns above their cost of capital in the past. The goal is to run a dynamic capital allocation process that supports financial and investing flexibility, continuous review and reallocation as well as stimulate internal competition for capital, both between and within the business areas. Excess cash flow might be allocated to growth opportunities, or to share buybacks or additional dividend payments as alternative investments.

However, the cost reductions, improvements and capital allocation that we target may prove to be insufficient to achieve a sustainable level of profitability for our business operations in the event of an extended period of low aluminium prices, significant strengthening of our local currencies, relatively high costs for key raw materials, or weak market demand.

2. Hydro may fail to realize sufficient value in the execution and implementation of major projects or business acquisitions

Hydro makes significant capital investments and acquisitions as part of its business development and may not be able to realize the benefits expected from such transactions and projects. Major projects and acquisitions are subject to significant risk, and uncertainty in making the investment evaluation, project execution and subsequent operations. Acquisitions may also contain significant unidentified risks and liabilities.

Hydro aim to bring Alunorte up to a new environmental standard. After the rainfall in February 2018, we have been implementing and working with several upgrades to the plant. Three new water basins have already increased the water storage capacity by 350 percent and a capacity increase of 50 percent of the water treatment facility is under construction. By 2020 Alunorte will have invested BRL 675 million in improvements in its systems for receiving, controlling, pumping and treating water. In addition to the new basins and the water treatment facility, construction include new pumping systems and water pipes, new instruments for automation and control and new cameras for monitoring the basins.

Hydro has made a final build decision to invest NOK 1.4 billion at the aluminium plant in Husnes, Norway, to upgrade and start up the plant's second production line, which will double the aluminium production of the plant and create 90 more jobs. As part of the restart of the production line, which was shut down in 2009, Hydro will introduce new technology elements that are expected to lead to better performance at the plant. The line is expected to begin operations in the first half of 2020.

Hydro has made major investments in emerging and transitioning markets and future investments may occur or may be more likely to occur in countries characterized as emerging and transitioning markets. Investing in emerging and transitioning markets is demanding in terms of organizational capacity, cultural understanding,

effort, knowledge and experience, and Hydro may not be capable of succeeding in expanding its business in such markets.

At the end of 2019, around half of our smelter capacity was owned through interests in joint ventures and partly-owned subsidiaries. Investments as a minority partner in jointly owned entities reduces Hydro's ability to manage and control this part of its portfolio. Investments in jointly owned entities, including those in which we hold a majority position, also entail the risk of diverging interests between business partners, which could impede Hydro's ability to realize its objectives, repatriate funds from such entities and to achieve full compliance with Hydro's standards.

In order to mitigate the risk associated with the execution and implementation of major projects, all capital projects in Hydro, including M&A projects, are subject to a formal, comprehensive, internal review process prior to making any commitment. Hydro is continuously working to improve our project evaluation and execution processes. This includes improving risk assessment, methodologies and clarifying and refining minimum return requirements for different parts of the value chain. These measures, may however, prove to be insufficient to mitigate the risks we face in the execution and implementation of major projects or business combinations.

3. Hydro may be unable to achieve or maintain the operational targets necessary to secure the competitiveness of our business

Hydro operates in a highly competitive market where operational excellence in all parts of the value chain is required to reach and maintain a competitive position. This includes each step of the business process from the sourcing of raw materials, to physical operations of each plant, and the commercial optimization of the product portfolio. Disruptive technological development by competitors could threaten Hydro's competitiveness. Failure to create an environment and competence which enables the organization to continuously achieve increased operational targets will reduce the competitiveness of our business.

Operational performance may also be inhibited by other factors such as the inability to develop necessary technical solutions; changes or variations in geologic conditions, environmental hazards, weather, climate change or natural phenomena; mining and processing equipment failures and unexpected maintenance problems and interruptions. Driving improvements and performance is heavily dependent on achieving sufficient capacity and skill in the workforce. Substantial parts of the Brazilian operation are located in remote areas where it has been difficult to attract and retain the competence required to achieve our performance goals for these operations. In addition, Hydro's bauxite reserves in Brazil and the estimated quantities of bauxite that Hydro expects can be economically mined and processed are subject to material uncertainties.

In February 2018 the region of Barcarena in northern Brazil suffered from flooding following two days of extreme rainfall. The areas flooded included Hydro's Alunorte alumina refinery. Brazilian authorities and local communities were concerned that flooding might have led to harmful spills into the surrounding areas. The authorities ordered several measures against Alunorte while reviewing the situation. The measures restricted the production at the refinery to 50 percent of its capacity. Consequently, Alunorte's primary bauxite source Paragominas and Hydro's part-owned subsidiary Albras aluminium plant, both in the state of Pará, reduced their production by 50 percent. In May 2019, the federal court in Belem, Brazil, lifted the production embargo on the Alunorte alumina refinery under both the criminal and civil lawsuits, allowing Alunorte to ramp up towards normal production. In September 2019, the federal court in Belem, Brazil, lifted the final embargo on Alunorte's new bauxite residue disposal area (DRS2), allowing Alunorte to resume activities of installation and commissioning at DRS2, ending a 19-month embargo period which has restricted activities at the plant.

In 2019, new improvement programs have been launched across the company, representing NOK 7.3 billion in EBIT improvements over the next five years. The improvements include the curtailment reversal of the Brazilian assets with the effect of NOK 2.7 billion. Unrelenting focus on continuous improvement is necessary for Hydro to maintain and further improve the competitiveness of our portfolio.

Fit4Future, a part of the overall improvement program, targets to contribute with 0.5 BNOK mainly through increased efficiency within staff functions across Hydro, of which Global Business Services (GBS) delivers most of the gains. IS/IT is the main driver within the functions. Manning reductions represent around one third of the total. More information about Hydro's performance and improvement programs can be found in the Strategy, performance and target section of this annual report.

Base Propectus

Another element of the overall improvement program is the strategic review and comprehensive restructuring of the Rolled Products business area to mitigate the declining profitability the business has faced over the last years. The aim is to significantly turn this development around by lifting organizational and operational efficiency as well as shifting the product portfolio away from declining markets and towards growth markets like automotive and can. The target is a NOK 0.9 billion improvement by 2023. These improvements will be realized, while also continuing the strategic review of the Rolled Products business.

Our operations, and in particular our aluminium smelters, are dependent upon large volumes of energy. Securing new, competitive energy sources for our business is a key operational target and our business could be materially adversely affected by the inability to replace, on competitive terms, our long-term energy supply contracts when they expire, or our own electricity production, to the extent that concessions revert to the Norwegian state. As an example, the power purchase agreement from 2014 for Hydro's smelter Slovalco expires in 2021 and needs to be replaced. Hydro has, over the last years, secured several long-term power supply contracts in Norway. In 2016, an important regulatory change was implemented in Norway that allows for private ownership to waterfalls through companies with liability, often referred to as industrial ownership or ANS/DA, enabling further progress on Hydro's work to re-structure ownership and protect the value of our power assets.

A cornerstone in our work to reach operational targets and secure the competitiveness of our operations is the use of standardized Business Systems to structure and formalize continuous improvement work. Improvements are also supported by benchmarking to identify and implement best practices between our business areas. We are also engaged in a number of initiatives to identify and secure competitive energy supplies for our operations and are actively involved in promoting a sustainable energy policy in the regions where we operate. However, we may not succeed in achieving or maintaining the operational targets necessary to secure our competitiveness. We may also fail to identify and secure sufficient competitive energy supplies for our operations.

4. Hydro is exposed to the threat of cyber-attacks which may disrupt its business operations, and result in reputational harm and other negative consequences

Hydro's IS/IT infrastructure is a critical element in all parts of our operations, ranging from process control systems at production sites to central personnel databases and systems for external financial reporting. Cyber-crime is increasing globally, and Hydro is exposed to threats to the integrity, availability and confidentiality of systems. Threats may include attempts to access information, ransomware attacks, destructive installation of viruses, denial of service and other digital security breaches.

On March 19, 2019, Hydro was hit by an extensive cyber-attack. The attack affected our entire global organization, with the business area Extruded Solutions having suffered the most significant operational challenges and financial losses. Hydro's other business areas – Bauxite & Alumina, Primary Metal, Rolled Products and Energy – were able to produce close to normal despite the attack, although based on work-intensive workarounds and manual procedures. Hydro have now resumed normal operations. During and after the attack, Hydro worked with all available internal resources and in close cooperation with external expertise to resolve the situation. All PCs and servers across the company were reviewed, cleaned and safely restored, according to strict guidelines to ensure security and safety. Encrypted PCs and servers were rebuilt based on back-ups.

Hydro has launched several initiatives to increase the robustness of its IS/IT infrastructure against malicious attacks by improving system infrastructure and educating employees to develop and improve secure work processes and routines. We have reorganized our security team to better detect and respond to cyber incidents, and the company has a robust cyber insurance in place with recognized insurers. However, these initiatives may fail to deliver the expected results or prove to be inadequate to prevent cyber-attacks or security breaches that manipulate or improperly use our systems or networks.

5. Occupational health and safety, and security risks

Hydro is exposed to occupational health, safety and security risks at sites and whilst on travel. Due to its global operations, Hydro is exposed to major public health issues, such as outbreaks of pandemics or epidemics. These risks have the potential to impact Hydro's employees and contractors, operations of assets, and in specific incidences local communities and reputation.

Hydro is monitoring the development of the Coronavirus disease (COVID-19) and assessing current and potential impact on employees and operations. Initial mitigating actions have been implemented and further mitigating actions are evaluated on a continuous basis.

Base Propectus

Based on Hydro's processes and locations, examples of such incidents and risks include, but are not limited to, molten metal explosion, mobile equipment interaction and transportation, working at height, energy isolation, overhead cranes, confined space entry, equipment failure, major fires, occupational illness, chemical spills etc. There has been a strong drive to improve safety performance throughout the organization, with just under 50 percent of all operational sites total recordable injury free during 2019. Most business areas saw an improvement in total recordable injury performance, and a reduction in the number of high-risk incidents reported. Internal investigations are routinely initiated after fatal accidents or serious incidents to identify the root causes and avoid recurrences by subsequent implementation of appropriate corrective and preventive actions. Our approach to improve our occupational health, safety and security performance is based on risk management, leadership qualities and worker engagement. Hydro has implemented processes to eliminate serious injury including the development of fatality prevention protocols, also known as the Critical 7: energy isolation, fall prevention, mobile equipment, overhead crane, confined space entry, molten metal safety and contractor management. These processes are aimed at both raising standards and further understanding risks at Hydro sites.

Occupational health improvements are driven by the Work Environment Risk Assessment process that is reviewed and updated frequently and supported by physical and mental health improvement initiatives. Security risks are routinely reviewed, and controls implemented to combat existing and emerging threats with associated emergency and business continuity processes.

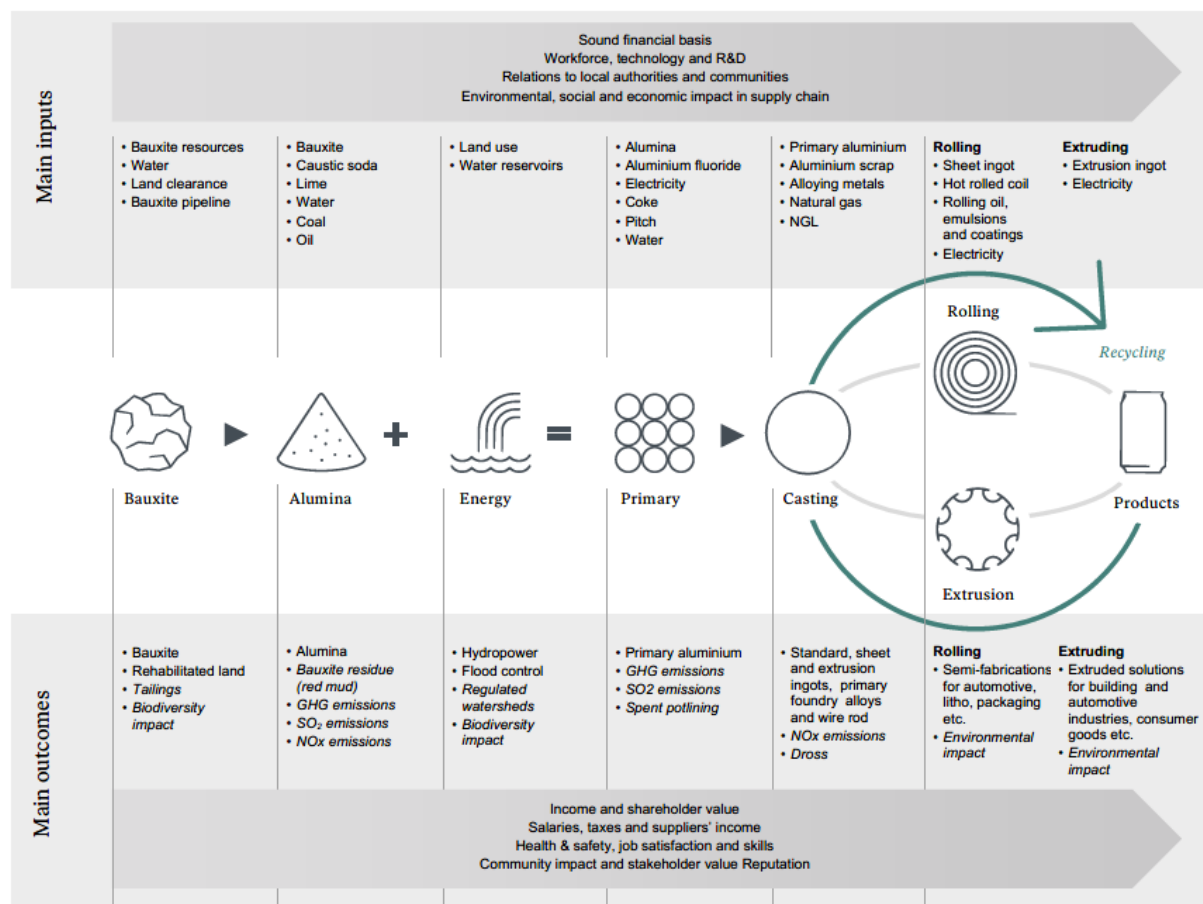
6 Business overview

Hydro is a fully integrated aluminium company with 35,000 employees in 40 countries.

Aluminium upstream production facilities



Hydro's value chain



Base Propectus

Hydro is a fully integrated aluminium company with equity positions in bauxite, alumina and power, the most important raw materials in the production of primary metal. Alumina production well in excess of our own requirements gives us a favorable market position. Substantial self-generated hydroelectric capacity in Norway a dedicated gas-fired plant in Qatalum, in addition to long term power contracts, provides secure access to energy.

Downstream, Hydro is produces a range of rolled and extruded aluminium products and solutions, in particular the building, packaging, lithographic, precision tubing and automotive sectors.

Hydro's business is divided into six business areas; Bauxite & Alumina, Primary Metal, Metal Markets, Rolled Products, Extruded Solutions and Energy. Bauxite & Alumina includes our bauxite mining activities comprised of the Paragominas mine and a 5 percent interest in Mineracao Rio de Norte (MRN)¹, both located in Brazil, as well as our 92 percent interest in the Brazilian alumina refinery, Alunorte. These activities also include Hydro's longterm sourcing arrangements and alumina commercial operations.

Primary Metal consists of our primary aluminium production, remelting and casting activities at our wholly owned smelters located in Norway, and Hydro's share of the primary production in partly-owned companies located in Slovakia, Qatar, Australia, Canada and Brazil.

