

CORPORATE GOVERNANCE REPORT

Høegh LNG Holdings Ltd. (“Høegh LNG Holdings” or “company”) is an exempted company limited by shares, domiciled and incorporated under the laws of Bermuda.

Høegh LNG Holdings Ltd. is a private company owned by Larus Holding Ltd., which is a 50-50 joint venture between Leif Høegh & Co. Ltd. and Floating Infrastructure LP. Leif Høegh & Co. Ltd. is indirectly controlled by Leif O. Høegh and family trusts under which Morten W. Høegh and his immediate family are the primary beneficiaries. Floating Infrastructure LP is owned by funds managed by Morgan Stanley Infrastructure Holdings Inc.

The company is subject to Bermudian law regarding corporate governance. As the company has one bond issued and listed on Oslo Børs (ticker: HLNG04), the company is required to provide a report on its corporate governance as further set out in section 6.3.6 of the Oslo Børs rulebook II – issuer rules (the “issuer rules”).

The company and its subsidiaries have adopted and implemented a corporate governance system which mainly complies with the Norwegian code of practice for corporate governance (the “Norwegian corporate governance code”). This system is designed to enhance business performance by mitigating risk and enhancing accountability, thereby maintaining stakeholder trust and the company’s strong reputation in the financial market. The deviations from the Norwegian corporate governance code are primarily due to the company’s status as a privately held entity incorporated in Bermuda. These deviations are further detailed in this report.

The Norwegian corporate governance code is published at www.nues.no and the issuer rules are published on the Oslo Børs website at www.euronext.com.

Implementation and reporting on corporate governance

The foundation of corporate governance in Høegh LNG is set out in the company’s bye-laws, in addition to a governing principles policy and Høegh LNG’s code of conduct.

The governing principles policy is based on the Norwegian corporate governance code and is approved by the board. It identifies the key governing bodies in Høegh LNG, describes the roles and responsibilities of the governing bodies and functions of the group, and specifies requirements for the business with regard to important governing processes, documents and systems. The board has also adopted governing procedures to implement the principles set out in the governing principles policy. These procedures include separate charters for the board of directors, the coordination committee and the capital structure committee, as well as instructions for both the President and CEO and the group’s chief compliance officer.

Høegh LNG and the group’s employees are required to adhere to and comply with laws and regulations, including on international trade and economic sanctions, and Høegh LNG’s standards for ethics, health, safety, the environment and quality as further set out in Høegh LNG’s code of conduct, the insider trading policy and the procedure for governmental investigation adopted by the board. In addition, the board has adopted a supplier code of conduct which all suppliers are required to adhere to.

Through compliance with the above, the board and management contributes to achieving the following objectives:

Trust: Good corporate governance establishes a basis for trust in the board and the management by the shareholders and other stakeholders.

Transparency: Communication with the company’s stakeholders will be based on transparency concerning both Høegh LNG’s business, which is important for assessing the company’s development, and its financial position.

Independence: The relationship between the board, the management and the shareholders will be on an independent basis to ensure that decisions are made on a qualified and neutral basis.

Equality: Höegh LNG aims to give all its shareholders equal treatment and rights.

Control and management: Good control and governance mechanisms will contribute to predictability and risk reduction.

Deviations from the code: None.

Business

The company's purpose is accelerating countries to energy security and transition by providing innovative and flexible marine energy infrastructure. Höegh LNG's values are: (i) we innovate with customers and partners, (ii) we deliver excellence as one team, and (iii) we care for people and the planet.

Höegh LNG provides cost competitive and flexible LNG infrastructure that form the basis for energy security and independence, also enabling the transition to a low-carbon future. Our critical LNG infrastructure allows all countries with a coastline to access global LNG markets. As LNG can be sourced globally and is shipped onboard specialised LNG carriers, Höegh LNG's marine energy infrastructure provide consumers of natural gas an abundant sourcing flexibility compared to gas transported in fixed pipelines. In addition, we will pioneer Clean Energy solutions for ammonia, H2 and CCS enabling growth and providing robustness and relevancy in several energy transition scenarios.

We drive technological and commercial innovation in our markets and continuously seek excellence in our operations to maximise value for our stakeholders while ensuring the welfare of our employees and minimising the impact on the environment.

