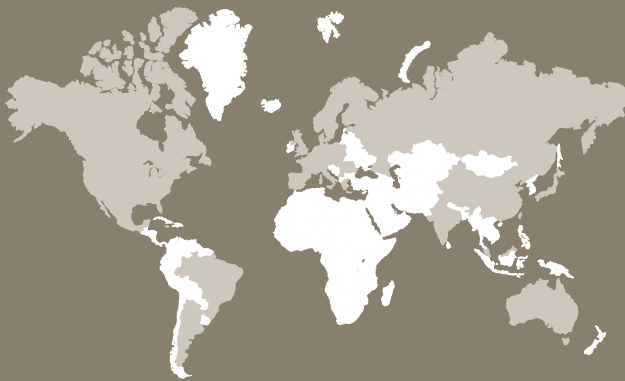


07:

Corporate governance



Based in Norway, Hydro employs 19,000 people in 40 countries.



INTRODUCTION	p.96
CORPORATE DIRECTIVES AND CODE OF CONDUCT	p.97
BUSINESS PLANNING AND RISK MANAGEMENT	p.97
CONTROLS AND PROCEDURES	p.98
TRANSPARENCY AND COMMUNICATION	p.99
MANAGEMENT COMPENSATION	p.99
BOARD OF DIRECTORS	p.100
CORPORATE MANAGEMENT BOARD	p.102
GOVERNANCE BODIES	p.104
NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE	p.106

QUICK OVERVIEW

Hydro is a public limited company organized under Norwegian law with a governance structure based on Norwegian corporate law. Our corporate governance has been designed to provide a foundation for value creation and to ensure good control mechanisms. We maintain common requirements in the form of corporate directives that are mandatory for all parts of our organization.

The corporate directives help ensure that all our employees carry out their activities in an ethical manner and in accordance with current legislation and Hydro standards. The board of directors has approved our code of conduct, which applies to all employees throughout the world, as well as to board members of Hydro and its subsidiaries. The code addresses compliance with laws and other matters such as handling of conflicts of interest and a commitment to equal opportunities for all employees. Our integrity program contributes to compliance with anti-corruption legislation and basic human rights.

Introduction

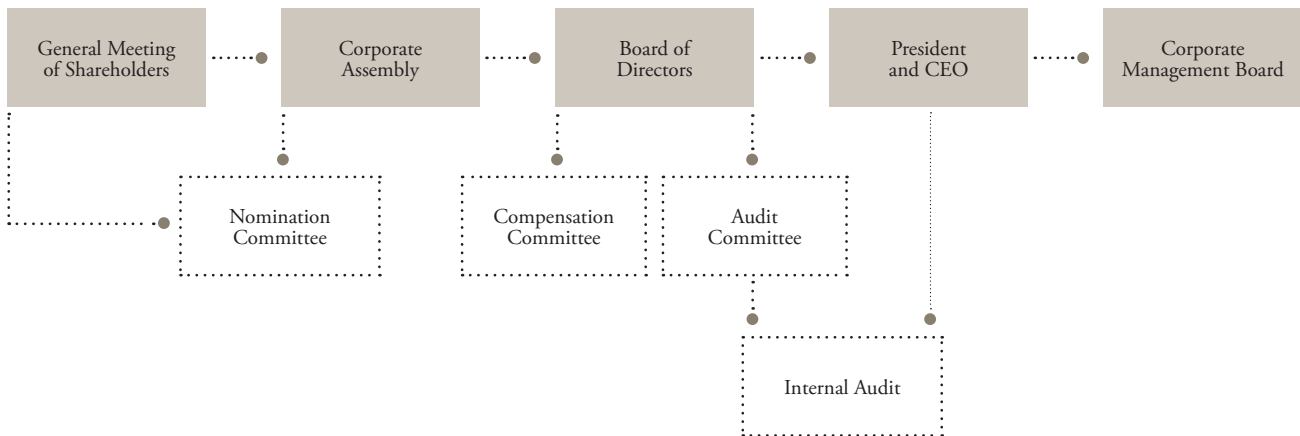
Hydro is a public limited company organized under Norwegian law with a governance structure based on Norwegian corporate law. Our main share listing is on Oslo Børs, which subjects us to Norwegian securities legislation and stock exchange regulations.

