

# Declaration on Executive Remuneration 2022

## From the Compensation Committee

Since 2015, TGS has met with our major shareholders each March to explain our proposed executive remuneration plan and solicit their input, advice and support. TGS has found these discussions to be extremely valuable. So, again this March, we had very good, constructive discussions with most of our major investors, representing 46% of our outstanding shares. Thank you for your input.

Last year continued to be challenging for the world, for the industry and for TGS. While vaccine programs were introduced in early 2021 and became readily available as the year progressed, the pandemic and new variants of COVID-19 continued to cause disruptions to the way we live and work, with many offices remaining in a hybrid or work-from-home state for significant portions of the year. The challenges to the seismic industry continued as exploration spending, especially for greenfield exploration, has still not recovered to pre-pandemic levels, principally due to increased restrictions on exploration in certain regions due to climate initiatives. It remains to be seen if the recent run-up in oil price due to Russia's invasion of Ukraine will drive increased exploration spending in the near future. Finally, 2021 included global changes to the job market and work environment with increased turnover globally and across industries, coupled with high demand in key fields such as technology, data science and renewable energy.

Despite these challenges, TGS established itself as an ESG industry leader among analyst ratings and expanded its New Energy Solutions (NES) business unit with the acquisition of 4C Offshore. The Company looks to continue to grow this business unit in 2022 by leveraging TGS' core strengths and assets to expand into new data and energy solutions. The high oil price and increased pipeline of potential new projects provide cause for optimism in 2022 for TGS' geophysical and geological businesses. The job market and retention of key talent remains a key focus in 2022, along with attracting new talent to support the technology and renewable energy businesses.

Against this backdrop, it has become necessary to look carefully at our remuneration model to ensure that it continues to serve our employees, the Company and our shareholders, particularly with inflation reaching record levels. The TGS compensation philosophy consciously targets lower base pay versus peers (median minus 10%) and supplements this with a quarterly Short-Term Incentive Plan (STI Plan) payout. This model targets a competitive total cash compensation between the 50th and 75th percentile of the market average in good years. Although this philosophy and practice has allowed us to react quickly to changing market conditions, the model relies on the STI Plan payout to supplement base pay.

In 2021, the STI Plan resulted in the second lowest payout in the past fifteen years. As a result, the Board approved a discretionary bonus in recognition of the advancements TGS made in technology and new energy solutions and stronger financial performance in Q4. In 2022, the Company formally added a strategic performance component to the STI, recognizing that while profitability continues to be the main measure of success, it is important to also recognize the advancements being made in other areas of the company.

It remains the Board's belief that attracting and retaining highly engaged and skilled employees with great vision, global experience, a passion for business and a strong drive for results is critical to TGS' continued success and is especially important as we navigate the evolving business environment. The Board believes that the total compensation philosophy should continue to include a significant variable, performance-linked pay component. This reflects our "results-driven" approach and aligns executives and shareholders to share in the same risk and reward. Equally, the Long-Term Incentive Plan of performance-based units with a three-year measurement period will continue to be part of the remuneration system. The three-year measurement period for the 2019 Long-Term Incentive Plan was completed on 31 December 2021, with a preliminary determination of payout at approximately 40% of the maximum payout under the plan. The 2018 Long-Term Incentive Plan, which vested in August 2021, resulted in a 60% payout.

Following consultation with some of the Company's largest shareholders, the Board proposes to keep the structure of the 2022 Long-Term Incentive Plan unchanged and to retain the same metrics. In 2020, the Board decided to expand the peer group against which the Company is measured for its Relative ROACE metric. The peer group was expanded to include three additional asset-light data companies which have historically performed similar to or better than TGS, and this peer group will remain for 2022. This improved the robustness of the relative metric.

**Mark Leonard**  
Director and Chair of the Compensation Committee



Pursuant to the Norwegian Public Limited Liability Companies Act, section 6-16a and section 6-16b, the Board will present the following remuneration policy and remuneration report of TGS' executive team to the 2022 annual general meeting (2022 AGM).

