

2022 TGS Management Remuneration Report

INTRODUCTION

The objective of this report is to ensure transparency of TGS' remuneration policy and to provide a comprehensive and comparable overview of the remuneration awarded or received by the Executive Management Team of TGS during the financial year 2022, in accordance with TGS remuneration policy, adopted by the Annual General Meeting on May 11, 2022.

Pursuant to section 6-16b (2) of the Norwegian Public Limited Liability Companies Act, the statement will be presented to the Annual General Meeting 2023 which shall hold an advisory vote on the report.

The report is available on TGS' website for ten years from the time of publishing.

COMPANY PERFORMANCE

TGS is listed on the Oslo Stock Exchange. It had a market capitalization of USD 1.7 billion as of 31 December 2022.

Revenues

Revenues in 2022 amounted to USD 716.6 million, up 38% compared to the USD 518.7 million recognized in 2021. The increase is driven by a sharp increase in sales of completed data ("Late sales"), as well as growth in revenues related to sales of services ("Proprietary revenues") resulting from the consolidation of MSFF from 11 October 2022. Recognition of revenues from customer commitments made prior to completion of a project ("Early sales") were significantly down compared to 2021, as fewer larger projects came to completion during the year.

Operating Expenses

Operating profit for 2022 was USD 132.0 million, corresponding to a margin of 18%, compared to an operating loss of USD 72.3 million (-14% margin) in 2021. In 2022, amortization and impairments of the multi-client library were USD 373.3 million versus USD 458.9 million in 2021. Of this amount, impairments (excluding accelerated amortization) accounted for USD 19.3 million, compared to USD 71.3 million in 2021. Accelerated amortization, which are impairments charged when recognition of sales causes the value of estimated remaining sales to fall below the book value of the relevant survey, amounted to USD 201.7 million in 2022 versus USD 213.2 million in 2021. Straight-line amortization

for 2022 totaled USD 152.2 million, down from USD 174.3 million in 2021. The reduction is partly caused by the impairments recognized in 2021 and partly by a lower level of investments in new projects during the past two years.

Net Financial Items

Net financial items amounted to USD -3.2 million in 2022 compared to USD -12.8 million in 2021. The increase was primarily caused by net exchange gains of USD 1.7 million versus a loss of USD 8.9 million in 2021.

Tax Cost

Tax costs amounted to USD 40.9 million in 2022 (gain of USD 9.1 million in 2021), corresponding to an effective tax rate of 32% (11% in 2021). The high tax rate in 2022 was mainly caused by more profits coming from high-tax jurisdictions, as well as currency exchange movements.

Net Profit

Net profit after tax was USD 88.0 million versus a loss of USD 76.0 million in 2021.

Cash Flow from Operations, Investments, Financing and Dividends

TGS had cash flow from operating activities of USD 343.2 million in 2022, compared to USD 328.3 million in 2021. Operating cash flow is significantly higher than the operating result as non-cash expenses in the form of amortization and impairments of the multi-client library are the Group's largest expense item.

Net negative cash flow from investing activities amounted to USD 272.7 million in 2022, versus USD 200.2 million in 2021. Cash flow from investing activities included cash investments in the multi-client library of USD 200.9 million, compared to USD 154.8 million in 2021.

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TGS has paid quarterly dividends since 2016. The Annual General Meeting held on 11 May 2022 resolved to renew the Board authorization to distribute quarterly dividends.

In 2022, TGS paid dividends of USD 0.56 per share (USD 66.1 million in total), the same as in 2021 (USD 65.5 million in total). In addition, in 2022 the Group repurchased 0.5 million own shares for a total of USD 7.0 million. In 2021, the Group repurchased 1.3 million own shares for a total of USD 15.7 million.

TGS had a cash balance of USD 188.5 million on 31 December 2022, down from USD 215.3 million a year earlier. The reduction is caused by a combination of higher organic multi-client investments, M&A activity and direct shareholder return through dividends and share buy-backs. Through the acquisition of Magseis Fairfield, TGS took over USD 44.5 million of interest-bearing debt, meaning that the net cash position was USD 143.8 million at year-end 2022 (USD 215.3 million at year-end 2021).