We have developed our governance structure through cooperation between our corporate management board and our superior governance bodies to secure compliance with relevant laws and regulations and to reflect business needs. Further development is a continuous process.

We follow the Norwegian Code of Practice for Corporate Governance of October 2009. A detailed description of our compliance is presented on page 106. Information regarding our shareholder policy can be found on page 89.

Since 2006, Hydro has headed the aluminium sector of the Dow Jones Sustainability Indexes (DJSI). We have been listed on the DJSI every year since the start of the indexes in 1999. We are also listed on the corresponding UK index, FTSE4Good.

Hydro's strategic direction is described on page 11. More comprehensive information about our governance practices, policies and requirements can be found at www.hydro.com/governance



Corporate directives and code of conduct

The Hydro Way represents our framework for leadership, organization and culture and is the foundation of our governance system. See page 40 for further information. Our system is based on the delegation of responsibility to our business areas and to corporate functions whose duties include finance, tax and accounting. In order to maintain uniformly high standards, we set common requirements in the form of corporate directives that are mandatory for all parts of our organization. The directives address, among other things, strategy and business planning, finance, risk management, organizational and employee development, health, security, safety and environment (HSE), ethics and social responsibility. This information is made available to all employees.

The board of directors has approved our code of conduct, which applies to all employees throughout the world, as well as to board members of Hydro and its subsidiaries. See page 44 for more information about Hydro's code of conduct, whistleblowing procedure and integrity program, and www.hydro.com/principles for more information regarding our corporate directives.

In Hydro, compliance is defined as adherence to applicable laws and regulations worldwide as well as Hydro's steering documents. Guidelines have been established to assist line management to adhere to Hydro's compliance requirements. Special emphasis is made on reducing the risk of non-compliance within anti-corruption, competition, and health, security, safety and environment. An extensive compliance audit of the robustness of the HSE system was performed in 2009. Self-assessments were carried through for all business sectors in 2009 in the four compliance areas: integrity and human rights, competition, finance and HSE.

Business planning and risk management



Hydro's overall goal is to create shareholder value through satisfied customers and motivated and competent employees. We have defined two main processes to ensure that short and long-term targets are achieved.

The portfolio, strategy and business planning process involves strategic and operative planning and results monitoring. The planning, which reflects our ambitions and values, is the basis for the strategies and measures that form the business plans at all levels of our organization. We have defined key performance indicators for each unit, including financial, human resource, ethical and HSE objectives, in addition to unit-specific operating targets.

The people process is designed to assess and develop our human resources, and is an integral part of our annual business planning. Its aim is to promote the potential of individual employees and of our organization as a whole.

Risk management is also an integrated part of our planning and reporting process. Risk management deals with all aspects of value creation, including strategy, finance, commercial matters, organization, HSE, reputation, corporate responsibility, regulatory and legal matters. Hydro's board of directors regularly reviews and evaluates the overall risk management systems and environment within Hydro. We carry out risk assessments for defined exposure areas. Exposure to certain risks, particularly those threatening life and health, has been consistently reduced to very low levels. See also page 83 for a more detailed discussion of Hydro's financial risk management.

Controls and procedures

Hydro's Internal Control over Financial Reporting (ICFR) framework is primarily designed to provide reasonable assurance to our management and the board of directors regarding the preparation and fair presentation of our Financial Statements.

We established our comprehensive ICFR framework in 2006 and continue to maintain it based on the principles established by "The Committee of Sponsoring Organizations of the Treadway Commission (COSO) internal control - integrated framework." The five interrelated COSO principles are: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.

Our overall control environment relevant for financial reporting is covered by Hydro-Wide Controls (HWC). HWC reflects the tone set by the common attitudes, ethics, and values, and competence of top management and management, and all the rest of our employees.

