



**TO THE SHAREHOLDERS OF**  
**TGS-NOPEC GEOPHYSICAL COMPANY ASA**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the annual general meeting of TGS-NOPEC Geophysical Company ASA, reg. no 976 695 372 (the "**Company**"), will be held on 8 May 2019 at the offices of Schjødt law firm at Ruseløkkveien 16, NO-0201, Oslo, Norway at 5:00 pm (Oslo time).

Registration of attendees will begin at 4:30 pm (Oslo time).

Shareholders are cautioned that the Company's Articles of Association sets a registration deadline. Shareholders who wish to participate in the general meeting must therefore give notice to the Company by 5 May 2019 at 5:00 pm (Oslo time). A registration form and proxy form is attached hereto as appendix 1.

The Company's Board of Directors (the "**Board**") has proposed the following agenda:

1. **Opening and registration of attending shareholders**
2. **Appointment of meeting chair and a person to co-sign the minutes**
3. **Approval of the notice and the agenda**
4. **Approval of the financial statements and Board's report for 2018**
5. **Approval of auditor's fee**
6. **Appointment of members to the Board**
7. **Approval of remuneration to the members of the Board**
8. **Appointment of members to the Nomination Committee**
9. **Approval of remuneration to the members of the Nomination Committee**
10. **Statement on corporate governance pursuant to section 3-3b of the Norwegian Accounting Act**
11. **Statement on remuneration principles for senior executives**
12. **Approval of long-term incentive plan and resolution to issue free-standing warrants**
13. **Approval of employee stock purchase plan**
14. **Board authorization to acquire own shares**
15. **Board authorizations to (a) issue new shares and (b) issue convertible loans**
16. **Board authorization to distribute dividends**

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**1 Opening and registration of attending shareholders**

Chairman of the Board, Henry H. Hamilton III, or someone appointed by him, will open the general meeting. A list of attending shareholders will be made.

**2 Appointment of meeting chair and a person to co-sign the minutes**

The Board proposes that Viggo Bang-Hansen of law firm Schjødt is elected to chair the meeting. One person attending the general meeting will be proposed to co-sign the minutes.

**3 Approval of the notice and the agenda**

The Board proposes that the general meeting makes the following resolution: *"The notice and the agenda are approved."*

**4 Approval of the financial statements and Board's report for 2018**

The Board's report, the Company's financial statements and the consolidated financial statements of the Company and its subsidiaries (the Group) for 2018, together with the audit report, were published on 15 April 2019 and are attached as appendix 2 and available on the Company's web page, [www.tgs.com](http://www.tgs.com).

The Board proposes that the general meeting makes the following resolution: *"The general meeting approves the Board's report for 2018 and the Company's financial statements for 2018."*

**5 Approval of auditor's fee**

The Board proposes a fee of USD 166,000 to the auditor as the audit fee for the Company. This does not include fees related to the audits of the Company's subsidiaries or other professional services rendered. Note 4 to the Company's Financial Statements and note 9 to the Group's Consolidated Financial Statements provide further details on other fees to the auditor.

The Board proposes that the general meeting makes the following resolution: *"The general meeting approves the auditor's fees for 2018."*

**6 Appointment of members to the Board**

Reference is made to the Nomination Committee's proposal for the composition of the Board attached as appendix 3 and also made available on the Company's web page, [www.tgs.com](http://www.tgs.com).

**7 Approval of remuneration to the members of the Board**

Reference is made to the Nomination Committee's proposal for remuneration to Board, which is attached as appendix 3 and made available on the Company's web page, [www.tgs.com](http://www.tgs.com).

**8 Appointment of members to the Nomination Committee**

Reference is made to the Nomination Committee's proposal for the composition of the committee, which together with relevant member information is attached as appendix 3 and also made available on the Company's web page, [www.tgs.com](http://www.tgs.com).

**9 Approval of remuneration to the members of Nomination Committee**

Reference is made to the Nomination Committee's proposal for remuneration to its members, which is attached as appendix 3 and also made available on the Company's web page, [www.tgs.com](http://www.tgs.com).

**10 Statement on corporate governance pursuant to section 3-3b of the Norwegian Accounting Act**

Pursuant to section 5-6 (4) of the Norwegian Public Limited Liability Companies Act, the general meeting shall consider the statement on corporate governance made in accordance with section 3-3b of the Norwegian Accounting Act. The statement is included under the heading *"Report on Corporate Governance"* in the Company's Annual Report for 2018, which is attached as appendix 2 and available on the Company's website, [www.tgs.com](http://www.tgs.com). The chairman of the Board will account for the main contents at the general meeting. The statement will not be subject to any vote.

## **11 Statement on remuneration principles for senior executives**

In accordance with section 6-16a of the Norwegian Public Limited Companies Act, the Board has prepared a statement with respect to the principles for remuneration for senior executives of the Company. The statement is included in the Declaration on Executive Remuneration attached as appendix 4 and also available on the Company's website, [www.tgs.com](http://www.tgs.com). Reference is also made to note 9 to the Group's consolidated financial statements for 2018 and Item 12 of the Report on Corporate Governance, which are included in the Company's Annual Report for 2018, attached as appendix 2 and available on the Company's webpage, [www.tgs.com](http://www.tgs.com).

The Board proposes that the general meeting makes the following resolution: *"The statement pursuant to Section 6-16a of the Norwegian Public Limited Liability Companies Act is noted and approved."*

## **12 Approval of long-term incentive plan and resolution to issue free-standing warrants**

The Board proposes that the general meeting approves a long-term incentive plan for 2019, cf. the Norwegian Public Limited Companies Act sections 5-6 (3) and 6-16a (1), item no 3.

Since 2015, the general meeting has approved share-based long-term incentive plans. These plans are secured by free-standing warrants. From these earlier plans, there are currently outstanding 1,403,000 free-standing warrants associated with performance share units or restricted share units that, as of 16 April 2019, have been granted but not yet exercised.

The proposed 2019 plan provides for the grant of performance share units (PSUs) and restricted share units (RSUs), on terms generally consistent with the plan approved in 2018, except that the proposed 2019 PSUs will include increased performance metrics and a new metric regarding sustainability goals. Upon vesting, the PSUs and RSUs will represent the right to receive shares of TGS common stock as described below. The plan is limited to a maximum of 360,000 shares issuable upon vesting of the PSUs and RSUs. The plan will be administered by the Board. In the event of any merger, reorganization, recapitalization, stock dividend, stock split, combination of shares, share exchange, or other change in shares of the Company, the number of shares then subject to the plan, including shares subject to outstanding awards, will be adjusted in proportion to the change in outstanding shares.

**PSUs:** Pursuant to the proposed 2019 plan, similar to the 2018 plan, PSUs will be granted to members of the executive team and will vest three years after the date of grant if the executive remains employed at vesting. In addition, PSUs will be granted on the same terms to non-executive members of the senior leadership team, each of whom reports to an executive but has significant business unit responsibilities. In years prior to 2018, personnel in this category would have been considered for RSU grants. In 2018, the Board determined that these employees should be subject to the same performance metrics as the executive team, and these metrics were added to the terms of the RSU grants for these employees.

Upon vesting, the holder of the PSUs will receive TGS shares (if any), with the number of shares issuable determined by multiplying the number of PSUs granted by a factor of 0% to 100%. The factor is determined by performance against three target metrics: (i) relative return on average capital employed (ROACE) within a peer group of 11 companies (including TGS), (ii) absolute return on average capital employed, and (iii) sustainability objectives and health, safety and environmental performance (leading and lagging measures). See further details under "2.4 Long Term Incentives 2019" in TGS' Declaration on Executive Remuneration, which is issued alongside the Company's Annual Report for 2018 and is attached to this notice as appendix 4 and available on the Company's web page, [www.tgs.com](http://www.tgs.com).

**RSUs:** Pursuant to the proposed 2019 long-term incentive plan, similar to the 2018 plan, RSUs will be granted to certain non-executive key employees and will also vest three years after the date of grant if the employee remains employed at vesting. Upon vesting, the holder of the RSUs will receive an equivalent number of TGS shares, subject to achieving satisfactory performance against individual goals over the three-year plan period. The individual performance goals will be based on the performance criteria described in TGS' Declaration on Executive Remuneration with a focus on goals that support the corporate targets for ROACE, customer engagement, employee engagement and certain strategic initiatives.

The holders of the PSUs and RSUs will be required to pay the par value, NOK 0.25, for each share of TGS stock issued pursuant to the PSU or RSU, as applicable. A cash bonus in an amount per unit that is equivalent to dividends that are paid on outstanding TGS common stock will be accrued during the vesting period and paid as compensation in accordance with the payout of the awards.

In 2014, the Board adopted minimum Executive Stock Ownership Guidelines based on a multiple of salary for the CEO (3X), CFO (2X) and the rest of the executive team members (1X). An executive has five years from the date the executive is first subject to the guidelines to meet the required level of ownership. In 2018, the Board expanded the application of these guidelines to the members of the senior leadership team at the 1X level.