Balance Sheet Items

At year-end 2022, cash and cash equivalents amounted to USD 188.5 million, a decrease from USD 215.3 million at the end of 2021.

TGS held current assets of USD 513.8 million and current liabilities of USD 505.0 million on 31 December 2022. Goodwill increased to USD 384.6 million at the end of 2022 from USD 304.0 million at the end of the prior year. The increase is attributable to the acquisition of Prediktor, which was concluded in July, and MSFF, which was consolidated from October.

As of 31 December 2022, total equity amounted to USD 1,239.8 million (USD 1,115.3 million in 2021), corresponding to an equity ratio of 67% (68% in 2021). The increase in equity was due to a combination of the net profit generated during the year and the capital raised in connection with the MSFF transaction.

TGS issued 8.7 million new shares in 2022 related to the acquisition of MSFF, while 1.4 million treasury shares were canceled during the year.

Workforce Changes

2022 was a year of growth for TGS, both organically and through these acquisitions, and as a result TGS workforce underwent significant growth. In addition to the acquisition of Magseis Fairfield, TGS added 40 new employees from the Prediktor transaction and hired

over 65 former ION employees as well as 60 organic hires throughout 2022. As a result, TGS' workforce grew by over 30% in 2022 from 443 people at the end of 2021 to 909 at the start of 2023 with the integration of Magseis Fairfield. TGS expanded its Executive Management Team from 7 in 2022 to 9 at the start of 2023 and also grew its non-executive leadership team as a result of the expanded business units. In addition, record-high inflation was prevalent in each of the countries where TGS operates, resulting in increased focus on compensation and retention of key employees.

Shareholder Outreach

Since 2015, TGS has reached out to and met with our major shareholders each March to explain our remuneration philosophy and plans, and also solicit their input, advice and support. TGS finds these discussions to be extremely valuable, and had constructive, positive discussions with major investors, representing approximately 25% of our outstanding shares.

COMPENSATION TO THE BOARD OF DIRECTORS

The compensation for the Board is recommended by the Nomination Committee and determined by the shareholders at the Annual General Meeting each year. The members of the Board receive an annual fixed compensation that has been composed of both a fixed fee and a number of restricted TGS shares, as well as additional compensation for serving as Chair of the Board or Chair of a Board committee.

Compensation to the Board is not linked to the company's performance and the members of the Board do not participate in any bonus plan, profit-sharing plan or stock incentive plan. Relevant travel expenses are also reimbursed at cost for all Board members when traveling to meetings.

Total compensation to the Board in 2022 was USD 548,000, compared to USD 563,000 in 2021. The decrease is due in part to the decrease in the size of the Board following the 2022 AGM. Compensation related to Board and committee meetings that took place in 2022 is outlined in the table below, also detailing the total number of shares owned by Board members as of 31 December 2022. Shareholdings include shares owned by their related parties.

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Board of Directors Fees 2022

	Director's fees ¹	Value of Shares Received ²	Total Remunerations
Christopher Geoffrey Finlayson (Chair of the Board)	82	41	123
Mark Leonard (Director) ³	43	21	64
Irene Egset (Director) ³	43	21	64
Svein Harald Øygard (Director)	37	21	58
Grethe Kristin Moen (Director)	37	21	58
Hank Hamilton (Chair of the Board until May 2022)	164	–	164
Wenche Agerup (Director until May 2022)	17	–	17

¹ The table includes Directors fees paid during the year. Directors receive fees on a biannual basis as decided by the AGM, payable in NOK. Deviations in individual fees are related to the timing of the bi-annual payments.

² In May 2022, each of the Directors, other than the Chairman, received 1,650 restricted shares in TGS. The Chair received 3,300 restricted shares in TGS.

³ Includes fee from being Chair of the Compensation Committee (Mr. Leonard) and the Audit Committee (Mrs. Egset).

