

Corporate Governance Guidelines

1. Introduction

Entra ASA (“**Entra**”, and together with its subsidiaries, “**the group**”) is subject to the reporting requirements on corporate governance set out in § 3–3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance of 30 October 2014, issued by the Norwegian Corporate Governance Board (NUES), (“**the Code**”). The code is available at www.nues.no.

Entra’s board approved these guidelines at its board meeting on 20 January 2016 (“**the Guidelines**”) in order to express Entra’s desire to demonstrate good corporate governance in accordance with the Code. Each year the management and board of Entra evaluate the corporate governance principles and how they are incorporated in the group.

The Norwegian state, which has a substantial holding in Entra, requires that all companies where the state has a direct holding should follow the Code. As a consequence, the Report to Parliament no. 27 (2013–2014) - “Diverse and value-creating ownership” is also relevant for the group.

The following elements are central in these guidelines:

- Entra shall maintain open, reliable and relevant communication with the outside world about the group’s business and matters related to corporate governance.
- Entra shall have a board that is independent of the group’s management.
- Emphasis shall be placed on avoiding as far as possible conflicts of interest between shareholders, the board and management.
- Entra shall have a clear division of work between the board and management.
- Equal treatment of shareholders.

2. Corporate governance statement

2.1 Corporate governance

The board shall ensure that the group has good corporate governance. Entra is organised in two geographic units: Central Oslo and Regional Cities. These units are supported by a Letting and Business Development division and a Development and Technology division. In addition, Entra has group and support functions within accounting and finance, legal, procurement, communication and HR. The CEO has set up an authorisation structure within the group based on the board's resolution on authorisations to the CEO.

As part of the management's follow-up of the business, quarterly reports and reviews are prepared for all business areas. Reporting covers all relevant matters related to the business area, including financial and operational key figures, risk assessments and monitoring of relevant key figures and objectives. The group’s financial results, key figures and achievement of objectives are reported to the board quarterly and in association with each board meeting. The targets for the group’s work on corporate social responsibility, ethics and HSE/the environment are included in such reporting. The reporting forms a basis for the management’s control and monitoring of the business, as well as

management reporting to the board.

2.2 *Corporate social responsibility and the environment*

Entra builds its work in the field of corporate social responsibility on the fundamental values and principles set out in the UN's Global Compact, which is intended to protect the environment, safeguard working conditions, combat corruption and uphold human rights. Entra reports on its work with respect to corporate social responsibility in accordance with the requirements of § 3–3C of the Norwegian Accounting Act.

In Entra, corporate social responsibility involves safeguarding people's surroundings and integrating social and environmental considerations in strategic processes, decisions and day-to-day operations. Entra aims to be a responsible member of society and works continuously in a targeted fashion on sustainable solutions that are of importance for the community.

Entra's engagement is reflected in the group's values: responsible, ambitious and hands-on. Environmental leadership is one of the pillars of the group's business strategy together with profitable growth and customer satisfaction. Entra regards ethics as an integrated part of the manner in which its business is conducted and the ethical guidelines are built upon principles of equal opportunities for all, concern for the environment and a view of society that places emphasis on openness, integrity and sincerity. Entra has established HSE as a natural part of its business and has the objective that no one should be exposed to injury or illness as a result of the group's working environment. Entra has a zero tolerance for corruption in all parts of the group's business. Ethical behaviour is a necessary condition for a sustainable business.

The report on corporate social responsibility in Entra has been approved by the board and is published at www.entra.no.

2.3 *Ethical guidelines*

Entra's ethical guidelines set out how the group's stakeholders shall be treated and the behaviour that is expected of our employees, providing guidance and support to employees on decision-making and problem-solving issues. The guidelines support the group's corporate social responsibility activities and deal with topics such as health, safety and the environment (HSE) and business ethics, including corruption and bribery. Compulsory training in the group's ethical guidelines, including dilemma training, is held regularly, and all Entra's employees are required annually to confirm that they have read and are aware of Entra's ethical guidelines, which are available at www.entra.no.

2.4 *Reporting*

The board shall give an overall report on Entra's corporate governance in the annual report or a document referred to in the annual report. The report shall cover each point in the Code. If the Code is not followed, any non-compliance shall be explained and a report given on how the group has acted.

