TGS 2016

DECLARATION ON EXECUTIVE REMUNERATION

TGS 2016

Declaration on Executive Remuneration

From the Compensation Committee

TGS' Total Compensation Philosophy is closely aligned with our employees' passion for business, team-work and our results-driven culture. While base salaries are targeted at a relatively low level versus peers, our remuneration is heavily weighted in variable, performance-linked pay, which reflects the "results-driven" approach of our employees. 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 "team-work" culture of the company. Ultimately our total rewards package is designed to attract and retain talented people who have a passion for business and consistently and continually demonstrate the highest levels of performance.

2016 was a very tough year for the seismic industry. In this challenging market TGS outperformed its peers on a range of financial metrics such as operating profit margin, return on investment and return on average capital employed. However the total compensation for the Executive team in 2016 was below the market 25th percentile due to the relatively high weighting towards variable pay and the fact that the Short Term Incentive plan is directly linked to TGS' operating profit. In addition, the 2014 Long Term Incentive plan completed its three-year measurement period at the end of 2016 with no material payout being earned. The Board of Directors recognizes this inconsistency between relative performance and relative reward in 2016 and continues to evaluate all components of executive remuneration in order to deliver upon the company's compensation philosophy over the long term.

For 2017, following consultation with some of the company's largest shareholders, the Board is recommending new performance metrics for the proposed 2017 Long Term Incentive plan. No significant changes to other elements of TGS' total rewards package are planned in 2017. We are however providing greater clarity relating to performance measures.

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.

Mark Leonard, Director and Chair of the Compensation Committee

23 March, 2017

Pursuant to the Norwegian Public Limited Liability Companies Act, section 6-16 a (2), the board will present the following declaration regarding remuneration of TGS' Executive team to the 2017 annual general meeting.

1. Executive Remuneration Policy Statement

1.1. Total Compensation Philosophy

TGS' Total Compensation Philosophy, as approved by the Board, is to provide a robust and competitive total rewards package that attracts and retains talented people and provides the greatest rewards for its employees who consistently and continually demonstrate the highest levels of performance.

TGS uses a blend of components: base salary, incentive compensation (short-term and long-term awards) and non-financial benefits. TGS base salaries are targeted below the median of the compensation peer group. TGS' total actual cash compensation, defined as base salary and Short Term Incentives (an annual performance cash bonus directly linked to TGS' operating profit), is intended to exceed the market average in years where the company performs above market (target above 50th and up to 75th percentile of the market). It is also heavily weighted in variable pay so that employees share in the same risk and rewards as its shareholders. The Board of Directors believes that the issuance of Long Term Incentives is a valuable tool to aid in the retention of key employees and serves to reinforce the importance of maintaining a longer-term focus towards shareholder value creation.

The following table summarizes the main elements of TGS' Executive Remuneration in 2017:

Remuneration Element (2017)	Objective	Award Level	Performance Criteria
Base Salary	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 fulfilment of pre-defined goals (see 2.2 below)
Short Term Incentive (STI)	Drive and reward individuals for annual achievement of business objectives and maintain a strong link between compensation and company's financial 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 (see 2.2 below). Actual payout is a direct function of the company's operating profit
Long Term Incentive (LTI)	Strengthen the alignment of top management and Shareholder interests and retention of key employees	Target award at x2 base salary for CEO and x1 average of base salary for 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 (cap at $18k); Norway: 5.6%/15% below/above 7G (12G cap); UK: 7%	N/A

1.2. Total Compensation Philosophy - Executive Remuneration

TGS is an international company operating in the global geoscience industry. Our operations are conducted world-wide and our employment base is and needs to be largely international. Our CEO and a large part of the Executive team are based in the U.S. The total compensation package for our CEO and other Executives therefore must be competitive within the Norwegian labor market, the U.S. labor market and internationally. Both the level of total compensation and the structure of the compensation package (in particular the variable pay component) for our CEO and other Executives must attract and retain talented international leaders.