Our ICFR model is implemented through a top-down and risk-based approach. Therefore, we emphasize four higher-risk areas: Hydro's financial reporting risk, fraud risk, general computer risk, and financial closing risk.

In addition, a standard and minimum level of controls is required for all reporting units, documented in an internal control handbook.

Hydro's disclosure committee assists the CEO and the CFO in ensuring fairness, accuracy, completeness and timeliness of Hydro's public reports and disclosures. The disclosure committee is an integral component of Hydro's disclosure controls and procedures and assesses Hydro's compliance initiatives pertaining to ICFR. The disclosure committee reports quarterly a summary of its activities to the audit committee.

Through reporting from the disclosure committee and internal audit, the audit committee takes an active role in ensuring the effective and harmonized functioning of the ICFR framework. See page 105 and www.hydro.com/governance for additional details.

Pre-approval of audit services

The audit committee has a pre-approval policy governing the engagement of primary and other external auditors to provide audit and non-audit services to Hydro or any entity within the group. Under this pre-approval policy, the audit committee has defined and pre-approved subcategories of audit and non-audit services. The audit committee's pre-approval policy includes annual monetary frames for each of the following categories of services:

- Audit-related
- Tax
- Non-audit related

Within the scope of the pre-approval policy, all services have been pre-approved and all amounts for audit-related, tax and other non-audit related services are within the monetary frames established by the audit committee.

Transparency and communication

Hydro's corporate culture embodies the principles of honesty and respect for others. Our ability to operate efficiently in the Norwegian market and internationally requires consistent and professional communication. We adhere, therefore, to the principles of transparency, honesty and sensitivity when interacting with our stakeholders.

Management compensation

Information concerning remuneration and remuneration policies, share ownership, loans outstanding and loan policy relating to Hydro's board of directors and corporate management board is disclosed in note 11 and note 45 the consolidated financial statements.

Board of directors

Name	Place of residence	Year of birth	Position	Board committee	Meetings attended ¹⁾	Director since	Term expires
Terje Vareberg	Stavanger, Norway	1948	Chairperson	Chairperson Compensation Committee	14	2007	2010
Grete Faremo ²⁾	Oslo, Norway	1955	Deputy chairperson	Audit Committee	11	2006	
Billy Fredagsvik	Høyanger, Norway	1956	Director		15	2007	2011
Inge K. Hansen	Oslo, Norway	1946	Director	Chairperson Audit Committee	15	2008	2010
Finn Jebsen	Oslo, Norway	1950	Director	Compensation Committee	15	2007	2010
Jørn B. Lilleby	Sunnalsøra, Norway	1952	Director	Audit Committee	15	2007	2011
Sten Roar Martinsen	Kopervik, Norway	1962	Director		15	2005	2011
Heidi M. Petersen	Sandefjord, Norway	1958	Director	Compensation Committee	14	2007	2010
Bente Rathe ³⁾	Trondheim, Norway	1954	Deputy chairperson	Audit Committee	13	2007	2010

1) Total number of board meetings were 15.

2) Grete Faremo stepped down from the board October 21. She participated in all board meetings during her term of office in 2009.

3) Bente Rathe succeeded Grete Faremo as deputy chairperson.

Terje Vareberg, chairperson

- Position: Managing director of Sparebank 1 SR-Bank
- Education: Master of Science in business, Norwegian School of Economics and Business Administration (NHH)
- Current directorships: Board member of Sparebank 1 Gruppen and Bank 1 Oslo.
- No. of Hydro shares: 10,000

Billy Fredagsvik, employee representative

- Position: Process operator / full-time union official. Represents the Norwegian Confederation of Trade Unions
- Education: Trade school (mechanics)
- Current directorships: None
- No. of Hydro shares: 1,003

Inge K. Hansen

- Position: Advisor
- Education: Master of Science in business, Norwegian School of Economics and Business Administration (NHH)
- Current directorships: Chair of the board of Avinor; chair of the board of Bertel O. Steen AS, chair of the board of Norsun AS; chair of the board of Gjensidige Forsikring BA; chair of the board of Norwind AS; board member of Jiffy International AS, Master Marine AS and Sissener AS.
- No. of Hydro shares: 0