Metal Markets includes all sales and distribution activities relating to products from our primary metal plants and operational responsibility for our stand-alone remelters. Metal Markets also includes metal sourcing and trading activities, which sources standard ingot for remelting in Hydro's remelters and primary casthouses from third parties and provides operational risk management through LME hedging activities.

Rolled Products consists of five European rolling mills including our 50 percent interest in the AluNorf rolling mill in Germany. Rolled Products also includes the Neuss primary aluminium smelter in Germany.

Extruded Solutions consists of our extrusion-based business, located mainly in Europe and the Americas, which is focused on delivering solutions to the building and construction, transportation, and engineered products industries. Extruded Solutions also includes our aluminium building systems and precision tubing activities.

Energy is responsible for managing Hydro's captive hydropower production, external power sourcing arrangements to the aluminium business and identifying and developing competitive energy solutions for Hydro worldwide.

Bauxite & Alumina

Industry overview

Bauxite rock is composed mainly of aluminium hydroxide-bearing ore minerals, with accompanying minerals commonly containing iron oxides and hydroxides, and silica as clay and/or quartz. The three main ore minerals are gibbsite, boehmite and diaspor. Their relative abundance in a particular bauxite source will determine alumina processing characteristics, and consequently impact the design, capital and operating costs of a related alumina refinery. In general, gibbsitic bauxite is preferred, as it can be digested at lower temperatures and pressure than boehmitic or diasporic bauxites. Most bauxites occur within a lateritic crust formed by intense tropical weathering, as near-surface blanket deposits. Bauxite is typically extracted from open-cut mines, and either processed at nearby refineries or transported to distant refineries, which can add substantial logistical costs to the production of alumina. About 80 percent of alumina refining outside of China is based on integrated bauxite mines. In China, approximately 65 percent of alumina refining is based on integrated sources.

Australia, China, Guinea and Brazil accounted for over 80 percent of global bauxite production of 330 million mt in 2019. The five largest mines outside China represented around 46 percent of the Western world's bauxite production of 254 million mt.

Alumina is a significant cost element in the production of aluminium. The alumina market is competitive, but relatively few players hold a long position. China is the largest producing country, representing approximately 56 and 54 percent of the global demand and capacity, respectively.

Alumina pricing

Pricing in the alumina industry has been moving away from fixed percentages of the aluminium price to index pricing. Three commodity price reporting agencies (Platts, Fastmarkets MB and CRU) publish alumina price indices. These reflect the fundamental supply and demand balance of the alumina market. Index pricing continues to gain support in the industry and represents the main reference for contracts of various durations. Average

¹ Earnings from our investment in MRN are included in "Financial income."

Base Propectus

annual contract prices have risen from around 12 percent of LME aluminium reference prices in 1990 to about 18 percent in 2019.

Operations

Bauxite from Paragominas is mined in open pits and sorted and crushed into sizes suitable for transportation as slurry through a pipeline approximately 240 kilometers to Alunorte for refining into alumina. Bauxite from MRN is transported by vessel. Alumina processing begins by removing the water from the bauxite slurry, then mixing the bauxite with caustic soda at high temperatures and pressure. The resulting mixture is pumped into a digester, where a chemical reaction dissolves the alumina. This process produces a sodium aluminate solution, which is transferred into tanks to separate impurities through settling and filtration. The cooled sodium aluminate solution is then pumped into precipitators to grow alumina crystals, which are transferred to thickening tanks and further to fluid bed calciners to remove water, producing pure alumina.

Cost and revenue drivers

The main cost drivers for bauxite are labor, maintenance/consumables, electricity and fuel for mining equipment. These account for around 75 percent of the cash cost of mining activities. Labor, the largest cost factor, accounting for about 30 percent, is influenced by Brazilian wage levels and productivity developments. Maintenance/consumables are influenced by inflation and operational efficiency.

The main cost drivers for alumina refining are bauxite, energy and caustic soda. These represent around 85 percent of cash costs. Energy costs are a mix of fuel, coal and electricity and represent around 30 percent of the total costs. Caustic soda represents around 15 percent of cash costs. Bauxite purchases from Paragominas, and those made under offtake agreements from MRN, are based on prices partly linked to LME prices and alumina market prices.

Commercial operations

When operating at full production capacity, Hydro has a long position in bauxite of 3-4 million mt and in alumina of approximately 2-3 million mt. Because of the Alunorte curtailment in 2018-19, Hydro had to source significant additional volumes of alumina externally. We price bauxite on its own fundamentals to reflect high-quality Brazilian bauxite. As mentioned above, in addition to Paragominas and our equity interests in the MRN bauxite mine, we have volume offtake agreements for Vale's 40 percent interest in MRN, which amounted to 5.2 million mt in 2019. The excess bauxite not consumed by Alunorte is sold to third parties.

In addition to Alunorte, we procure alumina from a number of external sources. Hydro's contract with Rio Tinto Alcan (RTA) represents the main external source, and covers the supply of 900,000 mt of alumina annually until 2030. We also buy and sell alumina to optimize our physical alumina portfolio on a short and medium-term basis.

Primary Metal

Industry overview

The basic raw material for aluminium is bauxite, which is refined into alumina. Aluminium smelting is a capital-intensive, technology-driven industry. Energy represents approximately 50 percent of the costs. As the world's largest consumer and producer of aluminium, China has a significant impact on market fundamentals. Global primary production amounted to roughly 64 million mt in 2019. In 2019, China accounted for 56 percent of worldwide primary aluminium consumption and 56 percent of corresponding production. India and the Middle East are also growing in importance in the production of aluminium.

Aluminium products are also derived from the remelting and recycling of aluminium scrap. Aluminium scrap is generated both in the production (pre-consumer) and in the use (post-consumer) of aluminium products. Around 70-75 percent of all aluminium produced since the Hall-Heroult process was invented in 1886 is still in use. Aluminium is used in a variety of applications in many industries. The major consumer segments are transportation, building and construction, packaging and foil and electrical applications. The major consuming areas are China, North America, Western Europe, Japan and the rest of Asia.

Demand for aluminium products in mature markets like North America and Europe is normally in line with economic developments, although with greater volatility. However, substitution for steel and other metals by aluminium, in particular for automotive applications, contributes to higher growth levels and is a key driver underlying increasing demand in aluminium markets. In recent years, global demand has exceeded the growth in GDP, but demand dropped in 2019 due to the general downturn in global manufacturing from trade tensions and increasing macroeconomic uncertainty.

Structural developments

The 10 largest aluminium companies in the world represent close to 50 percent of global aluminium production, and the 10 largest Chinese aluminium companies accounted for around more than one-third of the world's primary production in 2019. Chinese producers focus primarily on supplying the Chinese markets. Private companies such as Hongqiao group, Xinfu and East Hope have grown significantly in the last several years. In recent years, state-owned companies in China such as Chalco have also increased in size, due to restructuring efforts and through incentives for the Chinese state-owned companies. Outside China, the strongest production growth has been among companies active in India, in particular Vedanta, and to a lesser degree in the Middle East.

Aluminium price

Primary aluminium is traded on several metal exchanges, but primarily the London Metal Exchange (LME). The Shanghai Futures Exchange (SHFE) has grown in importance for international trade of standard ingots produced in China. LME aluminium prices are heavily influenced by macroeconomic and market developments.

Premiums outside China affect the incentive for Chinese exports, and China's exports of semi-fabricated products have increased in recent years. Arbitrage opportunities are expected to continue to occur in the future and will influence the size of exports of semis from China, and consequently also metal prices going forward. There has been an increase in trade and anti-dumping cases following increases in Chinese exports of semi-fabricated products. Significant uncertainty remains with regard to the implementation of further trade restrictions in 2020.

China is still working actively to develop new domestic applications for aluminium, to make use of its properties and to reduce overcapacity, such as applications within transport/railways.

Operations

Hydro's primary aluminium plants have reduction facilities with potlines and casthouses, where liquid and remelted aluminium is cast to form value-added products such as extrusion ingot, primary foundry alloys, sheet ingot and wire rod, in addition to standard ingot.

Cost and revenue drivers

The main cost drivers for the production of primary aluminium include alumina, power and carbon, which together comprised about 75-80 percent of the cash costs of electrolysis metal in 2019. Approximately two metric tonnes of alumina are required to produce one mt of aluminium, representing 35-40 percent of the cash cost of primary aluminium. Energy represents on average 20-25 percent and carbon anodes consumed in the smelting process account for 15-20 percent of cash costs.

Realized aluminium prices are the most important revenue driver. As part of our operational hedging procedure, prices are fixed, on average, one month prior to production. As a result, and due to the hedging of product inventories, Hydro's realized aluminium prices lag LME spot prices by 1-2 months.

Aluminium smelter system

Hydro is a producer of primary aluminium, with installed capacity in 11 wholly or partly owned plants. In 2019, we produced around 2 million mt of primary aluminium, which is around 250 kmt below full capacity, affected by the partial curtailments at the Husnes plant in Norway and the Albras plant in Brazil. On December 18, 2019, a decision was made to curtail a maximum of 20 percent of the primary aluminium capacity of Slovalco, in Slovakia. The curtailment is in response to the weakening market environment, combined with Slovalco's relatively high cost position and uncertainty relating to the renewal of its power contract expiring at the end of 2021.

Internal supply contracts between our hydropower production operations and our aluminium metal business covered about half of the energy consumption of our wholly owned Norwegian smelters in 2019. The remainder was mainly covered by an external supply contract with Statkraft, a Norwegian electricity company. The contract will expire in 2020.

To replace the Statkraft contract, Hydro has entered into various new supply contracts, adding up to a total annual supply of 8.4 TWh for the period 2021-2030, of 5.6 TWh for the period 2021-2035, and of 5.1 TWh for the period 2036-2039. This secures a significant part of the power consumption, in addition to our own hydropower production, that is required by our Norwegian smelters for these periods. The new contracts comprise a mixture of hydropower and wind power.

Electricity for Qatalum is provided by an integrated natural gas-fired plant supplied with gas by Hydro's joint venture partner, Qatar Petroleum. The rest of the global joint ventures are covered under medium to long-term contracts, expiring between end-2021 and end-2030.

Metal Markets

Operations

Metal Markets is responsible for all sales, marketing and distribution activities relating to products from our primary metal plants and our stand-alone recycling plants (recyclers). We operate seven recyclers, which recycle post-consumer scrap into new products. We also market metal products from our part-owned smelters and third parties, and engage in other sourcing and trading activities, including hedging activities on behalf of other business areas in Hydro.

Cost and revenue drivers

Our results are predominantly affected by the operating results of our recyclers, margins on sales of third-party products and results from ingot and LME trading activities.

Revenues for our recyclers are influenced by volumes and product premiums over LME. Costs are driven by the cost of scrap and standard ingot premiums over LME, freight costs to customers and operational costs, including energy consumption and prices.

Our results can be heavily influenced by currency effects and ingot inventory valuation effects.

Recycling

Primary Metal's Recycling business unit has been mandated by the Corporate Management Board to act as the Center of Excellence (CoE) for aluminium recycling across all the business areas in Hydro. Hydro's ambition is to significantly grow post-consumer scrap recycling while improving its carbon footprint. The CoE will develop an organization that will support all units in reaching their recycling growth ambitions.

We have a network of seven recyclers that convert scrap metal and standard ingot into extrusion ingot. We have five plants in Europe and two in the U.S. These plants have total annual capacity of around 0.6 million mt. About two-thirds of this capacity is located in Europe. Our recyclers in Europe are in Luxembourg, the United Kingdom, Germany, Spain and France. In addition, we operate the scrap shredding and sorting plant in Dormagen, Germany, with scrap capacity of 36,000 mt. We purchase process scrap and post-consumer scrap from third parties for recycling back into extrusion ingot. Standard ingot and alloying metal are added to meet customer specifications. These are procured globally.

Sourcing and trading

To optimize our global standard ingot portfolio, we source standard ingot from third parties for recycling in Hydro's recyclers and primary casthouses, as Hydro's production of standard ingot partly goes to other regions to optimize logistics. We also enter third-party contracts to optimize our total portfolio position and to reduce logistics costs. In addition, we sell standard ingot to external customers.

Our main risk management objectives are to achieve an average LME aluminium price on primary metal production, matching the average customer pricing pattern, and to secure margins in our mid-stream and downstream businesses. Our sourcing and trading operation acts as an internal broker for all LME-hedging transactions by our business areas in order to consolidate Hydro's exposure and reduce transaction costs.

Markets, products and customers

Most of our aluminium is sold in the form of value-added casthouse products such as extrusion ingot, sheet ingot, foundry alloys and wire rod. Our product with the highest volume is extrusion ingot, which is sold to extruders producing aluminium profiles. The most important end-use segments include the building and construction industry, transport and general engineering. Our key market region for extrusion ingot is Europe. However, the Asian and U.S. markets are also important for our metal-selling units in Qatalum and Tomago. Other important markets for Qatalum include Turkey, the Middle East, Australia and New Zealand.

Foundry alloys are sold to foundries producing cast parts primarily for the automotive industry. Asia is a significant market for this product, in addition to Europe, which is our largest market. Sheet ingot is sold to European rolling mills, with packaging and transportation as the most important end-use segments. Wire rod is sold to wire and cable mills in Europe for power transmission and other electrical applications.

In addition to marketing products from our fully owned plants, we have commercial agreements to market products from part-owned aluminium plants, including full marketing responsibility for all of the casthouse production at the plants in Qatar and Slovakia.

Our regional market teams are key to our customer approach, delivering commercial, technical, logistical and scrap conversion services. Optimized solutions, such as our customer service programs and online customer portal, add further value and help build and reinforce customer

relationships.

Rolled products

Industry overview

The aluminium rolled products industry is characterized by economies of scale, with significant capital investments required to achieve and maintain technological capabilities and to meet customer qualification standards.

The worldwide consumption of rolled products amounted to approximately 28 million mt in 2019. Foil, beverage cans and transport were the largest segments. Europe and North America each account for around 20 percent of world consumption while China, the largest single market, represents around 35 percent. The five largest producers in Western Europe supply about 70 percent of the European market.

In 2019, the industry was characterized by continued market uncertainty due to trade tensions between the U.S. and China and weaker demand across most end-use segments, especially in transport.

The export of semi-fabricated and fabricated aluminium products from China to the rest of the world has steadily increased over the last several years, driven by production overcapacity as well as by export tax rebates on some semi-fabricated products. Several countries have initiated, or are considering, anti-dumping measures on Chinese imports. The U.S. imposed an import duty of 10 percent on aluminium, and several countervailing and anti-dumping duties on the import of Chinese foil and strip products. This has redirected some Chinese export volumes to other regions, including Europe.

Operations

The rolling process begins with "hot rolling," where we heat sheet ingots of up to 600 millimeter (mm) to about 500 degrees Celsius, then gradually roll these into thicknesses of 3-13 mm for further processing. Depending on the final product, these sheet ingots are produced with various alloy compositions. An alternative process – continuous casting – converts molten metal directly into coiled strip, typically 4-8 mm thick. Once cool, the thinner metal is further processed in cold rolling mills, producing various types of products for all markets supplied.

Cost and revenue drivers

Rolled products is a margin-driven business. It is based on a conversion price where the LME and metal premium cost element is passed on to the customer. Contracts are generally medium-term. The cost structure includes a high proportion of fixed costs, so results are volume-sensitive.

Rolling mills

We generate approximately 80 percent of our total sales in Europe. More than half of our production is produced in the Grevenbroich/Alunorf rolling system in Germany, one of the most modern and efficient rolling operations in the world. Grevenbroich is the center of our packaging, lithographic and automotive sheet operations. Our production network mainly comprises so-called "wall-to-wall" processing, including an integrated casthouse combined with both hot and cold rolling mills.