We create growth and value by offering solutions that address three megatrends affecting global energy systems;

- **Energy security** is a top geopolitical priority, where all nations require a robust plan for capacity of supply to meet current and future energy demand and redundancy
- **Cost of energy**, including universal access to affordable and abundant energy
- **Energy transition** and changes to the energy mix to decarbonise energy systems and minimise potential environmental and climate change impacts

Our strategic beliefs, direction and ambitions consider the impact of these megatrends on Höegh LNG as a company and our industry. They guide how we develop to reach our full potential and generate long-term value. We plan to grow our LNG infrastructure business and innovate clean energy terminal solutions for emerging markets such as carbon capture and storage (CCS), ammonia, hydrogen and other segments – all supported by our world-class operations.

The board evaluates the objectives, strategies and risk profiles continuously and at least annually.

The company has guidelines for how it integrates considerations related to its stakeholders into its value creation. Since 2014, Höegh LNG has issued a separate sustainability report in accordance with Oslo Børs' Guidance on the Reporting of Corporate Responsibility and the "core" level of the Global Reporting Initiative (GRI) standard and from 2021, the UN Sustainable Development Goals (SDGs). Reference is made to the sustainability report for further details.

The Memorandum of Association and the company's bye-laws are available on the company's website (www.hoeghlng.com – corporate governance – governance documents – other governance documents).

Deviations from the code:

- In line with common practice for Bermudian-registered companies, the company's objectives and powers, as set out in its Memorandum of Association, are broad and therefore wider and more extensive than recommended in the Norwegian corporate governance code.

Equity and dividends

Capital structure

The issued share capital in the company as of 31 December 2023 was USD 12.000, consisting of 1 200 000 fully paid common shares, each with a par value of USD 0.01.

Book equity as of 31 December 2023 totalled USD 780 million. Net of mark-to-market of hedging reserves, the adjusted book equity on 31 December 2023 was USD 781 million.

The board regards the current level of equity and financing as adequate in view of Höegh LNG's objectives, strategy and risk profile. The capital structure will probably be subject in the future to the issuance of further debt relating to scheduled refinancing and new debt, net profits and dividend payments, potential issuance of new equity capital and other factors.

Dividend policy

As a private company, the board of directors has not established a dividend policy. Subject to certain restrictions putting a cap on dividend distributions, the board of directors will from time to time decide any dividends payable to the company's shareholder.

Deviations from the code:

- Pursuant to Bermudian law and common practice for Bermudian-registered companies, it is not necessary to obtain the general meeting's approval for payment of dividends (bye-law 15).

Equity issuance

The authorised share capital of the company is USD 12.000.

Deviations from the code:

The following applies pursuant to Bermudian law and common practice for Bermudian-registered companies.

- The board has wide powers to issue any authorised but unissued shares in the company on such terms and conditions as it may decide, and may, subject to any resolution of the shareholders in a general meeting and to the rights of any issued shares, attach such rights and restrictions as the board may determine.
- The board may, without approval from the shareholders in a general meeting, acquire the company's own shares to be cancelled or held as treasury shares. These bye-law provisions (bye-law 3) are neither limited to specific purposes nor to a specified period as recommended in the Norwegian corporate governance code.

Equal treatment of shareholders

Equal treatment of all shareholders is a core governance principle in Höegh LNG.

The company has only one class of shares and, on a poll, each share confers one vote at the general meeting.

Deviations from the code: None.

Shares and negotiability

The common shares of the company are freely transferable, and the company's constitutional documents impose no transfer restrictions on the company's common shares.

Deviations from the code: None

General meetings

Being a Bermudian entity, the general meeting of the company is held annually in Bermuda.

The shareholders of the company are responsible for making certain key decisions concerning the company's business. At the annual general meeting (AGM), these include the appointment of the auditor, the election of the board of directors and the determination of the remuneration of directors. Alternate directors are appointed by the individual directors and are not elected by the general meeting. The financial statements are presented to the AGM for information, but under Bermudian law, the shareholders' approval of these are not required.

Bye-laws 19 to 35 set out extensive rules regarding the conduct of general meetings, including in relation to the notice of general meetings, proceedings, voting, proxies and corporate representatives.

Deviations from the code:

- The general meeting procedures are aligned to the fact that the company is privately held with one shareholder.
- The company does not have a nomination committee.
- Pursuant to bye-law 27, the chairman or the President and CEO shall act as chairman of a general meeting. In their absence, a chairman shall be appointed or elected by those present at the meeting and entitled to vote.

Nomination committee

As a private company, the company does not have a nomination committee.

Deviations from the code: As a private company, the company does not have a nomination committee.