Finn Jebsen

- Position: Independent businessman
- Education: Master of Science in business from the Norwegian School of Economics and Business Administration (NHH). MBA from the University of California, Los Angeles
- Current directorships: Chair of the board of Kongsberg Gruppen ASA; chair of the board of Kavli Holding AS; deputy chair of KLP Forsikring; board member of A. Wilhelmsen Management AS, Berner Group AS and Fateburet AS.
- No. of Hydro shares: 32,545

Jørn B. Lilleby, employee representative

- Position: Maintenance supervisor / full-time union official representing the Central Cooperative Council (Sentralt Samarbeidsråd)
- Education: Master of Science in mechanical engineering, Norwegian Institute of Technology
- Current directorships: Chair of the board of the community of interest ENGN Grimsmoen airfield; Ottem Transport; Ottem Resirk
- No. of Hydro shares: 938

Sten Roar Martinsen, employee representative

- Position: Process operator / full-time union official representing the Norwegian Confederation of Trade Unions (LO)
- Education: Certificate of apprenticeship in electrochemistry. Work supervisor training
- Current directorships: None
- No. of Hydro shares: 1,813

Heidi M. Petersen

- Position: Independent businesswoman
- Education: Master of Science, University of Trondheim
- Current directorships: Chair of the board of Sandefjord Airport, TS-Group AS, Luuna AS, KS Terminalbygg Sandefjord and AS Vestfold Eendomspart III; board member of Nordea AB, Arendals Fossekompagni ASA, Calora Subsea AS, Glamox ASA, Eitzen Chemicals ASA, H H Torp Eiendom AS, Songa Floating Production ASA and Storgata 20/24 Holding AS.
- No. of Hydro shares: 10,000

Bente Rathe, deputy chairperson

- Position: Independent businesswoman
- Education: Master of Science in business, Trondheim Økonomiske Høgskole, (HIST). MBA from the University of Denver
- Current directorships: Powel AS; Choice Hotel Scandinavia AS, Home Invest AS; Svenska Handelsbanken AB
- No. of Hydro shares: 0

For more extensive biographical information, please see www.hydro.com/governance

Corporate management board

Name	Place of Residence	Year of birth	Employed in Hydro since	Current position since	Position
Svein Richard Brandtzæg	Oslo, Norway	1957	1985	2009	President and Chief Executive Officer
Oliver Bell	Grevenbroich, Germany	1958	2002	2009	EVP Rolled Products
Odd Ivar Biller	Oslo, Norway	1949	1980	2007	EVP Legal and Corporate Social Responsibility
Kjetil Ebbesberg	Oppegård, Norway	1971	2009 ¹⁾	2009	EVP Metal Markets
Anne Harris	Drammen, Norway	1960	2001	2007	EVP HR and Organization Development
Arvid Moss	Oslo, Norway	1958	1991	2008	EVP Corporate Strategy and Business Development
Jørgen C. Arentz Rostrup	Oslo, Norway	1966	1991	2009	EVP and Chief Financial Officer
Tom Røtjer	Oslo, Norway	1953	1980	2007	EVP Projects
Ola Sæter	Bærum, Norway	1960	1983	2009	EVP Energy
Johnny Undeli	Gjøvik, Norway	1953	1977	2009	EVP Extruded Products
Hilde Merete Aasheim	Oslo, Norway	1958	2008 ²⁾	2008	EVP Primary Metal

EVP: Executive vice president

1) Ebbesberg also was employed in Hydro 1996-2007.

2) Aasheim also was employed in Hydro 2005-2007.

