

7 April 2022

Recommendation on selection of external auditor

Borregaard ASA conducted a competitive tender for audit services in 2021. Pursuant to Article 16, paragraph 2 of EU Regulation no. 537/2014, the Audit Committee shall make a recommendation to the General Meeting regarding the selection of an auditor. The recommendation shall identify at least two alternatives from which to select an auditor and shall make a justified recommendation for one of the auditors.

The election of the new auditor will be effective for the audit from the fiscal year that started 1 January 2022.

Invitations to the tender process were issued to four reputable audit firms. After the audit bids were received in the end of May 2021, a thorough review process was conducted, including presentations of the potential audit teams and tender bids in individual meetings with all tender participants. All proposals were evaluated against predefined criteria such as:

- Audit team (competence, quality, industry knowledge, engagement, presence)
- Planning and delivery of the audit including scope
- Involvement of specialists and specialist competence
- Audit fee

After the first review process, EY and PwC were considered the preferred candidates. Both bids scored high on the predefined review criteria and were assessed capable to provide effective and high-quality audit services to Borregaard. Both EY and PwC presented their teams and tender bids to participants from Borregaard's Audit and Sustainability Committee and top management in individual meetings in August 2021. Overall, the tender from EY achieved the highest score based on the predefined criteria, where they demonstrated a high competence, industry knowledge and an engaged audit team.

The Audit and Sustainability Committee therefore recommends that EY is elected as auditor for Borregaard ASA effective from the fiscal year 2022.

In accordance with Article 16, paragraph 2 of the EU regulation referred to above, the Audit and Sustainability Committee confirms that the recommendation is not influenced by a third party and that no clause or contract are entered into between Borregaard and a third party restricting the choice by the General Meeting of shareholders or members of Borregaard, as referred to in Article 37 of Directive 2006/43/EC.

Terje Andersen
Chair of the Audit and Sustainability Committee