Board of Directors Fees 2021

	Director's fees ¹	Value of Shares Received ²	Total Remunerations
Hank Hamilton (Chair of the Board)	175	–	175
Mark Leonard (Director) ³	44	24	68
Irene Egset (Director) ³	44	24	68
Wenche Agerup (Director)	39	24	63
Christopher Geoffrey Finlayson (Director)	39	34	63
Svein Harald Øygard (Director)	19	24	43
Grethe Kristin Moen (Director)	19	24	43
Vicki Messer (Director)	20	–	20
Torstein Sanness (Director)	20	–	20

¹ The table includes Directors fees paid during the year. Directors receive fees on a biannual basis as decided by the AGM, payable in NOK. Deviations in individual fees are related to the timing of the bi-annual payments.

² In May 2021, each of the Directors, other than the Chairman, received 1,650 restricted shares in TGS.

³ Includes fee from being Chair of the Compensation Committee (Mr. Leonard) and the Audit Committee (Mrs. Egset).

Board of Directors Stock Ownership

	No. of Restricted Shares Received during 2022	No. of Shares Held 31/12/2022
Christopher Geoffrey Finlayson (Chair of the Board)	3,300	8,250
Mark Leonard (Director)	1,650	30,750
Irene Egset (Director)	1,650	6,600
Svein Harald Øygard (Director)	1,650	3,300
Grethe Kristin Moen	1,650	3,300

The AGM determines the compensation for the Nomination Committee members. Compensation related to the Nomination Committee meetings that took place in 2022 is outlined in the table below.

Compensation to the members of the Nomination Committee	2022	2021
Glen Ole Rødland (Chair)	15	11
Christina Stray	5	12
Herman Kleevan (Member to May 2022)	5	11

¹ The table shows compensation paid during the year. The members of the committee receive compensation per meeting held, and the amounts are paid in NOK.

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COMPENSATION TO EXECUTIVE MANAGEMENT

The following table provides an overview of the Executive Management team during 2022 and any individual terms or other relevant information pertaining to the reporting year.

Executive	Location	Position	Individual terms and other information
Kristian Johansen	United States of America	CEO	Joined Executive Management Team as CFO in 2010. Appointed CEO in March 2016.
Sven Børre Larsen	Norway	CFO	Served on Executive Management Team between September 2015 and August 2019 as CFO. Rejoined Executive Team in August 2021 as interim CFO, and appointed CFO in February 2022.
Tana Pool	United States of America	EVP Legal	Joined Executive Management Team as General Counsel overseeing Legal in .
Whitney Eaton	United States of America	EVP People and Sustainability	Joined Executive Management Team in March 2021 as EVP, Compliance and ESG, and assumed responsibility for HR and IT as EVP, People and Sustainability in December 2021.
Jan Schoolmeesters	Norway	EVP Digital Energy Solution	Joined Executive Management Team in August 2019 as executive overseeing Operations. Appointed EVP, Digital Energy Solutions in December 2021.
Will Ashby	United Kingdom	EVP Eastern Hemisphere	Joined Executive Management Team in 2016, overseeing HR, Marketing and Investor Relations. In 2019, assumed executive role overseeing North America business, and in 2021, became EVP, Eastern Hemisphere.
David Hajovsky	United States of America	EVP Western Hemisphere	Joined Executive Management Team in March 2021 as EVP, Western Hemisphere.

In 2022, the aggregate compensation paid to Executive Management Team was USD 6,571 million, compared to USD 6,545 million in 2021.

In accordance with the Norwegian Public Limited Liability Companies Act, the Accounting Act and the Norwegian Government's guidelines for executive compensation, and in line with the Norwegian Code of Practice, all aspects of compensation to the CEO and Executive Management Team are presented below. The numbers provided in the compensation table are based upon respective periods served on the Executive Management Team. The figures are in USD, using average currency exchange rates for 2022 and 2021 where applicable.

The annual salary increases for the Executive Management Team went into effect in June 2022, and as a result, both the contractual base salary as of December 31 and the earned base salary for the calendar year are listed below. The Company retained an independent third-party compensation benchmarking firm to assess TGS' compensation philosophy relative to the market and the following peer group:

GlobalData	Forum Energy Technologies	Aker Solutions
Fugro	Petroleum Geo-services	Core Laboratories
CGG	Dril-Quip	Hunting
Oil States International	Helix Energy Solutions	Forrester Research

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The analysis provided by the benchmarking firm indicated that the 2022 base salaries for the majority of the Executive Management Team were more than 10% below the 25th percentile and that 2022 total cash compensation was 4% below market median. The Executive Management Team is positioned between the 25th percentile of market and median with respect to the 2022 LTI grant.