Svein Richard Brandtzæg, President and CEO

- Key experience: Head of Rolled Products. Head of Metal Products. Head of Magnesium.
- Education: PhD, Norwegian Institute of Technology. Degree from the Norwegian School of Management.
- No. of Hydro shares: 26,528

Oliver Bell

- Key experience: Head of Rolled Products. Head of Automotive, Construction, Packaging and General Engineering in Rolled Products. Various management positions in VAW.
- Education: Degree in business administration from the University of Cologne.
- No. of Hydro shares: 0

Odd Ivar Biller

- Key experience: General counsel in Hydro since 1992.
- Education: Master's degree in law (cand. jur.), University of Oslo. Master's degree in International and Comparative Law, Free University of Brussels.
- No. of Hydro shares: 19,283

Kjetil Ebbesberg

- Key experience: Chief financial officer in Norwegian retail group Coop. CFO in Metal Products. Head of Foundry Alloys. International experience from Extrusion and Building Systems.
- Education: Master of Science in business, Norwegian School of Economics and Business Administration (NHH).
- No. of Hydro shares: 141

Anne Harris

- Key experience: Head of Corporate Financial Reporting and Performance. Several positions within finance in Hydro. Administration & Personnel Manager in Total Norge.
- Education: Master of business and economics, Norwegian School of Management (BI).
- No. of Hydro shares: 13,902

Arvid Moss

- Key experience: Project leader for the oil and gas merger agreement with Statoil. Head of Metal Products. Head of Automotive Structures.
- Education: Master of Science in business, Norwegian School of Economics and Business Administration (NHH).
- No. of Hydro shares: 61,268

Jørgen C. Arentz Rostrup

- Key experience: Head of Markets in Oil & Energy. Head of Trading & Marketing in Markets. Head of Finance, Exploration & Production Norway. President of Norsk Hydro USA Inc.
- Education: Master of Science in business, Norwegian School of Economics and Business Administration (NHH).
- No. of Hydro shares: 7,073

Tom Røtjer

- Key experience: Project director for the Ormen Lange and Langeled development project. Head of Technology and Projects.
- Education: Master of Science in mechanical engineering, Norwegian Institute of Technology.
- No. of Hydro shares: 16,943

Ola Sæter

- Key experience: Head of Energy Portfolio & Trading. Head of Trading and Crude Oil Sales, Oil & Energy. Head of Finance, Oil & Energy Markets. Head of Strategy & Finance, Refining and Marketing division.
- Education: Trondheim College of Economics and Business Administration.
- No. of Hydro shares: 5,153

Johnny Undeli

- Key experience: Head of Extrusion Eurasia. Various leadership positions within Hydro's extrusion business in Europe. Various positions in Hydro's former oil and gas business. Six years in Total, UK.
- Education: Master of Science in petroleum technology, Norwegian Institute of Technology.
- No. of Hydro shares: 980

Hilde Merete Aasheim

- Key experience: Head of Staff Functions and Corporate Services in StatoilHydro. Head of the integration between Statoil and Hydro's oil and gas activities. Head of Leadership and Culture in Hydro. Head of the Silicon Division in Elkem.
- Education: Master of Science in business, Norwegian School of Economics and Business Administration (NHH). Certified public accountant.
- No. of Hydro shares: 547

On April 15, Odd Ivar Biller and Anne Harris will step down from the corporate management board. Wenche Agerup is from the same date appointed executive vice president and head of Corporate Staffs with a special responsibility for Legal Services, Corporate Social Responsibility, Human Resources and Organizational Development, Health, Safety and Environment and the Company Secretary.