# 1. EXECUTIVE REMUNERATION POLICY

## 1.1. Policy and Principles

TGS is an international company operating in the global energy data industry. As a result, the Company's employee base, including its executive team, is and needs to be largely international. The main purpose of the Company's remuneration of executives is to foster a strong and sustainable performance-based culture which supports growth of shareholder value over time. To achieve this, the Company's remuneration policy and practices must be competitive within the markets in which TGS operates to enable it to attract and retain talented people with the desired skills. TGS' remuneration policy and terms are aligned with the Company's overall values and tied closely to corporate goals.

The key remuneration elements for executives at TGS are:

- Fixed remuneration: Annual base salary
- Variable pay: Short-Term Incentive (STI) Plan and Long-Term Incentive (LTI) Plan
- Benefits in-kind: standard employee benefits (e.g., pension, insurance)

TGS targets base salaries slightly below market relative to peers (median minus 10% of the compensation peer group) with total cash compensation, defined as base salary and a variable cash bonus, 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 the variable pay element to align executives with the same risk and rewards as its shareholders.

## 1.2. Governance

The Board of Directors has established a Compensation Committee with responsibility for reviewing executive remuneration and making recommendations for the remuneration report and any changes in the remuneration policy (as well as at least every four years) to the Board and relevant votes at annual general meetings. The Compensation Committee is composed solely of independent directors: Mark Leonard (Chair), Wenche Agerup and Grethe Kristin Moen.

The Compensation Committee is responsible for recommending the CEO's compensation package to the Board and relevant votes at annual general meetings. This includes the CEO's target bonus, which is proposed by the Board and will be voted on at the 2022 annual general meeting. The CEO is responsible

for proposing the compensation packages (excluding his own) for all executives for Compensation Committee review and proposal to the Board and the 2022 annual general meeting. His proposal is based on each executive's performance assessed against pre-defined goals, including goals that support the corporate goals. The Compensation Committee retains an independent third-party compensation benchmarking firm to assess and recommend changes to TGS' executive compensation practices relative to the market. This includes an annual review of the TGS peer group for executive compensation purposes. The 2022 peer group is largely consistent with 2021 except for the exclusion of one company due to its size following the merger and the inclusion of three new companies, two data-focused companies and one oilfield services company. It is comprised of a global group of 17 energy and data-focused industry peers of similar size considering revenue, market value, EBITDA, ROE and ROACE as well as similar operating characteristics. TGS is positioned in the middle of the range, on average, across size metrics.

## 1.3. Components of 2021 Executive Remuneration

The table below shows the key elements in our executive remuneration policy and a more detailed description of each element.

Remuneration Element	Objective	Award Level	Performance Criteria
<b>Base Salary (cash component)</b>	Base salary in combination with STI and LTI should attract and retain executives	Around 25th percentile of our peer group	Base salary is subject to annual review with performance assessed based on the fulfilment of pre-defined goals
<b>Short-Term Incentive (STI) (cash component)</b>	Drive and reward individuals for annual achievement of business objectives and maintain a strong link between compensation and the Company's performance	Target Total Cash Compensation (Base Salary + STI) above 50th and up to 75th 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.
<b>Long-Term Incentive (LTI) (equity component)</b>	Strengthen the alignment of top management and shareholder interests and retention of key employees	2021 Award on grant at target, 1x base salary for CEO and less than 1x 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 and ESG performance.
<b>Benefits</b>	Industry competitive pension and insurance plans	U.S.: 6% 401k matching; Norway: between 5.6%/15% below/above 7,1G [12G cap]; UK: up to 7.5%	N/A

## 1.4. Review of Results of 2021 AGM Remuneration Proposals

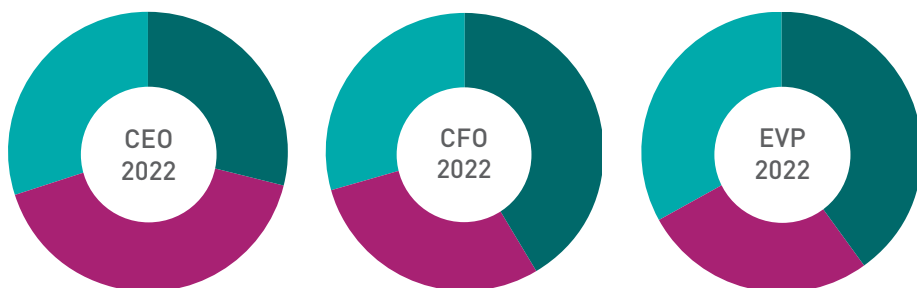
The TGS total compensation philosophy and the specific structure and metrics of the LTI Plan are reviewed annually with the Company's largest shareholders. At the 2021 annual general meeting (2021 AGM), the Company's shareholders were requested to provide a non-binding advisory vote to approve the remuneration principles for executives and a binding vote to approve the 2021 LTI Plan together with the issuance of free-standing warrants to fund the plan. Both motions were approved with 86% and 99%, respectively, of votes cast in favor.