In 2019, around 30 percent of the metal used was sourced internally, based on arm's-length conditions related to LME and applicable premium prices. External supplies of liquid metal, sheet ingots, standard ingots as well as post-consumer and pre-consumer scrap from our customers accounted for around 70 percent of our total requirements last year.

Neuss aluminium plant

Neuss is an aluminium plant in Germany, with primary metal capacity of 235,000 mt per year, including one curtailed potline. The Neuss plant also has recycling capacity of 90,000 mt, including a recycling line for used beverage cans (UBC). The plant supplies the nearby Alunorf rolling mill with primary and recycling-based sheet ingots for processing and subsequent fabrication of rolled products in Grevenbroich.

The Neuss plant is an important part of our integrated system and provides significant operating synergies.

Markets, products and customers

Our ambition is to leverage our position as a preferred supplier by focusing on quality, product development, and innovative and sustainable solutions, together with excellent customer service and cost efficiency. To ensure a strong market orientation, our sales function is organized centrally along business lines. This is supported by sales offices in Europe, Brazil, the U.S. and Singapore.

Base Propectus

Rolled Products has five business units, each serving the market segments in which we operate. They are:

Lithography

Hydro is a supplier of lithographic sheet for printing plates, a market characterized by stringent requirements for surface quality, metal characteristics and mechanical properties. We differentiate our products through innovation, consistent high quality, supply chain solutions and extensive service to customers. Key customers in this segment include Agfa and Kodak. Our lithographic production is concentrated at the Grevenbroich plant.

Automotive

We are a supplier of aluminium sheet and coil to the European automotive market for interior and exterior vehicle body parts, chassis and component applications as well as e-mobility applications. Key customers include Audi, BMW, Daimler, Jaguar Land Rover, PSA and Renault. Production is concentrated within our Grevenbroich and Hamburg plants. Our new production line in Grevenbroich (Automotive Line 3) has increased our car body capacity.

We also produce a variety of mainly clad strip and sheet used in the manufacture of heat exchangers for passenger and commercial vehicles, as well as other product applications. We work with automotive suppliers such as Denso, Linde, Mahle Behr and Modine to develop specially adapted alloys and optimized production techniques to fit their manufacturing processes.

Foil

We serve customer needs in the rigid, semi-rigid and flexible packaging industry, offering plain foil and strip.. We are specialists in thin-gauge foil for flexible packaging, offering foil as thin as 5.0 µm for the packaging of food as well as for technical applications. Amcor Flexibles, Constantia Flexibles and Tetra Pak are key customers. Production of packaging is mainly concentrated in our Grevenbroich rolling mill.

Beverage can

Hydro is a worldwide supplier of body, end and tab stock in the form of rolled coil for the production of aluminium beverage cans. Our Grevenbroich plant is dedicated to the production of Hydro's quality proprietary can-end stock efficiEND®, which promotes productivity and cost-effective manufacturing to major beverage can manufacturers such as Ardagh, Ball and Crown.

General engineering

The business unit supplies products that are mainly used in the building and construction, transportation, industrial and electrical markets. Products include coil and sheet for wholesalers and end-producers.

In addition, Hydro manufactures coated aluminium strip for building and construction applications. We offer customers a portfolio of cost-effective solutions from dedicated production lines in our Holmestrand rolling mill in Norway, including product applications for roofing and cladding, roller shutters, ceilings, composites and other specific applications.

Extruded Solutions

Industry overview

The global extrusion industry is characterized by fragmentation, with numerous local suppliers that are well established in their respective markets.

North America

In North America, although a large part of the business is local, the structure of certain markets, such as transportation, automotive, is more often national or even global. Beyond Extruded Solutions and its larger competitors, the majority of extrusion operations in North America are local, independently owned companies.

The building & construction market, driven by both residential and commercial applications, remains the largest consumer of aluminum extrusions in North America. The automotive industry, however, has experienced the highest growth over the past several years. The increase in automotive demand is mostly due to continued material substitution with the light weighting of vehicles and the rapid growth of the electric vehicle market.

Europe

Proximity is usually important to European customers. However, some extruders that previously served local markets, have expanded their footprint into other countries. There are more than 250 extruders with more than 730 presses in Europe. Despite the overcapacity in Europe, we are seeing new extruders entering selected markets.

Base Propectus

The building and construction industry is the largest consumer of aluminium extrusions in Europe, and the market remains fragmented. The market for building systems is largely local or regional and is experiencing consolidation. With the harmonization of building regulations across the EU, vendors are creating systems that are not limited by national borders and are coordinating development, production, purchasing, logistics and marketing. Our Building Systems business unit is taking the same approach.

Asia

After two decades of strong investment-driven GDP growth, the Chinese economy is entering an era of slower consumption-driven growth. The large government stimulus packages put in place after 2008 helped stimulate demand and led to a significant capacity increase in the extrusion industry. With somewhat lower growth rates, especially in the building and construction segment, more extruders are expected to move to the higher-end industrial and automotive segments.

Within the automotive sector, despite the recent slowdown, the Greater China market continues its growth and maturity within lightweight vehicle production. In addition, the Chinese government is heavily facilitating and promoting new energy vehicle (NEV) infrastructure and technology, creating opportunities for new applications in the aluminium tubing business.

Precision Tubing

Precision Tubing is a global industry that is represented in several regions. Consumption of extruded aluminium round tubes, multiport extrusions and welded aluminium tubes is driven by thermal management applications in the automotive market. With electric mobility gradually becoming the go-to technology, additional applications in battery cooling have emerged as potential tubing segments. Another industry that is recognizing the benefits of aluminium is Heating, Ventilation, Air Conditioning and Refrigeration (HVAC&R). In light of stricter legislation and tougher standards for energy efficiency and especially refrigerants, coupled with relatively high copper prices, aluminium represents a viable alternative solution.

Aluminium consumption in the automotive industry is expected to grow, driven largely by the increase in worldwide production of light vehicles, electric and hybrid cars, and higher penetration of air conditioning in emerging markets. In parallel, the HVAC&R market still represents considerable potential in substituting copper with aluminium at current production volumes. Our Precision Tubing business unit provides aluminium solutions for heat transfer applications.

Operations

Extruded Solutions is a global supplier of extrusion-based aluminium solutions with a market share of 18 percent in Europe and 22 percent in North America. The business area also has extrusion capacity in South America and Asia. Extruded Solutions has four business units: Extrusion Europe, Extrusion North America, Precision Tubing and Building Systems. The business units are responsible for their respective value chains, from casthouses, aluminium extrusion and value-adding operations to commercial activities such as product development and sales.

Extruded Solutions has an extensive network of production plants that ensures global reach combined with local presence.

Cost and revenue drivers

Extruded Solutions is a margin business and the LME aluminium cost element is passed on to the customer. Contracts are typically short to medium-term. Extruded Solutions will continue to shift its portfolio toward higher-margin products.

Energy

Industry overview

Electricity generation in the Nordic market is mainly based on hydropower (54 percent) and nuclear power (22 percent). In Norway, power generation is almost entirely based on hydropower. Total annual Nordic consumption is approximately 400 TWh.

The Nordic region has had a common electricity market since the late 1990s. Since 2010, the physical power exchange, Nord Pool, has operated a common Nordic-Baltic electricity market. The Nordic system price is calculated in the day-ahead auction in the spot market at Nord Pool. The system price is normally the main reference price for financial contracts traded bilaterally and with the financial power exchange Nasdaq. Area prices are calculated for physical delivery to constrain flows when available transmission capacity would

Base Propectus

otherwise be exceeded. There are five price areas in Norway, four in Sweden and two in Denmark. Finland, Estonia, Lithuania and Latvia constitute one bidding area each.

Prices are influenced by fuel costs (including emission allowance costs), meteorological parameters (precipitation, temperature and wind) and exchange transmission possibilities with adjoining markets, as well as by fluctuations in demand. An increase in intermittent generation from solar and wind power capacity has had a significant effect on price volatility in Europe's continental markets and influenced price developments in the Nordic market.

The implementation of EU energy and climate regulations has and will continue to have a significant influence on energy prices and energy and climate policy in all EU/EEA countries. Emissions trading has increased electricity prices by up to 50 percent in periods with high emission-allowance costs in Europe, including the Nordic market, where electricity is predominantly generated by non-emitting sources. There is, however, an ongoing EU legislative process aimed at reducing emissions and thereby increasing future allowance prices. To prevent carbon leakage, the EU established guidelines in 2012 allowing national governments to support industries exposed to global competition. Actual compensation schemes, which are dependent on national implementation, have been established in Norway, Germany and Slovakia, with conditions corresponding closely to the EU guidelines. Please see section Regulation and taxation - Aluminium regulation - climate gases later in this report for more information on the matter.

A common electricity certificate market for Norway and Sweden was established in 2012 with the objective to support the development of new renewable generation capacity. The certificate system is designed to support an increase in annual renewable generation in the Norwegian/Swedish market of 28.4 TWh by 2021. The Swedish government has decided to prolong the scheme with a new national target between 2020 and 2030.

Operations

Hydro is a global energy player, purchasing and consuming substantial quantities of electricity for its primary aluminium plants, rolling mills and alumina refinery operations. For that reason, about one-third of Energy's employees are engaged in activities on behalf of Hydro's other business areas, to secure competitive energy sourcing.

The rest of our organization is mainly engaged in our hydroelectric and wind power production, and connected market activities. In Norway, we are operating and have ownership interests in 26 hydroelectric power plants. Installed capacity was approximately 2,000 MW in total at the end of 2019, representing normal annual production of 10 TWh.¹ We also operate the Tonstad Windfarm (208 MW), from which we purchase all volumes as produced, balancing and optimizing production against our own hydropower production. In addition, we purchase above 9 TWh of renewable power annually in the Nordic Market under long-term contracts.

Cost and revenue drivers

Production volumes and market prices are strongly influenced by hydrological conditions. Seasonal factors affect both supply and demand. Our cost base is relatively stable, although volatile spot volumes and prices may cause significant variations in quarterly revenues. We optimize our total power portfolio in the market and in cooperation with our aluminium plants.

Norwegian power assets

Our power plants are located in three main areas – Telemark, Sogn and Røldal-Suldal – and managed from a common operations center at Rjukan in Telemark. We also own the Vigeland power plant in Vennesla, and a 33 percent interest in Skafså Kraftverk ANS in Telemark.

Approximately two-thirds of our normal annual power production in Norway is subject to reversion to the Norwegian state with Røldal-Suldal (RSK) being the first significant production facility subject to reversion.

Market operations

We optimize power production on a daily basis, according to the market outlook, weather forecasts and the hydrological situation within Hydro's water reservoirs. By utilizing the flexibility of the hydropower plant systems and the volatility in the spot market price, we aim to realize a premium above the average spot price. Our total Norwegian power portfolio, including our own production, is balanced in the market on the Nord Pool Spot power exchange. Spot market sales vary significantly between dry and wet years, with an average of 3.0 TWh.

7 Trend information

7.1 Prospects and financial performance

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.

There has been no significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of the Base Propectus.

7.2 Known trends, uncertainties, demands, commitments or events

Covid-19 pandemic and macroeconomic effects

The Covid-19 outbreak escalated rapidly in the Hubei province in China ahead of Chinese New Year in January and led to a lock-down, prolonging the Chinese New Year holiday when most business is halted. This had a major effect on the Chinese economy in the first quarter, with a substantial fall in activity within key segments such as transportation and infrastructure, leading to reduced demand both for primary aluminium and semi-fabricated products. During February and March, the virus started spreading rapidly across Europe and the US, leading to nationwide lockdowns in order to contain the spread of the virus.

The national and regional restrictions imposed around the world following the Covid-19 outbreak have slowed economic growth outlook significantly. Although the scale and duration of the economic shortfall is still uncertain, there is a high risk of recession in the global economy in 2020. In order to maintain economic activity, governments and central banks across the world have introduced significant fiscal and monetary support. For aluminium, the restrictions have led to a large shortfall in demand. Key end-user segments such as the automotive and construction industries have been severely hit. As a consequence of the demand shortfall, several downstream producers have been forced to reduce output temporarily.

Bauxite and alumina

The average Platts alumina index increased in the first quarter of 2020 (USD 285 per mt) compared to the fourth quarter 2019 (USD 280 per mt). The Platts alumina index started the quarter at USD 275 per mt, increasing gradually to USD 304 per mt in early March before retreating to USD 252 per mt at the end of the quarter. Compared to the first quarter of 2019 (USD 387 per mt), the Platts alumina index was substantially lower.

Covid-19 restrictions in China caused raw material shortages and logistical constraints for alumina refineries in the provinces of Shanxi and Henan, leading to significant capacity curtailments. At the same time, Chinese aluminium production rates did not slow, driving domestic and international alumina prices higher. The spread of Covid-19 restrictions globally caused prices to fall rapidly towards the end of the quarter, continuing into April.

China's net alumina imports reached 665 kmt of alumina in January and February 2020 compared to net exports of 14 kmt in the corresponding period last year when the Alunorte production embargo was still in place, and Chinese alumina exports were required to balance the global alumina market. In the fourth quarter of 2019, China's net alumina imports reached 807 kmt.

China imported 18.4 million mt of bauxite in January and February 2020 at an annualized first quarter rate 7 percent lower than the same period a year ago. Guinea and Australia maintained their dominant market share accounting for 80 percent of China's bauxite imports in the period. Imports from Indonesia increased to 3.0 million mt, 45 percent higher than the 2.1 million mt for the corresponding quarter last year.

The average Chinese bauxite import price was USD 47.9 per mt CIF in January and February 2020, down from USD 53.7 per mt CIF in the first quarter 2019, and down from USD 48.5 per mt CIF in the fourth quarter of 2019.

Primary aluminium

The three-month aluminium price decreased in the first quarter of 2020, starting at the high end of the quarterly price range at USD 1820 per mt and ending the quarter at a low of USD 1524 per mt. After the stable price

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environment from late 2019 and start 2020, prices declined as the negative demand effects of Covid-19 started materializing.

European duty paid standard ingot premiums ended the first quarter at USD 122 per mt, down from USD 140 per mt at the end of the fourth quarter 2019. The US Midwest premium was down USD 60 per mt from USD 320 mt at the beginning of the quarter to USD 260 per mt.

Average Shanghai Futures Exchange (SHFE) prices decreased by USD 60 per mt ex. VAT compared to the fourth quarter of 2019. The average estimated export arbitrage in the first quarter 2020 was stable compared to the fourth quarter, however at much lower levels compared to those observed throughout 2018 and early 2019. At current prices the estimated arbitrage for Chinese exports is marginally positive.

Global primary aluminium consumption was down 8 percent compared to the first quarter of 2019, driven by a combination of around 10 percent decline in China and decline of around 7 percent in the world outside China.

Global demand for primary aluminium is expected to be weak in 2020, leading to a significant primary aluminium surplus. External sources are estimating a surplus of between 1.5-5 million mt, with both China and the rest of the world in surplus.

European demand for sheet ingot, extrusion ingot and primary foundry alloys decreased in the first quarter of 2020 compared to the same period last year, mainly due to the negative impact of the Covid-19 virus on the European economies and industries, especially automotive.

Total global stocks at the end of the first quarter of 2020 were estimated to be 12.8 million mt, up 1.9 million mt compared to the fourth quarter of 2019.

Rolled products

The European demand for flat rolled products decreased by 7.4 percent compared to the first quarter of 2019. The effect of the Covid-19 restrictions was negative in automotive, but positive in foil. Demand declined by around 3 percent compared to the fourth quarter of 2019, mainly due to weakness in automotive.