The Board proposes that the Company secure the long-term incentive plan by the issuance of free-standing warrants, to be subscribed for at the time of grant by employees who are granted RSUs and PSUs.

The Board therefore submits the following shareholder resolutions in connection with the proposed above (one vote to be given for the proposed resolution in its entirety, not for each item of the proposed resolution):

- (i) *The general meeting approves the 2019 long-term incentive plan.*
- (ii) *The Company shall issue a minimum of 10,000 and a maximum of 360,000 free-standing warrants, however subject to the requirement that the number of issued and outstanding free-standing warrants shall in no event exceed 10 percent of the registered number of shares in the Company at the date of this resolution.*
- (iii) *Each free-standing warrant shall give the right to subscribe for 1 share at a par value of NOK 0.25.*
- (iv) *The free-standing warrants may be subscribed for by employees who are granted rights under the long-term incentive plan upon the decision by the Board. Existing shareholders shall not have preferred rights to subscribe for the free-standing warrants pursuant to the Norwegian Public Limited Companies Act section 11-13, cf. sections 10-4 and 10-5.*
- (v) *The free-standing warrants shall be subscribed for on a separate subscription form at the latest by 15 November 2019. The employees shall not pay for the free-standing warrants issued.*
- (vi) *The price to be paid for the shares issued on the basis of the free-standing warrants shall be the par value of the shares, NOK 0.25 per share.*
- (vii) *The right to request the issuance of shares under the free-standing warrants follows from the long-term incentive plan, but so that no free-standing warrant can be exchanged for shares later than five years following the date of this general meeting.*

- (viii) *The holder of the free-standing warrants shall not have rights as a shareholder with regard to capital increases, capital reductions, new resolutions on the issue of warrants, dissolution, merger, demerger or reorganization, except with respect to shares that have been issued to and paid for by the free-standing warrant holder. Upon changes in the Company's share capital, such as share splits, reverse splits and other capital actions as provided for in the long-term incentive plan, the warrant terms (subscription price and number of shares to be issued upon exercise) shall be adjusted as set out in the long-term incentive plan.*
- (ix) *Shares issued on the basis of the free-standing warrants shall give right to dividends declared following the date the shares are issued.*
- (x) *As part of the long-term incentive plan, the free-standing warrants cannot be transferred. Any outstanding free-standing warrants shall be transferred back to the Company as and when the right to exercise the right to request shares in exchange for the free-standing warrants is lost pursuant to the underlying long-term incentive plan.*

### **13 Approval of employee stock purchase plan**

For the sole purpose of satisfying certain criteria under United States tax regulations, the Company is proposing to the general meeting the approval of an employee stock purchase plan ("ESPP") that the Company implemented in February 2019 to facilitate and promote share ownership by employees. The shares under the ESPP are purchased in the open market, and therefore have no dilutive effect.

Under the ESPP, eligible employees will be allowed to purchase Company shares at a discount through payroll deductions. The payroll deductions will be accumulated over a six-month period, and shares will be purchased at a price equal to 85% of the market value at the end of the six-month period. The shares to fund the employee purchases will be acquired in the open market, and no shares for the ESPP will be issued by the Company. No more than 1,000,000 shares may be acquired under the ESPP. The current annual cost of the ESPP, including the benefit to employees of the discount and the administrative costs, is approximately USD 250,000. All employees of the Company, other than a small number of employees in a non-U.S. foreign subsidiary, may participate in the ESPP, subject to meeting a short service requirement for eligibility.

Under Section 423 of the United States Internal Revenue Code, U.S.-based employees will receive a tax benefit that defers the recognition of income on the discount amount if the ESPP meets certain criteria. One of the criteria requires that the ESPP be approved by the Company's shareholders within twelve months of implementation. The Company has structured the plan to meet all other criteria necessary to allow the tax benefit, including allowing participation by all U.S.-based employees who meet the short service eligibility requirement. Accordingly, for the sole purpose of meeting the Section 423 criteria, the Company is seeking approval of the general meeting for the ESPP.

Additional information regarding the ESPP can be found in "2.5 Employee Share Purchase Plan" in the Declaration on Executive Remuneration attached as appendix 4 and available on the Company's web page, [www.tgs.com](http://www.tgs.com).

The Board therefore submits the following shareholder resolution in connection with the proposed above: *"The general meeting approves the TGS employee stock purchase plan."*

#### 14 Board authorization to acquire own shares

The general meeting has in previous years granted the Board an authorization to acquire up to 10% of the shares in the Company. The Board's current authorization expires at the annual general meeting. To ensure continued flexibility in connection with potential acquisitions or other transactions, as well as to satisfy any obligations deriving from the Company's incentive program, the Board proposes that the general meeting grants a new authorization to acquire own shares in an amount up to 10% of the nominal value of Company's share capital.

The Board therefore proposes that the general meeting makes the following resolution:

- (i) The Board is hereby authorized to acquire, on behalf of the Company, the Company's own shares up to 10% of the nominal value of Company's share capital, which pursuant to the current nominal value is up to NOK 2,566,194.75. The limitations shall be adjusted in the event of share consolidation, share splits, and similar transactions.*
- (ii) The lowest price to be paid per share shall be NOK 0.25 and the highest price to be paid per share shall be the volume weighted average price as quoted on the stock exchange for the five business days prior to the time of the acquisition plus 5%. The lowest price is equal to the current nominal value and shall be adjusted in the event of share consolidation, share splits, and similar transactions.*
- (iii) Acquisitions and sales of the Company's own shares can take place in the manner which the Board considers to be in the Company's best interest.*
- (iv) The authorization may be used once or several times. This authority shall be valid until the annual general meeting in 2020, however no longer than until 30 June 2020.*

*The authorization shall replace previously granted authorizations to acquire own shares.*

#### 15 Board authorizations to (a) issue new shares and (b) issue convertible loans

The annual general meeting has previously granted the Board authorizations to increase the share capital by issuance of new shares and/or convertible loans.

The current authorizations granted at the annual general meeting in 2018 expire at the 2019 general meeting, and the Board therefore proposes that these authorizations are renewed with the same amounts, i.e. an authorization to, in each case, increase the share capital with a nominal amount up to NOK 2,566,194.75, corresponding to 10% of the current share capital.

Similar to the previous authorizations, the purpose of such authorizations is to provide the Board with financial flexibility (i) in connection with potential acquisitions, (ii) for organic growth of the Company and/or (iii) to strengthen the Company's balance sheet.

To exercise these authorizations in the best possible manner commercially, it may be relevant in certain situations to make a private placement of shares and/or convertible bonds to certain named persons and/or entities. The Board therefore requests that the authorizations also encompass the right to waive the shareholders' preemptive rights.

##### **A / Share issue authorization:**

Based on the above, the Board proposes that the general meeting grants an authorization to issue shares through the following resolution:

- (i) In accordance with section 10-14 of the Norwegian Public Limited Companies Act, the Board is granted the authorization to increase the Company's share capital by up to NOK 2,566,194.75 through one or more issuances of new shares or bonus issues. The subscription price and other subscription terms will be determined by the Board.*

- (ii) *The capital increase may be paid in cash, by set-off or by other contributions in kind. The authorization includes the right to incur special obligations on behalf of the Company, cf. Section 10-2 of the Norwegian Public Limited Liability Companies Act.*
- (iii) *The shareholders' preemptive rights pursuant to sections 10-4, cf. section 10-5 of the Norwegian Public Limited Liability Companies Act, to subscribe for any new shares may be deviated from by the Board.*
- (iv) *The authorization shall encompass share capital increases in connection with mergers, cf. section 13-5 of the Norwegian Public Limited Liability Companies Act.*
- (v) *The authorization is valid until the annual general meeting in 2020, but no later than 30 June 2020.*
- (vi) *The authorization shall replace previously granted authorizations to issue new shares.*

#### **B | Convertible loan authorization:**

Based on the above, the Board proposes that the general meeting grants an authorization to issue convertible loans through the following resolution:

- (i) *In accordance with section 11-8 of the Norwegian Public Limited Companies Act, the Board is granted the authorization to issue loans for a total amount of up to NOK 2,250,000,000 with the right to require shares to be issued (convertible loans).*
- (ii) *The share capital may be increased by up to NOK 2,566,194.75, provided that the combined number of shares that are issued pursuant to this authorization and the authorization in agenda item 15(a) shall not exceed 10% of the Company's current share capital.*
- (iii) *The subscription price and other subscription terms will be determined by the Board.*
- (iv) *The shareholders' preemptive rights pursuant to section 11-4 of the Norwegian Public Limited Companies Act cf. sections 10-4 and 10-5, may be deviated from by the Board.*
- (v) *The authorization is valid until the annual general meeting in 2020, but no later than 30 June 2020.*
- (vi) *The authorization shall replace previously granted authorizations to issue convertible loans.*

## **16 Board authorization to distribute dividends**

The annual general meeting for 2018 authorized the Board to distribute quarterly dividends on the basis of the 2017 financial statements. The authorization was granted as Norwegian law provides that dividends declared in the period between approval of the financial statements for one year and approval of the next year's financial statements, will, absent a shareholder approved audited interim balance sheet, be considered as additional dividends based on the financial statements for the last year approved. The Board has reviewed the Company's financial situation, including the Company's distributable reserves according to the financial statements for 2018. On this basis and in accordance with the Company's dividend policy, the Board proposes that the authorization to distribute quarterly dividend payments be renewed and that the general meeting passes the following resolution:

*"The Company authorizes the Board to distribute quarterly dividends on the basis of the financial statements for 2018. The Board shall, when using the authorization, pass its decision in accordance with the Company's approved dividend policy. The authorization shall be valid until the Company's annual general meeting in 2020, but no later than 30 June 2020."*

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#### **Attendance and registration**

Shareholders are entitled to attend the general meeting in person or by a proxy of their own choice. Notice of attendance must be received no later than 5:00 pm (Oslo time) on 5 May 2019. Notice of attendance can be given electronically through the Company's website [www.tgs.com/investor-center](http://www.tgs.com/investor-center) or VPS Investor Services, or by providing the completed attendance form to DNB Bank ASA, Registrar's Department, P.O. Box 1600 Sentrum, NO-0021 Oslo, e-mail [genf@dnb.no](mailto:genf@dnb.no).

