

Corporate Governance statement for Hermana Holding ASA

The Board of Directors' statement on Corporate Governance as of 31 December 2024, approved by the AGM 29 April 2025.

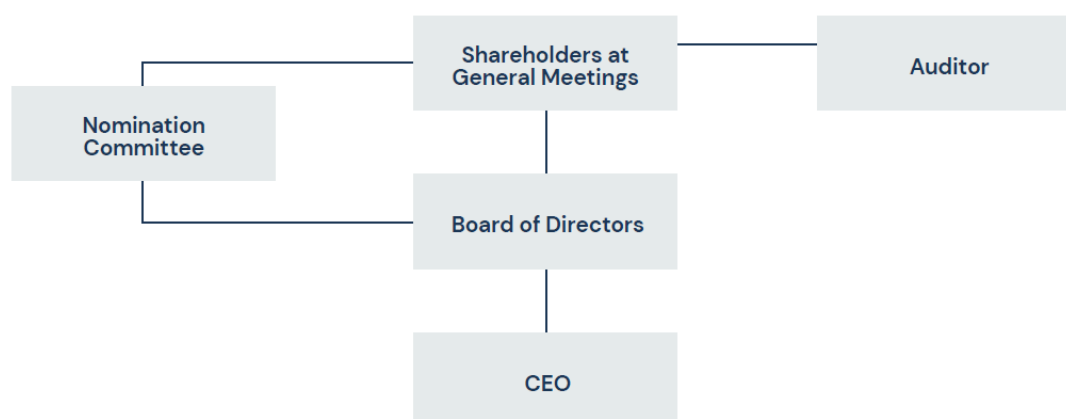
Framework

As Hermana Holding ASA is listed on the Oslo Stock Exchange (Oslo Børs), the Group aims to conduct its business in accordance with the recommendations in the Norwegian Code of Practice for Corporate Governance of 14 October 2021 (the "Code of Practice", see www.nues.no). The Group's principles of corporate governance are also based on relevant Norwegian laws such as the Norwegian Accounting Act and the Norwegian Public Limited Liability Companies Act.

The Group is committed to high ethical standards in its business dealings to ensure that the integrity of its organisation is maintained. Corporate social responsibility for the Group is integrated in the way the Group conducts its business.

The Group has established guidelines (see www.hermanaholding.com) aimed at ensuring openness, integrity, and equal treatment of its shareholders. Practicing good corporate governance, including appropriate division of roles between shareholders, the Board of Directors ("the Board") and Senior Management, will contribute to reduced business risk and better shareholder value over time.

The parent company Hermana Holding ASA has a corporate governance structure as follows.



The roles of each governing body are further explained later in this chapter. In accordance with section 2-9 of the Norwegian Accounting Act, the Group shall in connection with its annual financial statements provide a statement on how the Group has implemented the principles of, and account for any deviations from, the recommendations in the Code of Practice.

Below is an outline of the Group's principles for corporate governance, in accordance with the 15 sections of the Code of Practice. Please note that the Group had its first operational year in 2024 and was listed on the Oslo Stock Exchange in June 2024, which means it is still in an early phase.

Implementation and reporting on corporate governance

The Board ensures that the company implements sound corporate governance. The Board has considered the Code of Practice and in cases where the Group does not fully comply, the subsequent sections of this chapter include information about the selected solution and the reason for it.

Business

The Articles of Association clearly describe the business that the company shall operate. The Articles, available at the Group's website, state that the company's objective 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 licences, 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 has defined clear objectives, strategies and risk profiles for the Group's business activities. When carrying out this work, the Board takes into account financial, social and environmental considerations, and evaluates the objectives, strategies and risk profiles at least yearly.

Equity, return of capital, dividends

The Group seeks to maintain a healthy financial structure which is appropriate to the Group's objective, strategy and risk profile.

The Group has established and disclosed a clear and predictable dividend policy. The Group 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 continually reviews the capital situation in light of the Group's targets, strategies and risk profile. The Group aims to provide its shareholders with a competitive return on investment over time, and targets that the underlying values shall be reflected in the Group's share price. The Group shall aim to pay dividends to its shareholders on a regular basis to the extent prudent in the circumstances.

Equal treatment of shareholders

The Group has one class of shares only and each share entitles the holder to one vote at the Group's annual general meetings.

All shareholders shall be treated on an equal basis unless there is a just cause for treating them differently in accordance with applicable laws and regulations. In the event of an increase in share capital of the Company through issuance of new shares, a decision to waive the existing shareholders' pre-emptive rights to subscribe for shares shall be justified and be publicly disclosed including the reasons for the decision.

Transactions by the Group in the Group's own shares are carried out through Oslo Børs at prevailing stock exchange prices. If there is limited liquidity in the shares, the Group shall consider other ways to ensure equal treatment of shareholders.