For the purposes of calculating the value of the shares awarded under the LTIP, the greater of (a) the average of the closing prices of the shares on each trading day in December on the Oslo Stock Exchange and (b) the closing price of the shares on the Oslo Stock Exchange on the date the shares were acquired, is used.

Total Compensation to Executive Management

Name	Position	Year	Contractual base salary	Fixed Compensation			Variable Compensation			Total Compensation (USD)	Fixed / Variable Compensation (as % of total)
				Base Salary (USD)	Benefits (USD)	Pension Expense (USD)	Short-Term Incentive (STI) (USD)	Long-term Incentive (LTI) (USD)	Extraordinary Items (USD)		
Kristian Johansen	CEO	2022	600	587	109	17	999	408	-	2,120	34/66
	CEO	2021	570	564	97	17	73	586	45	1,382	49/51
Sven Børre Larsen ²	CFO	2022	322	320	15	13	234	151	-	733	47/53
	CFO	2021	349	317	17	14	20	282	-	650	54/46
Tana Pool	Executive	2022	343	336	14	17	245	150	-	762	48/52
	Executive	2021	327	323	14	17	20	216	13	603	59/41
Jan Schoolmeester ²	Executive	2022	366	373	6	13	313	151	-	856	46/54
	Executive	2021	403	442	3	14	19	-	16	494	93/7
Will Ashby ²	Executive	2022	268	334	1	18	232	153	-	738	48/52
	Executive	2021	287	310	11	22	22	233	136	734	47/53
David Hajovsky	Executive	2022	305	298	18	12	259	310	-	897	37/63
	Executive	2021	290	294	20	11	26	60	-	411	79/21
Whitney Eaton ¹	Executive	2022	258	256	15	11	141	42	-	465	61/39
	Executive	2021	222	225	13	10	11	14	-	273	91/09

¹ Effective January 1, 2022, Eaton received an additional salary adjustment due to an increase in scope and duties for her role.

² Larsen and Schoolmeesters' compensation is paid in NOK and Ashby's compensation is paid in GBP. Each did receive annual merit increases in line with the rest of the organization between 2021 and 2022 in local currency; however, the strength of the USD relative to the GBP and NOK resulted in a negative impact to their 2022 salaries when converted to USD.

TGS adjusted the calculations in this chart from its 2021 Report to more accurately reflect fixed and variable compensation. Specifically, in 2021, Executives received a one-time payment in base salary that was reported in base salary in last year's report and has been moved to Extraordinary Items in this year's report. Further, certain annual expatriate benefits such as children's schooling has been moved from Extraordinary Items to Benefits, whereas one-time relocation expenses are included in Extraordinary Items.

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Compensation Table Definitions

Contractual Base Salary is displayed as of year-end together with any salary adjustment provided in the reporting year.

Base Salary displays the earned base salary for the relevant year and includes earned holiday pay, if applicable.

Benefits includes any type of cash or benefit in kind provided, such as car allowance, insurances, mobile phones, broadband subscriptions or expatriate benefits such as accommodation, children schooling, etc.

STI reflects the annual bonus paid during the calendar year. The Company's STI Plan is paid on a quarterly basis following reporting of the quarterly results. Therefore, bonuses paid in 2022 reflect bonus amounts for the fourth quarter of the 2021 STI Plan and the first three quarters of the 2022 STI Plan, and the same for all prior years.

LTI represents the value of the shares vested during the year including dividend accrued during the measurement period. The Company's LTI cliff vests on the third year after award, subject to the performance of the plan. Thus, the 2019 LTI Plan vested in 2022 and the 2018 LTI Plan vested in 2021.

Extraordinary Items may include one-time compensation such as sign-on or retention bonuses, relocation costs, termination and severance payments. In 2021, TGS issued one-time compensation to address the cut in base salary that occurred in 2020.

Pension includes contributions and premiums paid toward the Company's pension plans and is calculated based upon the same actuarial and other assumptions as those used in the pension benefit calculation in note 12 of the annual report.