In automotive, most European car manufacturers curtailed or stopped production which led to a steep demand decline for flat rolled products during the end of the first quarter. Demand growth was stable in beverage can, where the negative effect of cancelled events was offset by higher at-home consumption. There was solid demand for foil products given the stockpiling activities of end-consumers in fast moving consumer goods. The general engineering segment has seen limited effects of Covid-19 so far, but experienced a slight demand decline in the first quarter.

The Covid-19 restrictions are expected to have significant negative effects on automotive demand in the second quarter. General engineering, including building and construction is also exposed due to high dependency on industrial production. The demand for lithographic sheet is expected to further decline in the second quarter.

While the impact of Covid-19 remains uncertain, CRU² estimates that the European demand for flat rolled products will decrease by around 20 percent for the second quarter 2020 compared to the same quarter last year.

Extruded products

European demand for extrusions is estimated to have decreased 11 percent during the first quarter of 2020 compared to same quarter last year, but increasing 3 percent compared to the fourth quarter of 2019 driven by seasonality. Demand has been especially weak in the transport segment, as the spread of Covid-19 has seen several major automotive companies announce partial or full suspensions of automotive plants across Europe. Demand in the building and construction segment had a decent start of the year as a result of investment in new infrastructure projects and a relatively mild winter. However, considerable disruptions in building & construction

² CRU is an external provider of analysis, prices and consulting in the mining, metals and fertilizer markets.

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activity in March in several European countries has weakened demand substantially going into the second quarter. While the impact of Covid-19 remains uncertain, CRU estimates that the European demand for extruded products will decrease by around 30 percent for the second quarter 2020 compared to the same quarter last year.

North American extrusion demand is estimated to have decreased 7-8 percent during the first quarter of 2020 compared to the same quarter in 2019, but up 7-8 percent compared to the fourth quarter of 2019 driven by seasonality. Most major markets were weaker than last year in the first two months of the quarter with March additionally impacted by the current Covid-19 outbreak. The trailer market build rates decreased in the first quarter by an estimated 25-30 percent versus the same period last year, while automotive build rates are expected to be down 4 percent due to automotive supply chain disruptions and shutdowns. Demand in the building and construction market was positive, with total construction spending up 8 percent through February. While the total impact of Covid-19 restrictions are uncertain, CRU estimates that the North American market will be down approximately 35 percent for the second quarter 2020 compared to the same quarter last year.

Energy

Nordic power prices were significantly lower, both compared to the same quarter last year as well as the previous quarter. The lower prices were driven mainly by a strong improvement in hydrology, but there was also downward pressure from wind production above normal, and consumption below normal level due to mild temperatures. The Covid-19 situation had limited impact on Nordic power spot prices in the first quarter.

The Nordic hydrological balance ended the quarter around 30 TWh above normal³ compared to around 7 TWh below normal at the end of the first quarter last year and 4 TWh below normal at the end of the previous quarter. Water reservoirs in Norway were at 42.9 percent of full capacity at the end of the quarter, which is 6.6 percentage points above the normal level. Snow reservoirs were significantly above normal at the end of the quarter.

³ Normal based on long term historical averages.

8 Administrative, management and supervisory bodies

8.1 Information about persons

Board

For the members of the Board of Directors of the Company the description below sets out the names, business address and functions within the Issuer and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to the Issuer:

Name	Position	Business address
Dag Mejdell	Chairman	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Arve Baade	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Liselott Kilaas	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Peter Kukielski	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Sten Roar Martinsen	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Irene Rummelhoff	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Thomas Schulz	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Svein Kåre Sund	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Marianne Wiinholt	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Rune Bjerke	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway

Dag Mejdell holds a degree in Economics and Business Administration, a four-year program in economics and business administration consisting of three years at undergraduate level and one year at graduate level from the Norwegian School of Economics (NHH).

Mejdell started his career in the chemical division in Dyno. He held a number of positions in the company, and advanced to become CFO and later President and CEO of Dyno. When Dyno was delisted in 2000, he became President and CEO of Dyno Nobel ASA, a position he held until he became President and CEO of Posten Norge AS in 2006.

Mejdell has held a number of board appointments. He is currently chairman of Sparebank 1 SR Bank ASA, Vygruppen AS, Visolit Finco AS, and deputy chairman of SAS AB. Mejdell also holds directorships within the Posten group.

Arve Baade is an employee representative on Hydro's Board of Directors.

He works at the aluminium plant in Sunndal, Norway, where he began in 1987 as an electrolysis cell operator.

He has been a full-time employee representative connected with Industri Energi since May 2017.

Liselott Kilaas has held senior management positions in the health care industry in Scandinavia as well as serving on several boards of directors.

She holds a M. Sc. Mathematical Statistics, University of Oslo and Master of Business Administration, IMD, Lausanne, Switzerland.

Kilaas is currently board member of Orkla ASA, Stiftelsen Den Norske Veritas, Folketrygdforbundet, Avonova AB, Coala AB and Peab AB.

Peter Kukielski is from South Africa and recently stepped down as CEO of Nevsun Resources, with previous experience from Anemka Resources, Arcelor Mittal and Teck Resources. He is currently an independent director of Hudbay Minerals Inc.

Sten Roar Martinsen represents members of the Norwegian Confederation of Trade Unions (LO). He has a certificate of apprenticeship in electrochemistry and has undergone work supervisor training. Martinsen is employed in Hydro as a process operator.

Irene Rummelhoff has a Master of Science Degree in Geology/Geophysics, NTNU Norwegian University of Science & Technology.

She has held a number of positions in Equinor (Statoil) from 1991 onwards giving her a broad experience from one of the world's leading oil companies, and is currently EVP Marketing, Midstream and Processing.

Thomas Schultz is Group Chief Executive Officer, FL Smidth. He has a PhD Mining & Mineral Processing, Rheinisch-Westfälische Universität Aachen RWTH, Germany. He has no current directorships.

Svein Kåre Sund has a Bachelor of Science from HIST in Trondheim, Norway. He is responsible for cathodes in the electrolysis at Hydro, Sunndal. Sund is an employee representative in The Norwegian Society of Engineers and Technologists (NITO) representing the employees through the Central Cooperative Council (Sentralt samarbeidsråd).

Marianne Wiinholt is Executive Vice President and Chief Financial Officer, Dong Energy A/S. She is a State Authorised public Accountant. Her current directorships are Board Member and Chair of the Audit committee of J. Lauritzen A/S.

Rune Bjerke is former CEO of DNB, President and CEO of Hafslund ASA and president and CEO of Scancem International. Has held a number of board positions in large companies. Served as finance commissioner of the Oslo City Council and as a political adviser in Norway's Ministry of Petroleum and Energy. He has an economics degree from the University of Oslo. Master's degree in public administration from Harvard University. His current directorships are deputy chair of Fremtind Forsikring and Wallenius Wilhelmsen ASA.

Management

For the members of the Management of the Company the description below sets out the names, business address and functions within the Issuer and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to the Issuer:

Name	Position	Business address
Hilde Merete Aasheim	President & CEO	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Einar Glomnes	Executive Vice President, Rolled Products	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Egil Hogna	Executive Vice President, Extruded Solutions	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Eivind Kallevik	Executive Vice President, Primary Metal	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Pål Kildemo	Executive Vice President, Chief Financial Officer	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Anne-Lene Midseim	Executive Vice President, Legal and Compliance	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Arvid Moss	Executive Vice President, Energy and Corporate Business Development	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Hilde Vestheim Nordh	Executive Vice President, People & Safety	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Inger Sethov	Executive Vice President, Communication & Public Affairs	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
John Thuestad	Executive Vice President, Bauxite & Alumina	P.O. Box 980 Skøyen, N-0240 Oslo, Norway

Hilde Merete Aasheim became President & CEO on May 8, 2019.

Prior to Hydro's reorganization of business areas in March 2009, Hilde Merete Aasheim served as Executive Vice President for the Aluminium Metal business area since November 2008.

Aasheim joined Hydro in October 2005 as Executive Vice President for Leadership and Culture (human resources, health, environment, safety and corporate social responsibility).

In January 2007, she stepped out of Hydro's corporate management board to lead the planning of the integration between Hydro's oil and gas activities and Statoil. When the merger closed in October 2007, she became executive vice president of staff functions and corporate services in StatoilHydro.

From 1986 to 2005 she held several senior positions in Elkem. In 2002 she was head of Elkem's Silicon division and member of the corporate management board.

From 2015 she became the chairperson in the Federation of Norwegian Industries (Norsk Industri).

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Aasheim has a master's degree in business economics from the Norwegian School of Economics and Business Administration in Bergen and is also a state authorized public accountant. Aasheim has also work experience from Arthur Andersen & Co.

Hilde Merete Aasheim was born in Larvik, Norway.

Einar Glomnes took over as Executive Vice President, Rolled Products, on May 8, 2019.

Glomnes comes from the position as Senior Vice President and Head of Global Joint Ventures in Primary Metal. Prior to this, he was General Manager of Hydro Aluminium, Asia, located in Singapore.

Glomnes joined Hydro in the Legal department in 2004 after work experience from Schjødt law firm and McKinsey & Co Consultancy.

He holds a master's degree in law from the University of Oslo and Columbia Law School, New York.

Egil Hogna comes from the position as President & Chief Executive Officer in Sapa, acquired by Hydro in 2017.

Hogna has previously served in a variety of management positions in Yara and Hydro, including CFO and head of Investor Relations.

Hogna has a Master of Science degree from the Norwegian university of science and technology, NTNU, in Norway, and an MBA from INSEAD, France.

Hogna has decided to leave Hydro, to take over as CEO for Norconsult, a Norwegian consultancy firm. Hogna will continue as executive vice president until a new leader is in place, until December 1, 2020, at the latest.

Eivind Kallevik became Executive Vice President, Primary Metal, in August 2019. Kallevik came from the position as Chief Financial Officer (CFO).

He has worked in Hydro since 1998 and has held a variety of senior positions in the corporate center and in business areas along the value chain, in Norway and internationally.

His Hydro career includes core positions in the finance area, including corporate accounting, financial reporting, performance management and treasury.

In 2011, when Hydro took over Vale's aluminium activities in Brazil, Kallevik became head of Finance in Hydro's new Bauxite & Alumina business area, a position he held until he was appointed CFO of Norsk Hydro ASA.

Prior to Hydro, Kallevik held positions in Christiania Bank in oil and gas financing in New York and Oslo. Kallevik holds a master's degree in Business Administration from the University of San Francisco.

Pål Kildemo is Executive Vice President and Chief Financial Officer (CFO) of Norsk Hydro ASA and has been member of the Corporate Management Board since May 2019.

Kildemo has worked in Hydro since 2008 and has held several key positions in the company, including Head of Investor Relations and latest Head of Finance in Primary Metal.

Kildemo was acting Executive Vice President of Primary Metal from May 8, 2019, until he became Chief Financial Officer on August 15, 2019.

Kildemo has a master's degree in Economics and Finance from Heriot-Watt University, Edinburgh, Scotland, 2008 and joined Hydro the same year as a trainee in Energy.

Anne-Lene Midseim has worked for Hydro since 1998, including as Company Secretary, Head of Staffs in Bauxite & Alumina and Head of CSR and Legal Counsel. In 2006 and 2007, she worked for the Norwegian Oil for Development program as resident Legal Advisor to the Minister of Petroleum and Energy.

Before joining Hydro, Midseim worked as a lawyer for the Norwegian law firm Vogt & co and executive officer in the Ministry of Petroleum and Energy.

Midseim has a law degree from the University of Oslo. She is currently a board member of Gassco AS.

Arvid Moss has been responsible for the Energy business area since 2010. He has been member of the Corporate Management Board since August 2008.

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From November 1, 2019, Moss is also acting Executive Vice President for Hydro's Corporate Development (Portfolio and Strategy, Sustainability and Corporate Technology Office).

Moss came to Hydro in 1991 and has held several senior management positions in the company's aluminium business area, among them as President of Automotive Structures in 1996-2001 and President of Metal Products in 2004-2006.

Over the years, he has also been responsible for strategy and business development in the aluminium area as well as on the corporate level. He was project leader for the process that resulted in the oil and gas merger agreement with Statoil (today Equinor) in December 2006.

In June 2017, Moss was elected chairman/president of the Confederation of Norwegian Enterprise (NHO – Næringslivets Hovedorganisasjon).

In 1989-1990, Moss was State Secretary and Chief of Staff in the Norwegian Prime Minister's office.

Moss graduated from the Norwegian School of Economics and Business Administration (NHH).

Hilde Vestheim Nordh is Executive Vice President People & HSE in Hydro.

She has experience as Head of HSE & HR in the Energy business area, as well as HSE manager at Karmøy, Norway, site, and as cashouse manager at the aluminium plant at Karmøy.

She has an MSc in Materials Technology from Rheinisch Westfälische Technische Hochschule (RWTH) Aachen, Germany.

Inger Sethov has worked in Hydro Communication since 2005 and as SVP of Communication since 2008.

Before joining Hydro, Sethov worked as a correspondent and journalist for Reuters news agency for nine years and before that as a journalist for Dow Jones Newswires and for Fresno Business Journal in California, US.

Sethov has a BA in Mass Communication & Journalism from California State University and has studied international journalism at City University of London.

John Thuestad has been Executive Vice President for Bauxite & Alumina since 2018. He came from the position as Head of Extrusion Europe in Hydro's Extruded Solutions business.

Thuestad has more than 30 years of operational and leadership experience from the aluminium industry, and has worked in the entire value chain, from bauxite and alumina to extrusion, in an international capacity.

He holds a master's degree in Metallurgy from NTNU (Norwegian University of Science and Technology) and an MBA from Carnegie Mellon University Pittsburgh, USA

Thuestad is currently board member of the fertilizer company Yara ASA.

8.2 Potential conflicts of interest

There are no potential conflicts of interest between any duties carried out on behalf of the Issuer by the persons referred to in item 8.1 and their private interests and/or other duties.

9 Major shareholders

9.1 Ownership

As of the date of this Base Prospectus the share capital of Norsk Hydro ASA amounted to NOK 2,271,760,107 divided into 2,068,998,276 shares at nominal value of NOK 1.098 each. The Company has one class of shares.