The shareholders at the 2021 AGM agreed to an allocation of 550,000 shares to be available under the plan to be allocated as performance share units (PSUs) and restricted share units (RSUs).

## 2. EXECUTIVE REMUNERATION IN 2022

Consistent with the TGS compensation philosophy and practice, executive compensation for 2022 consists of base salary, short-term incentives, long-term incentives and standard employee benefits, such as health and retirement benefits. Target total cash compensation for 2022 for the executive team averages slightly below the market median on the third-party benchmarking data. The LTI 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 2021 is slightly above the 25th percentile for the CEO, slightly below the 25th percentile for the CFO and between the 25th and 50th percentile, on average, for the remaining executives. The following charts highlight the distribution of the three key compensation components at target levels for the CEO, CFO and a representative Executive Vice President (EVP) for 2022.

### Distribution of key remuneration elements for 2022



Base Salary / **29%**

STI Target / **41%**

LTI Target / **30%**

Base Salary / **41%**

STI Target / **29%**

LTI Target / **29%**

Base Salary / **40%**

STI Target / **27%**

LTI Target / **33%**

## Executive Pay Overview 2020 - 2022

The table below reflects the total compensation for the CEO, CFO and a representative Executive Vice President (EVP) for 2020 and 2021 from the three key elements: base salary, STI and LTI, and total target compensation from these elements for 2022. The purpose of the table is to allow for a comparison of total compensation from the three key elements across the three years. From 1st June 2020 to 31st December 2020, as part of the measures implemented in response to the pandemic and oil price collapse, the CEO voluntarily forewent 20% of his base salary and other executives 10%. This salary sacrifice is not reflected in Figure 2 below. With respect to bonus amounts, the STI Plan is paid on a quarterly basis following reporting of the quarterly results. Therefore, bonuses paid in 2021 reflect bonus amounts for the fourth quarter of 2020 and the first three quarters of 2021. Long-term incentive payments reported in Figure 3 include dividend accrued during the measurement period and paid at the time of vesting.

### Historical Executive Pay Overview

Year	Base Salary on 1st January (USD)	Annual Target STI (USD)	Target STI % of base	Actual STI Payout in year (USD) <sup>1</sup>	2022 Target LTI (USD) <sup>2</sup>	Actual LTI Payout in year (USD) <sup>3</sup>	Total Compensation (USD)
2020	576,300.00	900,000.00	156.17%	-		1,010,941.00	1,587,241.00
<b>CEO</b>	2021	559,011.00	766,000.00 <sup>4</sup>	137.02%	277,489.00	468,868.00	1,305,368.00
	2022	570,200.00	800,000.00	140.30%	TBD	325,494.89	TBD
2020	344,290.00	209,077.00	60.72%	-		476,193.00	820,483.00
<b>CFO</b>	2021	262,399.00	198,183.00	75.52%	62,725.00	220,644.00	545,768.00
	2022	337,500.00	240,000.00	71.11%	TBD	119,667.24	TBD
2020	272,253.00	180,605.00	66.33%	-		341,936.00	614,189.00
<b>EVP</b>	2021	264,086.00	200,605.00	75.96%	63,491.00	172,378.00	499,955.00
	2022	290,000.00	200,000.00	68.97%	TBD	119,667.24	TBD

<sup>1</sup> Based on full plan year and not year of actual payment. STI Plan saw zero payout in 2020.

<sup>2</sup> The 2022 Long-Term Incentive Plan is valued based on performance at the target level (60%) and a beginning-of-the-year share price of NOK 86.34 with a NOK: USD exchange rate of 0.11. For illustrative purposes, one EVP was selected.