Shareholders who wish to attend and vote at the general meeting by proxy may send the proxy form electronically through VPS Investor Services, or to DNB Bank ASA, Registrar's Department, within the time limit stated above (5:00 pm (Oslo time) on 5 May 2019). Proxy forms can also be brought and presented at the general meeting.

**It is specifically noted that pursuant to section 8 of the Company's Articles of Association, the right to attend and vote at the general meeting is reserved for shareholders who are registered in the shareholders' register the fifth business day prior to the general meeting, i.e. on 30 April 2019 (record date).**

#### **Advance voting**

Shareholders not present at the general meeting may, prior to the meeting, cast a vote on each agenda item via the Company's website [www.tgs.com/investor-center](http://www.tgs.com/investor-center) or VPS Investor Services. The pin-code and reference number from the registration form is required to do so. The deadline for advance voting is 5:00 pm Oslo time on 5 May 2019. Until the deadline, votes already cast may be changed or withdrawn. Votes already cast prior to the general meeting will be considered withdrawn in the event of a shareholder attending the general meeting in person or by proxy.

#### **Notice to nominee holders and shareholders with nominee accounts**

Pursuant to Article 8 of the Company's Articles of Association, a shareholder has the right to cast a vote for the number of shares that are registered to the respective shareholder with the Norwegian Central Securities Depository (VPS) on the fifth business day before the general meeting (i.e. 30 April 2019, the record date). Beneficial owners of shares registered with nominee accounts who wish to exercise their rights at the general meeting must therefore register themselves directly in the VPS registry of shareholders and be registered with the VPS on the fifth business day prior to the general meeting (i.e. 30 April 2019) to ensure their eligibility to meet and cast vote.

#### **Shareholder rights**

A shareholder has the right to address the general meeting, and to bring one adviser and convey to him/her the right of address. A shareholder may table alternative resolutions for items included on the agenda and may request in the general meeting that members of the Board and/or the CEO provide available information about matters that may affect the assessment of the Company's financial situation, including information about activities in other companies in which the Company participates and other matters to be discussed in the general meeting, as further set out in section 5-15 of the Norwegian Public Limited Companies Act. Requests for information should be put forward no later than ten days prior to the general meeting.

**Other matters**

TGS-NOPEC Geophysical Company ASA is a Norwegian public limited company subject to the rules of the Norwegian Public Limited Companies Act. As of the date of this notice, the Company has issued 102,647,790 shares, each of which represents one vote. As of the same date, the Company holds in total 104,630 treasury shares that cannot be voted over. The shares have equal rights also in all other respects.

This notice, registration and proxy forms, the 2018 annual report and financial statements, the Board of Director's declaration on the fixing of salaries and other remuneration to the CEO and other senior executives, the Company's Articles of Association as well as other documents regarding the general meeting, are available at the Company's website: [www.tgs.com](http://www.tgs.com). Shareholders may contact the Company, through the CEO, Kristian Johansen, by ordinary mail, fax, email or phone (+ 1 713 860 2100), or through the Company's website in order to request the documents in question on paper a minimum of 21 days before the date of the general meeting.

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Asker, 16 April 2019

On behalf of the Board of Directors of

TGS-NOPEC Geophysical Company ASA



Henry H. Hamilton III  
Chairman

This notice has the following appendices, of which appendices 1, 3, and 4 will be attached to the notice which is sent to the shareholders, while appendix 2 will only be available on the Company's website:

- |             |  |
|-------------|--|
| Appendix 1: | Registration form and proxy form   |
| Appendix 2: | The Board's report, the Company's financial statements for 2018, the consolidated financial statements of the Group for 2018, and the audit report |
| Appendix 3: | The Nomination Committee's proposal for composition and remuneration for the Board and Nomination Committee  |
| Appendix 4: | Declaration on Executive Remuneration  |

**Appendix 1: Registration form and proxy form**

Ref no:

PIN code:

### Notice of Annual General Meeting

Annual General Meeting in **TGS-NOPEC Geophysical Company ASA** will be held on 8 May 2019 at 5 p.m. at the offices of Schjødt law firm at Ruseløkkveien 16, NO-0201, Oslo, Norway.

**Record Date (Share register): 30 April 2019**

**Registration Deadline according to bylaws: 5 May 2019**

**The company accepts votes in advance for this meeting. Registration deadline for advance votes: 5 May 2019 at 5 p.m. Oslo time. Advance votes may only be executed electronically, through the Company's website [www.tgs.com/investor-center/](http://www.tgs.com/investor-center/) or via VPS Investor Services.**

### Notice of attendance

The Undersigned will attend the Annual General Meeting on 8 May 2019 and cast votes for:

own shares.

**Notice of attendance should be registered electronically through the Company's website [www.tgs.com/investor-center/](http://www.tgs.com/investor-center/) or via VPS Investor Services.**

To access the electronic system for notification of attendance through the Company's website, the above mentioned reference number and PIN code must be stated. Shareholders who have chosen electronical communication will not receive PIN and reference numbers, and can only give notice through VPS Investor services.

Notice of attendance may also be sent by E-mail to [genf@dnb.no](mailto:genf@dnb.no), or by regular Mail to DNB Bank ASA, Registrars Department, P.O.Box 1600 Centrum, 0021 Oslo, Norway. The notice of attendance must be received no later than **5 May 2019 at 5 p.m. Oslo time**

If the shareholder is a legal entity, please state the name of the individual who will be representing the entity: \_\_\_\_\_

Place	Date	Shareholder's signature

### Proxy without voting instructions for Annual General Meeting of TGS-NOPEC Geophysical Company ASA

*If you are unable to attend the meeting, you may grant proxy to another individual.*

Ref no:

PIN code:

**Proxy should be submitted electronically through the Company's website [www.tgs.com/investor-center/](http://www.tgs.com/investor-center/) or via VPS Investor Services.** To access the electronic system for granting proxy through the Company's website, the above mentioned reference number and PIN code must be stated. Shareholders who have elected electronical communication will not receive PIN and reference numbers, and can only give proxy via VPS Investor services. Proxy may also be sent by E-mail to [genf@dnb.no](mailto:genf@dnb.no) (scanned form) or by regular Mail to DNB Bank ASA, Registrars' Department, P.O.Box 1600 Centrum, 0021 Oslo, Norway.

If you send the proxy without naming the proxy holder, the proxy will be given to the Chair of the Board of Directors of the Company or an individual authorised by him or her.

This proxy must be received no later than 5 May 2019 at 5 p.m. Oslo time.

### The undersigned:

hereby grants (tick one of the two)

☐ the Chair of the Board of Directors (or a person authorised by him or her), or

☐ \_\_\_\_\_  
(Name of proxy holder in capital letters)

proxy to attend and vote for my/our shares at the Annual General Meeting of TGS-NOPEC Geophysical Company ASA on 8 May 2019.

Place	Date	Shareholder's signature (Only for granting proxy)

With regards to your right to attend and vote, reference is made to the Norwegian Public Limited Liability Companies Act, in particular Chapter 5. If the shareholder is a Company, the Company's Certificate of Registration must be attached to the proxy.

**Proxy with voting instructions** for annual general meeting in TGS-NOPEC Geophysical Company ASA.

If you are unable to attend the Annual General Meeting in person, you may use this proxy form to give voting instructions.

Proxies with voting instructions can only be registered by DNB, and must be sent to [genf@dnb.no](mailto:genf@dnb.no) (scanned form) or by regular Mail to DNB Bank ASA, Registrars' Department, P.O.Box 1600 Centrum, 0021 Oslo, Norway.

The form must be received by DNB Bank ASA, Registrars' Department no later than 5 May 2019 at 5 p.m. Oslo time.