For more extensive biographical information, please see www.hydro.com/governance

Governance bodies

Description	Developments and events in 2009	References
<p>General meeting of shareholders Company shareholders exercise ultimate authority through the general meeting. Shareholders registered in VPS, the Norwegian Central Securities Depository, can vote in person or by proxy. Invitations are sent to shareholders or to the shareholder's security deposit bank.</p> <p>The general meeting of shareholders:</p> <ul style="list-style-type: none"> · Elects the shareholders' representatives to the corporate assembly · Elects the external auditor and determines the auditor's remuneration · Approves the report according to Norwegian requirements and financial statements, including the dividend proposed by the board of directors and recommended by the corporate assembly · Deals with any other matters listed in the notice convening the meeting <p>Shareholders may, at least 14 days before an ordinary general meeting, request that proposals for resolutions are submitted to the general meeting, or that items are added to the agenda.</p>	<p>General meeting in May.</p>	<p>The protocols can be found at www.hydro.com/governance</p>
<p>Corporate assembly Eighteen members. Twelve are elected by the general meeting of shareholders, six are elected by and among the group's employees in Norway.</p> <p>In accordance with Norwegian law, the corporate assembly:</p> <ul style="list-style-type: none"> · Elects the board of directors and determines their remuneration · Nominates the external auditor to be elected by the general meeting of shareholders · Based on recommendations from the board of directors, makes decisions in matters relating to investments that are substantial in relation to Hydro's resources, and when closures and reorganizations will lead to significant changes for the workforce · Provides recommendations to the general meeting of shareholders with respect to approval of the board of directors' proposal regarding the financial statements and dividend 	<p>Four meetings</p> <p>Members Siri Teigum (chairperson), Leif Teksum (deputy chairperson), Anne Margrethe Firing, Westye Høegh, Hans Olav Karde, Idar Kreutzer, Toril Nag, Bjørn Nedreaas, Tor Egil Skulstad, Anne Merete Steensland, Unni Steinsmo, Svein K. Sund, Sten Arthur Sælør, Eivind Torvik, Lars Tronsgaard, Terje Venold, Bente Linnerud Østlyngen, Bjørn Øvstetun</p> <p>Deputy members Rolf Arnesen, Anne Kverneland Bogsnes, Ove Ellefsen, Odd Arne Fodnes, Terje Friestad, Oddvin Hovland, Roar Jacobsen, Jon Lund, Line Melkild, Kari Sommerfeldt, Gro Thorstensen, Gunvor Ulstein, Tove Wangensten</p>	<p>Note 45 to the Consolidated financial statements for remuneration and share ownership</p> <p>Articles of Association §§ 7-8 at www.hydro.com/governance</p>
<p>Nomination committee Four members appointed by the general meeting of shareholders. The chairperson of the committee and at least one of the other members shall be elected among the shareholder-elected corporate assembly members.</p> <p>Nominates candidates to the board of directors and the corporate assembly and proposes remuneration to the board, its sub-committees and to the corporate assembly.</p>	<p>Nine meetings</p> <p>Members: Siri Teigum (chairperson), Westye Høegh, Leif Teksum, Mette Wikborg</p>	<p>Articles of association § 5A and biographical information can be found at www.hydro.com/governance</p>
<p>Board of directors Normally nine members. Six elected by the corporate assembly, three elected by and among the company's employees in Norway, normally for a period of two years.</p> <p>In accordance with Norwegian law, the board of directors assumes the overall governance of the company, ensures that appropriate management and control systems are in place and supervises the day-to-day management as carried out by the President and CEO.</p>	<p>15 meetings. 97 percent meeting attendance by board members.</p> <p>Grete Faremo stepped down from the board on October 21. Bente Rathe took over as deputy chairperson of the board.</p> <p>The board has an annual plan for its work. This includes a review of its working procedures, competency, priorities and cooperation with the company's management.</p>	<p>The board's mandate can be found at www.hydro.com/governance</p> <p>Biographical information on the board members on page 100.</p>