<sup>3</sup> Payout received in year relates to prior year plans (2017 and 2018).

<sup>4</sup> A portion of the CEO's 2021 STI was tied to completion of specific goals related to TGS' New Energy Solutions strategy.

## Total Compensation From All Sources in 2020 and 2021

Name	Position	Year	Fixed Remuneration			Variable Remuneration					Total Remuneration (USD)	Portion of Fixed and Variable Remuneration
			Base Salary (USD)	Fees	Fringe Benefits <sup>4</sup> (USD)	One-Year Variable <sup>5</sup> (USD)	Multi-Year Variable <sup>6</sup> (USD)	Extraordinary Items <sup>7</sup> (USD)	Pension Expense (USD)			
Kristian Johansen	CEO	2021	609	-	22	73	586	75	17	1,382	0.80	
	CEO	2020	532	-	21	314	1,202	95	17	2,181	0.33	
Sven B Larsen <sup>1,3</sup>	CFO	2021	160	-	8	-	282	-	6	457	0.62	
	Former Executive	2020	112	-	1	75	-	-	4	192	1.56	
Jan Schoolmeesters <sup>1</sup>	Executive	2021	458	-	3	19	-	-	14	494	24.42	
	Executive	2020	355	-	3	296	-	-	11	665	1.25	
Will Ashby <sup>2</sup>	Executive	2021	321	-	11	22	233	125	22	734	0.70	
	Executive	2020	267	-	20	61	407	83	17	854	0.48	
Tanya Herwanger <sup>2,3</sup>	Executive	2021	299	-	2	31	168	-	21	521	1.62	
	Executive	2020	259	-	1	33	395	43	8	739	0.52	
Tana Pool	Executive	2021	336	-	14	20	216	-	17	603	1.56	
	Executive	2020	324	-	14	67	407	-	17	829	0.75	
Fredrik Amundsen <sup>1,3</sup>	Former CFO	2021	259	-	11	15	156	86	16	543	0.83	
	CFO	2020	310	-	5	61	443	-	13	832	0.65	
Rune Eng <sup>1,3</sup>	Former Executive	2021	49	-	7	-	-	1,163	9	1,228	0.03	
	Executive	2020	424	-	-	479	-	-	11	913	0.91	
David Hajovsky <sup>3</sup>	Executive	2021	245	-	16	22	60	-	9	352	3.29	
Whitney Eaton <sup>3</sup>	Executive	2021	187	-	11	9	14	-	9	231	9.00	

<sup>1)</sup> Compensation is paid in NOK, with the USD equivalent determined based on the average exchange rate during the year

<sup>2)</sup> Compensation is paid in GBP, with the USD equivalent determined based on the average exchange rate during the year.

<sup>3)</sup> Compensation is only reflected for the period of time that the executive served as an executive of the Company. Sven Børre Larsen was an employee of the company during the entire 2021 and appointed CFO in August 2021. David Hajovsky and Whitney Eaton were employees of the company during the entire 2021 and joined the Executive Team in March 2021. Rune Eng served on the Executive Team until March 2021, Fredrik Amundsen served on the Executive Team until August 2021 and Tanya Herwanger served on the Executive Team until December 2021.

<sup>4)</sup> Other benefits include certain benefits provided to all employees (Company-paid life insurance and welfare insurance).

<sup>5)</sup> One-year variable pay is the amount paid out during the calendar year in relation to the Short-Term Incentive Plan.

<sup>6)</sup> Represents the value of shares vested during 2021 with respect to the 2018 Long-Term Incentive Plan including dividend accrued during the measurement period.

<sup>7)</sup> Extraordinary Items include certain expatriate benefits and severance for applicable executives.

