

Recommendation from the Audit Committee of Entra ASA on the election of auditor

Pursuant to Article 17 of EU Regulation no. 537/2014, Entra ASA is as a public-interest entity required to initiate a tender process for the appointment of the external auditor at least every 10 years. Deloitte AS has been the external auditor of Entra since the fiscal year starting on 1 January 2012. In 2021, Entra conducted a tender for audit services for the fiscal year starting on 1 January 2022.

Pursuant to Article 16, paragraph 2 of EU Regulation no. 537/2014, the Auditors Act and the Norwegian Public Limited Liability Companies Act, the Audit Committee shall make a recommendation to the Annual General Meeting of Entra ASA regarding the selection of an auditor.

The audit firms EY, Deloitte, KPMG and PwC, all four assessed to be independent of Entra, were invited into the tender process, and all submitted offers. After the invitation to the tender process was sent to the four audit firms, clarifications were sent to all offerors simultaneously to ensure equal treatment of the audit firms. After the offers were received, the administration of Entra conducted a thorough review process, including presentations of the tenders and individual meetings with all four audit firms. The administration evaluated all offers against the following predefined selection criteria in a weighted evaluation matrix agreed with the Audit Committee (criteria listed in alphabetical order, not by the weight in the matrix):

- Audit approach, understanding of Entra and reporting model
- Audit fee and fee levels for other services
- Commercial criteria other than fees
- Firm qualifications and quality systems
- Team composition, competence, experience, and service level

Based on the scores in the evaluation matrix, Deloitte and KPMG were invited to present their offers for the Audit Committee. In addition to the presentations, the final phase of the tender process included final fee negotiations. Both Deloitte and KPMG scored high on the predefined selection criteria and were assessed capable to provide effective and high-quality audit services to Entra.

Overall, the offer from Deloitte achieved the highest score; demonstrating a committed audit firm, with an audit team with a proven track-record to deliver high-quality audit services to Entra, efficient audit approach, in addition to the most competitive audit fee. Of the two qualified alternatives, the Audit Committee therefore recommends that Deloitte is re-elected as auditor for Entra ASA, effective from the fiscal year audit starting on 1 January 2022.

In accordance with Article 16, paragraph 2 of the EU regulation no. 537/2014, the Audit Committee confirms that the recommendation is free from influence by a third party and that no clause or contract are entered into between Entra and a third party limiting the alternatives available to the annual general meeting of Entra ASA, as referred to in Article 37 of Directive 2006/43/EC.