Non-compliance with the Code: None

3. **Business**

According to the Entra's Articles of Association, Entra shall own, buy, sell, operate, develop and manage

real estate, and carry out other activities in this connection. The group can invest in shares or ownership interests and participate in companies engaged in the business referred to above.

The group has a clearly defined strategy, values and overall objectives. Entra's business concept is to develop, let and manage attractive and environmentally leading properties. Entra's strategy is to actively manage new and existing tenants to ensure maximum retention, pursue strategic development projects, expand its commitment to environmental sustainability and optimise its property portfolio through focused acquisitions and divestments. The strategic core areas for growth are Oslo and the surrounding region, Bergen, Stavanger and Trondheim. See www.entra.no for a more detailed description of the group's business.

The purpose clause in the Articles of Association and the group's goals and main strategies are to be set out in Entra's annual report.

Non-compliance with the Code: None

4. Equity and dividends

4.1 Equity

Entra shall maintain a level of equity that is appropriate by reference to the group's goals, strategy and approved risk profile.

4.2 Dividend

The board proposes the dividend to the general meeting. The general meeting determines the dividend in accordance with § 8-1 of the Norwegian Public Companies Act. The board of Entra has an objective to pay an annual dividend corresponding to approximately 60% of Cash Earnings, defined as net income from property management less net realised financial items and tax payable. The dividend policy is available on Entra's website.

4.3 Capital increases and purchases of own shares

Authorisations to the board to undertake a capital increase shall be linked to defined purposes. If the board authorisation covers several purposes, each purpose is to be considered as a separate matter in the general meeting. A board authorisation shall not be given for a period longer than until the next annual general meeting. The same applies to authorisations to purchase the group's own shares.

Non-compliance with the Code: None

5. Equal treatment of shareholders and transactions with related parties

5.1 General

Entra has only one share class. Each share carries one vote and otherwise has equal rights including the right to participate in general meetings.

5.2 Capital increases without preferential rights and transactions in the group's own shares

If existing shareholders' preferential rights are to be waived on a capital increase, this is to be explained. If the board approves a capital increase with a waiver of preferential rights based on an authorisation, the reason is to be published in a stock exchange notice in connection with the capital

increase.

The group's transactions in its own shares shall take place over the stock exchange or otherwise at market price. If there is limited liquidity in the share, consideration shall be given to meeting the requirement for equal treatment in other ways.

5.3 Approval of agreements with shareholders and other related parties

Entra considers it important to be transparent and cautious in relation to transactions where there might be considered to be a close relationship between the group and a shareholder, a shareholder's parent company, a board member, a senior employee or closely related parties of any of these. The guidelines for the board regulate the board members' duty to report any other directorships, roles and related parties. The guidelines for the board state that board members and the CEO cannot participate in discussions or decisions on issues that affect them personally or affect a related party, where they have a significant personal or financial interest in the matter. The board has also approved guidelines for transactions with related parties, describing the rules and procedures for these types of transactions.

In the case of not immaterial transactions between Entra and a shareholder, a shareholder's parent company, a board member, a member of the senior management or persons related to them, the board is to ensure that a valuation is in place from an independent third party. This does not apply when the general meeting is to consider the matter in accordance with the rules in the Norwegian Public Companies Act. An independent valuation shall also be provided in the case of transactions between companies in the same group where there are minority shareholders in such companies.

Non-compliance with the Code: None

6. Free transferability

Shares in Entra shall be freely transferable. There are no restrictions on the transferability of shares in Entra in the Articles of Association.

Non-compliance with the Code: None

7. General meeting

7.1 Exercise of rights

The board shall arrange for as many shareholders as possible to be able to exercise their rights to participate in Entra's general meeting, and for the general meeting to be an effective meeting place for shareholders and the board, through, among other things, ensuring that:

- the notice and agenda documents for the general meeting, including the nomination committee's recommendations, are published on the group's website at the latest 21 days before the general meeting is to be held;
- agenda documents are sufficiently detailed for shareholders to be able to take a position on all matters that are to be considered;
- the deadline for notice of attendance is to be set as close to the meeting as practically possible and in accordance with the provisions in the Articles of Association;
- the board and the person chairing the meeting shall ensure that the general meeting is able

- to vote on each of the candidates for appointment to the group's governing bodies;
- the board, nomination committee and auditor attend the general meeting; and
- routines are in place to ensure that the person chairing the general meeting is independent

7.2 *Participation by proxy*

Shareholders who are not able to be present at the general meeting shall be given the opportunity to vote through a proxy or through electronic participation. Entra shall:

- give information on the procedure for attending by proxy;
- appoint a person who can vote for shareholders as proxy; and
- prepare a proxy form, which as far as possible is laid out in such a way that votes can be given for each matter that is to be considered and candidates who are to be elected.