Board of directors: composition and independence

The board and its chairman are elected or appointed in the first place at the statutory meeting of the company and thereafter, except in the case of a casual vacancy, at the annual general meeting or at any special general meeting called for that purpose.¹ The bye-laws provide for the board to consist of not less than one director.

The composition of the board of directors represent diversity in background, expertise and gender (one female of seven directors).

There are no sub committees of the board. The full board act as audit committee.

¹ The company does not have a corporate assembly.

Currently, the board consist of the following seven directors:

- Morten W. Høegh has served as chairman of Høegh LNG since 2006. Since 2003 he has been a director of Høegh Autoliners ASA (and its predecessors Leif Høegh & Co. ASA, Leif Høegh & Co. Ltd. and Høegh Autoliners Ltd.). Morten W. Høegh is a director of Høegh Eiendom Holdings AS. He is a Partner of Høegh Capital Partners. Morten W. Høegh serves as a director and Chairman of Gard P&I (Bermuda) Ltd. and as chairman of its risk and election and governance committees as well as chairman of certain of its subsidiaries. He also serves as the Chairman of the West Europe committee of DNV. From 1998 to 2000, Morten W. Høegh worked as an investment banker with Morgan Stanley. He holds an MBA from Harvard Business School with High Distinction (Baker Scholar) and an MSc in Ocean Systems Management and a BSc in Ocean Engineering from the Massachusetts Institute of Technology. He is a Norwegian citizen.
- Johan Pfeiffer (born 1965) has served as deputy chairman of Høegh LNG since May 2021. Johan Pfeiffer is a Managing Director and Operating Partner with Morgan Stanley Infrastructure Partners (MSIP). He serves on the board of several companies in the MSIP portfolio. Prior to Morgan Stanley, Johan Pfeiffer was the President for Europe, Latin America and Africa for Johnson Controls and previously Tyco. Prior to Johnson Controls, Johan Pfeiffer was a Vice President for FMC Technologies in Houston and General Manager and Managing Director in Kongsberg, Norway. Johan Pfeiffer was previously the Vice Chairman of the US Petroleum Equipment and Services Association. He holds an MBA from the Wharton School, an MA in International Studies from the University of Pennsylvania, and an MSC in Material Sciences Engineering from the Swiss Federal Institute of Technologies (EPFL).
- Carlo Ravizza (born 1981) has served as a director of Høegh LNG since June 2023 and board observer since 2011. He is an Investment Director at HCP and Board Member on various HCP's portfolio companies with over 15 years' experience in the principal investments and real assets space. Prior to HCP, Carlo Ravizza advised large corporates on strategy, corporate finance, M&A and restructuring projects while at McKinsey, Bain, JPMorgan, AlixPartners and Alvarez & Marsal. He holds a summa cum laude degree in finance and accounting from University of Torino and an MBA from London Business School.
- Alberto Donzelli (born 1975) has served as a director of Høegh LNG since May 2021. Alberto Donzelli is a Managing Director and co-head of Europe for Morgan Stanley Infrastructure Partners (MSIP). Alberto Donzelli worked in the investment banking businesses of UBS and Credit Suisse, where he was part of the European Utilities Group advising on numerous M&A transactions in Europe. Alberto Donzelli holds a degree in Business Administration from Bocconi University.
- Eric den Besten (born 1975) has served as a director of Høegh LNG since June 2023. Eric den Besten is the CEO of Høegh Capital Partners ("HCP"). He was previously Chief Investment Officer of SHL Capital, a single-family office with controlling interests in Aston Martin Lagonda and the Aston Martin F1 team. Prior to SHL, Eric den Besten was a Managing Director of Cambridge Associates and an Associate Portfolio Manager at Merrill Lynch Investment Managers. Eric den Besten has a BA from Yale University and an MBA from Dartmouth College (Tuck).
- John Kwaak (born 1982) has served as a director of Høegh LNG since May 2021. John Kwaak is the Managing Partner of Zero Infinity Partners (ZIP), a firm he founded. ZIP is a New York investment firm focused on early and growth stage infrastructure and infra-tech opportunities. Previously, John Kwaak served as Executive Director & Head of Americas Transportation Sector of Morgan Stanley Infrastructure Partners (MSIP). Before joining MSIP, he was a Senior Vice President at Fortress Investment Group in their private equity division with focus on natural gas and LNG. Prior to that, he was an investment banker at Evercore. He also served as First Lieutenant in the Republic of Korea Air Force. John Kwaak holds an MBA from the Wharton School of the University of Pennsylvania and an AB in Government from Harvard College.

