

Recommendation on selection of auditor

Axactor ASA conducted a competitive tender for audit services in 2023. Pursuant to Article 16, paragraph 2 of EU Regulation no. 537/2014, the Auditors Act and amendments in the Norwegian Public Limited Liability Companies Act, the Audit Committee shall make a recommendation to the Annual General Meeting of Axactor ASA 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. In order to comply with the independence requirements including the prohibited services listed in Article 5 in the EU Regulation referred to above, the election of the new auditor will be effective for the audit from the fiscal year starting with 1 January 2024. Axactor ASA's current auditor, PwC, will act as the company's auditor for the entire 2023 fiscal year audit and continue to act as the company's auditor until appointment of the new auditor by the General Meeting on May 8, 2024.

The reputable audit firms EY, KPMG and PwC submitted offers. Other relevant providers of audit services were considered but did not take part in the competitive tender. After the tenders were received on 31 October 2023, a thorough review process was conducted, including presentations of the tenders and individual meetings with all tender participants. All tenders were evaluated against predefined selection criteria:

- Understanding of Axactor (industry, business risk etc.)
- Audit team and specialist profile
- Audit approach incl. transition
- Communication and knowledge sharing
- Audit fee and fee level for non-audit service

The tender participants are all highly competent and professional, and they are ranked among the best audit firms globally. They all scored high on the predefined selection criteria and were all assessed capable to provide effective and high-quality audit services to Axactor. The final phase of the tender process included follow-up meetings, clarifications and final fee negotiations.

Overall, the tender from EY achieved the highest score; demonstrating a committed company with strong audit teams possessing industry knowledge, local presence where Axactor has its operations, efficient audit approach with well-integrated technology platform in addition to competitive audit fee.

Based on the conclusion from the tender process, the Audit Committee therefore recommends that EY is elected as auditor for Axactor ASA, effective from the fiscal year audit starting with 1 January 2024.

Oslo, 5 April 2024

Brita Eilertsen

Chair of the Audit Committee