Total Compensation displays the total earned compensation for each member of Executive Management.

Fixed/Variable Compensation displays the proportion of fixed to variable compensation as a percentage of total compensation, for a reporting year. The fixed portion includes base salary, benefits and pension expenses, while the variable portion includes STI, LTI and extraordinary items.

Short-Term Incentive

The Company's short-term incentive plan for 2022 included both financial and strategic metrics tied to the Company's performance, weighted at 75% and 25%, respectively. The financial portion is linked to the Company's profitability as determined by looking at EBITDA minus Multi-client Investment and is limited to a multiple of one-and-a-half times (1.5x) target. The strategic portion is linked to four strategic goals and is limited to one times target. In 2022, the plan paid out at 131.5% of target, as the financial portion reached the payout limit and the strategic portion paid out at 75%. The Executive Management Team participates in this plan as do all employees.

KPI	Description	Weight	Max Target	Award Outcome
Financial Performance	Tied to operating profit and based upon the Company's achieved EBITDA as compared to the budgeted EBITDA on a quarterly basis	75%	112.5%	112.5%
Health & Safety	Focus on ensuring safe and healthy work environment in both office and field operations	6.25%	6.25%	6.25%
Climate Impact	Focus on reducing Scope 1 and 2 emissions from 2020 levels	6.25%	6.25%	6.25%
New Energy Solutions	Focus on developing New Energy Solutions business by targeting revenue and platform subscriptions	6.25%	6.25%	3.125%
Imaging Performance	Focus on improving Imaging Performance as measured by client feedback, bid list development, turnaround time and quality management system	6.25%	6.25%	3.125%
Total 2022 STI Achievement			131.25%	

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Special Integration Incentive

In Q3 2022, the Company made two significant acquisitions: a Norwegian data and asset management software company Prediktor and the key strategic assets, including a multi-client library and imaging software assets, from ION. As the ultimate success of the transactions was heavily dependent on properly integrating Prediktor and the ION assets, the TGS' Board of Directors approved a Special Integration Bonus Plan for all employees, including the Executive Management Team, to take effect in Q4 2022. This plan was linked to integration targets that were tied to financial performance of the acquired assets and implementation of key integration strategies aimed at properly integrating the assets. The total payout under this Special Integration Bonus Plan was less than \$1.5 million.

KPI	Description	Weight	Max Target	Award Outcome
ION Software Integration	Tied to development and implementation of a strategy to integrate acquired imaging software	37.5%	37.5%	37.5%
ION Revenue Target	Tied to achieving revenue target from acquired assets	37.5%	37.5%	37.5%
Prediktor Integration	Tied to completion of key milestones from integration plan	12.5%	12.5%	12.5%
Prediktor Revenue Target	Tied to achieving revenue target for 2022	12.5%	12.5%	12.5%
Total 2022 STI Achievement			100%	

Long-Term Incentive

The LTI 2019 grant was contingent upon financial performance as measured by the three-year average from 2019-2021 of (i) return on average capital employed and (ii) relative return on average capital employed within our 2019 defined peer group, as well as achievement of certain health and safety and ESG metrics over the same three-year period. The LTI 2019 grant paid out at 40% of target at a share price of NOK 154.40 (Aug. 29, 2022).

Performance Criteria	Weight	Minimum Threshold	Award Outcome
Three-year average ROACE	40%	17%	-3.7% 0% payout
ROACE relative to peer group, averaged over three-year period	40%	50th percentile	50th percentile 20% payout
Health & Safety KPIs:			
<ul style="list-style-type: none"> Zero lost time incidents in office over three-year period 	13.32%	n/a	13.32% payout
<ul style="list-style-type: none"> Executive safety inspections and crew visits each year over three-year period 			
Annual ESG KPIs related to:			
<ul style="list-style-type: none"> UN Sustainable Development Goals Implementation of Supplier Code of Conduct Reduction of scope 1 and 2 emissions 	6.67%	n/a	6.67% payout