## Five Year Comparison of Remuneration

Name	Position	2021			2020			2019			2018			2017			Comments
		USD, thousands	Annual change, %	Variable proportion	USD, thousands	Annual change, %	Variable proportion	USD thousands	Annual change, %	Variable proportion	USD, thousands	Annual change, %	Variable proportion	USD, thousands	Annual change, %	Variable proportion	
Kristian Johansen	CEO	1,382	-37%	56%	2,181	-26%	76%	2,936	36%	81%	2,157	35%	74%	1,594	151%	67%	Joined Executive Team as CFO in 2010; appointed CEO in March 2016
Fredrik Amundsen	CFO to August 2021	543	-35%	52%	832	1%	63%	823	38%	74%	597	35%	58%	443	93%	53%	Served on Executive Team from April 2016 to February 2020 as SVP; served as CFO from February 2020 to August 2021
Sven B Larsen	CFO from August 2021	456	138%	65%	192	-77%	42%	840	1%	72%	835	27%	51%	656	77%	44%	Served on Executive Team as CFO from September 2015 to August 2019; Rejoined Executive Team in August 2019 as CFO
Jan Schoolmeesters	Executive	494	-26%	7%	665	420%	47%	128	N/A	7%							Joined Executive Team in August 2019
Will Ashby	Executive	734	-14%	56%	854	8%	69%	792	35%	66%	585	40%	56%	419	66%	42%	Joined Executive Team in March 2016
Rune Eng	Executive to March 2021	1,228	35%	96%	913	343%	54%	206	N/A	7%							Served on Executive Team from August 2019 to March 2021
Tanya Herwanger	Executive	521	-29%	43%	739	75%	65%	423	101%	47%	210	-21%	43%	265	N/A	33%	Served on Executive Team from January 2017 to September 2018; Rejoined Executive Team from August 2019 to December 2021
Tana Pool	Executive	603	-27%	44%	829	-7%	61%	893	45%	63%	615	23%	48%	501	49%	39%	Joined Executive Team in 2013
David Hajovsky	Executive	352	N/A	31%													Joined Executive Team in March 2021
Whitney Eaton	Executive	231	N/A	19%													Joined Executive Team in March 2021
Dean Zucic	Former CFO				343	212%	88%	110	N/A	7%							Served on Executive Team from August 2019 to February 2020
Katja Akentieva	Former Executive							923	44%	66%	639	19%	52%	537	65%	45%	Served on Executive Team from February 2015 to May 2020
Zhiming Li	Former Executive							822	0%	70%	820	18%	58%	693	66%	51%	Served on Executive Team from 2007 to August 2019
Erik Finnstrom	Former Executive							357	43%	53%	249	N/A	43%				Served on Executive Team from September 2018 to August 2019
Knut Agersborg	Former Executive							840	113%	72%	395	6%	49%	372	83%	52%	Served on Executive Team from 2008 to August 2019
John A Adamick	Former Executive										633	7%	60%	594	93%	59%	Served on Executive Team from 2008 to May 2018
<b>Total for Executive Management</b>		<b>6,544</b>			<b>7,548</b>			<b>10,093</b>			<b>7,735</b>			<b>6,074</b>			

Name	Position	2021			2020			2019			2018			2017			Comments
		USD, thousands	Annual change, %	Variable proportion	USD, thousands	Annual change, %	Variable proportion	USD thousands	Annual change, %	Variable proportion	USD, thousands	Annual change, %	Variable proportion	USD, thousands	Annual change, %	Variable proportion	
Hank Hamilton	Chair	175	-13%	0%	200	0%	0%	200	0%	0%	200	0%	0%	200	-5%	0%	Served on Board since 1998; elected Chair in May 2009
Mark Leonard	Board Member	68	19%	35%	57	-24%	32%	75	-15%	47%	88	35%	52%	65	16%	45%	Served on Board since May 2009
Irene Egset	Board Member	68	28%	35%	53	0%	34%	53	N/A	66%							Served on Board since May 2019
Wenche Agerup	Board Member	63	19%	38%	53	-24%	34%	70	-15%	50%	82	26%	56%	65	16%	45%	Served on Board since May 2015
Christopher Geoffrey Finlayson	Board Member	63	-39%	38%	104	N/A	48%										Served on Board since May 2019
Svein Harald Øygard	Board Member	43	N/A	56%													Served on Board since May 2021
Grethe Kristin Moen	Board Member	43	N/A	56%													Served on Board since May 2021
Vicki Messer	Former Board Member				53	-24%	34%	70	-15%	50%	82	26%	56%	65	16%	45%	Served on Board from May 2011 to May 2021
Tor Magne Lønnum	Former Board Member				39	-47%	0%	74	-16%	47%	88	35%	52%	65	16%	45%	Served on Board from May 2013 to May 2020
Torstein Sanness	Former Board Member				53	-24%	34%	70	-15%	50%	82	26%	56%	65	67%	45%	Served on Board from May 2016 to May 2021
Elisabeth Grieg	Former Board Member							17	-79%	0%	82	26%	56%	65	16%	45%	Served on Board from May 2017 to May 2019
Nils Petter Dyvik	Former Board Member							17	-79%	0%	82	74%	56%	47	N/A	62%	Served on Board from May 2017 to May 2019
Elisabeth Harstad	Former Board Member												73	18%	0%		Served on Board from May 2007 to May 2017
<b>Total for Board of Directors</b>		<b>523</b>			<b>612</b>			<b>646</b>			<b>786</b>			<b>710</b>			