Description	Developments and events in 2009	References
<p>Board of directors (continued)</p> <p>All shareholder-elected members are external. No members elected by employees are part of the company's executive management. Employee directors have no other service contractual agreements with the company outside of their employee contracts, though they are subject to their duties as board members.</p>	<p>The board used significant time in evaluating Hydro's capacity adjustments and other initiatives in response to the dramatic market developments, and has also been occupied with Hydro's development within HSE and CSR. The board's development plan in 2009 covered market conditions as well as Hydro's specific technology and project competence, and included visits to Qatalum in Qatar, Hydro's technology center in Årdal and the Tyin power plant, both in Norway.</p> <p>All shareholder-elected members were deemed to be independent according to the Norwegian standards. None of the company's non-employee board members had any other service contractual agreements with the company.</p>	<p>Note 45 to the Consolidated financial statements for remuneration, share ownership and loans.</p>
<p>Compensation committee</p> <p>Consists of three of the board of directors' nine members.</p> <p>The committee reviews the performance of, and puts forward proposals regarding the compensation of the President & CEO to the board of directors. The committee assists in evaluating the compensation of the corporate management board and in determining performance-promoting schemes for management.</p>	<p>Six meetings</p> <p>Members: Terje Vareberg (chairperson) Finn Jebesen Heidi M. Petersen</p>	<p>The mandate can be found on www.hydro.com/governance</p>
<p>Audit committee</p> <p>Consists of four of the board of directors' nine members. The audit committee meets Norwegian requirements regarding independence and competence.</p> <p>The audit committee assists the board of directors relating to the integrity of the company's financial statements and financial reporting processes and internal controls; the company's risk assessment and risk management policies related to financial reporting; the qualifications, independence and performance of the external auditor; and the performance of the internal audit function related to internal controls over financial reporting.</p> <p>To ensure the independence of the internal audit function, the head of Internal Audit may report any matters directly to the audit committee, at his own discretion. As from 2009, the head of Internal Audit reports functionally to the board through the audit committee.</p> <p>The audit committee maintains a pre-approval policy governing the engagement of the company's primary and other external auditors to ensure auditor independence.</p>	<p>10 meetings</p> <p>Members: Inge K Hansen (chairperson) Grete Faremo* Jørn Lilleby** Bente Rathe</p> <p>* Faremo stepped down from the board and the audit committee October 21.</p> <p>** Lilleby is employed in Hydro and represents the employees through the Central Cooperative Council. We believe that such reliance does not adversely affect, in any material way, the ability of the Audit Committee to act independently or to satisfy the other requirements.</p> <p>The committee performed a self-evaluation.</p>	<p>The mandate can be found on www.hydro.com/governance</p> <p>Pre-approval of audit services on page 99</p>
<p>President & CEO and corporate management board</p> <p>According to Norwegian corporate law, the President & CEO constitutes a formal governing body that is responsible for the daily management of the company. The division of functions and responsibilities between the President & CEO and the board of directors is defined in greater detail in the rules of procedures established by the board.</p> <p>The Corporate Management Board (CMB), including the President & CEO, has a shared responsibility for promoting Hydro's objectives and securing the company's property, organization and reputation. Members of the CMB are also Executive Vice Presidents (EVPs) with responsibility for the respective business areas, Projects, Finance, Legal and Corporate Social Responsibility, HR and Organizational Development, and Strategy and Business Development.</p>	<p>Met every second week.</p> <p>President and CEO Eivind Reiten stepped down and resigned from Hydro on March 30. He was succeeded by Svein Richard Brandtzæg. From the same date, Hydro established a new and flatter organization including Oliver Bell as EVP for Rolled Products, Johnny Undeli as EVP for Extruded Products and Kjetil Ebbesberg as EVP for Metal Markets. Hilde M. Aasheim assumed responsibility for Primary Metal. John Ove Ottestad stepped down as CFO on May 1, and was replaced by Jørgen C. A. Rostrup. Ola Sæter took over after Rostrup as EVP with a special responsibility for Energy.</p> <p>No member of Hydro's board of directors or the CMB has any family relationship with any other director or member of the CMB.</p>	<p>Biographical information on page 102</p> <p>Note 11 to the Consolidated financial statements for remuneration, share ownership and loans</p>