Non-compliance with the Code: None

8. **Nomination committee**

The group shall have a nomination committee. The general meeting shall elect the Chair of the committee and its members and determine their remuneration. The Articles of Association shall provide for the nomination committee.

The composition of the nomination committee shall be such that account is taken of the interests of the shareholders as a whole. The nomination committee is independent of the board and Senior Executives. Neither any member of the board, the group CEO nor any other member of the senior management is a member of the committee.

The nomination committee shall give recommendations to the general meeting on the election of shareholder-elected members, and any deputy members, to the board, including the Chair of the board. The nomination committee shall present proposals on the remuneration of members of the board. The nomination committee shall also present proposals for members of the nomination committee, including the Chair of the nomination committee, as well as the remuneration of the nomination committee's members. Reasons shall be given for the committee's recommendations.

The group shall provide information on the members of the committee, and any deadlines for presenting proposals to the committee. The nomination committee wishes to ensure that shareholders' views are taken into account when qualified members are nominated to the governing bodies of Entra, and shareholders are invited to provide input to the nomination committee. See www.entra.no for more information on the members of the group's nomination committee and the nomination committee's contact details.

Non-compliance with the Code: None

9. **Corporate assembly and board, composition and independence**

The group does not have a corporate assembly. The shareholders elect between five and seven shareholder-elected members to the board, including the Chair, for a period of two years. Entra has

established a group scheme for the election of employees to the board of Entra.

Emphasis is placed on the combined board being able to safeguard the interests of the shareholders as a whole and the group's need for expertise within the group's main business and board work. In addition the board shall have the capacity to carry out its tasks. Consideration shall be given to the board being able to function well in a collegiate manner. Participants in the group management shall not be members of the board.

The board is composed so that it can act independently of special interests. All the shareholder-elected members are independent of senior management and significant business connections. All the shareholder-elected members are also independent of the group's main shareholders.

The board shall provide information in the annual report on participation at board meetings and on matters that can illustrate the board members' expertise. In addition information shall be given on those board members who are considered to be independent. Board members shall be encouraged to own shares in the group.

Non-compliance with the Code: None

10. The work of the board

10.1 The functions of the board

The board has responsibility for the management and control of the group, including determining the group's overall strategy and objectives, and ensuring proper management and organisation of the group's business. The board shall also supervise day-to-day management and the group's business in other respects. The board adopts the overall governing documents for the group's business, including, among others, the business plan and investment limits.

The board is to keep itself informed with regard to the group's financial situation and ensure that its business, financial reporting and asset management are subject to adequate controls and in accordance with applicable legislation. The board shall ensure that the group has good internal controls and appropriate systems for risk management in relation to the extent and nature of the group's business.

The board's functions also include considering all matters that in relation to the group are of an unusual nature or of major importance. The board shall further consider matters that are specifically accorded to the board by law.

10.2 Composition of the board

The board consists of the following seven members: Siri Hatlen (Chair), Martin Mæland (Deputy Chair), Kjell Bjordal, Arthur Sletteberg, Ingrid Tjøsvold, Birthe S. Skeid (employee representative) and Frode Halvorsen (employee representative)

The board schedules regular board meetings each year. Ordinarily, [] meetings are held each year. Additional meetings are held on an ad hoc basis. 16 Board meetings were held in 2015.