**Proxies with voting instructions must be dated and signed in order to be valid.**

If you leave the "Name of the proxy holder" blank, the proxy will be given to the Company's Chair of the Board of Directors, or an individual authorised by him or her.

**The undersigned:**

**Ref no:**

hereby grants (tick one of the two)

☐ the Chair of the Board of Directors (or a person authorised by him or her), or

☐ \_\_\_\_\_  
Name of proxy holder (in capital letters)

proxy to attend and vote for my/our shares at the Annual General Meeting of TGS-NOPEC Geophysical Company ASA on 8 May 2019.

The votes shall be exercised in accordance to the instructions below. If the sections for voting are left blank, this will be counted as an instruction to vote in accordance with the Board's and Nomination Committee's recommendations. However, if any motions are made from the attendees in addition to or in replacement of the proposals in the Notice, the proxy holder may vote at his or her discretion. If there is any doubt as to how the instructions should be understood, the proxy holder may abstain from voting.

Agenda for the Annual General Meeting 2019	For	Against	Abstention
1. Opening and registration of attending shareholders	-	-	-
2. Appointment of meeting chair and a person to co-sign the minutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of the notice and the agenda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of the financial statements and Board's report for 2018	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of auditor's fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Appointment of members to the Board	-	-	-
a. Henry H. Hamilton, Chairman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Mark Leonard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Vicki Messer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Tor Magne Lønnum	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Wenche Agerup	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Torstein Sanness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Irene Egset	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Christopher Geoffrey Finlayson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval of remuneration to the members of the Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Appointment of members to the Nomination Committee	-	-	-
a. Tor-Himberg Larsen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Christina Stray	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Approval of remuneration to the members of the Nomination Committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Statement on corporate governance pursuant to section 3-3b of the Norwegian Accounting Act	-	-	-
11. Statement on remuneration principles for senior executives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Approval of long-term incentive plan and resolution to issue free-standing warrants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Approval of employee stock purchase plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Board authorization to acquire own shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Board authorizations to (a) issue new shares and (b) issue convertible loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Board authorization to distribute dividends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Place \_\_\_\_\_ Date \_\_\_\_\_ Shareholder's signature (Only for granting proxy with voting instructions)

With regards to your right to attend and vote, reference is made to the Norwegian Public Limited Liability Companies Act, in particular Chapter 5. If the shareholder is a legal entity, the entity's Certificate of Registration must be attached to the proxy.

**Appendix 2:      The Board's report, the Company's financial statements for 2018, the consolidated financial statements of the Group for 2018, and the audit report**

(Not distributed together with the notice. Available on [www.tgs.com](http://www.tgs.com))

**Appendix 3:      The Nomination Committee’s proposal for composition and remuneration for the Board and Nomination Committee**

## **TGS-NOPEC Geophysical Company ASA (TGS)**

Below is the recommendation from the Nomination Committee (NC) to the Annual General Meeting on May 08, 2019.

### **Election of Directors**

The Nomination Committee proposes that the following candidates are elected to the Board and to serve as Directors until the Annual General Meeting in 2020. The Nomination Committee recommends the shareholders to vote for each candidate as follows;

#### **Henry H. Hamilton III, Chairman (re-election)**

Born 1959. Mr. Hamilton served as CEO of TGS from 1995 through June 2009. He started his career as a Geophysicist with Shell Offshore (1981-1987) before joining Schlumberger (1987-1995), where he ultimately held the position of VP and General Manager for all seismic product lines in North and South America. Mr. Hamilton was first elected as a director of TGS in 1998 and as Chairman in 2009.

#### **Mark Leonard, Independent Director (re-election)**

Born 1955. Mr. Leonard is currently the President of Leonard Exploration, Inc. He retired in 2007 from Shell Oil Company after 28 years of service. During his tenure at Shell, Mr. Leonard held a number of executive positions including Director of New Business Development in Russia/CIS, Director of Shell Deepwater Services, Director of Shell E&P International Ventures and Chief Geophysicist for Gulf of Mexico. He was first elected as a director of TGS in 2009.

#### **Vicki Messer, Independent Director (re-election)**

Born 1949. Ms. Messer is currently an independent consultant. She has 32 years of geophysical industry experience in various executive, management and supervisory positions for CGG Veritas, Veritas DGC, Halliburton Energy Services/Halliburton Geophysical, and Geophysical Services Inc. She was first elected as a director of TGS in 2011.

#### **Tor Magne Lønnum, Independent Director (re-election)**

Born 1967. Mr. Lønnum is currently Group Chief Financial Officer of Falck. Prior to joining Falck in 2017, he was CFO of Aimia Inc from 2016 to 2017, and before that CFO in Tryg AS and Tryg Forsikring AS from 2011 to 2016. He was first elected as a director of TGS in 2013.

#### **Wenche Agerup, Independent Director (re-election)**

Born 1964. Ms. Agerup is SVP, Head of Group Holdings in Telenor ASA. From 1997 to 2010, Ms. Agerup held various leading positions within Norsk Hydro ASA, including Plant Manager at Årdal Metal Plant in Norway and Project Director in Hydro UMC Joint Venture in Australia. From 2010 to 2015, Ms. Agerup was Executive Vice President, Corporate Staffs & General Counsel of Norsk Hydro and member of the Corporate Management Board, reporting to the Chief Executive Officer. From 2015 to July 2018, Ms. Agerup was Executive

Vice President, Corporate Affairs & General Counsel of Telenor ASA, and a member of the Group Executive Management, reporting to the Chief Executive Officer. Ms. Agerup serves as a board member of Equinor ASA. She was first elected as a director of TGS in 2015.

**Torstein Sanness, Independent Director (re-election)**

Born 1947. Mr. Sanness served as the Chairman of Lundin Norway from April 2015 to March 2017, when he became a member of the board of International Petroleum Corp., a Lundin Group company. He previously served as the Managing Director of Lundin Norway from 2004 to 2015. From 2000 to 2004, he served as Managing Director of Det Norske Oljeselskap AS, and from 1972 to 2000, he served in various capacities for Saga Petroleum, working primarily in the exploration and development of Saga's oil and gas interests globally. Mr. Sanness serves as a board member for Lundin Petroleum AB, Panoro Energy ASA and Magnora ASA, as well as International Petroleum Corp. He was first elected as a director of TGS in 2016.

**Irene Egset, Independent Director (New)**

Born 1966. Irene Egset is educated from Molde Regional College and has a 4-year degree (Siviløkonom) Business Administration, from NHH, Norwegian School of Economics, Norway. Ms. Egset currently serves as the Chief Financial Officer of Posten Norge, joining in 2019. From 2008 to 2018, she served in various financial leadership roles with Statkraft, joining as CFO of the Solar Power Unit in 2008, transferring to Statkraft Wind Power and Technologies in 2010, with responsibility for, *i.a.*, WPT finance employees in UK, Sweden and Norway, and most recently serving as Executive Vice President and CFO of Statkraft from 2016 to 2018. From 2005 to 2008, she was a financial manager for J. F. Knudtzen, and from 2000 to 2005, she served as Controller for Nera SatCom, in charge of financial reporting, as well as follow-up relative to the company's projects abroad. Ms. Egset held a variety of financial roles at Statoil (now Equinor) from 1992 to 2000, working as a financial consultant on large projects (Veslefrikk/Gullfaks). While at Equinor, she was responsible from 1998 to 2000 for coordinating and improving reporting to Equinor's board regarding ongoing projects worldwide. Ms. Egset began her career in 1988 as a financial manager for Ulstein Elektro (part of the Ulstein Group). She currently holds no other board memberships in any listed companies.

**Christopher Geoffrey Finlayson, Independent Director (New)**

Born 1956. C. G. Finlayson is a geologist and petroleum engineer by training, with nearly 40 years of technical and commercial experience in the oil and gas industry. He received his Bachelor of Science degree with First Class Honours in Physics and Geology from the University of Manchester in 1977. He joined Shell in 1977 and held leadership roles in exploration and production and liquefied natural gas around the world. Mr. Finlayson joined BG Group plc in 2010 as Executive President & Managing Director, Europe & Central Asia. From 2013 to 2014, he served as the Chief Executive Officer & Executive Director of the BG Group. Currently, Mr. Finlayson serves on the Board of Höegh LNG Holdings Ltd. In addition, he is a non-executive Chairman of Siccar Point Energy Ltd. and a board member of two other privately held companies. Mr. Finlayson is a Fellow of the Energy Institute.

## **APPROVAL OF DIRECTORS' FEE FOR THE PERIOD MAY 09, 2019 TO THE 2020 ANNUAL GENERAL MEETING**

The Nomination Committee proposes that the Chairman shall receive in total USD 200,000 to be paid bi-annually until the Annual General Meeting in 2020.

The Nomination Committee further proposes that each of the Directors, other than the Chairman, shall receive in total NOK 330,000 to be paid bi-annually until the Annual General Meeting in 2020.

In addition, each of the Directors other than the Chairman, shall receive 1,650 restricted shares in the Company on May 09, 2019.