Name	Position	2021			2020			2019			2018			2017			Comments
		USD, thousands	Annual change, %	Variable proportion	USD, thousands	Annual change, %	Variable proportion	USD thousands	Annual change, %	Variable proportion	USD, thousands	Annual change, %	Variable proportion	USD, thousands	Annual change, %	Variable proportion	
Glen Ole Rødland	Chair	11	N/A	0%													Served on Committee since 2020
Christina Stray	Member	12	140%	0%	5	-64%	0%	14	133%	0%	6	-54%	0%	13	-7%	0%	Served on Committee since 2011
Herman Kleevan	Member	11	175%	0%	4	-71%	0%	14	133%	0%	6	-57%	0%	14	N/A	0%	Served on Committee since 2016
Tor Himberg-Larsen	Former Chair	21	62%	0%	13	-43%	0%	23	53%	0%	15	-35%	0%	23	-8%	0%	Served on Committee from 2011 to 2020
<b>Total for Nomination Committee</b>		<b>55</b>			<b>22</b>			<b>51</b>			<b>27</b>			<b>50</b>			

## Average Remuneration of Employees Other Than Leading Persons

	2021	2020	2019	2018	2017
Average Base Salary (USD)	114,192	106,481	99,382	94,855	89,602
Average Annual Target STI (USD)	26,446	34,222	18,699	17,383	11,460
Average Actual STI Payout (USD) <sup>1)</sup>	8,463	-	25,991	36,157	24,411
Average Other Benefits (USD)	30,603	26,620	24,150	23,714	24,282
Average Total Compensation (USD)	153,258	133,102	149,523	154,726	138,295

<sup>1)</sup> Based on full plan year and not year of actual payment. STI Plan saw zero payout in 2020.

## Shares and Warrants as of 31 December 2021

Employee	Position	No. of Shares Held 31 December 2021	Balance of free-standing warrants related to unvested Incentive Share Units		
			2021 Award (Vest 2024)	2020 Award (Vest 2023)	2019 Award (Vest 2022)
Kristian Johansen	CEO	143,752	60,500	60,500	57,120
Sven Børre Larsen	CFO	48,680	24,300	10,000	21,000
Jan Schoolmeesters	Executive	50,868	24,300	24,300	21,000
Will Ashby	Executive	50,250	24,300	24,300	21,000
David Hajovsky	Executive	4,557	24,300	5,800	20,880
Tana Pool	Executive	41,657	24,300	24,300	21,000
Whitney Eaton	Executive	2,158	24,300	5,800	5,880

## 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 2022 include specific targets relative to financial performance, sustainability both in relation to human capital and emissions reduction, and delivery of milestones relative to the TGS strategic plan. Examples of targets include return on capital employed (ROACE), free cash flow as a percentage of revenue, technology initiatives in relation to continued improvement of Imaging performance and reputation, advancement of digital and new energy solutions business units, and maintaining Scope 1 and 2 CO<sub>2</sub>e emissions below 2020 baseline levels. The CEO's goals for 2022 are aligned with the corporate goals, emphasizing ROACE, cash flow, strategic technology and digital energy solutions initiatives and sustainability.