An overview of the Company's major shareholders as of 11 May 2020 is set out in the table below:

Investor	Number of shares	% of total	Type	Country
NÆRINGS- OG FISKERIDEPARTEMENTET	708,865,253	34.26%	Comp.	NOR
STATE STREET BANK AND TRUST COMP	122,895,849	5.94%	Nom.	USA
FOLKETRYGDFONDET	121,198,256	5.86%	Comp.	NOR
JPMORGAN CHASE BANK, N.A., LONDON	50,579,874	2.44%	Nom.	GBR
CLEARSTREAM BANKING S.A.	49,377,128	2.39%	Nom.	LUX
BANQUE PICTET & CIE SA	33,434,606	1.62%	Nom.	CHE
VANGUARD INTERNATIONAL GROWTH FD	30,510,249	1.47%	Comp.	USA
HSBC BANK PLC	27,085,516	1.31%	Nom.	GBR
JPMORGAN CHASE BANK, N.A., LONDON	24,228,362	1.17%	Nom.	USA
NORSK HYDRO ASA	19,873,558	0.96%	Comp.	NOR
STATE STREET BANK AND TRUST COMP	18,040,119	0.87%	Nom.	USA
STATE STREET BANK AND TRUST COMP	16,386,253	0.79%	Nom.	USA
RBC INVESTOR SERVICES TRUST	16,329,120	0.79%	Nom.	CAN
THE NORTHERN TRUST COMP, LONDON BR	16,074,910	0.78%	Nom.	GBR
KLP AKSJENORGE INDEKS	13,908,391	0.67%	Comp.	NOR
JPMORGAN CHASE BANK, N.A., LONDON	12,680,807	0.61%	Nom.	USA
VERDIPAPIRFONDET DNB NORGE	12,117,149	0.59%	Comp.	NOR
JPMORGAN CHASE BANK, N.A., LONDON	11,740,736	0.57%	Nom.	GBR
DANSKE INVEST NORSKE INSTIT. II.	11,643,500	0.56%	Comp.	NOR
THE NORTHERN TRUST COMP, LONDON BR	11,044,726	0.53%	Nom.	GBR
Total number owned by top 20	1,328,014,362	64.19%		
Total number of shares	2,068,998,276	100%		

As of the date of this Base Prospectus the Norwegian state, represented by the Ministry of Trade, Industry and Fisheries ("Nærings- og fiskeridepartementet" in the table above), owned 34.3 percent of Hydro's issued shares. Hydro holds regular meetings with the Ministry, where topics discussed include Hydro's economic and strategic development, sustainability, and the Norwegian State's expectations regarding results and returns on investments. These meetings are comparable to what is customary between a private company and its principal shareholders. The meetings comply with the provisions specified in Norwegian company and securities legislation, not least with respect to equal treatment of shareholders. As a shareholder, the Norwegian state does not usually have access to more information than what is available to other shareholders. If state participation is imperative and the government must seek approval from the Norwegian parliament (Stortinget), it may be necessary to provide the Ministry with insider information. In such cases, the state is subject to the general rules that apply to the handling of such information.

The Norwegian Ministry of Trade, Industry and Fisheries represents the Norwegian government in exercising the state's voting rights. The state has never taken an active role in the day-to-day management of Hydro and has for several decades not disposed of any of the ordinary shares owned by it, except when participating in the share buyback programs. There are no preferential voting rights associated with the shares held by the Norwegian State.

The Norwegian state, represented by the Ministry of Trade, Industry and Fisheries has by virtue of the Active Ownership Report (Report to the Storting no. 8 (2019-2020)) expressed a long-term ownership perspective in the company for the purpose of retaining its head office and research activities in Norway.

9.2 Change of control of the company

There are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.

10 Financial information concerning the Company's assets and liabilities, financial position and profits and losses

10.1 Financial statements

Norsk Hydro ASA's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and Norwegian authorities and effective as of December 31, 2019. The Group's accounting policies are shown in the Annual Report 2019, note 1.1, pages 138-139.

Norsk Hydro ASA's financial statements have been prepared in accordance with the Norwegian accounting act and regulation on simplified application of international accounting standards (forskrift om forenklet anvendelse av internasjonale regnskapsstandarder – simplified IFRS). Norsk Hydro ASA's accounting policies are shown in the Annual Report 2019, note 1, pages 204-205.

According to the Regulation (EU) 2017/1129 of the European Parliament and of the Council, information in a prospectus may be incorporated by reference. Because of the complexity in the historical financial information and financial statements this information is incorporated by reference to the [Annual Report 2019](#), see Cross Reference List for complete web address.

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10.2 Auditing of historical annual financial information

The historical financial information for 2019 has been audited by KPMG AS. The audit has been conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs).

A statement of audited historical financial information for the Company is given in the Annual Report 2019 pages 215-218.

10.3 Legal and arbitration proceedings

Hydro Extrusion Portland, Inc. (formerly Sapa Profiles, Inc.) (SPI), a Portland, Oregon-based indirect subsidiary of Hydro Extruded Solutions AS (formerly Sapa AS) (Hydro), and SPI's U.S. parent company, Hydro Extrusion USA, LLC (formerly Sapa Extrusions, Inc.) (SEI) entered into agreements in April 2019 to resolve the investigations by the United States Department of Justice (DOJ) Civil and Criminal Divisions regarding certain aluminum extrusions that SPI manufactured from 1996 to 2015, including extrusions that were delivered to a supplier to NASA. SPI pled guilty to one charge of mail fraud, received three years of probation, and paid approximately NOK 400 million. SEI separately entered into a deferred prosecution agreement in which it admitted to mail fraud, but the prosecution of the charge is deferred for three years, subject to SEI's fulfillment of certain obligations. As part of the share purchase agreement between Hydro and Orkla ASA, Orkla ASA indemnified Hydro for 50 percent of the liability related to these investigations.

Authorities and non-governmental organizations have filed several lawsuits related to the Alunorte situation, claiming a combination of mitigating actions and financial compensation. The argumentation, cost calculation and legal basis for these claims is highly uncertain. In May 2019, the federal court in Belem, Brazil, lifted the production embargo on the Alunorte alumina refinery under both the criminal and civil lawsuits, allowing Alunorte to ramp up towards normal production. In September 2019, the federal court in Belem, Brazil, lifted the final embargo on Alunorte's new bauxite residue disposal area (DRS2), allowing Alunorte to resume activities of installation and commissioning at DRS2, ending a 19-month embargo period which has restricted activities at the plant.

Other than the above, there has been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer and/or Group's financial position or profitability.

10.4 Significant change in the Issuer's financial position

There has been no significant change in the financial position of the Group which has occurred since the end of the last financial period for which interim financial information has been published.

11 Regulatory disclosures

The below tables are a summary of the information disclosed by the Issuer under Regulation (EU) 596/2014 over the last 12 months which is relevant at the date of the Base Prospectus.

Additional regulated information required to be disclosed under the laws of a member state	
Date	Information
11.05.2020	Minutes from the Annual General Meeting 2020; All proposals on the agenda were adopted, ref. the notice of the Annual General Meeting that was published 15 April 2020
07.05.2020	Successful placement of new bonds; Norsk Hydro ASA has completed a successful placement of senior unsecured bonds with a total amount of NOK 7 billion. The transaction is split on four tranches.
15.04.2020	Notice of Annual General Meeting 2020; Full notice, agenda and appendices attached
12.12.2019	Hydro signs new USD 1,600 million revolving credit facility with margin linked to reduction target for greenhouse gas emissions; The facility, which is available for general corporate purposes, carries a five-year tenor with two one-year extension options

Half yearly financial reports and audit reports / limited reviews	
Date	Information
29.04.2020	First quarter 2020: Lower cost lifts result amid significant market uncertainty; Hydro's underlying EBIT for the first quarter of 2020 was NOK 2,247 million, up from NOK 559 million for the same quarter last year
07.02.2020	Fourth quarter 2019: Firm response in weak markets; Hydro's underlying earnings before financial items and tax was NOK 560 million in the fourth quarter, a slight increase from NOK 534 million in the same quarter last year
23.07.2019	Second quarter 2019: Results down on lower realized prices; Hydro's underlying earnings before financial items and tax was NOK 875 million in the second quarter, down from NOK 2,713 million in the same quarter last year

Annual financial and audit reports	
Date	Information
13.03.2020	Norsk Hydro annual reporting 2019; Annual report 2019 attached

Inside information	
Date	Information
02.04.2020	Hydro takes action to strengthen robustness amid Covid-19; Hydro is taking firm measures to ensure a safe work environment, contribute to communities, maintain operations and safeguard liquidity, including amending previously communicated dividend proposal and implementing capex freeze
23.10.2019	Third quarter 2019: Ramping up production in Brazil, declining market prices; Hydro's underlying earnings before financial items and tax was NOK 1 366 million in the third quarter, down from NOK 2 676 million in the same quarter last year
27.09.2019	Federal court lifts final embargo on Alunorte deposit area; The Brazilian federal court lifted today, September 26(th), the final embargo on Alunorte's new bauxite residue disposal (DRS2) under a criminal lawsuit, allowing the alumina refinery to resume activities of installation and commissioning at DRS2 and ending a 19-month embargo period which has restricted activities at the plant
10.09.2019	Hydro initiates comprehensive restructuring of rolling business; As part of the strategic review of Rolled Products, Hydro has decided to initiate a comprehensive restructuring program in its rolling business with the aim to significantly improve profitability

12 Documents available

For the term of the Base Propectus the following documents, where applicable, can be inspected at the Issuer's website stated in clause 5.2:

- (a) the up to date memorandum and articles of association of the Issuer;
- (b) all reports, letters, and other documents, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in the Base Propectus.

13 Financial instruments that can be issued under the Base Prospectus

The Base Prospectus, as approved in accordance with the EU Prospectus Regulation 2017/1129, allows for the issuance of Bonds.

This chapter describes the form, type, definitions, general terms and conditions, return and redemption mechanisms, rating and template for Final Terms associated with the Bonds.

Risk factors related to the Bonds are described in Chapter 2 Risk Factors.

13.1 Securities Form

A Bond is a financial instrument as defined in Norwegian Securities Trading Act's (Verdipapirhandellovens) § 2-2.

The Bonds are electronically registered in book-entry form with the Securities Depository.

13.2 Security Type

Borrowing limit – tap issue

The Loan may be either open or closed for increase of the Borrowing Amount during the tenor. A tap issue can take place until five banking days before the Maturity Date. If the issue is open, the First Tranche and Borrowing Limit will be specified in the Applicable Final Terms.

Return

Fixed Rate (FIX)

A Bond issue with a fixed Interest Rate will bear interest at a fixed rate as specified in the applicable Final Terms.

The Interest Rate will be payable annually or semi-annually on the Interest Payment Dates as specified in the applicable Final Terms.

Floating Rate (FRN)

A Bond issue with a floating Interest Rate will bear interest equal to a Reference Rate plus a fixed Margin for a specified period (3, 6 or 12 months). Interest Rate or Reference Rate may be deemed to be zero. The period lengths are equal throughout the term of the Loan, but each Interest Payment Date is adjusted in accordance with the Business Day Convention. The Interest Rate for each forthcoming period is determined two Business Days prior to each Interest Payment Date based on the then current value of the Reference Rate plus the Margin.

The Interest Rate will be payable quarterly or semi-annually on the the Interest Payment Dates as specified in the applicable Final Terms.

The relevant Reference Rate, the Margin, the Interest Payment Dates and the then current Interest Rate will be specified in the applicable Final Terms.

Redemption

The Loan will mature in full at the Maturity Date at a price equal to 100 per cent. of the nominal amount.

The Issuer may have the option to prematurely redeem the Loan in full at terms specified in the applicable Final Terms.

The Bondholders may have the right to require that the Issuer purchases all or some of the Bonds held by that Bondholder at terms specified in the applicable Final terms.

Security

The Bonds may be either secured or unsecured. Details will be specified in the applicable Final Terms.

Negative pledge

The Bonds may have negative pledge clause. Details will be specified in the applicable Final Terms.

13.3 Definitions

This section includes a summary of the definitions set out in any Bond Terms as well as certain other definitions relevant for this Prospectus. If these definitions at any point in time no longer represents the correct understanding of the definitions set out in the Bond Terms, the Bond Terms shall prevail.

Additional Bonds:	Means Bonds issued under a Tap Issue, including any Temporary Bonds as defined in the Bond Terms.
Attachment:	Means any schedule, appendix or other attachment to the Bond Terms.
Base Prospectus:	This document. Describes the Issuer and predefined features of Bonds that can be listed under the Base prospectus, as specified in the Prospectus Regulation (EU) 2017/1129. Valid for 12 months after it has been published. In this period, a prospectus may be constituted by the Base Prospectus, any supplement(s) to the Base Prospectus and a Final Terms for each new issue.
Bond Issue/Bonds/Notes/the Loan:	The debt instruments issued by the Issuer on the Issue Date pursuant to the Bond Terms, including any Additional Bonds, and any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.
Bond Terms:	The agreement including any attachments thereto, and any subsequent amendments and additions agreed between the parties thereto.
Bondholder:	A person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to the Bondholders' rights in the Bond Terms.
Bondholders' decisions:	The Bondholders' Meeting represents the supreme authority of the Bondholders community in all matters relating to the Bonds and has the power to make all decisions altering the terms and conditions of the Bonds, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes. At the Bondholders' meeting each Bondholder may cast one vote for each voting bond owned at close of business on the day prior to the date of the Bondholders' meeting in the records registered in the Securities Depository. In order to form a quorum, at least half (1/2) of the voting bonds must be represented at the Bondholders' meeting. See also the clause for repeated Bondholders' meeting in the Bond Terms. Resolutions shall be passed by simple majority of the votes at the Bondholders' Meeting, however, a majority of at least 2/3 of the voting bonds represented at the Bondholders' Meeting is required for any waiver or amendment of any terms of the Bond Terms. (For more details, see also the clause for Bondholders' decisions in the Bond Terms)
Bondholders rights:	Bondholders' rights are specified in the Bond Terms. By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by the Bond Terms.
Bond Trustee:	Nordic Trustee AS, Postboks 1470 Vika, 0116 Oslo, or its successor(s) Website: https://nordictrustee.com The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of the Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others. The Bond Trustee shall represent the Bondholders in accordance with the finance documents. The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other obligor unless to the extent expressly set out in the Bond Terms, or to take any steps to ascertain whether any event of default has occurred. The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the finance documents.

Base Propectus

Borrowing Limit – Tap Issue and Borrowing Amount/First Tranche	Borrowing Limit is the maximum issue amount for an open Bond issue. Borrowing Amount/First Tranche is the borrowing amount for a closed Bond Issue, eventually the borrowing amount for the first tranche of an open Bond Issue. Borrowing Limit – Tap Issue and Borrowing Amount/First Tranche will be specified in the Final Terms.
Business Day:	Any day on which the CSD settlement system is open and the relevant currency settlement system is open.
Business Day Convention:	Means that: a) If Modified Following Adjusted is specified (FRN), the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day. b) If No Adjustment is specified (Fixed Rate), no adjustment will be made to the Interest Period.
Calculation Agent:	The Bond Trustee, if not otherwise stated in the applicable Final Terms.
Call Option:	The Final Terms may specify that the Issuer may redeem all but not only some of the Outstanding Bonds on any Business Day. In such case the Call Date(s), the Call Price(s) and the Call Notice Period will be specified in the Final Terms.
Change of Control:	Means (whether or not approved by the board of directors or the executive board (as applicable) of the Issuer) any person or persons acting in concert or any person or persons acting on behalf of any such person(s), cf. the Norwegian Securities Trading Act § 2-5, at any time directly or indirectly own(s) or acquire(s) more than 50 per cent. of the issued ordinary share capital of the Issuer; provided, however, that a Change of Control shall not be deemed to have occurred if such ownership or acquisition is by the Kingdom of Norway and/or by any entity or entities (acting together or individually) controlled by the Kingdom of Norway from time to time, or in respect of which the Kingdom of Norway owns, directly or indirectly, more than 50 per cent. of the issued ordinary share capital of such entity.
Change of Control Announcement:	Means any formal public announcement or statement by or on behalf of the Issuer, or any actual or potential bidder or any advisor thereto relating to any potential Change of Control where, within hundred and eighty (180) days of the date of such announcement or statement a Change of Control occurs.
Change of Control Period:	Means the period commencing on the earlier of: a) the date of the relevant Change of Control; and c) the date of the earliest Change of Control Announcement (if any); and ending, in each case, hundred and eighty (180) calendar days after the date of the relevant Change of Control.
Currency:	The currency in which the bond issue is denominated. Currency will be specified in the Final Terms.
Day Count Convention:	The convention for calculation of payment of interest; a) If Fixed Rate, the interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis), unless: (i) the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or (ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month. (b) If FRN, the interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