No consideration shall be paid for the restricted shares, but the Directors cannot sell any of these shares before May 09, 2021.

The Board's committee work is, unlike most compensation structures of Norwegian boards, not compensated separately but included in the total compensation of the Board Members. As the position as chairman of the two committees entails additional work, the Nomination Committee proposes that the Chairman of the Audit Committee and the Chairman of the Compensation Committee shall each receive a flat fee of NOK 45,000 to compensate for the additional work the chairmanship entails.

## **APPROVAL OF COMPENSATION TO THE MEMBERS OF THE NOMINATION COMMITTEE FOR THE PERIOD MAY 09, 2018 TO MAY 08, 2019**

The Nomination Committee proposes that the fee to members of the Nomination Committee shall be NOK 7,500 per meeting to each member to compensate for the time spent for the works of the Committee. In addition, the Chairman of the Nomination Committee shall be paid NOK 80,000 to compensate for the additional work the chairmanship entails.

## **ELECTION OF MEMBERS TO THE NOMINATION COMMITTEE**

The Nomination Committee proposes that the following candidates are elected to serve as members of the Nomination Committee from May 09, 2019 and for a period up to two years:

### **Tor Himberg-Larsen, Committee Chairman (re-election)**

Born 1944. Previously Attorney-at-Law and Senior Vice President in DNB ASA. Elected Chairman of the Committee in 2011.

### **Christina Stray, member (re-election)**

Born in 1968. Presently Chief Compliance Officer in Folketrygdfondet. Previously an Attorney-at-Law in Wiersholm Law Firm and Attorney-at-Law for Oslo Stock Exchange. Elected as a member of the Committee since 2011.

The following member of the Nomination Committee was elected in the Annual General Meeting in 2018 and will continue to serve until the Annual General Meeting in 2020.

**Herman Kleeven, member (elected until 2020)**

Born 1966. Mr. Herman Kleeven is educated from the University of Limburg. From 2013 H. Kleeven has been Head of Focus Equities – APG Asset Management (APG). Previously, he held portfolio management positions at Robeco and was Head of Equity Investments ING Insurance. APG is one of the largest TGS shareholders. Elected as member of the Committee since 2016.

**THE CONSIDERATIONS OF THE NOMINATION COMMITTEE.**

The Nomination Committee has worked according to the Charter presented to the Annual General Meeting of the Shareholders on June 7, 2011.

The Committee has in this election period communicated with some of the largest shareholders in the Company. The Committee has evaluated the Board's 2018 Self-Evaluation Report. The report has also been discussed in detail with the Chairman. In addition, the Nomination Committee has arranged meetings with the joint Board and with each TGS Board Member and the CEO on an individual basis.

The Nomination committee believes that the new candidates will contribute to the successful work of the Board of Directors. The Nomination Committee regards Irene Egset's competences on financial reporting and experience in the field of renewable energy as relevant for the Board of Directors. Furthermore, C.G. Finlayson's broad experience in the oil and gas industry will be a valuable contribution to the extensive knowledge of the market of the Board of Directors.

The Nomination Committee is of the opinion that the nominated Board of Directors will have the necessary qualifications to meet challenges ahead. All Board Members have in this election period contributed in a constructive way to the Company's best interest on and in between Board Meetings. In nominating the present Board of Directors, the Nomination Committee has prioritized succession and renewal and has been assisted by the Search Firm EgonZehnder.

The Nomination Committee has in this election period experienced no conflict of interest as regards the Board Members' directorships in other listed companies.

All recommendations made by the Nomination Committee are unanimous.

The Committee Chairman has communicated with the Chairman of the Board and the CEO ahead of submitting the Committee's recommendations.


Oslo, April 7, 2019

Tor Himberg-Larsen  
Chairman

Christina Stray

Herman Kleeven

**Appendix 4: Declaration on Executive Remuneration**



# **TGS 2018**

## **DECLARATION ON EXECUTIVE REMUNERATION**

# TGS 2018

## Declaration on Executive Remuneration

### From the Compensation Committee

*It is the Board's belief that attracting and retaining highly engaged executives with great vision, global experience, a passion for business and a strong drive for results is critical to TGS' continued success. Consistent with this belief, the Board has adopted a total compensation philosophy for executives that aligns compensation with a passion for business, teamwork and a drive for results. While base salaries are targeted at a relatively low level versus peers, our remuneration is heavily weighted in variable, performance-linked pay, which reflects our "results-driven" approach. All employees, at all levels in the organization, participate in the same Short-Term Incentive Plan, which is directly linked to the Company's operating profit. This alignment of reward fits well with the "teamwork" culture of the Company. Our total rewards package is designed to attract and retain talented people who have a passion for business and consistently demonstrate the highest levels of performance.*

*Although the seismic industry continues to be challenged, market conditions have improved and TGS delivered increased revenues and operating profit in 2018. Once again, the Company demonstrated its industry-leading ability to generate cash flow and returns, outperforming expectations. This improved performance resulted in strong payouts from the Short-Term Incentive Plan, which is directly linked to operating profit. The strong payouts in 2017 and 2018 offset significantly lower payouts that occurred in 2015 and 2016 during the downturn. In addition, the three-year measurement period for the 2016 Long-Term Incentive Plan was completed on 31 December 2018, with a preliminary determination of payout at approximately 39% of the maximum payout under the plan. The 2015 Long-Term Incentive Plan, which vested in August 2018, resulted in a zero payout, with none of the performance thresholds being achieved. Performance on the 2017 and 2018 Long Term Incentive Plans are tracking favourably.*

*For 2019, following consultation with some of the Company's largest shareholders, the Board proposes to keep the structure of the 2019 Long-Term Incentive Plan generally unchanged from the 2018 plan. However, following the improved return on average capital employed performance in 2018, the threshold, target and stretch target metrics will be increased. In addition, the Board has added a metric relating to sustainability initiatives. The Board has also implemented a broad-based Employee Stock Purchase Plan to facilitate greater TGS share ownership for all employees.*

#### Mark Leonard

*Director and Chair of the Compensation Committee*  
21 March 2019

Pursuant to the Norwegian Public Limited Liability Companies Act, section 6-16a, the Board will present the following declaration regarding remuneration of TGS' executive team to the 2019 annual general meeting.

## 1. Executive Remuneration Policy Statement

### 1.1. Total Compensation Philosophy

TGS is an international company operating in the global geoscience industry with operations world-wide. As a result, the Company's employment base, including its executive team, is and needs to be largely international. To attract and retain talented people, the total compensation package for the Company's employees must be competitive within the markets TGS operates.

As its total compensation philosophy, TGS uses a blend of components: base salary, incentive compensation (short-term and long-term awards) and non-financial benefits. TGS targets base salaries at the 25th percentile of the compensation peer group, with total actual cash compensation, defined as base salary and a variable cash bonus directly linked to TGS' operating profit, targeted between the 50th and 75th percentile of the market average in years where the Company performs above market. This mix of base salary and cash bonus for executives is heavily weighted to variable pay so that they share in the same risk and rewards as its shareholders.

The various compensation elements are balanced in a way that recognizes the individual executive's responsibilities and his or her abilities to influence the short and long-term profitable growth of the Company. Compensation is reviewed annually with performance assessed based on fulfilment of pre-defined goals.

### 1.2. Governance

The Board of Directors has established a Compensation Committee with responsibility for reviewing executive remuneration and making recommendations to the Board. The Compensation Committee is composed solely of independent directors: Mark Leonard (Chair), Wenche Agerup, Torstein Sanness and Elisabeth Grieg.

The Compensation Committee is responsible for recommending the CEO's compensation package to the Board for final review and approval. This includes the CEO's target bonus, which is specifically set by the Board. The CEO is responsible for proposing the compensation packages (excluding his own) for all executives for Compensation Committee review and Board approval. His proposal is based on each executive's performance assessed against pre-defined goals, including goals that support the corporate goals as described in section 2.2.

The Compensation Committee retains an independent third-party compensation benchmarking firm to assess and recommend changes to TGS' executive compensation practices relative to its peer group. The peer group is composed of several competitors and international oil and gas services companies (18 companies in total, seven of which are U.S. and five Norwegian). The peer group is determined by considering a combination of relative factors that include annual revenue, profit, market capitalization, return on equity (ROE) and return on average capital employed (ROACE). This independent executive compensation analysis is conducted annually.

The table to the right shows the peer group for executive remuneration in 2018. The peer group is assessed annually in connection with the benchmarking process on the basis of the factors referenced above. The peer group for 2018 was the same as that used in 2017.