- Tammy Richardson-Augustus (born 1971) has served as a director of Höegh LNG since November 2023. Tammy Richardson-Augustus is a partner of Appleby (Bermuda) Limited in the Corporate department. She maintains a diversified business transactions practice, with emphasis on M&A, joint ventures, capital markets and securities, lending transactions and general corporate governance matters. She has extensive experience working with clients in a wide range of industries, including in energy, oil and gas exploration, and maritime shipping. Tammy Richardson-Augustus is a founding member of WISTA Bermuda, serves on the board of several Bermuda companies (including statutory bodies). She is a member of the Bermuda Bar Association and is a justice of the peace.

The company has one shareholder, Larus Holding Limited, which is a 50-50 joint venture between Leif Höegh & Co. Ltd. and Floating Infrastructure LP. Leif Höegh & Co. Ltd. is indirectly controlled by Leif O. Høegh and family trusts under which Morten W. Høegh and his immediate family are the primary beneficiaries. Leif Höegh & Co. Ltd. is represented on the board by Morten W. Høegh, Carlo Ravizza and Eric den Besten. Leif O. Høegh is an alternate director.

Floating Infrastructure LP is owned by funds which is managed by Morgan Stanley Infrastructure Holdings Inc. Floating Infrastructure LP is represented on the board by Johan Pfeiffer, Alberto Donzelli and John Kwaak.

The board held three physical board meetings in 2023 in addition to one physical meeting with the manager, Höegh LNG AS, with all directors present, as well as several briefing calls. The board held 14 interim meetings, with the Bermuda-resident director and/or alternate(s) present.

Bye-laws 36 and 40 regulates the appointment and removal of directors, respectively.

Deviations from the code:

- As a private company, only one director is independent of the company's main shareholders.
- The chairman of the board of directors is elected by the board of directors.
- As a private company, the members of the board of directors are not elected for a specific time period.
- As a private company, the members of the board of directors are not encouraged to own shares in the company.

The work of the board of directors

The board is responsible for overseeing the management of Höegh LNG, safeguarding the business and implementing sound corporate governance for the group to follow.

The board has authorised Höegh LNG AS to carry out the day-to-day management of Höegh LNG's assets under a management agreement comprising administrative, commercial and technical activities. The board has established and defined authorities through a delegation authority matrix.

The main responsibilities of the board as well as the framework for proceedings of its work are set out in a charter for the board of directors. In general, the board will approve the strategy, business plans, financial statements, investment decisions, debt financings and budgets for Höegh LNG.

The board has adopted procedures and standards which cover and impose an obligation on individuals who are members of the group executive team and hold other group roles to secure sound governance and control. The board will also ensure that Höegh LNG protects its reputation in relation to owners, employees, customers and the public.

The work of the board is scheduled in an annual plan with fixed information and decision points. If required, interim board meetings are arranged in accordance with the board charter.

Each director is responsible for continuously assessing whether a conflict exists or could potentially arise between the interests of the company and the interests of the director in question. Existence of a conflict extends to, but is not limited to, matters put before a director involving a personal interest, direct or indirect, financial or otherwise, in the matter concerned.

Circumstances referred to above will be discussed without undue delay with the chairman of the board. Where a director's employment relationship or other duties regularly give rise to a conflict of interest to occur, and in other special circumstances, specific guidelines will be prepared for review by the board which prevent, as far as possible, such conflict of interests from arising.

The board conducts a self-evaluation of its own performance and expertise on an annual basis, which includes an evaluation of the composition of the board and the manner in which its members function, both individually and as a group, in relation to the objectives set out for the board's work.

The work of the board committees

Following the privatisation of the company, the board has decided that the entire board of directors shall act as the company's audit committee.

As all the directors are independent of the executive personnel, the company does not have a remuneration committee.

Deviations from the code:

- As a private company, the full board act as the company's audit committee.

- As all of the directors of the board are independent of the executive personnel, the company does not have a remuneration committee.

Risk management and internal control

The board is responsible for overseeing that the company has sound internal control and systems for risk management which are appropriate in relation to the extent and nature of the group's activities.

Risk management

Höegh LNG has an enterprise risk management system based on ISO 31000 Risk Management.

The board is responsible for overseeing that the accumulated risks which could influence the achievement of HLNG's strategic and key operational objectives are being consistently and effectively identified and managed.