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Denomination – Each Bond:	The nominal amount of each Bond. Denomination of each bond will be specified in the Final Terms.
Disbursement Date / Issue Date	Date of bond issue. On the Issue Date the bonds will be delivered to the Bondholder's VPS-account against payment or to the Bondholder's custodian bank if the Bondholder does not have his/her own VPS-account. The Issue Date will be specified in the Final Terms.
Exchange:	Euronext Oslo or any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).
Final Terms:	Document describing securities as specified in Prospectus Regulation (EU) 2017/1129, prepared as part of the Prospectus. Final Terms will be prepared for each new security as specified in Prospectus Regulation (EU) 2017/1129, issued by the Issuer.
Interest Determination Date(s):	In the case of NIBOR: Second Oslo business day prior to the start of each Interest Period. Interest Determination Date(s) for other Reference Rates, see Final Terms.
Interest Payment Date(s):	The Interest Rate is paid in arrears on the last day of each Interest Period. Any adjustment will be made according to the Business Day Convention. The Interest Payment Date(s) will be specified in the Final Terms.
Interest Period:	The first Interest Period runs from and including the Issue Date to but excluding the first Interest Payment Date. The subsequent Interest Periods run from and including an Interest Payment Date to but excluding the next Interest Payment Date. The last Interest Payment Date corresponds to the Maturity Date.
Interest Rate:	Rate of interest applicable to the Bonds; (i) If Fixed Rate, the Bonds shall bear interest at the percentage rate per annum (based on the Day Count Convention) (ii) If FRN, the Bonds shall bear interest at a rate per annum equal to the Reference Rate plus a Margin (based on the Day Count Convention). Interest Rate or Reference Rate may be deemed to be zero. The Interest Rate is specified in Final Terms.
Interest Rate Adjustment Date:	Date(s) for adjusting of the interest rate for bond issue with floating interest rate. The Interest Rate Adjustment Date will coincide with the Interest Payment Date.
Investment Grade Rating:	Means a rating of at least BBB- (or equivalent thereof) in case of S&P or a rating of at least Baa3 (or equivalent thereof) in the case of Moody's or the equivalent rating in the case of any other Rating Agency.
ISIN:	International Securities Identification Number for the Bond Issue. ISIN is specified in Final Terms.
Issuer:	Norsk Hydro ASA is the Issuer under the Base Prospectus.
Issuer's Bonds:	Means any Bonds which are owned by the Issuer or any affiliate of the Issuer.
Issue Price:	The price in percentage of the Denomination, to be paid by the Bondholders at the Issue Date. Issue price will be specified in Final Terms.

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LEI-code:	Legal Entity Identifier (LEI), is a 20-character reference code to uniquely identify legally distinct entities that engage in financial transactions. LEI-code is specified in Final Terms.
Listing:	Listing of a bond issue on an Exchange is due to the Base Prospectus, any supplement(s) to the Base Prospectus and a Final Terms. An application for listing will be sent after the Disbursement Date and as soon as possible after the Prospectus has been approved by the Norwegian FSA. Bonds listed on an Exchange are freely negotiable. See also Market Making.
Manager(s):	The bond issue's Manager(s), as specified in the Final Terms.
Mandatory Redemption Event:	The Final Terms may specify that the Issuer may redeem all but not only some of the Outstanding Bonds if it is or becomes impossible or unlawful for the Issuer to perform or comply with any of its obligations under the Bond Terms. In such case details of the Mandatory Redemption Event will be specified in the Final Terms.
Market Making:	For Bonds listed on an Exchange, a market-maker agreement between the Issuer and a Manager may be entered into. This will be specified in the Final Terms.
Margin:	The margin, specified in percentage points, to be added to the Reference rate. Margin will be specified in the Final terms.
Maturity Date:	The date the bond issue is due for payment, if not already redeemed pursuant to Call Option, Put Option or Mandatory Redemption Event. The Maturity Date coincides with the last Interest Payment Date and is adjusted in accordance with the Business Day Convention. The Maturity Date is specified in the Final Terms.
Negative Rating Event:	Means the event when the Issuer is not rated by a Rating Agency and a Change of Control occurs, and: a) the Issuer does not within the Change of Control Period seek, and thereafter use all reasonable endeavours to obtain from a Rating Agency, a rating; or b) if it does so seek and use such endeavours, at the expiry of the Change of Control Period and as a result of such Change of Control it has not obtained an Investment Grade Rating, provided that the Rating Agency publicly announces or publicly confirms in writing that its declining to assign an Investment Grade Rating was the result of the applicable Change of Control.
Outstanding Bonds:	Means any Bonds not redeemed or otherwise discharged. The Issuer will issue on the Issue date the first tranche of the bond issue as specified in Final Terms. During the term of the bond issue, new tranches may be issued up to the Borrowing Limit, as specified in Final Terms.
Paying Agent:	The entity designated by the Issuer to manage (maintain the Issuer Account for) the bond issue in the Securities Depository. The Paying Agent is specified in the Final Terms.
Principal amount:	Outstanding amounts under the Loan from time to time.
Prospectus:	The Prospectus consists of the Base Prospectus, any supplement(s) to the Base Prospectus and the relevant Final Terms prepared in connection with application for listing on an Exchange.
Put Option:	The Final Terms may specify that upon the occurrence of a Put Option Event, each Bondholder will have the right to require that the Issuer purchases all or some of the Bonds held by that Bondholder.

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	In such case the exercise procedures, the repayment date and redemption price will be specified in the Final Terms.
Put Option Event:	If a Change of Control occurs and either: (i) a Rating Downgrade shall have occurred within the Change of Control Period; or (ii) a Negative Rating Event shall have occurred, then each Bondholder shall have a right of repayment (a "Put Option") of its Bonds
Rating Downgrade:	Means the rating previously assigned to the Issuer by a Rating Agency is: a) withdrawn and not subsequently reinstated within the Change of Control Period; or b) save as provided in c) below, changed to a rating lower than Investment Grade Rating and not subsequently upgraded to an Investment Grade Rating within the Change of Control Period; or c) (if the rating assigned to the Issuer by any Rating Agency immediately prior to the commencement of the Change of Control Period is lower than Investment Grade Rating), lowered one full rating category and not subsequently upgraded within the Change of Control Period, provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the reduction was the result of the applicable Change of Control. Notwithstanding the above, save from during a Change of Control Period, the Issuer may in its sole discretion cease to be rated by any Rating Agency.
Redemption:	The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount, if not already redeemed pursuant to Call Option, Put Option or Mandatory Redemption Event.
Redemption Price:	The price determined as a percentage of the Denomination to which the bond issue is to be redeemed at the Maturity Date. Redemption Price is 100 per cent of Denomination – Each Bond.
Reference Rate:	For FRN, the Reference Rate shall be NIBOR or any other rate as specified in the Final Terms, which appears on the Relevant Screen Page as at the specified time on the Interest Determination Date in question. The Reference Rate, the Relevant Screen Page, the specified time, information about the past and future performance and volatility of the Reference Rate and any fallback provisions will be specified in Final Terms.
Relevant Screen Page:	For FRN, an internet address or an electronic information platform belonging to a renowned provider of Reference Rates. The Relevant Screen Page will be specified in the Final Terms.
Securities Depository /CSD:	The securities depository in which the bonds are registered, in accordance with the Norwegian Act of 2019 no. 6 regarding Securities depository. Unless otherwise specified in the Final Terms, the following Securities Depository will be used: Norwegian Central Securities Depository ("Verdipapirsentralen" or "VPS"), P.O. Box 4, 0051 Oslo.
Tap Issues:	The Issuer may, provided that the conditions set out in the Bond Terms are met, at one or more occasions up until, but excluding, the Maturity Date or any earlier date when the Bonds have been redeemed in full, issue Additional Bonds until the aggregate nominal amount of the Bonds outstanding equals in aggregate the maximum issue amount (less the aggregate nominal amount of any previously redeemed Bonds) If N/A is specified in the Borrowing Limit in the Final Terms, the Issuer may not make Tap issues under the Bond Terms.
Temporary Bonds:	If the Bonds are listed on an Exchange and there is a requirement for a supplement to the Base Prospectus in order for the Additional Bonds to be listed together with the Bonds, the Additional Bonds may be issued under a separate ISIN which, upon the approval of the supplement, will be converted into the ISIN for the Bonds issued on the initial Issue Date. The

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	Bond Terms governs such Temporary Bonds. The Issuer shall inform the Bond Trustee, the Exchange and the Paying Agent once such supplement is approved.
Yield:	Dependent on the Market Price for bond issue with floating rate. Yield for the first interest period can be determined when the interest is known, normally two Business Days before the Issue Date. For bond issue with fixed rate, yield is dependent on the market price and number of Interest Payment Date. The yield is calculated in accordance with «Anbefaling til Konvensjoner for det norske sertifikat- og obligasjonsmarkedet» prepared by Norske Finansanalytikeres Forening in May 2015: http://www.finansanalytiker.no/innhold/publikasjoner/NFF_Rentekonvensjon_mai_2015.pdf Yield is specified in Final Terms.

13.4 General terms and conditions

These general terms and conditions summarize and describe the general terms and conditions set out in any Bond Terms. If these general terms and conditions at any point in time no longer represents the correct understanding of the general terms and conditions set out in the Bond Terms, the Bond Terms shall prevail.

13.4.1 Use of proceeds

The Issuer will use the net proceeds from the issuance of the Bonds for refinancing of existing debt and its general corporate purposes.

Other use of proceeds will be specified in the Final Terms.

13.4.2 Publication

The Base Prospectus, any supplement(s) to the Base Prospectus and the Final Terms will be published on Issuer's website <https://www.hydro.com/en-NO/investors/debt-investors/credit-facilities-and-bonds/>, or on the Issuer's visit address, Drammensveien 264, N-0283 Oslo, Norway, or their successor (s).

The Prospectus will be published by a stock exchange announcement.

13.4.3 Redemption

Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of 18 May 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.

13.4.4 Fees, Expenses and Tax legislation

The tax legislation of the investor's Member State and of the Issuer's country of incorporation may have an impact on the income received from the securities.

The Issuer shall pay any stamp duty and other public fees in connection with the loan. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Issuer is responsible for withholding any withholding tax imposed by Norwegian law.

13.4.5 Security Depository and secondary trading

The Bonds are electronically registered in book-entry form with the Securities Depository, see also the definition of "Securities Depository". Securities Depository is specified in the Final Terms.

Secondary trading will be made over an Exchange for Bonds listed on a marketplace. See also definition of "Market Making".

Base Propectus

Prospectus fee for the Base Propectus including templates for Final Terms is NOK 84,000. In addition, there is a listing fee for listing of the Bonds in accordance with the current price list of the Exchange. The listing fees will be specified in the Final Terms.

13.4.6 Status of the Bonds and Security

The Issuer's payment obligations under the Bond Terms shall rank ahead of all subordinated payment obligations of the Issuer and the Bonds shall rank pari passu between themselves and will rank at least pari passu with all other Financial Indebtedness of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

The Bonds are unsecured.

The Bonds may have negative pledge clause. Details will be specified in the applicable Final Terms.

13.4.7 Bond Terms

The Bond Terms has been entered into between the Issuer and the Bond Trustee. The Bond Terms regulates the Bondholders' rights and obligations in relations with the bond issue. The Bond Trustee enters into the Bond Terms on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms.

By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by the Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.

The Bond Terms will be attached to the Final Terms for each Bond issue and is also available through the Manager(s), Issuer and the Bond Trustee.

13.4.8 Legislation

The Bond Terms is governed by and construed in accordance with Norwegian law. The Issuer is subject to Norwegian legislation, the most relevant law for the Group's operations is the Public Limited Companies Act, the Norwegian Securities Trading Act and the Norwegian Stock Exchange Regulations.

13.4.9 Approvals

The Bonds will be issued in accordance with the Issuer's Board of Directors approval.

The date of the Issuer's Board of Directors approval will be specified in the Final Terms

The Base Prospectus has been submitted to the Norwegian Financial Supervisory Authority (Finanstilsynet) before listing of the Bonds takes place.

Final Terms will be submitted to Finanstilsynet for information in connection with an application for listing of a Bond Issue.

The Base prospectus will not be the basis for offers for subscription in bonds that are not subject to a prospectus obligation.

13.4.10 Restrictions on the free transferability of the securities

Any restrictions on the free transferability of the securities will be specified in the Final Terms.

13.5 Return and redemption

Bonds may have return and redemption mechanisms as explained below. The relevant Final Terms refer to these mechanisms and provide relevant parameter values for the specific bond issue.

13.5.1 Bonds with floating rate

13.5.1.a Return (interest)

The Interest Rate is specified in Interest Rate ii). Payment of the Interest Rate is calculated on basis of the Day Count Convention (b).

Interest Rate or Reference Rate may be deemed to be zero.

The period lengths are equal throughout the term of the Loan, but each Interest Payment Date is adjusted in accordance with the Business Day Convention. The Interest Rate for each forthcoming period are determined two Business Days prior to each Interest Payment Date based on the then current value of the Reference Rate plus the Margin.

The Interest Rate is paid in arrears on each Interest Payment Date. The first Interest Period runs from and including the Issue Date to but excluding the first Interest Payment Date. The subsequent Interest Periods run from and including an Interest Payment Date to but excluding the next Interest Payment Date. The last Interest Payment Date corresponds to the Maturity Date.

The relevant Reference Rate, the Margin, the Interest Payment Dates and the then current Interest Rate will be specified in the applicable Final Terms.

Interest calculation method for secondary trading is given by act/360, modified following.

13.5.1.b Redemption

Redemption is made in accordance with Redemption.

13.5.2 Bonds with fixed rate

13.5.2.a Return (interest)

The interest rate is specified in Interest Rate (i). Payment of the the Interest Rate is calculated on basis of the Day Count Convention (a).

The Interest Rate is paid in arrears on each Interest Payment Date. The first Interest Period runs from and including the Issue Date to but excluding the first Interest Payment Date. The subsequent Interest Periods run from and including an Interest Payment Date to but excluding the next Interest Payment Date. The last Interest Payment Date corresponds to the Maturity Date.

The Interest Rate and the Interest Payment Dates will be specified in the applicable Final Terms.

Interest calculation method for secondary trading is given by act/365 for bond issue with fixed rate.

13.5.2.b Redemption

Redemption is made in accordance with Redemption.

13.6 Rating

The Issuer is rated, see Appendix 2.

The Bonds have not been rated.

13.7 Final Terms

Template for Final Terms for fixed and floating bond issue, see Appendix 2

Cross reference list

Reference in Base Propectus	Refers to	Details
10.1 Financial statements	Annual Report 2019, available at https://www.hydro.com/en-NO/investors/reports-and-presentations/annual-reports/	Norsk Hydro ASA's consolidated accounting policies, pages 138-139 Norsk Hydro ASA's accounting policies, pages 204-205
	Annual Report 2019, available at https://www.hydro.com/en-NO/investors/reports-and-presentations/annual-reports/	Norsk Hydro ASA Consolidated Consolidated financial statements page 133 Consolidated balance sheets page 135 Consolidated statements of cash flow page 136 Notes to the consolidated financial statements pages 138-200 Norsk Hydro ASA Income statements page 201 Balance sheets page 202 Statements of cash flows page 203 Notes to the financial statements pages 204-213
10.2 Auditing of historical annual financial information	Annual Report 2019, available at https://www.hydro.com/en-NO/investors/reports-and-presentations/annual-reports/	Auditors report pages 215-218

References to the documents mentioned above are limited to information given in "Details", e.g. that the non-incorporated parts are either not relevant for the investor or covered elsewhere in the prospectus.