### 1.3. Components of 2018 Executive Remuneration

The following table summarizes the primary elements of remuneration to TGS' executives in 2018:

Remuneration Element	Objective	Award Level	Performance Criteria
Base Salary (cash component)	Base salary in combination with STI and LTI should attract and retain executives	Around 25 <sup>th</sup> percentile of our peer group	Base salary is subject to annual review with performance assessed based on fulfilment of pre-defined goals
Short Term Incentive (STI) (cash component)	Drive and reward individuals for annual achievement of business objectives and maintain a strong link between compensation and the Company's financial performance	Target Total Cash Compensation (Base Salary + STI) above 50 <sup>th</sup> and up to 75 <sup>th</sup> percentile of the market in years where the Company performs above market	Target STI is set based on individual level of responsibility, individual contribution and performance. Actual payout is a direct function of the Company's operating profit.
Long Term Incentive (LTI) (equity component)	Strengthen the alignment of top management and shareholder interests and retain key employees	Target award at 2x base salary for CEO and 1x to 1.5x average of base salary for CFO and other executives	Participation in the LTI Plan and the size of the award is reflective of the level and impact of the position. Performance criteria for payout based on ROACE target, Relative ROACE, and HSE performance.
Benefits	Industry competitive pension and insurance plans	U.S: 6% 401k matching Norway: 5.6%/15% below/above 7G (12G cap) UK: 7%	N/A

### 1.4. Review of Results of 2018 AGM Remuneration Proposals

The TGS total compensation philosophy and the specific structure and metrics of the Long-Term Incentive Plan are reviewed annually with the Company's largest shareholders. At the 2018 annual general meeting, the Company's shareholders were requested to provide a non-binding advisory vote to approve the remuneration principles for executives and a binding vote to approve the 2018 Long-Term Incentive Plan together with the issuance of free-standing warrants to fund the plan. Both motions were approved with 99.4% and 98.6%, respectively, of votes cast in favor.

Aker Solutions	Fred Olsen Energy	Kvaerner
CARBO Ceramics	Fugro N.V.	Oil States International
CGG Veritas	Helix Energy Solutions	Pason Systems
Core Laboratories	Hunting PLC	Petroleum Geo-Services
Dril-Quip	ION Geophysical	Prosafte
Forum Energy Technologies	James Fisher & Sons	Shawcor

## 2. Executive Remuneration in 2019

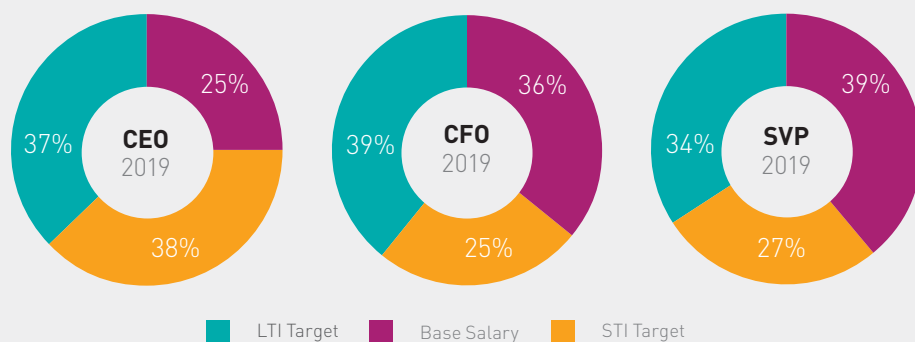
### 2.1. Overview

Consistent with the TGS total compensation philosophy, executive compensation for 2019 consists of base salary, Short-Term Incentives, Long-Term Incentives and health and retirement benefits. These components are consistent with the primary elements of executive compensation in 2018, as detailed in the chart in section 1.3 above.

TGS executive remuneration is heavily weighted in variable, performance-linked pay. While base salaries are targeted at around the 25th percentile versus peers, the Short-Term Incentive Plan (see section 2.3 below) is intended to bring total cash compensation above the market average in years where the Company performs above market (target above 50th and up to 75th percentile of the market). Target total cash compensation for 2019 for the executive team averages slightly below the 50th percentile based on the third-party benchmarking data.

The Long-Term Incentive Plan for executives (see section 2.4 below) is intended to strengthen the alignment of executive and shareholder interests and aid retention in a competitive marketplace. Third-party compensation benchmarking indicates that the target award level for 2019 is slightly below the 50th percentile for the CEO and CFO and slightly above the 50th percentile, on average, for the remaining executives. In 2019, the aggregate number of share units to be issued under the Long-Term Incentive Plan (performance share units and restricted share units) was reduced to 360,000 as a result of the increase in the TGS share price during 2018. In line with the overall reduction, the total number of share units that may be issued to the executive team was reduced to 231,000 (from 300,000).

The following charts highlight the distribution of the various 2019 compensation components at target levels for the CEO, CFO and a Senior Vice President (SVP). The 2019 Long-Term Incentive is valued based on performance at the target level and a beginning-of-the-year share price of NOK 211 with a NOK:USD exchange rate of 0.115. For illustrative purposes, one SVP was selected.



### Executive Pay Overview 2015 – 2019

The table to the right reflects the target total compensation for the CEO, CFO and a Senior Vice President (SVP) from 2015 to 2019. The purpose of the table is to allow a simple comparison of the total targeted compensation that is established for executives each year, removing variances caused by the timing of actual payments from the Short- and Long-Term Incentive Plans. The Short-Term Incentive numbers shown are based on what can be earned (accrued) for the full plan year. This will differ from actual bonus payments made in the year (as reflected in Note 9 of the

2018 Consolidated Financial Statements) as bonus payments are made approximately two months after the end of the relevant quarter (i.e., a proportion of the Short-Term Incentive will be paid in the following year). The Long-Term Incentive targets shown in each year reflect the three-year plan that is implemented in that year with payout, if any, occurring three years later, although the expected payout, if any, is shown for the year the plan was implemented to allow comparability of target versus payout. For example, the Long-Term Incentive target shown for 2016 is scheduled to payout during 2019, but the expected payout is shown for 2016. For Long-Term Incentives, it should be noted that comparability of the target award to the expected payout is affected by variations in stock price and exchange rate between different dates.

	Year	Base salary as of 1st January (USD) <sup>1)</sup>	Annual target STI (USD) <sup>2)</sup>	Actual plan year STI (USD) <sup>3)</sup>	Annual LTI target to vest in 3 yrs <sup>4)</sup>	Actual LTI Pay-out after 3-yrs (USD) <sup>5)</sup>	Total target compensation (USD)
CEO	2015	506,000	961,302	263,751	574,231	-	2,041,533
	2016	506,000	400,000	614,065	588,475	649,695	1,494,475
	2017	500,000	450,000	959,130	877,636	TBD	1,827,636
	2018	550,000	785,250	1,631,592	1,320,843	TBD	2,656,093
	2019	565,000	850,000	TBD	831,610	TBD	2,246,610
CFO	2015	301,880	550,020	136,330	287,115	-	1,139,015
	2016	354,819	125,751	197,874	276,929	305,739	757,500
	2017	348,701	134,796	287,304	413,005	TBD	896,502
	2018	383,850	248,978	475,953	621,573	TBD	1,254,400
	2019	362,863	251,972	TBD	391,346	TBD	1,006,181
SVP	2015	308,000	342,847	94,066	172,269	-	823,116
	2016	336,000	120,000	132,537	225,005	248,413	681,005
	2017	342,000	131,000	279,208	335,567	TBD	808,567
	2018	346,968	226,404	470,416	485,604	TBD	1,058,976
	2019	353,040	237,724	TBD	305,739	TBD	896,503

Notes:

<sup>1)</sup> Base Salary as of 1st January of each year for the executive holding the position on that date.

<sup>2)</sup> Amount reflected is for a plan year and not actual amounts received during a year; bonus amounts are paid quarterly two months after quarter end (ex: Q4 bonus paid in Q1 of following year).

<sup>3)</sup> Amounts in 2016 include STI earned plus a special executive team share-matching bonus paid in Q1 2017 from unallocated STI bonus funds. This bonus represented up to 25% of each executive's 2016 Short-Term Incentive target and was conditioned upon the executive's purchase from personal funds, on a one-for-one matching basis with the bonus funds, TGS common shares in the open market. The Company has no plans to continue this special bonus in the future.

<sup>4)</sup> Based on achievement of metrics at mid-level targets. Exchange rates and stock price calculated at date of AGMs, except for 2019 where stock price of NOK 211 and exchange rate of 0.115 was applied.

<sup>5)</sup> Amounts reflected are the actual payout of the plan following vesting to allow some comparability of target to payout (ex: 2015 plan had no payout upon vesting in 2018 and is reflected by "-" in the 2015 row). For the 2016 LTI, actual payout is estimated using preliminary reported results, a beginning-of-the-year share price of NOK 211 and exchange rate of 0.115.

## 2.2. Performance Criteria for Base Salary and Short Term Incentive Awards

Salary increases and target Short-Term Incentive awards for all employees, including executives, are based upon a review of performance against individual goals.

Individual goals include goals that are intended to support TGS corporate goals, as well as performance goals specific to the individual. TGS establishes its corporate goals at the start of each year and shares these across the organization. The goals for 2019 include specific targets relative to financial performance, customer engagement, employee engagement and delivery of milestones relative to the TGS three-year strategic plan.