## 2.3. Short-Term Incentives 2022

The TGS STI Plan provides a cash bonus for employees based on both financial and strategic metrics tied to the Company's performance. Historically, the STI Plan has been linked to operating profit and funded through an allocation of a percentage of the Company's NIBT. The 2022 plan includes both a financial component, linked to EBITDA minus Multiclient Investments and will be funded by allocating 9.37% of EBITDA minus Multiclient Investments to the bonus pool, and a strategic component, linked to completion of four strategic goals and funded by allocating \$3.1 million to the bonus pool. This bonus structure provides a good measure of cash generation, retains a connection to profitability, eliminates amortization thereby easing variability and incorporates achievement of key strategic goals in sustainability, technology and new energy solutions.

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 2022, the CEO's target bonus is set at approximately 140% of base salary. The other executives have bonus targets between 48% and 73% of base salary.

The portion of the bonus target tied to financial performance in a plan year are paid quarterly following announcement of quarterly financial results, and the portion of the bonus tied to strategic performance is paid out annually. If the Board anticipates that the upcoming quarter(s) will result in a negative metric, the plan includes a withholding provision that may be instituted at the Board's discretion for the financial performance portion of the bonus. The actual payout of the financial performance portion is limited to a multiple of one and a half times (1.5x) target, and the actual payout of the strategic performance portion is limited to one times (1x) target. This is less than the two times (2x) target in 2019 and a reduction from three times (3x) target in 2017. Since 2005 (excluding 2020 and 2021), the average payout has been 115% of target. In 2020, the STI Plan did not pay out; and in 2021, the STI paid out at approximately 11% of target. The Board approved an additional discretionary bonus of approximately 21% of target in recognition of achievement of corporate goals and fourth quarter performance, resulting in a total payout of 32% of target for 2021.

TGS reserves the right to demand the repayment of any cash performance bonus that was 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

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, for executives and certain non-executive senior management, and an annual Restricted Stock Unit (RSU) Plan for other key employees. A limited number of share-based long-term incentive awards are usually issued each year upon authorization from shareholders at the AGM.

### Long-Term Incentives 2022

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 LTI Plans, such that the awarded equity (once vested), together with any other shares that may be held by the executive, meet certain ownership levels. In 2022, TGS plans to increase the required ownership of shares for the CEO to four times (4x) base salary. The shareholding requirements for CFO and other executives will remain the same under the plan: 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 LTI 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. If an executive becomes subject to a higher multiple, they have three years from the effective date of the promotion to acquire ownership of the incremental shares.

For the purposes of calculating the value of the shares held, 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.

### 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 LTI 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 LTI 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. If

an executive becomes subject to a higher multiple, they have three years from the effective date of the promotion to acquire ownership of the incremental shares.

For the purposes of calculating the value of the shares held, 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.

### 2022 PSU Plan

In 2022, following consultation with some of the Company's largest shareholders representing around 46% of issued stock, the Board proposes keeping the structure of 2022 LTI Plan generally unchanged but proposes to adjust the Absolute ROACE targets.

The following table describes the specific metrics for the 2022 LTI Plan. Target payout is set at 60% of the PSU grant and stretch target is set at 100% of the PSU grant. 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.

Proposed 2022 PSU Plan	Performance	Percentage Payout	
<b>Metric 1: Relative ROACE</b>	Below 50th percentile	0%	Below Threshold
TGS ROACE relative to seismic peer group (10 peer companies)	50th to 75th percentile	20%	Target
<b>Peer Group:</b>	3rd	30%	
Asset Light Peers: ION, CGG	2nd	35%	
Vessel Owning Peers: PGS, PXGeo, Shearwater (Rieber), Seabird, EMGS	1st	40%	Stretch (Max)
Integrated Service Peers: Schlumberger			
Data Companies: IHS, Verisk, Core Lab			
<b>Metric 2: Absolute ROACE**</b>	4%	0%	Below Threshold
EBIT/Average capital employed	10%	20%	Target
(2022+2023+2024)/3	16%	40%	Stretch (Max)
<b>Metric 3: HSE and ESG</b>	HSE	10%	Target
	ESG	10%	Target

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	2022 Threshold	2022 Target	2022 Stretch	2021	2020	2019	2018	2017
Relative ROACE	50th percentile	50th to 75th	1st	20th percentile	40th percentile	2nd	1st	1st
Absolute ROACE	4%	10%	16%	-15%	-16%	19%	17%	10%
HSE/ESG	Target	Target	Target	Target	Deemed Achieved	Target	Target	Fail

## 2022 RSU Plan

As part of TGS' LTI Plan, shares are allocated to a RSU Plan for issuance to other key employees in the Company. 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, sustainability and strategic initiatives. On average, since the Company started issuing restricted stock units (RSU) in 2015, 79% of issued RSUs have vested or are expected to vest. Employees forfeit shares for failing to achieve satisfactory performance against their goals and if they leave the company prior to vesting. Of employees issued RSUs, 65% remain employed at TGS.