Executive Compensation Policy:

- Internationally competitive compensation package
- Attract and retain talented leaders
- Reward consistent and continual high level of performance
- Heavily weighted towards performance-based, variable pay to align with Shareholders
- Incorporate share-based rewards & ownership requirements to align with Shareholders
- Balance reward of short term performance with longer term value creation

The compensation program for Executives consists of industry competitive benefit programs, base salaries, short-term incentives and long-term incentives. Since 2015, the Long Term Incentives have been implemented through an annual Performance Share Unit ("PSU") plan. The various compensation elements are balanced in a way that recognizes the individual Executive's responsibilities and his or her ability 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 (see 2.2 below). Base salaries are consciously set low for Executives (around 25th percentile of our peer group) while the short-term incentive can be comparatively high.

1.3. 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 of independent directors: Mark Leonard (Chair), Elisabeth Harstad, Wenche Agerup and Torstein Sanness (appointed in 2016).

The CEO is responsible for proposing the compensation packages (excluding his own) for all Executives for Compensation Committee review and Board approval. The CEO's proposal is based on performance assessed against pre-defined goals.

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 Board believes executive compensation should be reasonable and fair according to prevailing industry standards in the geographical markets where TGS operates, and should be understandable relative to scale, complexity and performance. The Board strives to ensure that executive compensation is administered consistently according to the TGS Total Compensation Philosophy.

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, eight of which are U.S. and five Norwegian). The peer group is determined by considering a combination of relative factors including annual revenue, EBITDA, market capitalization, return on equity (ROE) and return on invested capital (ROI). This independent executive compensation analysis is conducted annually.

The following table shows the peer group for executive remuneration in 2016 (unchanged from 2015):

Aker Solutions	Fred Olsen Energy	Pason Systems
CARBO Ceramics	Fugro N.V.	Petroleum Geo-Services
CGG Veritas	GulfMark Offshore	Prosafe
Core Laboratories	Helix Energy Solutions	Shawcor
Dril-Quip	Hunting PLC	Songa Offshore
Forum Energy Technologies	Oil States International	TESCO

1.4. Review of Results of 2016 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 (representing more than 50% of issued share capital). At the 2016 annual general meeting, the Company's shareholders were requested to conduct a non-binding advisory vote to approve the remuneration principles for Executives and a binding vote to approve the 2016 Long Term Incentive stock plan funded by free-standing warrants. Both motions were approved with 90.49% and 94.73% respectively of votes cast in favor.

1.5. Evolution of Long Term Incentive Plan and Executive Share Ownership Guidelines

The Company historically issued stock options, or on occasions Share Appreciation Rights, as long-term incentives, but decided to replace the stock options program in 2014 with a system that is both more performance-based and more tightly aligned with long term shareholder interests.

For past stock option programs, the Compensation Committee recommended to the Board of Directors the number of stock options to be issued to Executives. The number of stock options granted was directly linked to Company and individual performance. As a general policy, 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. Under Norwegian law and the respective resolutions from the AGM, five years is the maximum lifetime of a warrant to secure a stock option. At 31 December 2016 there were stock options outstanding under the 2012 and 2013 Plans. All options will have expired on or before 4 June 2018.

The 2014 Long Term Incentive was a performance-based cash plan linked to market share, earnings per share, operating profit and HSE, measured over a three-year period. The 2015 and 2016 Long Term Incentives are PSU plans linked to market share, return on average capital employed (ROACE) and HSE performance, measured over a three-year period.

In 2014, the Board implemented share ownership guidelines for Executives. These guidelines are designed to encourage long-term share ownership and to ensure that Executives hold stock. The CEO is required to hold three times base salary in TGS stock, the CFO is required to hold two times base salary and all other members of the Executive team are required to hold one times their base salaries in TGS stock. Executives have until 12 August 2019 or, if later, five years from the date the Executive is first subject to the guidelines, to meet the ownership requirement. If an Executive does not meet the Executive Share Ownership Guidelines, the Executive must retain all shares awarded from any Long Term Incentive plan until the requirement is satisfied.