The table below describes in further detail the corporate goals that have been set for 2019, with examples of individual executive goals that support the corporate goals.

Corporate Goal	Target	Example Executive Goals
Financial Performance	ROACE higher than 17%	Revenue targets Operating cost savings Project ROI Contract terms Cash management
Customer Engagement	40-45% prefunding of new investments Grow late sales versus 2018	Customer interaction (meetings/events) Marketing efforts Product quality and delivery Customer services Customer feedback
Employee Engagement	Improve Employee Engagement Capital versus 2018 (>62% as measured by third party, CEB)	Interaction between teams Communications around market conditions, ongoing projects, industry challenges, etc. Training and development
Strategic Initiatives	Implement action plans for initiatives relating to Imaging, Data & Analytics, and profitable growth	Improve Imaging reputation through R&D, proprietary opportunities Further develop Data & Analytics toward profitability Increase presence in South Atlantic Apply new technologies (OBN) in mature basins Establish new core basis onshore

The CEO's goals for 2019 are aligned with the corporate goals and the targets described above, emphasizing ROACE, cash flow, revenue, strategic initiatives in imaging and data & analytics, and employee engagement. In addition, the CEO has set goals relating to sustainability initiatives and HSE.

## 2.3. Short Term Incentives 2019

The TGS Short-Term Incentive Plan provides a cash bonus for employees that is directly proportional to the actual operating profit of TGS. This plan has been successfully used by TGS for over 20 years to focus all employees on generating operating profit. The 2019 plan will be funded by allocating 9.5% of TGS operating profit (reduced from 12.75% in 2018) to be shared among all eligible employees (approximately 1.3% designated for executives and the remaining 8.2% designated for all other employees). The percentage of operating profit designated is determined by the amount of operating profit in the budget and the amount of bonus needed to compensate employees in line with the TGS total compensation philosophy and peer group comparison.

Short-Term Incentive target awards were low in 2016 through 2018 due to the market downturn. However, with improving conditions, targets for 2019 are more in line with, although still slightly below, pre-2016 targets. As a result, target total cash compensation for executives in 2019 is on average only slightly below the market 50th percentile based on third-party benchmark data (versus the aspiration of 50th to 75th percentile).

Individual Short-Term Incentive bonus targets are set at the beginning of each plan year. The target for each executive is based on the individual's level of responsibility in the organization, individual contribution, performance versus previous year goals and benchmark data. In 2019, the CEO bonus target is set at approximately 150% of base salary. The other executives have bonus targets between 56% and 94% of base salary.

The actual bonus amounts paid over a plan year, representing the designated percentage of operating profit, are paid quarterly following announcement of quarterly financial results. If the Board anticipates that the upcoming quarter(s) will result in a negative operating profit, the plan includes a withholding provision that may be instituted at the Board's discretion. The actual payout is limited to a multiple of two times (2x) target bonus. This cap has been reduced from three times (3x) target bonus in 2017, and two and one-half times (2.5x) target bonus in 2018. The reduction in the cap reflects that target bonuses are beginning to return toward historical levels. Since 2000, the average payout has been 108% of target with the lowest payout being 27% of target (2015) and the highest payout being 213% of target (2017).

For executives, TGS reserves the right to demand the repayment of any cash performance bonus that has been paid on the basis of facts that were self-evidently incorrect or as the result of misleading information supplied by the individual in question.

## 2.4. Long Term Incentives 2019

### Long-Term Incentives Generally

Since 2015, the Company has issued Long-Term Incentives through an annual equity-based Performance Share Unit (PSU) Plan, with performance against various metrics measured over a three-year period. A limited number of share-based Long-Term Incentive awards are usually issued each year upon authorization from shareholders at the annual general meeting. For 2019, TGS is seeking approval from the AGM for a total of 360,000 shares under the Long-Term Incentive Plan, with 278,040 allocated to the 2019 PSU Plan and the remaining 81,960 allocated to the Restricted Share Unit (RSU) Plan. Assuming all 360,000 shares were earned under the Long-Term Incentive Plan, this would create less than 0.36% dilution.

Prior to 2014, the Company generally issued stock options as long-term incentives. Stock options were issued at market price when granted, vested over a four-year period starting on the third anniversary of the grant and expired five years after the stock option pool was approved by shareholders at the AGM. In June 2018, the stock options granted in 2013 expired, and no other stock options remain outstanding at 31 December 2018. In 2014, the Company issued cash-based Long-Term Incentives providing for cash bonuses linked to performance against defined metrics, measured over a three-year period. The shift from stock options in 2014 reflected the Board's goal to provide a system that is both more performance-based and more closely aligned with long-term shareholder interests.

### Share Ownership Guidelines

In 2014, the Board implemented share ownership guidelines for executives. These guidelines are designed to encourage long-term share ownership by requiring each executive to retain the equity granted through the Long-Term Incentive Plans, such that the awarded equity (once vested), together with any other shares that may be held by the executive, meet certain ownership levels. The following are the required levels: CEO – three times (3x) base salary, CFO – two times (2x) base salary, and all other executives – one times (1x) base salary. An executive has five years from the date the executive is first subject to the guidelines to meet the required level of ownership. If an executive does not meet the share ownership guidelines, the executive must retain all shares awarded from any Long-Term Incentive Plan until the requirement is satisfied. In 2018, the Board expanded the guidelines to include certain non-executive senior management, with the level set at one times (1x) base salary.

### 2019 PSU Plan

In 2019, the executive team members (currently nine staff) will be eligible to participate in the 2019 PSU Plan, as well as eight non-executive senior managers with substantial responsibility at the business unit level. It is proposed that the seventeen participants will be granted PSUs based on his or her individual performance, span of responsibility and ability to execute the TGS business plan. The

PSUs will vest three years after the date of grant (anticipated to be August 2022) and will be converted to a number of TGS shares depending on the achievement of certain metrics.

A threshold, target and stretch (cap) is set for each metric, and no shares will be earned in each category if final values are below the performance threshold. A cash bonus in an amount equivalent to dividends paid on TGS common shares will accrue on PSUs that are ultimately awarded.

In 2019, following consultation with some of the Company's largest shareholders representing over 34% of issued stock, the Board proposes maintaining a similar plan structure as 2018, with the exception of an added sustainability metric. The 2019 plan will therefore comprise an absolute ROACE metric, a relative ROACE metric and a mix of leading and lagging HSE and sustainability metrics. The absolute ROACE threshold, target and stretch target metrics will be increased from last year such that an average ROACE of more than 17% will be required for any payout to occur. Target ROACE will be set at 24% and stretch will be set at 31%. In 2018, ROACE achieved by TGS was 17%.

The following table describes the specific metrics with target payout set at 60% of the PSU grant and stretch target set at 100% of the PSU grant.

2019 PSU Plan	Performance	Percentage Payout	
<b>Metric 1: Relative ROACE</b>			
	Below 50 <sup>th</sup> percentile	0%	Below Threshold
<i>TGS ROACE relative to seismic peer group (11 companies: TGS, CGG, PGS, Schlumberger, ION, Spectrum, Polarcus, Shearwater (Rieber Shipping), Seabird, EMGS, Seitel)</i>	50 <sup>th</sup> to 75 <sup>th</sup> percentile but not top 3	20%	Target
	3rd	30%	
	2nd	35%	
	1st	40%	Stretch (Max)
<b>Metric 2: Absolute ROACE</b>			
	17%	0%	Below Threshold
<i>EBIT/Avg capital employed (2019+2020+2021) / 3</i>	24%	20%	Target
	31%	40%	Stretch (Max)
<b>Metric 3: HSE and Sustainability</b>			
	Zero Lost Time Injuries	6.66%	Target
<i>HSE: 2 Leading, 1 Lagging Sustainability: Leading</i>	Crew Safety Visits and Safety Inspections	6.66%	Target
	Achievement of Metrics in relation to Sustainability Goals	6.66%	Target

With respect to Absolute ROACE, where actual performance falls between the threshold and target or between the target and stretch, the actual payout will be based on a linear calculation.

The Board believes that the proposed target metrics are sufficiently challenging and should align with shareholder expectations. Historical performance is provided in the following table.

Metric	2019 Threshold	2019 Target	2019 Stretch	2018	2017	2016	2015
Relative ROACE	50 <sup>th</sup> percentile	50 <sup>th</sup> to 75 <sup>th</sup>	1st	1st	1st	1st	3rd
Absolute ROACE	17%	24%	31%	17%	10%	5%	-2%
Lost Time Injuries	Zero	Zero	Zero	Zero	Zero	1 – Fail	Zero

For 2019, TGS proposes the following grant amounts: (i) CEO, up to 57,120 PSUs, (ii) CFO, up to 26,880 PSUs, (iii) remaining seven executives, an average of 21,000 PSUs each, and (iv) the eight senior managers, an average of 5,880 PSUs each (278,040 maximum combined grant to executive team and senior leaders). At a stock price of 211 NOK and currency exchange rate of 0.115 USD/NOK, the PSU Plan is worth USD 4.0 million at the target level and USD 6.7 million if all stretch targets are achieved.