Active Share Plans in 2022

Plan Name	Performance Period	Award Date	End of vesting holding period
LTI 2019	Jan 2019 – Dec 2021	Aug 30, 2019	Aug 30, 2022
LTI 2020	Jan 2020 – Dec 2022	Aug 10, 2020	Aug 10, 2023
LTI 2021	Jan 2021 – Dec 2023	Aug 10, 2021	Aug 10, 2024
LTI 2022	Jan 2022 – Dec 2024	Aug 9, 2022	Aug 9, 2025

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Share Ownership

Employee	No. of Shares Held 31 Dec 2022	Balance of freestanding warrants related to unvested Incentive Share Units			Total balance of freestanding warrants related to unvested Incentive Share Units
		LTI 2022	LTI 2021	LTI 2020	
Kristian Johansen	159,555	66,500	60,500	60,500	187,500
Sven Børre Larsen	53,614	26,730	24,300	10,000	61,030
Jan Schoolmeesters	55,802	26,730	24,300	24,300	75,330
Will Ashby	55,510	26,730	24,300	24,300	75,330
David Hajovsky	17,683	26,730	24,300	5,800	56,830
Tana Pool	49,022	26,730	24,300	24,300	75,330
Whitney Eaton	4,165	26,730	24,300	5,800	56,830

Incentive Claw Back

No claw backs were applied in 2022.

Development in Compensation and Company Performance

The following tables hold information on the annual development of compensation for each member of the Executive Management Team, together with the performance of the company and the average full-time compensation of regular employees over the five most recent years.

The analysis of the Executive Management Team's compensation, company performance and employee salaries for the five most recent years, shows correlation between company performance metrics and the Executive Management Team's compensation, and to a lesser degree, between the Executive Management Team and the employee salary development. The degree of correlation between the Executive Management Team and employee salary development from year to year, is impacted by the difference in compensation structure where the Executive Management Team are eligible for incentive plans, while for the employee base, only some employees are eligible for incentive plans and there is a high emphasis on base pay. As such, there is less variation in total compensation for the non-executive population.

The total compensation for employees covers base pay, holiday pay and STI paid out during the calendar year. To mirror the employees, the total compensation for the CEO referenced in the below chart includes base pay, holiday pay, STI paid out during the calendar year and LTI. For relevance of comparison and due to differences in compensation levels across the Company's markets, the chart refers to the average employee compensation in the U.S. and in Norway. The average compensation of employees is based on all regular employees of the U.S. entities of TGS-NOPEC Geophysical Company and A2D Technologies, Inc., and of the Norwegian entities of TGS ASA and Prediktor AS as of 31 December 2022.

The figures are in USD by thousands, using average currency exchange ranges for each year where applicable. Earnings have been annualized where executives served parts of a year.

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Executive		2022	2021	2020	2019	2018
Kristian Johansen CEO	Total Compensation	2,120	1,382	2,181	2,936	2,157
	% Variable	66%	51%	70%	76%	69%
	Annual Change (YoY%)	53%	-37%	-26%	36%	34%
Sven Børre Larsen CFO	Total Compensation	733	650	–	840	835
	% Variable	53%	46%	–	69%	49%
	Annual Change (YoY%)	13%	–	–	1%	27%
Tana Pool EVP	Total Compensation	762	603	829	893	615
	% Variable	52%	41%	57%	61%	43%
	Annual Change (YoY%)	26%	-27%	-7%	45%	23%
Jan Schoolmeesters EVP	Total Compensation	856	494	665	128 ²	–
	% Variable	54%	7%	45%	0%	–
	Annual Change (YoY%)	73%	-26%	420%	–	–
Will Ashby EVP	Total Compensation	739	734	854	792	585
	% Variable	52%	53%	55%	60%	41%
	Annual Change (YoY%)	1%	-14%	8%	35%	40%
David Hajovsky EVP	Total Compensation	897 ¹	411	–	–	–
	% Variable	63%	21%	–	–	–
	Annual Change (YoY%)	118%	–	–	–	–
Whitney Eaton EVP	Total Compensation	465	273	–	–	–
	% Variable	39%	9%	–	–	–
	Annual Change (YoY%)	70%	–	–	–	–

¹ The increase in compensation in 2022 is due to an RSU award from 2019 that vested in 2022.

² Schoolmeesters joined TGS in August 2019 as part of the acquisition of Spectrum and this amount reflects salary received from TGS in 2019.