Transactions with close associates shall be on arm's-length basis and in compliance with the Norwegian Public Limited Liability Companies Act. The Board will arrange for a valuation to be obtained from an independent third party unless the transaction, agreement or arrangement in question is immaterial or covered by the provisions of section 3-16 of the Norwegian Public Limited Liability Companies Act.

The Group may engage in business activities with or in cooperation with its shareholders. Such activities shall be handled at the board level, with a view of securing a foreseeable and consistent practice which prevents potential conflict of interest situations, arm's-length treatment, and sound governance.

Directors, the CEO, and other members of Senior Management shall notify the Board in advance if they have a significant interest in any agreement which may or is to be entered into by the Group.

Shares and negotiability

The Group's shares are listed on Oslo Børs and are freely negotiable. There are no limitations on any party's ability to own, trade or vote for shares in the company.

General meetings

All shareholders of the Group have the right to attend the General Meetings. Individual shareholders are entitled to have the documents sent to them free of charge, upon request to the Group. Attendance forms for a General Meeting may be sent to the Group up to the day before such a meeting to enable as many shareholders as possible to attend. Shareholders may attend by proxy, and the Group provides the shareholders with proxy forms which enable the shareholder to instruct its representative on each individual item on the agenda. The shareholders may decide between granting proxy to a representative of their own choice, or to the Chairperson of the Board.

The Board ensures that the General Meeting can elect an independent chairperson for the meeting. The Board also ensures that the resolutions and supporting information distributed are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the

meeting. Shareholders will normally be able to vote on each individual matter, including each individual candidate nominated for election to the Board, the Nomination Committee and any other corporate bodies to which members are elected by the General Meeting. The minutes from the General Meeting are published on the Group's website as soon as possible following the General Meeting.

The Annual General Meeting approves the Group's annual financial statements and elects the members of the Board of Directors and the Nomination Committee as well as the auditor. The meeting is also a forum for presentation and discussion of other issues of general interest to shareholders. The Board ensures that the members of the Board and the chairperson of the Nomination Committee attend the Annual General Meeting. The date of the Annual General Meeting is published in the Group's financial calendar for the year, which is also posted on the Group's website. Notice of Annual General Meetings, including documentation relating to the items on the agenda and the recommendation of the Group's Nomination Committee, is in accordance with the Articles published at the Group's website no later than 21 days before the Annual General Meeting is to be held.

The Group is not required to and does not have a Corporate Assembly.

Nomination committee

The Group has a Nomination Committee comprising of three members elected by the General Meeting, for terms up to two years. The current committee consists of: Stian Folker Larsen (Chair), Fredrik D. Sneve, and Gunerius Pettersen.

The General Meeting elects the Chairperson of the Nomination Committee. In connection with the elections of Directors and members to the Nomination Committee, the Nomination Committee shall provide a proposal for candidates to the notice for the General Meeting. The Nomination Committee shall also present a proposal for the remuneration to the Board.

The mandate described above is stated in Group's Articles of Association. In addition, the Committee proposes remuneration for the members of the Committee, in accordance with the Norwegian Code of Practice for Corporate Governance. There are guidelines for the Nomination Committee.

The members of the Committee are selected to take into account the interests of shareholders in general. The majority of the committee is independent of the Board and the executive personnel. The Committee does not include any executive personnel or any member of the Group's Board.

The Nomination Committee has contact with shareholders, the Board and the Group's executive team as part of its work. Such contact naturally includes information about any deadlines for proposing candidates. Its recommendations are explained. The Nomination Committee will in its material to Annual General Meetings give a detailed explanation per individual recommended to be elected Board member.

Information regarding the composition of the Nomination Committee, which members are up for election and how input and proposals can be submitted to the Nomination Committee is posted on the Group's website prior to the Annual General Meeting.

The Board of Directors

The Board is composed in a way that meets the Group's need for expertise, capacity, and diversity, and with the aim of ensuring that the Board can attend to the common interests of all shareholders and operate independently of any special interests and function effectively as a collegial body. The principles for diversification of the Board are set out in the Group's Equality and Diversity Policy.

The Board shall pursuant to the Articles consist of three to seven members. All members shall be elected by the Annual General meeting. The Chairperson is elected by the annual general meeting. Members of the Board are elected for a period of up to two years, or such shorter period as decided by the General Meeting, and directors may be re-elected. The Board currently has five members: Erik D. Sneve (Chair), Torstein Sanness, Hilde Ådland, Lars Ørving Eriksen, and Nina Skage. Presentations of the Directors are available in a separate chapter in the Annual Report 2024 and on the Group's website. The composition of the Board is such that it can operate independently of any special interests. All members are independent of the company's executive personnel and material business contacts, and of the company's main shareholders. The Board does not include members of the executive team.

The members of the Board are encouraged to own shares in the Group. Information on the Directors' shareholdings in the Group, and information regarding board meeting attendance is detailed in note 8 of the Consolidated Financial Statements. These also state which members are considered independent.