Corporate governance topic	Comments	References
The Norwegian State as an owner	<p>The Norwegian state represented by the Ministry of Trade and Industry owns 43.82 percent of Hydro's shares as of 31 December 2009. Hydro has regular meetings with the Ministry. Topics discussed include Hydro's economic development, strategic development, CSR, and the State's expectations regarding investment performance and yield. These meetings are comparable to what is customary between a private company and its principal shareholders. The meetings comply with the provisions specified in company and securities legislation, not least with a view to equal treatment of shareholders. As a shareholder, the State does not usually have access to more information than what is available to other shareholders. If the State's participation is imperative and the Government must obtain an authorisation from Stortinget, it may be necessary to give the Ministry insider information. In such cases, the State is subject to the general rules that apply to dealing with such information.</p>	www.hydro.com/governance
5 Freely negotiable shares	<p>The Hydro shares are freely negotiable. The stock is among the most traded stocks at Oslo Børs and subject to efficient pricing. The Norwegian state through the Ministry of Trade and Industry and Folketrygdfondet owns 49.63 percent of the shares as of 31 December 2009.</p>	Page 89
6 General meetings	<p>The notice of a general meeting is normally available at hydro.com minimum four weeks prior to the meeting and sent to the shareholders minimum three weeks before the meeting. Our aim is that the resolutions and supporting information distributed are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting.</p> <p>Deadline for shareholders to give notice of attendance in the meeting, is normally maximum two working days before the meeting.</p> <p>Shareholders who cannot attend the meeting in person, can vote by proxy. Hydro will nominate a person who will be available to vote on behalf of shareholders as their proxy.</p> <p>To the extent possible the form for the appointment of a proxy will allow separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election.</p> <p>The board of directors, the nomination committee and the auditor are present at the general meeting.</p> <p>The annual general meeting is presided over by the chairperson of the corporate assembly or, in his or her absence, by the deputy chairperson.</p>	Page 104

Corporate governance topic	Comments	References
	<p>The notice calling the general meeting provides information on the procedures shareholders must observe in order to participate in and vote at the general meeting. These include</p> <ul style="list-style-type: none"> • the procedure for representation at the meeting through a proxy, including a form to appoint a proxy • the right for shareholders to propose resolutions in respect of matters to be dealt with by the general meeting • the web pages where the notice calling the meeting and other supporting documents will be made available 	
	<p>The following information is available at hydro.com:</p> <ul style="list-style-type: none"> • information on the right of shareholders to propose matters to be considered by the general meeting • how to make proposals for resolutions to be considered by the general meeting, alternatively comments on matters where no resolution is proposed • a form for appointing a proxy <p>The general meeting votes separately for each candidate nominated for election to the company's corporate bodies.</p>	The Hydro share at www.hydro.com
7 Nomination committee	<p>The nomination committee consists of four members who shall be shareholders or shareholders' representatives. They are appointed by the general meeting of shareholders. Minimum two including the chairperson are appointed among the shareholder elected members of the corporate assembly. The committee's compensation is determined by the corporate assembly.</p> <p>Shareholders may nominate candidates for the board of directors and the corporate assembly.</p>	<p>Page 104. Hydro's Articles of association and mandate for the Nomination committee can be found at www.hydro.com/governance</p> <p>www.hydro.com/governance</p>
8 Corporate assembly and board of directors: Composition and independence	<p>All board directors and members of the corporate assembly are independent of the executive management of Hydro and its main business connections. Lars Tronsgaard, who is a member of the corporate assembly, is representing Folketrygdfondet, owned by the Norwegian State.</p> <p>The chair of the board is elected by the corporate assembly. Board members are elected for a period of two years. Six board members own a totality of 56,299 shares as of December 31, 2009. Hydro has no program for board members to acquire shares except from the employee representatives who are entitled to acquire shares through the employee share purchase plan. All share transactions are conducted according to the Norwegian Securities Trading Act.</p>	<p>Page 104-105</p> <p>Page 104</p> <p>Note 11 and 45</p>
9 Board work and responsibilities	<p>The board has developed rules of procedures for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties.</p> <p>The Board has an annual plan for its work with particular emphasis on objectives, strategy and implementation.</p> <p>The Corporate Assembly elects both the chairperson and the deputy chairperson of the board.</p> <p>The Board's Audit Committee and Compensation Committee were both established in 2001.</p> <p>The Board conducts annually a self-evaluation of its work, competence and cooperation with management.</p>	<p>The Board's mandate can be found at www.hydro.com/governance</p> <p>Page 104-105</p>