Participation in board meetings and board committees in 2015:

	Board meetings	Audit committee	Remuneration committee
Siri Hatlen (Chair)	15		7
Martin Mæland (Deputy Chair)	13	8	
Kjell Bjordal	16		7
Arthur Sletteberg	14	8	
Ingrid Tjøsvold	15	8	
Birthe S. Skeid	16		
Frode Halvorsen	16		

The Chair of the audit committee is Arthur Sletteberg and the Chair of the remuneration committee is Siri Hatlen

10.3 Organisation of the board's work

The Chair of the board chairs board meetings. The board shall have a Deputy Chair who chairs meetings when the Chair cannot or should not lead the work of the board. A thematic plan for the board's work over the year has been established. Based on the annual plan, the Chair of the board – in consultation with the group's CEO – sets out the final agenda for board meetings. Emphasis is placed on the importance of good preparation for board meetings, and of allowing all board members to take part in decision-making processes. The CEO, CFO and CLO (Chief Legal Officer/Board Secretary) attend all board meetings. The group's auditor attends when the annual financial statements are adopted or on other occasions where the auditor's expertise is relevant. The board has prepared guidelines for its work.

Each year the board assesses its own work and way of working as a basis for assessing the need for changes and other measures. This assessment includes an evaluation of the board's expertise, collectively and for each member, and how well the board works as a team.

10.4 Guidelines for the CEO

The board has adopted guidelines that regulate the CEO's tasks and the relationship with the board. The CEO is responsible for the day-to-day management of the group and the group's business and ensuring that the board's resolutions are implemented, as well as ensuring that the group's employees and other involved parties receive sufficient information on the board's resolutions. The CEO is responsible for ensuring that the board receives all the information that is necessary for it to be able to exercise its functions in accordance with applicable statutory requirements at the relevant time and with board procedures

The CEO is obliged to inform the Chair of the board if he/she finds that circumstances exist that require the board to consider a matter, and he/she is to notify the board when the assumptions for a previous decision that is relevant to the business have changed significantly.

10.5 Board committees

The board has established an audit committee and a remuneration committee. The board has

established mandates for the work of the committees, which are subject to annual revision. In accordance with their respective mandates, the audit committee and the remuneration committee shall have two or three shareholder representatives from the current board. The representatives are to be elected by the board for two years at a time, to coincide with the board's term of office. The committees assist the board with preparing its work, but decisions are taken by the whole board.

The audit committee shall act as a preparatory body and support the board in the exercise of its responsibility relating to financial reporting, auditing, internal controls, compliance with ethical guidelines and overall risk management. The board appoints two or three persons to the audit committee from among its members. A majority of the members of the audit committee shall be independent of the business. The CFO, the group's Head of Group Accounting and an employee elected by the committee to attend the meetings as the committee secretary always attend as representatives of the management. The group's auditor also participates. The CEO and other members of the management attend as required. The audit committee has an established calendar of meetings, and meets at least five times a year.

The purpose of the remuneration committee is to act as a preparatory body for the board's consideration of compensation issues. The remuneration committee's main task is to prepare the board's consideration of matters relating to the salary and employment terms of the CEO and Senior Executives, as well as changes to them. In addition the remuneration committee prepares the board's consideration of principle issues relating to salary levels, result-related pay schemes (including share schemes), the pension scheme/conditions, employment contracts and similar for the Senior Executives of Entra, as well as other matters relating to compensation that are of particular importance for the group's competitive position, profile, ability to recruit, reputation etc. The CEO shall discuss the handling of individual conditions of Senior Executives with the remuneration committee. The remuneration committee shall further discuss and present proposals to the board on guidelines for the remuneration of Senior Executives, prepare the board's statement on the determination of salaries and other remuneration of Senior Executives in accordance with § 6-16a of the Norwegian Public Companies Act, and deal with other statutory reporting requirements.

The remuneration committee is composed of the Chair of the board and a shareholder-elected member of the board, and shall be independent of Senior Executives. The CEO attends as the representative of the management. The CEO does not participate in discussions on issues that affect the CEO personally or matters that relate to the Senior Executives as a whole. The group's CLO acts as the committee's secretary. The remuneration committee meets approximately six times a year.

10.6 The board members' shareholdings

At 31 December 2015, the shareholder-elected board members held the following portfolios of shares in the Group:

- Siri Hatlen (Chair) holds 1,163 shares
- Martin Mæland (Deputy Chair) holds 2,328 shares
- Kjell Bjordal holds 14,704 shares
- Arthur Sletteberg holds 775 shares
- Ingrid Tjøsvold holds 466 shares
- Birthe S. Skeid (employee representative) holds 4,413 shares

Frode Halvorsen (employee representative) holds 834 shares

Non-compliance with the Code: None

11. Risk management and internal controls

11.1 General

The board is responsible for ensuring that the group's business, financial reporting and asset management are subject to adequate control and in accordance with applicable law. Entra's risk management shall support the group's strategic and financial goals and help the group avoid events that may have an adverse impact on the group's operations and reputation.