In the event of a Change of Control, as defined in each Long Term Incentive plan document, and subject to the provisions of each plan, the Long Term Incentive award shall become immediately vested and/or exercisable in full, without limitation to exercise or performance measurement period.

If an Executive's employment is terminated for any reason prior to the vesting date, the Executive forfeits any Long Term Incentive, unless the Board provides otherwise.

2. Executive Remuneration in 2017

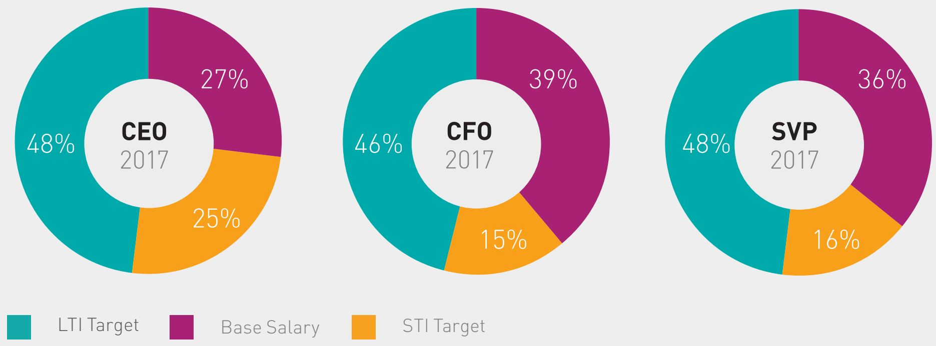
2.1. Remuneration overview 2017

TGS Executive base salaries are targeted at around the 25th percentile versus peers. Third party compensation benchmarking indicates that on average the TGS Executive team is paid slightly below the market 25th percentile.

TGS Executive remuneration is heavily weighted in variable, performance-linked pay. The Short Term Incentive Plan (see 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). Due to the challenging market conditions the target Short Term Incentive currently falls some way short of this aspiration such that the target total cash compensation for TGS Executives in 2017 is slightly below the market 25th percentile (based on third party compensation benchmarking).

The TGS Long Term Incentive PSU plan for Executives (see 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 is between the market 25th and 50th percentile.

The following charts highlight the distribution of the various 2017 compensation components for the CEO, CFO and a Senior Vice President (SVP). The Short Term Incentive is shown at target level and the 2017 Long term Incentive is valued based on performance at target level and a share price of NOK 180 and a NOK:USD exchange rate of 0.1195. For illustrative purposes one SVP was selected.



The table below compares the target Total Compensation for CEO, CFO and a Senior Vice President (SVP) from 2014 to 2017. 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 (see section 3.3) 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 occurring three years later. For example the Long Term Incentive Target shown for 2014 is scheduled to payout during 2017 (although the actual payout will be minimal due to performance being below threshold for most of the targets). The Long Term Incentive Target shown for 2017 will not payout until 2020.

	Year	Base Salary as of January CY* (USD)	Annual Target STI (USD)**	Actual Plan Year STI (USD)**	Annual LTI (Target)***	Total Compensation (Target)
CEO	2014	489,000	1,250,000	1,129,170	367,200	**2,106,200**
	2015	506,000	961,302	263,751	574,231	**2,041,533**
	2016	506,000	400,000	441,800	588,475	**1,494,475**
	2017	500,000	450,000	TBD	877,608	**1,827,608**
CFO	2014	365,444	418,423	377,977	245,276	**1,029,143**
	2015	301,880	550,020	136,330	287,115	**1,139,015**
	2016	354,819	125,751	138,892	276,929	**757,500**
	2017	348,701	134,796	TBD	412,992	**896,489**
SVP	2014	224,994	395,278	357,068	200,225	**820,497**
	2015	235,000	306,551	84,108	172,269	**713,820**
	2016	235,000	110,000	121,495	225,005	**570,005**
	2017	250,000	113,000	TBD	335,556	**698,556**

Notes:

* Base Salary as of 1st January of each year for Executive in place on that date

**Full plan year payment not 100% paid in year earned.

*** For 2014 LTI, target awards are per 2014 Long Term Cash Incentive plan. For 2015, 2016 & 2017 LTI grants are valued based on achievement of metrics at mid-level targets.