The President and CEO assumes the overall responsibility for enterprise risk management and reports the enterprise risk status to the board on a regular basis. The group has a risk monitoring committee comprising the senior management team and the VP QA and Risk. Its objectives are to support business decisions by monitoring the accumulated strategic risk for HLNG, and to assess risk mitigation measures and the effect of changes and new commitments.

Höegh LNG has a QA and risk management function, which assists the company in achieving its objectives by taking a systematic, disciplined approach to evaluating and improving the effectiveness of enterprise risk and security management, control and governance processes. The function meets regularly with the full board.

The group has implemented an integrated governing management system (GMS) to govern its processes for planning, operating and controlling the services rendered. Health (including occupational health), safety and environmental management, as well as project and security risk management are all included in the GMS. The latter is certified to ISO 9001:2015 Quality Management Systems and ISO 14001:2015 Environmental Management Systems by an accredited certification body. The GMS complies with the requirements of ISO45001:2018 Occupational Health and Safety Management Systems as well as meeting the International Safety Management (ISM) standard. In addition, the group's integrated fleet management company has a separate HSEQ function.

See also the "Risk and risk management" section in the directors' report included in this annual report and Note XX "Financial risk management objectives and policies" for further information.

Internal control

The group has policies and procedures in place and an effective system for internal controls over financial reporting (ICFR), which is based on the internationally recognised COSO 2013 framework (Committee of Sponsoring Organisations of the Treadway Commission). The internal control process is supervised by the Chief Legal & Compliance Officer and the Chief Financial Officer, and comprises an annual process which includes risk assessment and scoping, evaluating whether existing controls are designed and operating as intended, reviewing and testing implementation and operational effectiveness of the controls, reporting and continuous performance monitoring.

Höegh LNG is also subject to extensive external control by its external auditor, external partners in joint ventures and charterers.

The group has an ethical hotline in place which allows employees, as well as external parties, to report any non-compliance issues (anonymously if desired). These reports are received by the Chief Legal and Compliance Officer.

Deviations from the code: None.

Remuneration of the board of directors

Save as set out in below paragraph, the current board of directors does not receive any remuneration.

John Kwaak receives a remuneration of USD 6000 per month effective from 1 July 2023 until 2024 AGM.

Appleby Global Services (Bermuda) Ltd. is remunerated on the basis of invoices for its services, including the provision of Tammy Richardson-Augustus as a director and the services of alternate directors to the company.

The company has no pension or retirement benefits for directors.

Deviations from the code: None

Remuneration of executive personnel

The board approves the remuneration package for the President and CEO.

In addition, the board approves the main terms of the remuneration package offered to employees in Höegh LNG, including the parameters of any annual salary adjustments, pension schemes, and short- and long-term incentives schemes. The compensation and benefits package are determined on the basis of an evaluation of the qualifications and competencies of the individual employee and is designed to be competitive with comparable positions in the market and the achievement of Höegh LNG's corporate goals, operating performance and sustainability targets.

Further details on remuneration of the executive personnel for the current financial year are provided in Note 5.3 to the 2023 annual financial statements.

Deviations from the code:

- The board does not produce a separate statement on the remuneration of executive personnel, and consequently no such statement is submitted to the AGM for consideration, since the company is a Bermudian company and the section 6-16a of the Norwegian Public Company Act and section 7-31b of the Norwegian Accounting Act do not apply to the company.

Information and communications

Höegh LNG has a policy of openness on reporting information to stakeholders. Periodical reports include quarterly interim reports and the annual report. All reports are published through stock exchange releases and on the company's website. Important events are also reported through press and/or stock exchange releases.

The board's charter includes guidelines to ensure disclosure in accordance with the financial calendar adopted by the board.

Contact with the external stakeholders is handled by the President and CEO, the CFO and Head of External Communications and Marketing.

- *Deviations from the code:* None.

Takeovers

As a private company ultimately owned by two shareholders, the board has not established explicit guiding principles for dealing with takeover bids.

Deviation from the code: As a private company, the board has not established explicit guiding principles for dealing with takeover bids.

Auditor

The auditor is appointed by the general meeting and has the duty to audit the company's financial reporting. The company's auditor has been Ernst & Young since 2006. Lead partners have been changed in accordance with rotation requirements for publicly listed entities.

In order to safeguard the board's access to and control of the auditor's work, the auditor meets with the full board when quarterly and annual reports are reviewed. The auditor is also given access to the agenda of, documentation for and minutes from board meetings.

Deviations from the code: None.