Joint Lead Managers' disclaimer

Danske Bank A/S, Norwegian Branch, DNB Bank ASA and Skandinaviska Enskilda Banken AB (publ), the Joint Lead Managers, have assisted the Company in preparing the Base Propectus. The Joint Lead Managers have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, expressed or implied, is made and the Joint Lead Managers expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this Base Propectus or any other information supplied in connection with the issuance or distribution of bonds by Norsk Hydro ASA. The statements made in this paragraph are without prejudice to the responsibility of the Company.

This Base Propectus is subject to the general business terms of the Joint Lead Managers, available at their websites. Confidentiality rules and internal rules restricting the exchange of information between different parts of the Joint Lead Managers may prevent employees of the Joint Lead Managers who are preparing this Base Propectus from utilizing or being aware of information available to the Joint Lead Managers and/or any of its affiliated companies and which may be relevant to the recipient's decisions.

Each person receiving this Base Propectus acknowledges that such person has not relied on the Joint Lead Managers, nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

Trondheim / Oslo, 26 June 2020

Joint Lead Managers:

Danske Bank A/S,
Norwegian branch
(www.danskebank.no)

DNB Bank ASA
(www.dnb.no)

Skandinaviska Enskilda
Banken AB (publ)
(www.seb.no)

Annex 1 Articles of Association for Norsk Hydro ASA



Articles of Association

Approved by: Annual General Meeting by proxy Svein Richard Brandtzæg
Verified by: Company Secretary Ingeborg M. Liahjell
Prepared by: Company Secretary Ingeborg M. Liahjell

INTERNAL

NHC-AOA-001
Rev. date: 2015-05-06
Rev. no: 13
Page: 1 of 4

Norsk Hydro ASA Articles of Association

Changes from last revision:
Article 5A.

ARTICLES OF ASSOCIATION OF NORSK HYDRO ASA (last amended on 6 May 2015 – effective from 6 May 2015)

Section 1

The name of the company is Norsk Hydro ASA.

Section 2

The objectives of the company are to engage in industry, commerce and transport, to utilize energy resources and raw materials, and to engage in other activities connected with these objectives. Activities may also proceed through participation in or in co-operation with other enterprises.

Section 3

The company's registered office is in Oslo.

Section 4

The shares capital is NOK 2,271,760,107.048 divided into 2,068,998,276 shares with a nominal value of 1.098. The shares shall be registered in the Norwegian Central Securities Depository. The Board of Directors may refuse the transfer of shares and may take such other steps as may be necessary to prevent shares from being transferred in contravention of the restrictions laid down in Norwegian law.

Section 4 A

If the share capital is increased, and provided that Norwegian law in force at the time so permits, preferential subscription rights shall be reserved in connection with each such capital increase on the conditions stipulated by the Board of Directors, for up to

- a) 0.83 percent of the increase for holders of the 83 unredeemed founder certificates, and up to
- b) 2.79 percent of the increase for holders of the 4,343 unredeemed subscription certificates.

These preferential rights shall not apply if the increase is made in order to issue shares to third parties as compensation for their transfer of assets to the company. The certificates may be transferred independently of the shares.

Section 5

The company's Board of Directors shall be composed of nine to eleven members who are elected by the Corporate Assembly for periods of up to two years at a time. The Corporate Assembly elects the chairperson and the deputy chairperson of the Board of Directors for the same period.

If the office of a director comes to an end during the period for which he or she is elected, the Corporate Assembly may elect another director to hold office for the remainder of the period in question.

Section 5A

The Nomination Committee consists of minimum three and maximum four members who shall be shareholders or shareholders' representative. The members of the Nomination Committee, including its chairperson, are elected by the General Meeting. The chairperson of the Nomination Committee and at least one other member shall be elected among the members of the Corporate Assembly elected by the shareholders. The members of the Nomination Committee are elected for periods of up to two years at a time. If the chairperson resigns as member of the Nomination Committee during the electoral period, the Nomination Committee shall elect among its members a new chairperson for the remainder of the new chairperson's electoral period.

The chairperson of the Board of Directors and the President and CEO, who do not hold voting rights, shall be requested to attend at least one meeting of the Nomination Committee before it furnishes its final recommendation.

The Nomination Committee makes its recommendation to the General Meeting regarding the shareholders' election of members and deputy members to the Corporate Assembly and regarding remuneration to the members of the Corporate Assembly.

The Nomination Committee makes its recommendation to the General Meeting regarding the election of the members and chairperson of the Nomination Committee and regarding remuneration to the members of the Nomination Committee.

The Nomination Committee makes its recommendation to the Corporate Assembly regarding the election of the shareholders' representatives of the Board of Directors and regarding remuneration to the members of the Board of Directors.

At the proposal of the Corporate Assembly's shareholder-elected members, the General Meeting adopts guidelines for the Nomination Committee."

Section 6

The Board of Directors may authorize a Board member, the President or specifically designated employees to sign for the company, and also to designate procurists. The Board of Directors may decide that authorization to sign for the company may only be exercised by several persons jointly.

Section 7

The company's Corporate Assembly shall comprise eighteen members, who are elected for periods of up to two years at a time. Twelve of the members and their four deputy members shall be elected by the General Meeting, while six of the members and their deputy members shall be elected by and from among the company's employees. The Corporate Assembly elects its own chairperson and deputy chairperson for periods of up to two years at a time.

Section 8

The Corporate Assembly shall exercise supervision to ensure that the company's objects are furthered in compliance with applicable law, the Articles of Association and the resolutions of the General Meeting and the Corporate Assembly. The Corporate Assembly may adopt recommendations on any matter whatsoever for submission to the Board of Directors. At the proposal of the Board of Directors, the Corporate Assembly shall adopt resolutions in matters concerning investments that are substantial compared with the company's resources, or concerning such rationalization of, or changes in, operations as will entail a major change in or redeployment of the labor force.

Section 9

The General Meeting shall be convened by the Board of Directors in accordance with applicable legal requirements.

Documents concerning matters to be considered at the general meeting and which have been made available for the shareholders on the company's website do not have to be sent to the shareholders. This also applies to documents which by law shall be included in or attached to the notice of the general meeting. A shareholder may nonetheless request that documents concerning matters to be considered at the general meeting be sent to him or her free of charge.

Shareholders or their representatives wishing to attend and vote at the General Meeting must inform the company of this no later than five days prior to the General Meeting

The right to attend and vote at the General Meeting may only be exercised when the transfer of the relevant shares appears in the register of shareholders on the fifth business day before the general meeting (the Record Date).

The Board of Directors may determine that the shareholders shall be able to cast their votes in writing, including by electronic means, during a period preceding the General Meeting. Where such a form of voting is used, a satisfactory method shall be employed to authenticate the identity of the sender.

The General Meeting is presided over by the Chairperson of the Corporate Assembly or, in his or her absence, by the Deputy Chairperson."

Section 10

The Annual General Meeting shall:

- a) approve the annual accounts and the Board of Director's report, including distribution of dividend;
- b) elect the shareholders' members and deputy members to the Corporate Assembly; and
- c) deal with any other matters listed in the notice of the meeting.

* * *

Annex 2 Template for Final Terms for fixed and floating rate Bonds

[Appendix 2]



Final Terms
for
[Title of the bond issue]

Oslo, [Date]

Terms used herein shall be deemed to be defined as such for the purpose of the conditions set forth in the Base Prospectus clauses 2 Definitions and 13.3 Definitions, these Final Terms and the attached Bond Terms.

[In case MiFID II identified target group are professional investors and eligible counterparties, insert the following:]

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling The Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling The Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[In case MiFID II identified target group are retail investors, professional investors and eligible counterparties, insert the following:]

MiFID II product governance / Retail investors, professional investors and ECPs target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the notes has led to the conclusion that: (i) the target market for the notes is eligible counterparties, professional clients and retail clients each as defined in Directive 2014/65/EU (as amended, "MiFID II"); (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the notes to retail clients are appropriate – investment advice, portfolio management, non-advised sales and pure execution services – subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

This document constitutes the Final Terms of the Bonds described herein pursuant to the Regulation (EU) 2017/1129 and must be read in conjunction with the Base Prospectus dated 26 June 2020 and [the supplement[s] to the Base Prospectus dated [date]].

The Base Prospectus dated 26 June 2020 [and the supplement[s] to the Base Prospectus dated [date]] [together] constitute[s] a base prospectus for the purposes of the Regulation (EU) 2017/1129 ([together,] the "Base Prospectus").

Final Terms include a summary of each Bond Issue.

These Final Terms and the Base Prospectus [and the supplement[s] to the Base Prospectus] are available on the Issuer's website <https://www.hydro.com/en-NO/investors/debt-investors/credit-facilities-and-bonds/>, or on the Issuer's visit address, Drammensveien 264, N-0283 Oslo, Norway, or their successor (s).

1 Summary

The below summary has been prepared in accordance with the disclosure requirements in Article 7 of the Regulation (EU) 2017/1129 as of 14 June 2017.

Introduction and warning

<i>Disclosure requirement</i>	<i>Disclosure</i>
Warning	This summary should be read as introduction to the Base Prospectus. Any decision to invest in the securities should be based on consideration of the Base Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national law, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Base Prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
Name and international securities identification number ('ISIN') of the securities.	[●]
Identity and contact details of the issuer, including its legal entity identifier ('LEI').	Norsk Hydro ASA, Drammensveien 264, N-0283 Oslo, Norway Telephone number is +47 22 53 81 00. Registration number 914 778 271. LEI-code ((legal entity identifier): 549300N1SDN71ZZ8BO45.
Identity and contact details of the offeror or of the person asking for admission to trading on a regulated market.	There is no offeror, the Base Prospectus has been produced in connection with listing of the securities on an Exchange. The Issuer is going to ask for admission to trading on a regulated market.
Identity and contact details of the competent authority that approved the prospectus	Financial Supervisory Authority of Norway (Finanstilsynet), Revierstredet 3, 0151 Oslo. Telephone number is +47 22 83 39 50. E-mail: prospekter@finansstilsynet.no .
Date of approval of the prospectus.	The Base Prospectus was approved on 26 June 2020.

Key information on the Issuer

Key information on the issuer				
Disclosure requirements	Disclosure			
Who is the issuer of the securities				
Domicile and legal form	The Company is domiciled and incorporated in Norway. The Company is a public limited liability company incorporated under the laws of Norway, including the Public Limited Companies Act.			
Principal activities	Hydro is a fully integrated aluminium company with 35,000 employees in 40 countries on all continents, combining local expertise, worldwide reach and unmatched capabilities in research and development.			
Major shareholders	The 20 largest shareholders as of 11 May 2020:			
Investor	Number of shares	% of total	Type	Country
NÆRINGS- OG FISKERIDEPARTEMENTET	708,865,253	34.26%	Comp.	NOR
STATE STREET BANK AND TRUST COMP	122,895,849	5.94%	Nom.	USA
FOLKETRYGDFONDET	121,198,256	5.86%	Comp.	NOR
JPMORGAN CHASE BANK, N.A., LONDON	50,579,874	2.44%	Nom.	GBR
CLEARSTREAM BANKING S.A.	49,377,128	2.39%	Nom.	LUX
BANQUE PICTET & CIE SA	33,434,606	1.62%	Nom.	CHE
VANGUARD INTERNATIONAL GROWTH FD	30,510,249	1.47%	Comp.	USA
HSBC BANK PLC	27,085,516	1.31%	Nom.	GBR
JPMORGAN CHASE BANK, N.A., LONDON	24,228,362	1.17%	Nom.	USA

NORSK HYDRO ASA	19,873,558	0.96%	Comp.	NOR
STATE STREET BANK AND TRUST COMP	18,040,119	0.87%	Nom.	USA
STATE STREET BANK AND TRUST COMP	16,386,253	0.79%	Nom.	USA
RBC INVESTOR SERVICES TRUST	16,329,120	0.79%	Nom.	CAN
THE NORTHERN TRUST COMP, LONDON BR	16,074,910	0.78%	Nom.	GBR
KLP AKSJENORGE INDEKS	13,908,391	0.67%	Comp.	NOR
JPMORGAN CHASE BANK, N.A., LONDON	12,680,807	0.61%	Nom.	USA
VERDIPAPIRFONDET DNB NORGE	12,117,149	0.59%	Comp.	NOR
JPMORGAN CHASE BANK, N.A., LONDON	11,740,736	0.57%	Nom.	GBR
DANSKE INVEST NORSKE INSTIT. II.	11,643,500	0.56%	Comp.	NOR
THE NORTHERN TRUST COMP, LONDON BR	11,044,726	0.53%	Nom.	GBR
Total number owned by top 20	1,328,014,362	64.19%		
Total number of shares	2,068,998,276	100%		

There are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.

Management	Name	Position
	Hilde Merete Aasheim	President & CEO
	Einar Glomnes	Executive Vice President, Rolled Products
	Egil Hogna	Executive Vice President, Extruded Solutions
	Eivind Kallevik	Executive Vice President, Primary Metal
	Pål Kildemo	Executive Vice President, Chief Financial Officer
	Anne-Lene Midseim	Executive Vice President, Legal and Compliance
	Arvid Moss	Executive Vice President, Energy and Corporate Business Development
	Hilde Vestheim Nordh	Executive Vice President, People & Safety
	Inger Sethov	Executive Vice President, Communication & Public Affairs
	John Thuestad	Executive Vice President, Bauxite & Alumina
Statutory auditors	KPMG AS	
<i>What is the key financial information regarding the issuer</i>		
Key financial information		

Norsk Hydro ASA Consolidated

Amounts in NOK million	2019
Operating profit	499
Net financial debt (long term debt plus short term debt minus cash)	11,760
Net Cash flows from operating activities	12,550
Net Cash flows from financing activities	2,911
Net Cash flow from investing activities	-9,173

Norsk Hydro ASA

Amounts in NOK million	2019
Operating profit	-681
Net financial debt (long term debt plus short term debt minus cash)	5,210
Net Cash flows from operating activities	5,367

Net Cash flows from financing activities	-71
Net Cash flow from investing activities	-28

There is no description of any qualifications in the audit report for the Annual Report 2019.	
What are the key risk factors that are specific to the issuer	

1 Risk factors

Investing in bonds issued by Norsk Hydro ASA involves inherent risks.

As the Company is the parent company of the Group, and primarily a holding company, the risk factors for the Group are deemed to be equivalent for the purpose of this Base Prospectus.

The risks and uncertainties described in the Prospectus are risks of which the Company is aware and that the Company considers to be material to its business. If any of these risks were to occur, the Company's business, financial position, operating results or cash flows could be materially adversely affected, and the Company could be unable to pay interest, principal or other amounts on or in connection with the bonds. Prospective investors should carefully consider, among other things, the risk factors set out in this Base Prospectus, before making an investment decision.

An investment in the bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

A. Hydro's main incident risks

1. Hydro could be affected by operational disruptions or other major incidents and may not be able to maintain sufficient insurance to cover all risks related to its operations

Hydro is exposed to a number of risks and hazards which could result in disruptions to operations. Breakdown of critical equipment, power failures or other events leading to production interruptions in key plants could have a material adverse effect on our financial results and cash flows. Some operations are located in close proximity to sizable communities, and major accidents could result in substantial claims, fines or significant damage to Hydro's profitability, and or reputation.