Entra works systematically to ensure continuous improvement of its internal controls linked to financial reporting and efficient operation. The group has a proactive approach towards risk management, and potential risks are to be identified, assessed, quantified and managed. The management has established routines for identifying and managing the business's risk exposure. Entra has drawn up a risk chart, where the main risks are considered to be: commercial risk, operational risk, project risk and business and strategic risk. Commercial risk includes the group's financial risk and is managed in accordance with the adopted financial strategy, with financial instruments as one of the ways of limiting risk exposure. The group's commercial risk also includes the risk associated with entering into and renegotiating contracts, which is continuously monitored. Operational risk is managed through procedures for day-to-day operations, compliance and HSE work. Project risk is managed continuously over the course of projects by monitoring progress, financial and contractual issues. Business and strategic risks include the possible impact on the group of political issues, regulation and external events.

11.2 Reporting

As part of the management's follow-up of the business, quarterly reports and reviews are prepared for all business areas. Reporting covers all relevant matters related to the business area, including financial results, risk assessments and monitoring of relevant key figures and objectives. The group's financial results, key figures and achievement of objectives are reported to the board quarterly and in association with each board meeting. In addition, the group has established systems for handling and following up health, safety and the environment as an integrated part of management reporting.

The board undertakes an annual review of the group's risk and internal control activities. The board is also informed quarterly of developments in the group's risk exposure. This, combined with the management's risk assessments and information on ongoing measures, put the board in a good position to judge whether the group's risk management procedures are satisfactory. Risk management and internal controls are also considered by the board's audit committee.

11.3 Monitoring and control of financial reporting

Procedures have been established for financial reporting that involve carrying out a high-level review of significant estimates, provisions and accruals in conjunction with preparation of the quarterly and annual financial statements. Separate notes to the accounts are prepared for significant accounting items and non-routine transactions, which are approved by the CFO. The valuation of the group's properties is subject to a separate review and assessment at management level at the close of each quarter. This

involves, among other things, holding meetings with the external valuers, with a particular emphasis on discussing perceptions of the market, risk premiums and documentation.

The group reconciles and documents all balance sheet items in the group companies each quarter. Balance sheet items such as liabilities, bank deposits, projects and non-current assets are subject to special reviews. Projects are reviewed on a quarterly basis by the project and accounting departments together to assure the quality of the accounting and tax calculations. System-generated items linked to liabilities and interest rate hedging are subject to manual reconciliation each month. Significant profit and loss items are subject to reconciliation each quarter. All reconciliations are reviewed and quality assured, as well as being analysed against the group's forecasts and previous accounting periods.

The management reports significant operational and financial matters to the board at the group's board meetings. Any significant matters and situations that arise outside board meetings are discussed with the Chair of the board and if necessary additional board meetings are held.

In connection with quarterly reporting, the group's external auditor performs an audit review, without issuing an audit report.

The group's quarterly and annual financial statements are reviewed by the audit committee before they are considered by the board. As part of this process management prepares a memorandum for the audit committee that describes significant accounting and financial assessments made during the quarter. The audit committee reviews annually the external auditor's audit report, as well as the findings and assessments of audits in conjunction with interim and annual reports. Significant issues in the auditor's report are presented to the whole board.

11.4 Financial management

The group is managed by means of financial targets linked to the return on equity and the weighted average cost of capital, the management of the debt portfolio and the return on the property portfolio. Risk assessments and profitability calculations are performed in connection with acquiring property and commencement of building projects, in accordance with the group's fixed calculation model and required rate of return. The present value of building projects is monitored throughout the course of the project. Long-term projections are made of expected financial developments as a component of the group's risk management, using a model with detailed assumptions concerning the business's results, cash flow and balance sheet. The projections take into account cyclical developments in the economy, financial parameters and the property market. Scenarios and simulations are prepared for various developments. The simulations provide good information for the board and management in their monitoring of developments in central balance sheet key figures and cash flow.