### 2019 RSU Plan

TGS is also proposing that 81,960 units are allocated to the RSU Plan for other key employees (around 60 staff or 10% of the workforce). Executives will not qualify for RSUs. Key employees in the RSU plan must achieve satisfactory performance against their goals over the three-year plan period to earn the RSUs. The individual performance goals will be based on the performance criteria described in section 2.2 above with a focus on goals that support the corporate targets for ROACE, customer engagement, employee engagement and strategic initiatives.

### 2.5. Employee Share Purchase Plan

In February 2019, TGS implemented an Employee Share Purchase Plan (ESPP) pursuant to which eligible employees are allowed to purchase common shares of the Company at a discount through payroll deductions. The intent of the ESPP is to encourage broader share ownership among TGS employees to further increase alignment with shareholders.

Under the ESPP, participating employees will save money through voluntary, after-tax payroll deductions over a period of six months (the Offer Period). Upon completion of the Offer Period, employees will have the option to use the savings to purchase TGS stock at a 15% discount to the market price at the time of purchase. The plan sets a maximum amount of savings that can be accumulated during each Offer Period, resulting in a maximum purchase of approximately 100 shares per employee per Offer Period (approximately 200 shares per participant per year). The ESPP is limited to 1,000,000 shares that may be acquired during the life of the plan. Shares will be purchased from the open market, and no shares will be issued by

TGS; therefore, there will be no dilution of existing shareholders. The cost for TGS to administer this plan and fund the discount is expected to be approximately USD 250,000 per annum based on industry average rates of employee participation.

All employees (other than a small number of employees in a foreign subsidiary) may participate in the ESPP, subject to meeting a short service requirement for eligibility. All executives are permitted to participate in the ESPP.

The ESPP is submitted to the 2019 AGM for approval for the sole purpose of meeting certain U.S. tax regulations. Under 423 of the United States Internal Revenue Code, U.S.-based employees will receive a tax benefit that defers the recognition of income on the discount amount if the ESPP meets certain criteria. One of the criteria requires that the ESPP be approved by the Company's shareholders within twelve months of implementation. The Company has structured the plan to meet all other criteria necessary to allow the tax benefit, including allowing participation by all U.S.-based employees who meet the short service eligibility requirement.

### 2.6. Pension and Insurance Plans

The TGS executive team is part of the TGS general pension plan (401k in U.S.) as administered in accordance with local custom and policy in Norway, U.S. and U.K. The pension plan is assessed annually based on a review of market and peers in each geography, and no special or additional pension contributions are given to executives. In 2019, TGS will make the following maximum pension contributions (as a percentage of cash compensation) to executives depending on location:

- 6% 401k matching (cap at USD 19,000) in U.S.;
- 5.6%/15% below/above 7G (12G cap) pension in Norway; and
- 7% contribution in U.K.

The TGS executive team and their dependents are also provided with the option to participate in health and death insurance benefits as generally available to employees of TGS and in accordance with local custom and policy. In addition, executives are offered an annual medical / health assessment.

### 2.7. Severance Pay Arrangements

The maximum amount payable to the CEO in case of termination of employment without cause or for good reason is one times the amount of his highest annual base salary in effect during the three years that immediately precede the date of termination, spread over an ensuing one-year period conditional upon his continued compliance with restrictive covenants.

The maximum amount payable to the CFO in case of termination for any reason other than redundancy, gross misconduct or statutory retirement is one times the amount of his highest annual base salary in effect during the three years that immediately precede the date of termination, spread over an ensuing one-year period conditional upon his continued compliance with restrictive covenants.

The amount payable to the CEO or CFO in the case of termination associated with a “change of control” event is one times the highest gross annual compensation received during the three years immediately preceding the “change of control” event, paid as a lump sum.

No other members of the executive team have employment agreements providing termination benefits.

## 3. 2018 Remuneration Results and Assessment

### 3.1. Results from the 2018 AGM

In accordance with section 6-16a of the Norwegian Public Limited Companies Act, the Board prepared a statement during 2018 with respect to the principles for remuneration of executives of the Company, which was noted and approved at the annual general meeting. In addition, the Board presented the 2018 Long-Term Incentive Plan to the annual general meeting, which was also approved.

The Board of Directors believes that the compensation awarded to executives in 2018 fully complies with the statements, proposals and approvals from the 2018 annual general meeting.

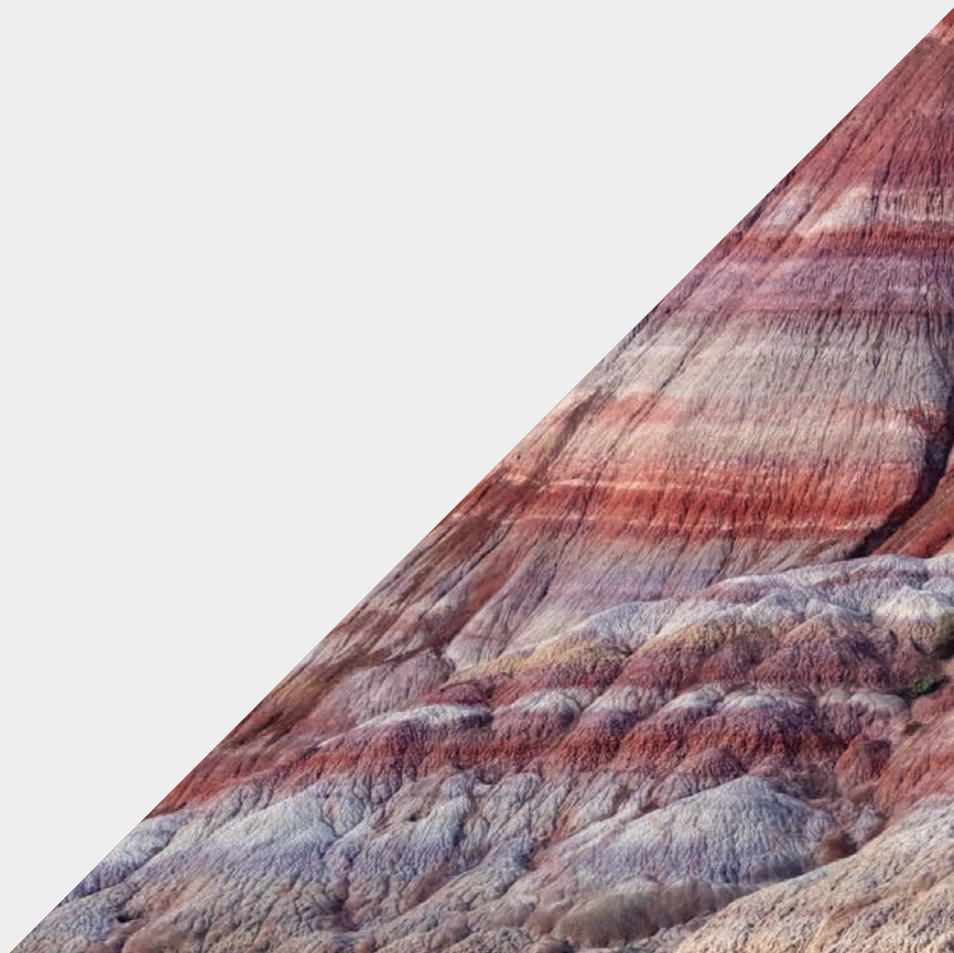
Approved at 2018 AGM	Status	2018 Actual
Executive base salaries are consciously set low (around 25 <sup>th</sup> percentile of our peer group)	Compliant	Third party benchmark data from October 2018 indicated that actual base salaries are slightly below the 25 <sup>th</sup> percentile
12.75% of operating profit allocated to Short Term Incentive bonus pool	Compliant	Actual payout was below 12.75% of operating profit (due to employee turnover)
Long Term Incentive Plan with Relative ROACE, Absolute ROACE and HSE metrics	Compliant	Long Term Incentive Plan implemented as proposed to AGM
Issue maximum of 444,200 free-standing warrants to fund Long Term Incentive Plan	Compliant	433,900 free-standing warrants issued relating to 2018 Long Term Incentive Plan (290,000 PSUs and 143,900 RSUs (49,000 of the RSUs included the same performance metrics as the PSUs))
Stock Ownership Guidelines	Compliant	Executives have five years to meet Guidelines

### 3.2. Performance in 2018

In its assessment of the CEO and executive performance in 2018, and consequently their annual base salary and Short-Term Incentive awards, the Board put emphasis on financial goals (including specific targets for cash flow, revenue, operating profit and ROACE), strategic goals (including development of technology initiatives), employee engagement, customer engagement and cost control. Performance against these goals was either at or ahead of target.

### 3.3. Total Executive Compensation for 2017 and 2018 (IFRS Basis)

Reference is made to Note 9 of the Consolidated Annual Financial Statements as of and for the year ended 31 December 2018 for certain information regarding historical cash compensation and Long-Term Incentives for executives, presented in accordance with IFRS standards.







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