***2014, 2015 & 2016 exchange rate and stock price calculated at date of AGMs. 2017 exchange rate and stock price calculated at 24 Feb 2017.

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

Individual salary and Short Term Incentive award reviews for Executives and employees alike are based on performance against individual goals which all roll-up to TGS corporate goals. TGS establishes its corporate goals at the start of each year and shares these across the organization. In 2017 the corporate goals are Financial Performance (measured through ROACE), Customer Engagement (targeting defined customer prefunding targets for new investments and growth in sales from the data library) and Employee Engagement (measured through annual employee engagement survey). Each of the corporate goals is broken into a number of sub-goals under which Executives will have specific individual goals which are also flowed down into their respective organizations, such that every employee will have relevant goals that contribute to the overall corporate goals.

Corporate Goal	Target	Sub-Goals	Example Executive Goals
Financial Performance	ROACE higher than 2016	Revenue Operating Cost Capital Efficiency Cash	Sales targets Operating cost savings Contract negotiation Project ROI Product delivery Cash management
Customer Engagement	40-45% Prefunding of new investments Grow late sales versus 2016	Customer Interaction Customer Outreach Customer Service Customer E-Interaction	# Client meetings Client events Marketing activities Quality & delivery Customer feedback Online experience
Employee Engagement	Improve Employee Engagement Capital versus 2016 (>60% as measured by third party, CEB)	Culture Values Career / Development Work Environment & Management	Team interaction Community activities HSE Shareholder relations Succession planning Training & development Up/down communication

The CEO's goals for 2017 are aligned to the corporate goals with specific emphasis on ROACE, cash flow, revenue, cost, employee engagement and senior level client engagement.

2.3. Short Term Incentives 2017

TGS targets total cash compensation (a combination of base salary and Short Term Incentive) above the 50th and up to 75th percentile of the market in years where TGS performs above market. With base salaries for Executives consciously set low (around 25th percentile of our peer group) the total cash compensation is therefore designed to be heavily weighted towards variable Short Term Incentive compensation.

TGS operates a Short Term Incentive plan that is directly linked to TGS' operating profit. This plan has been successfully used by TGS for over 20 years to focus all employees on generating operating profit. The 2017 plan will be funded by allocating 13.25% of TGS operating profit to be shared among all full time employees (approximately 2.5% designated for Executives and the remainder designated for all other employees). The percentage of operating profit designated should be determined by the amount of operating profit in the budget and the amount of bonus needed to compensate employees in line with the TGS Compensation Philosophy and peer group comparison.

Short Term Incentive target awards are lower than previous years due to the challenging market conditions, resulting in target Total Cash Compensation for Executives in 2017 that are slightly below the market 25th 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 targets are based on individual level of responsibility in the organization, individual contribution, performance versus previous year goals (see 2.2 above) and benchmark data. The total of all bonus targets are compared to the budgeted pool to calculate and apply an adjustment ratio. The resulting adjusted bonus amount is the individual's annual target cash performance bonus. In 2017 the CEO bonus target is set at 90% of base salary. The other Executives have bonus targets between 22% and 45% of base salary.

The actual bonus amounts paid are directly proportional to the actual operating profit of TGS. This ensures that there is direct linkage to Company performance. The bonus is 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 three times target. This cap has been changed from twice base salary (2016 plan) following feedback from Shareholders. When the market improves and target bonuses return towards historical levels it is expected that the cap will return to twice the target bonus (as was the case prior to 2016). Since 2000 the average payout has been 97% of target with the lowest payout being 27% and the highest payout being 146% of target.

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.