Allocation of capital and risk profiles are important parameters for guiding financial operations. Entra's finance policy contains a framework for the day-to-day management of the group's financial risk. Principles have been defined for borrowing, management of liquidity risk and interest rate risk, and credit and counterparty risk. The group's model for financial projections provides updated key figures, which are monitored on a continuous basis. Reports are made to the management monthly in accordance with the management guidelines for the financial operations, and to the board through the business report.

Systematic monitoring of the general economic situation and its impact on the group's financial risk is carried out. Based on expected developments in the economy and analysis of the group's financial position, expected developments in both short-term and long-term interest rates, the strategy for interest rate positioning, capital requirements and planned financing activities are discussed, as well as opportunities in the financing market.

11.5 Monitoring of risk management and internal controls

In consultation with the audit committee, the management defines areas where the group is to carry out a review of internal controls. Both internal and external resources are used on these reviews. The results of the most important reviews related to internal control are presented to the audit committee and the board on an annual basis. An internal control plan is presented to the board.

11.6 Monitoring ethical guidelines and socially responsible procurement

The group follows up issues relating to ethical guidelines and corporate social responsibility. The environmental perspective is an integral part of the assessments made in connection with the group's potential investments. Special requirements have been defined for the group's suppliers in the document "Socially responsible procurement", and a supplier verification process is conducted each year to ensure that the group's suppliers are familiar with and adhere to the contractual conditions.

In order to follow up on the group's requirements regarding corporate social responsibility in the supply chain, Entra uses external consultants to perform supplier audits on selected projects. These audits include a focus on Entra's standard requirements for corporate social responsibility and the suppliers' follow-up of these standards, e.g. those related to procurement processes, environmental monitoring and waste segregation as well as further control of pay, and working and living conditions in accordance with laws and regulations.

Internal controls linked to Entra's core values, ethical guidelines and corporate social responsibility policy are implemented in the group's businesses on an ongoing basis. The management continuously strives to prevent corruption and undesirable incidents, with a focus on the group's values and ethical guidelines. Systematic training in ethical guidelines and dilemma training for all employees contributes to increase awareness among Entra's employees.

Entra's CLO is the recipient of, and follows up, notifications submitted via the group's reporting system. The ethical guidelines set out how employees can report breaches of the company's ethical guidelines or legislation, and this information is also available on the Entra's intranet. Employees are encouraged to report unsatisfactory situations. In addition to internal reporting, the group has also established an external reporting channel to a firm of lawyers, which can receive notifications on behalf of the group. The board is informed annually of any "whistle blowing" cases.

Non-compliance with the Code: None

12. Remuneration of the board

The general meeting determines each year the remuneration of the board based on the nomination committee's proposal. The board's remuneration shall reflect the board's responsibilities, expertise, and use of time and the complexity of the business. Remuneration shall not be dependent on results

and no options shall be issued to board members.

Board members or companies to which they are connected should not undertake separate assignments for the group in addition to the board appointment. If nevertheless they do so, the whole board shall be informed. Fees for such assignments shall be approved by the board. If remuneration has been paid above the normal board fee, this is to be specified in the annual report.

Non-compliance with the Code: None

13. Remuneration of senior executives

13.1 Board statement regarding Senior Executives remuneration

The board shall prepare a statement on the determination of salaries and other remuneration of Senior Executives in accordance with § 6–16a of the Norwegian Public Companies Act. The statement is to be presented to the general meeting. The statement shall set out the main principles for the Entra's Senior Executives salary policy, and shall seek to contribute to the alignment of interests between the shareholders and Senior Executives. The statement shall specify the guidelines that are advisory for the board and any that are mandatory.

13.2 Determination of salaries and compensation of Senior Executives

The board assesses the CEO's terms and conditions of employment once a year following a recommendation from the board's remuneration committee. The CEO consults the remuneration committee in connection with the annual adjustment of the salaries of the group's senior management team.

13.3 Performance-related pay

The Group operates a performance-related pay scheme for Senior Executives. Performance-related pay for the Group's Senior Executives in 2016 includes a performance-related pay scheme ("STI") and a long-term performance based share incentive programme ("LTI").

STI scheme

The STI scheme is based on set targets at Group and business level in accordance with board approved scorecards for 2016, as well as predefined personal targets. The board sets individual targets for the CEO and assesses the actual achievements. Individual targets and the corresponding assessment of achievement for the other Senior Executives is made by the CEO and approved by the board.