Average Total Compensation of Non-Executive Employees

		2022	2021	2020	2019	2018
Average U.S. Employee Compensation	Total Compensation	161,687	126,215	125,881	151,971	140,633
	% Variable	17%	2%	8%	24%	22%
	Annual Change (YoY%)	28%	3%	-17%	8%	–
	CEO/U.S. Employee Ratio	17:1	10:1	16:1	18:1	15:1
Average Norway Employee Compensation	Total Compensation	140,158	114,060	100,056	131,271	130,883
	% Variable	18%	2%	6%	24%	23%
	Annual Change (YoY%)	23%	14%	-24%	3%	23%
	CEO/Norway Employee Ratio	14:1	11:1	20:1	21:1	16:1

Company Performance

	2022	2021	2020	2019	2018
Return on Average Capital Employed	13%	-7%	-20%	12%	24%
EBIT (amounts in USD 1,000s)	132,034	(72,331)	(228,919)	128,998	230,025

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RESULTS FROM 2022 ANNUAL GENERAL MEETING

In accordance with section 6-16a of the Norwegian Public Limited Companies Act, the Board prepared a statement during 2022 with respect to the principles for remuneration of executives of the Company, which was noted and approved at the 2022 AGM. In addition, the Board presented the 2022 LTI Plan to the Annual General Meeting, which was also approved.

The Board's position is that the compensation awarded to executives in 2022 fully complies with the statements, proposals and approvals from the 2022 AGM.

Approved at 2022 AGM	2022 Actual
Executive base salaries target 40th percentile of our peer group	Third-party benchmark data from October 2022 indicated that base salaries in 2022 for multiple executives were below the 25th percentile and thus, significantly below market. In December 2022, the Board approved market adjustments to the Executive Management Team's base salaries, effective January 1, 2023, to target market median minus 10%. This is in line with the same salary adjustments previously applied to the overall employee population in 2021.
9.37% of EBITDA – Multi-client Investment plus an additional pool of \$3.1 million allocated to Short-Term Incentive pool	Actual pay-out was 7.38% of EBITDA – Multi-client Investment and \$3 million.
Long-Term Incentive Plan with Relative ROACE, Absolute ROACE and HSE and Sustainability metrics.	Long-Term Incentive Plan implemented as proposed to AGM.
Issue 550,000 warrants to fund Long-Term Incentive Plan	521,780 warrants issued relating to 2022 Long-Term Incentive (345,680 PSUs and 176,100 RSUs).
Stock Ownership Guidelines.	All Executives are either in compliance with the guidelines or within the time frame to become compliant as of 1/1/2022.

Deviations From Policy

As noted above, the Board of Directors approved a Special Integration Bonus Plan for all employees, including the Executive Management Team, in 2022 that was tied to KPIs related to the acquisition and integration of Prediktor and ION assets. The total payout under this Special Integration Bonus Plan was less than \$1.5 million.

In addition, as noted in the Remuneration Policy, the Board modified the executive compensation philosophy to target executive base salaries at the 40th percentile while continuing to target total cash compensation (base salary plus short-term incentive) above the 50th and up to the 75th percentile in years where the company performs above market. As a result of this change, the Board approved the following market adjustments to the Executive Management Team's base salaries to take effect January 1, 2023.

Board of Directors' Statement

This report is prepared by the board of directors (the "Board") of TGS ASA (the "Company" or "TGS") in accordance with section 6-16b Norwegian Public Limited Liability Companies Act and the European Commission guidelines on the standardized presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828, as regards the encouragement of long-term shareholder engagement.

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Auditor's Statement



KPMG AS
Sarkedalsveien 6
Postboks 7000 Majorstuen
0306 Oslo

Telephone +47 45 40 40 63
Fax
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of TGS ASA

Independent auditor's assurance report on Executive Management Remuneration Report 2022

Opinion

We have performed an assurance engagement to obtain reasonable assurance that TGS ASA's Executive Management Remuneration Report (the remuneration report) for the financial year ended 31 December 2022 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 24 March 2023
KPMG AS

Julie Berg
State Authorised Public Accountant

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Statautoriserte revisorer - medlemmer av Den norske Revisorforening