## 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 ESPP intends to encourage broader share ownership among TGS employees to further increase alignment with shareholders. The plan is currently in its seventh round with approximately 28% participation. Since inception, a total of 63,311 shares have been purchased by employees under the plan.

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.

All employees and executives may participate in the ESPP in 2022 except those in Australia and in Norway, subject to meeting a short service requirement for eligibility.

## 2.6. Pension and Insurance Plans

The TGS executive team is part of the TGS general pension plan (401k in the 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 2022, 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 20,500 or USD 27,000 if over 50) in U.S.;
- Between 5.6%/15% below/above 7,1 G (12G cap) pension in Norway; and
- Up to 7.5% 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 (1x) the amount of their 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 their continued compliance with restrictive covenants.

Additionally, the maximum amount payable to the CFO in case of termination for any reason other than redundancy, gross misconduct or statutory retirement, is the lower of (i) one times (1x) the amount of their 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 their continued compliance with restrictive covenants or (ii) an agreed cap.

The amount payable to the CEO and the CFO in the case of termination associated with a "change of control" event is one times (1x) 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. 2021 REMUNERATION RESULTS AND ASSESSMENT

#### 3.1. Results from the 2021 AGM

In accordance with section 6-16a of the Norwegian Public Limited Companies Act, the Board prepared a statement during 2021 with respect to the principles for remuneration of executives of the Company, which was noted and approved at the 2021 AGM. In addition, the Board presented the 2021 LTI Plan to the annual general meeting, which was also approved.

The Board of Directors' position is that the compensation awarded to executives in 2021 fully complies with the statements, proposals and approvals from the 2021 AGM.

Approved at 2021 AGM	2021 Actual
Executive base salaries are consciously set low (around median minus 10% of our peer group).	Third-party benchmark data from December 2021 indicated that base salaries in 2021 were on average 9% below market median.
9.37% of EBIDTA - Multiclient Investment allocated to Short Term Incentive bonus pool	Only the first quarter of the 2021 STI Plan resulted in a pay out under the financial parameters of the plan. <sup>1</sup>
Long-Term Incentive Plan with Relative RO-ACE, 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.	464,100 warrants issued relating to 2021 Long-Term Incentive (326,600 PSUs and 137,500 RSUs).
Stock Ownership Guidelines.	All Executives were in compliance with the guidelines as at 1/1/2021.

<sup>1</sup> In addition to the STI Plan, the Board also approved a discretionary bonus related to achievement of corporate goals and fourth quarter financial performance.

#### 3.2. Performance in 2021

In its assessment of the CEO and executive performance in 2021, and consequently their annual base salary and short-term incentive awards, the Board emphasized response to the pandemic, financial goals (including specific targets for cash flow and revenue), strategic goals (including the development of technology and new energy solution initiatives), employee engagement, customer engagement, sustainability and cost control. The Board took note of the ability of the Company to implement its corporate strategy and expand into new energy sectors while maintaining cost control in challenging market conditions.

#### 3.3. Total Executive Compensation for 2020 and 2021 (IFRS Basis)

Reference is made to Note 10 of the Consolidated Annual Financial Statements as of and for the year ended 31 December 2021 for certain information regarding historical cash compensation and long-term incentives for executives, presented in accordance with IFRS standards.



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To the General Meeting of TGS ASA

## Independent auditor's assurance report on report on salary and other remuneration to directors

### Opinion

We have performed an assurance engagement to obtain reasonable assurance that TGS ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2021 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, 6 May 2022  
KPMG AS

Julie Berg  
State Authorised Public Accountant

#### Offices in:

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

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Ålesund	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodø	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund