

Business

The Company's objective, as set out in § 3 of the Company's articles of association (the "Articles of Association"), is "the conduct of industry, trade and business associated with energy, intellectual property rights and commodities, and sectors directly or indirectly related to these, including investing in licenses, in addition to investments in and acquisitions of businesses, securities, financial instruments and other assets, and participating in other businesses, directly or indirectly linked to these". The Board of Directors is of the opinion that the business objectives laid down in the Articles of Association provide predictability and direction for the Company's business strategy and the activities that it may conduct, acquire or initiate. The Articles of Association is available at the Company's website.

Equity and Dividend

The Company seeks to maintain a healthy financial structure which is adjusted to its business and market fluctuations, as well as the duration of its contract portfolio. The Board of Directors continually reviews its capital situation in light of the Company's targets, strategies and risk profile.

The Company also aims to provide its shareholders with a competitive return on investment over time, and targets that the underlying values shall be reflected in the Company's share price. The Company shall aim to pay dividends to its shareholders on a regular basis to the extent prudent in the circumstances.

Equal Treatment of Shareholders and Transactions with Close Associates

The Company has one class of shares only and each share entitles the holder to one vote at the Company's General Meetings. Transactions with close associates shall be on arm's-length basis and always in compliance with the Norwegian Public Limited Liability Companies Act.

Pursuant to the Company's Rules of Procedure for the Board of Directors, in the event of transactions which are not insignificant between the Company and its shareholders, Directors or Senior Management, the Board of Directors shall obtain a valuation from an independent third party. Directors, the CEO and members of the Senior Management shall notify the Board of Directors if they have a significant interest in an agreement entered into by the Company.

Free Negotiable Shares

The Company's shares are listed on Oslo Børs and are freely negotiable.

General Meetings

The General Meeting is the Company's supreme corporate body. The Articles of Association and the Norwegian Public Limited Liability Companies Act set out the authority and mandate of the General Meeting. Among other things, the General Meeting approves the Company's annual financial statements, resolves any distribution of profits, within the limits of any

proposal of the Board of Directors, elects the Directors and the auditor, and also functions as a forum for presentation and discussion of other issues of general interest to shareholders. All shareholders of the Company have the right to attend the General Meetings.

The date of the Ordinary General Meeting is published in the Company's financial calendar for the year, which is posted at the Company's website. Notice of General Meetings, including documentation relating to the items on the agenda and the recommendation of the Company's nomination committee, is in accordance with the Articles of Association published at the Company's website no later than 21 days before the General Meeting is to be held. Individual shareholders are nonetheless entitled to have the documents sent to them free of charge, upon request to the Company. The General Meetings of the Company may be held in Arendal, Oslo or Bærum.

Attendance forms for the General Meeting may be sent to the Company up to the day before such General Meeting in order to enable as many shareholders as possible to attend. Shareholders who are unable to attend in person may attend by proxy, and the Company provides the shareholders with proxy forms which enable the relevant shareholder to instruct its representative on each individual item on the agenda. The shareholders may decide between granting proxy to a representative of own choice, or to the Company's Chairperson. Shareholders can also choose to vote directly on the specific items on the agenda through electronic voting in advance of the General Meeting during a pre-meeting registration period.

The minutes from the General Meeting are published on the Company's website as soon as possible following the General Meeting.

Nomination Committee

The Company has a three-member Nomination Committee elected by the General Meeting for a term of two years.

The Nomination Committee, which works under the mandate and authority of the General Meeting makes preparations and recommends candidates for the General Meeting's election of members of the Board of Directors. It also proposes the remuneration to the Directors. The Nomination Committee is governed by a provision in the Articles of Association and Guidelines for the Nomination Committee adopted by the General Meeting.

The General Meeting determines the remuneration to the members of the Nomination Committee.

The Work of the Board of Directors

The Board of Directors is ultimately responsible for administering the Company's affairs and for ensuring that the Company's operations are organized in a satisfactory manner. Moreover, the Board of Directors is responsible for establishing supervisory systems and for overseeing that the business is run in accordance with the Company's core values and ethical guidelines.

The Board of Directors prepares an annual plan for its work, with emphasis on objectives, strategies and implementation. Furthermore, the Board of Directors approves the budget for the Group.

Risk Management and Internal Control

The Board of Directors shall ensure that the Company has good internal control functions and appropriate systems for risk management tailored to its operations and in accordance with the Company's core values, ethical guidelines and social responsibility policy. A review of the Company's most important risk areas and its internal control functions is conducted by the Board of Directors on an annual basis.

The Group is exposed to a variety of risks; including market risks, financial risks and operational risks. The Group's overall risk management programme seeks to minimize the potential adverse effects on the Group's financial performance likely to be caused by its exposure to such risk factors, including but not limited to the use of derivative financial instruments and development of sound health, safety and environment (HSE) principles as well as prudent monitoring of operational activities.

The Company prepares and publishes quarterly and annual financial statements. The Group's consolidated financial statements are prepared in accordance with IFRS and IFRIC interpretations as adopted by the EU.

Remuneration of the Board of Directors

The remuneration of the members of the Board of Directors is determined on a yearly basis by the Ordinary General Meeting. The Directors may also be reimbursed for travelling, hotel and other expenses incurred by them in attending board meetings or in connection with the business of the Company.

Remuneration of the Board of Directors, as proposed by the Nomination Committee and approved by the Ordinary General Meeting, is not linked to the Company's performance.

Remuneration of the Senior Management

The Board of Directors has established guidelines for the remuneration of the members of the Senior Management. These guidelines are presented to and approved by the Ordinary General Meeting and are described in the "Statement Regarding Determination of Salary and Other Benefits for Senior Management" which is included in "Board of Directors' Statement on Policy for Corporate Governance" in the Annual Report.

Certain members of the Senior Management sit on the board of directors in the Company's subsidiaries, but do not receive any board remuneration for these assignments.

Information and communication

The Board of Directors has incorporated guidelines for the Company's reporting of financial and other information based on openness and taking into account the requirements for equal treatment of all participants in the securities market.

In order to ensure equal treatment of its shareholders, an important objective for the Company is to make sure that the securities market is in possession of correct, clear and timely information about the Company's operations and condition at all times. This is essential for an efficient pricing of the Company's shares and for the market's confidence in the Company.

Initiatives taken to meet this equal treatment objective include timely and comprehensive reporting of the Company's interim results and publication of the annual and quarterly financial reports. In addition, information of significance for assessing the Company's underlying value and prospects is reported through Oslo Børs and are made available at the corporate website. Further details, such as contact details and general updates and news about the Company, are available at the Company's website.

The Company's financial calendar is available at the Company's website. Updated shareholder information is published at the website.

Takeovers

The Board of Directors will handle any possible takeover in accordance with Norwegian corporate law and its fiduciary duties. Neither the Articles of Association nor underlying steering document prevent or limit the opportunity for investors to acquire shares in the Company, nor do they impose restrictions relative to takeover attempts or authorise measures to be taken by the Board of Directors to interfere. The Board of Directors will not seek to hinder or obstruct an offer for the Company's activities or shares unless there are particular reasons for this. The Board of Directors has so far chosen not to adopt or publish any explicit guiding principles for how it will act in the event of a takeover bid.

Auditor

The auditor participates in relevant agenda items at meetings with the Audit Committee. In addition, the Board meets with the auditor without any member of the Company being present, at least once a year. The auditor annually reports the main features of the plan for the audit to the Audit Committee.

Once a year, the auditor presents a review of the Company's internal control procedures, including identifying weaknesses and proposals for improvement, to the Audit Committee.

In connection with the issue of the auditor's report, the auditor provides the Board of Directors with a declaration of independence and objectivity, and the auditor participates in the board meeting in which the annual financial statements are approved. The proposal for approval of the remuneration of the auditor provides a breakdown of remuneration relating to

statutory audit tasks and other assignments and is reported to the Ordinary General Meeting.

QHSE

Hermana Holding has a Management System (MS) based on the principles found both in legislation and in internationally recognised standards for management systems.

The MS is fundamental to work undertaken by Hermana and shall be adhered to by all personnel in their daily activities.

Hermana shall fulfill our customer's needs and expectations and make commitments we fully understand. We shall manage and monitor all activities critical to our business