The work of the Board of Directors

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

The Board prepares an annual plan for its work, with emphasis on objectives, strategies, and implementation. Furthermore, the Board approves the budget for the Group. The Board has instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties. The instructions state how the Board and executive management shall handle agreements with related parties, including whether an independent valuation must be obtained. The Board should also present any such agreements in their annual Directors' report.

The Board ensures that members of the Board and executive personnel make the company aware of any material interests that they may have in items to be considered by the Board. In material matters where the Chairman of the Board is, or has been, personally involved, such matters will be chaired by some other member of the Board.

The Group is currently not required to have an Audit Committee. However, the Board has considered establishing an Audit Committee, and has concluded there is not a need for such a committee given the nature of the business. The same is currently the consideration regarding a possible Remuneration Committee.

The Group maintains a directors and officers liability insurance policy (D&O) for a maximum liability of USD 10 million.

The Board evaluates its performance and expertise annually.

Risk management and internal control

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

The Group is exposed to risks of various types, like climate risk, regulatory/political risk, inflation risk, currency risk, project risk, reservoir risk, counterparty risk, concentration risk, market risk, liquidity risk, credit risk, key-personnel risk, non-compliance risk, and asset-integrity risk. The Group's overall risk management seeks to minimise the potential adverse effects on the Group's performance likely to be caused by its exposure to such risk factors. The Group 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 reflects the Board's responsibilities, expertise, time commitment and the complexity of the Group's activities. The remuneration is determined on a yearly basis by the Annual General Meeting. The Directors are reimbursed for travelling, hotel and other expenses incurred by them in attending Board meetings or in connection with the business of the Group.

The remuneration of the Board is currently not linked to the company's performance. The Group has not granted share options to any member of the Board.

Members of the Board and/or companies with which they are associated will normally not take on specific assignments for the Group in addition to their appointment as a member of the Board. If they nonetheless do take on such assignments, this must be disclosed to the full Board. The remuneration for such

additional duties shall be approved by the Board. Details of the remuneration to the Board are disclosed in the Group's remuneration report for the year. Any remuneration in addition to normal Director's fee will be specifically identified in the annual report.

Salary and other remuneration of executive personnel

The Board has established guidelines on salary and other remuneration of the members of Senior Management. These guidelines are presented to and approved by the General Meeting, most recently on 23 May 2024, and are described in the Hermana Remuneration Report which is disclosed on page 56 of the Annual Report 2024. The guidelines are clear and easily understandable and they contribute to the Group's commercial strategy, long-term interests and financial viability.

The Group's arrangements in respect of salary and other remuneration shall help ensure the Senior Management and shareholders have aligned interests and are simple. The performance-related remuneration to executive personnel is subject to an absolute limit.

Information and communications

An important objective for the Group is to make sure the securities market is in possession of correct, clear and timely information about the Group's operations and condition at all times. This is essential for efficient pricing of the Group's shares and for the market's confidence in the Group.

The Board has established guidelines for the Group's reporting of financial and other information – and for any contact with shareholders beyond the scope of General Meetings – based on openness and equal treatment of all participants in the securities market. This includes timely and comprehensive reporting of the Group's interim results and publication of the annual and quarterly financial reports. Information of significance for assessing the Group's underlying value and prospects is reported through Oslo Børs and are made available on the Group's website. Further details, such as financial calendar, contact details, shareholder information, and general updates and news about the Group, are published on the Group's website. There shall be sufficient information on a timely basis to the market as the basis for a fair valuation of our shares.

The Group's CEO is responsible for investor relations.

Takeovers

The Board will handle any possible takeover in accordance with Norwegian corporate law and its fiduciary duties. Neither the Articles of Association nor any underlying steering document prevent or limit the opportunity for investors to acquire shares in the Group, nor do they impose restrictions relative to takeover attempts or authorise measures to be taken by the Board to interfere.

The Board will not seek to hinder or obstruct an offer for the Group's activities or shares unless there are strong reasons for this. In case of a takeover situation the Board will act in accordance with the provisions of the Norwegian Securities Trading Act and the Code, to ensure that the best interests of the Company and its shareholders are safeguarded.

Auditor

The Board makes sure the auditor submits the main features of the audit plan to the Board annually. The auditor participates in meetings with the Board throughout the year. In addition, the Board meets with the auditor, without any executive personnel of the Group being present, at least once a year to discuss the annual accounts. At meetings where the annual accounts are dealt with, the auditor shall report on any material changes in the Group's accounting principles and key aspects of the audit, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the Company.

As part of the annual audit, the auditor reviews the Group's internal control procedures and presents its findings to the board, including any identified weaknesses and with proposals for improvement to the Board.

In connection with the issue of the auditor's report, the auditor provides the Board 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 Annual General Meeting.

The Board has established guidelines that cover the use of the auditor by the Company's executive management for services other than the audit.

The Company's external auditor is Deloitte AS, since 2023..