2. Hydro could be affected by material CSR incidents, investigations, legal proceedings, or major noncompliance with laws and regulations

Hydro could be negatively affected by criminal or civil proceedings or investigations related to, but not limited to product liability, environment, health and safety, alleged anti-competitive or corrupt practices or commercial disputes. In addition, Hydro is exposed to allegations or perceived failures to behave in a socially responsible manner and to manage social impacts, particularly related to human rights breaches. Infringement of applicable laws and regulations could result in fines or penalties, costs of corrective work, the suspension or shutdown of our operations and damage to the company's reputation. Reactions of key stakeholders and communities in which Hydro operates could interfere or interrupt the operations of our business.

3. Hydro is exposed to supply chain concentration risk and may experience disruption in supply of alumina, anodes or certain alloy materials

Hydro is exposed to risks related to supply chain concentration. This includes parts of the supply chain with one or a limited number of suppliers, or where multiple suppliers are concentrated in the same area and where there is a risk of simultaneous supply interruptions. Such interruptions could be a result of changes in regulatory framework, operational disruption, major public health issues etc. Hydro's assets within Bauxite & Alumina are concentrated in Brazil and include the Paragominas bauxite mine, Alunorte alumina refinery and the 244km bauxite slurry pipeline connecting the two. As Hydro receives almost all of its alumina from Alunorte, these assets are critical for the supply of alumina to the rest of the Hydro Group, both in Brazil and Europe, and Hydro is reliant on their ability to maintain stable operations. Hydro's exposure to supply chain concentration risk also includes risks related to the supply of anodes and certain alloy materials from China.

B. Hydro's main strategic risks

1. Hydro is exposed to competition from China, which could have an impact on market prices and demand for our products

China is the world's largest consumer and producer of aluminium, with more than half of the global production

capacity. As a result, changes and developments in aluminium supply and demand in China have a significant impact on global market fundamentals.

2. Commodity prices and currency fluctuations

Hydro's operating results are primarily affected by price developments of our main products, raw materials, margin developments and to fluctuations in the most significant currencies for Hydro, which are the USD, NOK, EUR and BRL.

Hydro has a substantial portion of its primary metal capacity based in Norway and its accounting and reporting currency is the Norwegian krone. Primary aluminium prices, alumina and certain product premiums as well as a major part of the raw materials for producing aluminium are denominated in US dollars.

3. Changes in the regulatory framework or political environment in which Hydro operates could have a material effect on the company

Hydro needs competitive and predictable framework conditions. Hydro is subject to a broad range of laws and regulations in the legal jurisdictions in which we operate. These laws and regulations impose stringent standards and requirements and potential liabilities. Some examples include accidents and injuries, the construction and operation of our plants and facilities, taxes and tariffs, air and water pollutant emissions, the storage, treatment and discharge of waste waters, the use and handling of hazardous or toxic materials, waste disposal practices, and the remediation of environmental contamination, among other things. Changes in such laws and regulations, or changes in the way these laws and regulations are interpreted or enforced, may impact Hydro's operations.

c. Hydro's main HSE risks

1. Climate change and environmental risks

Hydro is exposed to physical climate related risks, risks related to the transition to a low-carbon economy and other environmental risks mainly related to our operations in Brazil. Climate-driven changes in consumer behavior, such as substitution of aluminium by other materials is also a risk to Hydro. In addition to environmental incidents, there are risks related to the effects of known and unknown historical and current emissions to air, water and soil.

Key information on the securities

Disclosure requirements	Disclosure
<i>What are the main features of the securities</i>	
Description of the securities, including ISIN code.	[●]
Currency for the bond issue	[●]
Borrowing Limit and Borrowing Amount [● tranche]	[●]
Denomination – Each Bond	[●]
Any restrictions on the free transferability of the securities.	[●]
Description of the rights attached to the securities, limitations to those rights and ranking of the securities.	[●]
Information about Issue and Maturity Date, interest rate, instalment and representative of the bondholders	[●]
Status of the bonds and security	[●]
<i>Where will the securities be traded</i>	
Indication as to whether the securities offered are or will be the object of an application for admission to trading.	[●]
<i>What are the key risks that are specific to the securities</i>	
Most material key risks	

D - Bond specific risks

Investing in bonds issued by Norsk Hydro ASA (the "Issuer") involves inherent risks. Prospective investors should consider, among other things, the risk factors set out in the Base Prospectus, before making an investment decision. The risks and uncertainties described in the Prospectus, including those set out in the Base prospectus, are risks of which the Issuer is aware and that the Issuer considers to be material to its business. If any of these risks were to occur, the Issuer's business, financial position, operating results or cash flows could be materially adversely affected, and the Issuer could be unable to pay interest, principal or other amounts on or in connection with the bonds. Prospective investors should also read the detailed information set out in the Base Prospectus dated 26 June 2020 and reach their own views prior to making any investment decision.

Risk related to the market in general

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. There are five main risk factors that sum up the investors' total risk exposure when investing in interest bearing securities with a floating interest rate: liquidity risk, interest rate risk, settlement risk, credit risk and market risk (both in general and issuer specific).

Interest rate risk is the risk that results from the variability of the NIBOR interest rate, and is not relevant for bonds with fixed interest rate. The coupon payments, which depend on the NIBOR interest rate and the Margin, will vary in accordance with the variability of the NIBOR interest rate. The interest rate risk related to this bond issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the reference interest rate (NIBOR 3 months) over the tenor. The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. A possible increase in the credit spread trading level relative to the coupon defined credit margin may relate to general changes in the market conditions and/or Issuer specific circumstances. However, under normal market circumstances the anticipated tradable credit spread will fall as the duration of the bond issue becomes shorter. In general, the price of bonds will fall when the credit spread in the market increases, and conversely the bond price will increase when the market spread decreases.

Market risk is the risk that the value of the bonds will decrease due to the change in market conditions. The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of this bond issue in the market. In spite of an underlying positive development in the Issuer's business activities, the price of a bond may fall independent of this fact. Bond issues with a relatively short tenor and a floating rate coupon rate do however in general carry a lower price risk compared to bonds with a longer tenor and/or with a fixed coupon rate. No market-maker agreement is entered into in relation to this bond issue, and the liquidity of bonds will at all times depend on the market participants view of the credit quality of the Issuer as well as established and available credit lines.

Unsecured debt obligations

The Bonds are unsecured, and will rank pari passu with all of the Issuer's other unsecured and unsubordinated indebtedness. In the event of a default on the Bonds or in the event of bankruptcy or liquidation, to the extent that the Issuer has granted security over its assets and such security becomes enforceable, the assets securing such obligations will be used to satisfy such secured obligations before the Issuer can make payments on the Bonds. In the absence of sufficient collateral to satisfy any secured obligations, the remaining amounts on the secured obligations would share equally with all unsubordinated unsecured indebtedness.

Key information on the admission to trading on a regulated marked

Disclosure requirements	Disclosure
Under which conditions and timetable can I invest in this security?	[•] The estimate of total expenses related to the admission to trading, please see clause 13.4.5 in the Base Prospectus. [/ Other: (specify)] Listing fee Euronext Oslo [•] Registration fee Euronext Oslo [•]
Why is the prospectus being produced	In connection with listing of the securities on the Euronext Oslo.
Reasons for the admission to trading on a	Use of proceeds [•]

regulated marked and use of.	Estimated net amount of the proceeds [●]
Description of material conflicts of interest to the issue including conflicting interests.	[●]

2 Detailed information about the security

Generally:

ISIN code:	[ISIN]	
The Loan/The Bonds/The Notes:	[Title of the bond issue]	
Borrower/Issuer:	Norsk Hydro ASA, Norwegian enterprise no. 914 778 271 and LEI-code 549300N1SDN71ZZ8BO45	
Group:	Means the Issuer and its subsidiaries from time to time.	
Security Type:	Unsecured [open] bond issue with [fixed/floating] rate	
Borrowing Limit – Tap Issue:	[Currency]	[Amount borrowing limit]
Borrowing Amount [●] tranche:	[Currency]	[Amount [●] tranche]
Denomination – Each bond:	[Currency]	[Amount denomination] - each and ranking pari passu among themselves
Securities Form:	As set out in the Base Prospectus clause 13.1.	
Publication:	As specified in the Base Prospectus section 13.4.2.	
Issue Price:	[As defined in the Base Prospectus section 13.3 [Issue price] %	
Disbursement Date/Issue Date:	[As defined in the Base Prospectus section 13.3 [Issue date]	
Maturity Date:	[As defined in the Base Prospectus section 13.3 [Maturity Date]	
Interest Rate:		
Interest Bearing from and Including:	[Issue date / Other: (specify)]	
Interest Bearing To:	[As defined in the Base Prospectus section 13.3 [Maturity Date] / Other: (specify)]	
Reference Rate:	[As defined in the Base Prospectus section 13.3 Floating rate: [NIBOR / EURIBOR] [3 / 6 / 12] months [description of Reference Rate] Relevant Screen Page: [Relevant Screen Page] Specified time: [specified time] Information about the past and future performance and volatility of the Reference Rate is available at [Relevant Screen Page / other: (specify)] Fallback provisions: [Provisions] / Other: (specify)]	

	<i>/ Fixed Rate: N/A]</i>
Margin:	<i>[As defined in the Base Prospectus section 13.3</i> <i>Floating Rate: [Margin] % p.a.</i> <i>/ Fixed Interest: N/A</i> <i>/ Other: (specify)]</i>
Interest Rate:	<i>[Bond issue with floating rate (as defined in the Base Prospectus section 13.3): [Reference Rate + Margin] % p.a.</i> Current Interest Rate: <i>[current interest rate]</i> <i>/ Bond Issue with fixed rate (as defined in the Base Prospectus section 13.3): [Interest rate] % p.a.</i>
Day Count Convention:	<i>[Floating Rate: As defined in the Base Prospectus section 13.3</i> <i>/ Fixed Rate: As defined in the Base Prospectus section 13.3</i>
Day Count Fraction – Secondary Market:	<i>[Floating Rate: As specified in the Base Prospectus section 13.5.1.a</i> <i>/ Fixed Rate: As specified in the Base Prospectus section 13.5.2.a</i>
Interest Determination Date:	<i>[Floating Rate: As defined in the Base Prospectus section 13.3.</i> Interest Rate Determination Date: <i>[Interest Rate Determination Date(s)]</i> each year. <i>/ Fixed rate: N/A</i> <i>/ Other: (specify)]</i>
Interest Rate Adjustment Date:	<i>[Floating Rate: As defined in the Base Prospectus section 13.3.</i> <i>/ Fixed rate: N/A]</i>
Interest Payment Date:	As defined in the Base Prospectus section 13.3 and specified in the Base Prospectus section 13.5.1 (FRN) / section 13.5.2 (fixed rate) Interest Payment Date: <i>[Date(s)]</i> each year. The first Interest Payment Date is <i>[Date]</i>.
#Days first term:	<i>[Number of interest days] days</i>
Yield:	As defined in the Base Prospectus section 13.3. The Yield is <i>[yield]</i>
Business Day:	As defined in the Base Prospectus section 13.3. <i>/ Other: (specify)]</i>
Amortisation and Redemption:	
Redemption:	As defined in the Base Prospectus section 13.3 and as specified in the Base Prospectus section 13.4.3, 13.5.1.b and 13.5.2.b. The Maturity Date is <i>[maturity date]</i>
Call Option:	As defined in the Base Prospectus section 13.3. <i>[terms of the call option]</i>

Call Date(s): *[call date(s)]*Call Price(s): *[call price(s)]*Call Notice Period: *[call notice period]*

Put Option:

As defined in the Base Prospectus section 13.3.

[terms of the put option]

Mandatory Redemption Event:

As defined in the Base Prospectus section 13.3.

*[terms of the mandatory redemption event]***Obligations:**

Issuer's special obligations during the term of the Bond Issue:

As specified in the Base Prospectus section 13.4.6.

*/ Other: (specify)***Listing:**

Listing of the Bond Issue/Marketplace:

As defined in the Base Prospectus section 13.3 and specified in the Base Prospectus section 13.4.5.

Exchange for listing of the Bonds: *[Exchange]**/ The Bonds will not be applied for listing on any Exchange.**/ Other: (specify)*

Any restrictions on the free transferability of the securities:

As specified in the Base prospectus section 13.4.10.

Restrictions on the free transferability of the securities: *[specify]*

Purpose/Use of proceeds:

As specified in the Base Prospectus section 13.4.1.

Estimated total expenses related to the offer: *[specify]*Estimated net amount of the proceeds: *[specify]*Use of proceeds: *[specify]**[Other: (specify)]*

Prospectus and Listing fees:

As defined in the Base Prospectus section 13.3 and specified in the Base Prospectus section 13.4.5.

Listing fees: *[specify]**/ Other: (specify)*

Market-making:

As defined in the Base Prospectus section 13.3.

[A market-making agreement has been entered into between the Issuer and *[name of market maker]*]*/ Other: (specify)*

Approvals:

As specified in the Base Prospectus section 13.4.9.

Date of the Board of Directors' approval: *[date]**/ Other: (specify)*

Bond Terms:

As defined in the Base Prospectus section 13.3 and specified in the Base Prospectus section 13.4.7.

By virtue of being registered as a Bondholder (directly or indirectly) with

the CSD, the Bondholders are bound by the Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.

/ Other: (specify)

Status and security:

As specified in the Base Prospectus section 13.4.5.

/ Other: (specify)

Negative Pledge:

As specified in the Base Prospectus section 13.4.6.

[terms of the negative pledge]

Bondholders' meeting/
Voting rights:

As defined in the Base Prospectus section 13.3.

/ Other: (specify)

Availability of the Documentation:

<https://www.hydro.com/en-NO/investors/debt-investors/credit-facilities-and-bonds/>

Manager(s):

[name of manager[s]] as [type of manager]

Bond Trustee:

As defined in the Base prospectus section 13.3.

Paying Agent:

As defined in the Base prospectus section 13.3.

The Paying Agent is *[name of the Paying Agent]*

Securities Depository / CSD:

As defined in the Base Prospectus section 13.3 and specified in the Base Prospectus section 13.4.5

/ Other: (specify)

Calculation Agent:

[As defined in the Base Prospectus section 13.3]

/ Other: (specify)

Listing fees:

Prospectus fee for the Base Prospectus including template for Final Terms is NOK 84,000.

[Listing and other fees at the Exchange: (specify)]

/ No listing: N/A]

3 Additional information

Advisor

The Issuer has mandated [*name of manager[s]*] as [*type of manager*] for the issuance of the Loan. The [*type of manager*] [*has/have*] acted as advisor[s] to the Issuer in relation to the pricing of the Loan.

The [*type of manager*] will be able to hold position in the Loan.

/ Other: (specify)

Interests and conflicts of interest

[The involved persons in the Issuer or offer of the Bonds have no interest, nor conflicting interests that are material to the Bond Issue.

/ Other: (specify)

Rating

[There is no official rating of the Loan.

The Issuer is rated as follows:

Standard & Poor's: [•]

Moody's: [•]

/ Other: (specify)

Listing of the Loan:

[As defined in the Base Prospectus section 13.3]

The Prospectus will be published in [*country*]. An application for listing at [*Exchange*] will be sent as soon as possible after the Issue Date. Each bond is negotiable.

Statement from the [*type of manager*]:

[*name of manager[s]*] [*has/have*] assisted the Issuer in preparing the prospectus. The [*type of manager*] [*has/have*] not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, and the [*type of manager*] expressly disclaim[s] any legal or financial liability as to the accuracy or completeness of the information contained in this prospectus or any other information supplied in connection with bonds issued by the Issuer or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuer. Each person receiving this prospectus acknowledges that such person has not relied on the [*type of manager*] nor on any person affiliated with them in connection with its investigation of the accuracy of such information or its investment decision.

[*place*], [*date*]

[*name of manager[s]*]
[*web address of manager[s]*]