For the CEO the STI scheme has a maximum limit of 50 per cent of base salary and for other Senior Executives the maximum limit is 30 per cent of base salary.

LTI scheme

The LTI scheme is based on a Return on Equity target and a Total Shareholder Return target, each weighting 50 per cent. LTI remuneration will be share-based and have a vesting period of one year and a lock-up period of three years. LTI remuneration is not accounted for when determining the

basis for pensionable salary. For the CEO the LTI scheme has a maximum limit of 30 per cent of base salary and for other Senior Executives the maximum limit is 20 per cent of base salary.

Non-compliance with the Code: None

14. Information and communication

14.1 Financial reporting and communication

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU. Reporting must fulfil statutory requirements and provide sufficient information to allow Entra's stakeholders to form as accurate a picture of the business as possible. Entra shall report in accordance with the rules in the Norwegian Securities Trading Act, as well as with the requirements specified by the Oslo Stock Exchange for companies with listed shares and bonds.

Entra shall at all times provide its shareholders, the Oslo Stock Exchange and the financial market in general with timely and precise information. Such information will be given in the form of annual reports, quarterly reports, press releases, stock exchange notices and investor presentations. The group's report on corporate social responsibility shall be integrated in the annual report. The board has set guidelines for Entra's reporting of financial and other information.

Entra shall publish each year a financial calendar with details of the dates of important events such as the general meeting, publication of interim reports, open presentations and payment of the dividend.

The board has approved insider rules relating to the handling of inside information.

14.2 Information to Entra's shareholders

The group considers that it is very important to inform shareholders about the group's development and economic and financial status. The management (CEO, CFO and Investor Relations Officer) shall make themselves available for discussions with important shareholders in order to develop a balanced understanding of such shareholders' situation and focus, subject however to the provisions in legislation and regulations. The Chair of the board shall ensure that shareholders' viewpoints are communicated to the whole board.

Information to the group's shareholders shall be published on Entra's website at the same time as it is sent to the shareholders. The board shall set guidelines for Entra's contact with shareholders outside the general meeting.

Non-compliance with the Code: None

15. Takeover

The board will handle takeover bids in accordance with Norwegian law and the Norwegian Code of Practice for Corporate Governance. In a bid situation, Entra's board and Senior Executives have an independent responsibility to help ensure that shareholders are treated equally, and that the group's business activities are not disrupted unnecessarily. The Board will not hinder or obstruct take-over bids for Entra's activities or shares. The Board will ensure that shareholders are given sufficient information and time to form an opinion on an offer. If a take-over offer is made, the Board will issue

a statement making a recommendation as to whether shareholders should or should not accept the offer.

Non-compliance with the Code: None

16. Auditor

The general meeting elects the group's auditor.

16.1 Plan for the auditor's work

Each year the auditor presents a plan for his work to the audit committee, which in turn informs the board of its most important aspects.

16.2 Auditor's relationship to the board

The auditor attends the meetings of the audit committee, as well as board meetings to consider and adopt the annual report and financial statements. At the meetings the auditor shall go through any significant changes in the group's accounting principles, the evaluation of material accounting estimates and all material matters where there has been disagreement between the auditor and the management. There is one annual meeting between the audit committee and the auditor, and one meeting between the whole board and the auditor, which is not attended by representatives of the management.

16.3 Auditor's review of the group's internal controls and financial reporting

When presenting the results of the interim audit to the audit committee, the auditor focuses on the groups internal controls, identified weaknesses and proposals for improvements. The auditor summarises the findings and assessments of the annual audit for the group management and audit committee. Material issues are summarised for the board.

16.4 Auditor's independence

Each year the auditor's independence is assessed by the audit committee. The board has drawn up guidelines on the engagement of the external auditor, governing what work the auditor can do for the group in view of the requirement for independence. Any major assignments other than statutory audits shall be approved by the audit committee in advance. The management informs the audit committee of additional services supplied by the external auditor under a fixed item on the agenda at each meeting.

16.5 General meeting

The auditor attends the annual general meeting for consideration of the annual financial statements. The auditor's fee for the statutory audit and other services is approved by the general meeting.

Non-compliance with the Code: None