The Short Term Incentive bonus pool (13.25% of operating profit) was not fully utilized during 2016 due to headcount reductions and therefore, in recognition of the strong performance by the Executive team in 2016, the Board of Directors determined to use this unallocated cash reserve to encourage increased share ownership by Executives. All members of the 2016 Executive team were given the option to purchase TGS stock using their own funds, with TGS providing a matching cash bonus to buy an equivalent amount of TGS stock. The total net matching bonus was capped at 25% of each Executive's 2016 Short Term Incentive target. By 10 March 2017, all 2016 Executives had purchased the maximum combined volume of approximately $550,000 TGS shares, with 50% funded by the Executives and 50% funded by TGS. If an Executive leaves TGS within a period of three years or sells the purchased shares (bringing total ownership below TGS' Ownership Guidelines) then the value of the shares purchased with matching funds must be repaid to TGS.

2.4. Long Term Incentives 2017

A limited amount of share-based awards are usually issued each year upon the approval of and authority from shareholders at the Annual General Meeting (AGM). Subsequently, a detailed plan incorporating the terms approved by the AGM is then subject to the review and approval by the Board of Directors.

In 2017 the Executive team members (currently 10 staff) will be eligible to participate in the 2017 Long Term Incentive PSU plan. It is proposed that each Executive will be granted PSUs based on his or her individual performance (see 2.2 above), span of responsibility and ability to execute the TGS business plan. Three years from the date of grant, which is anticipated to be August 2020 for the proposed 2017 plan, the PSUs will be converted to a number of TGS shares depending on how certain metrics are achieved.

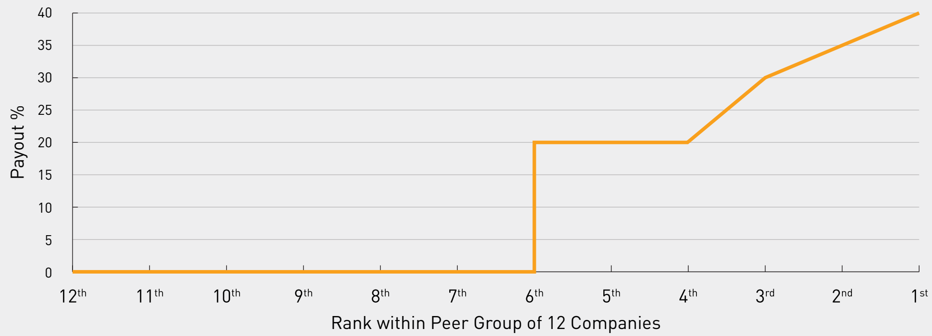
A target, stretch (cap) and threshold is set for each metric, and no shares will be earned in each category if final values are below the threshold. Dividend equivalent rights will accrue on PSUs that are ultimately awarded.

In 2017, following consultation with some of the company's largest shareholders, the Board will propose new performance metrics. ROACE is a critical long term measure of profitability for the company and has been highlighted by shareholders as a key performance measure. The 2017 PSU plan will incorporate a relative ROACE metric (ranking TGS performance within a peer group of 12 companies) and an absolute ROACE metric (with the threshold level being set at the actual ROACE achieved in 2016). There is also an HSE metric which is split into lagging (zero lost time injuries) and leading (safety inspections and crew safety visits) measures.

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.

2017 PSU Plan	Performance	Percentage Payout	
Metric 1: Relative ROACE	Below 50th percentile	0%	Below Threshold
TGS ROACE relative to seismic peer group (12 companies: TGS, CGG, PGS, Schlumberger, ION, Spectrum, Polarcus, Shearwater, (Reiber), MCG, Seabird, EMGS, Seitel)	50th to 75th percentile	20%	Target
	3rd	30%	
	2nd	35%	
	1st	40%	Stretch (Max)
Metric 2: Absolute ROACE	5%	0%	Below Threshold
EBIT/Avg capital employed (2017+2018+2019) / 3	10%	20%	Target
	15%	40%	Stretch (Max)
Metric 3: HSE	Zero LTIs	6.66%	Target
2 Leading, 1 Lagging	Safety Inspections	6.66%	Target
	Crew Safety Visits	6.66%	Target

Where actual performance falls between the threshold and target or between the target and stretch then 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	2017 Threshold	2017 Target	2017 Stretch	2016	2015
Relative ROACE	50th percentile	50th to 75th	1st	TBD	3rd out of 12
Absolute ROACE	5%	10%	15%	5%	-2%
Lost Time Injuries	Zero	Zero	Zero	1 - Fail	Zero

For 2017, TGS proposes that the CEO be granted up to 68,000 PSUs, the CFO be granted up to 32,000 PSUs and the remaining eight Executives granted an average of 25,000 PSUs each (300,000 maximum combined grant to Executive team, the same level as 2016). In the maximum case, this would create less than 0.3% dilution of the outstanding shares (excluding treasury shares). At a stock price of 180 NOK and currency exchange rate of 8.3682 NOK/USD (24 February 2017), the plan is worth $3.9 million at the target level and $6.5 million if all stretch targets are achieved.

TGS is also proposing a 144,200 Restricted Stock Units (RSUs) plan for other key employees (around 60 staff or 10% of the workforce). Executives will not quality for RSUs. In 2017, the RSUs will be more closely linked to achievement of specific individual performance goals that support the corporate goals disclosed in 2.2 above. 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 and employee engagement.

TGS will request the issuance of 444,200 shares to fund both the PSU and RSU Long Term Incentive Plans. In the maximum case, this would create less than 0.44% dilution.

2.5. Pension and Insurance Plans

The TGS Executive team are 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 2017 TGS will make the following maximum pension contributions (as a percentage of cash compensation) to Executives depending on location:

- 6% 401k matching (cap at $18k) 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 TGS employees of TGS and in accordance with local custom and policy. In addition Executives are offered an annual medical / health assessment:

2.6. 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 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. 2016 Remuneration Results and Assessment

3.1. Compliance with 2016 Statement and Authorizations

In accordance with section 6-16a of the Norwegian Public Limited Companies Act, during 2016 the Board prepared a statement 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 2016 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 2016 fully complies with the statements, proposals and approvals from the 2016 annual general meeting.

Approved at 2016 AGM	Status	2016 Actual
Executive base salaries are consciously set low (around 25th percentile of our peer group)	Compliant	Third party benchmark data from October 2016 indicated that actual base salaries are slightly below the 25th percentile
13.25% of operating profit allocated to Short Term Incentive bonus pool	Compliant	Actual payout was below 13% of operating profit (due to headcount reductions)
Long Term Incentive plan with market share, ROACE and HSE metrics	Compliant	Long Term Incentive plan implemented as proposed to AGM
Issue maximum of 444,200 warrants to fund Long Term Incentive Plan	Compliant	416,000 warrants issued relating to 2016 Long Term Incentive (273,000 PSUs and 143,000 RSUs)
Stock Ownership Guidelines	Compliant	Executives have until 12 August 2019 or later to meet Guidelines

3.2. Performance in 2016

In its assessment of the CEO and Executive performance in 2016, and consequently annual base salary, and Short Term Incentive, the Board put emphasis on financial goals (including specific targets for cash flow, revenue, operating profit and ROACE), strategic goals (including right-sizing of the organization for current market conditions and succession planning), employee engagement, customer engagement and cost reduction. Performance against these goals was either at or ahead of target.

3.3. Executive Total Compensation in 2016

Executive Management 2016

Executive Management	Salary	Bonuses	Other Benefits [1]	Payments from long-term incentive plans	Total Remunerations
Kristian Johansen (CEO from 11 March 2016)	477	93	1	-	570
Sven B Larsen	328	25	18	-	372
John A. Adamick	247	25	3	30	306
Knut Agersborg	174	10	19	-	203
Katja Akantieva	288	20	5	-	312
Zhiming Li	336	28	4	30	397
Tana Pool	291	16	10	-	317
Will Ashby (Executive from April 2016)	218	20	-	-	238
Fredrik Amundsen (Executive from April 2016)	177	36	16	-	228
Stein Ove Isaksen (Executive until April 2016)	247	-	18	-	265
Robert Hobbs (CEO until 11 March 2016)	174	-	630	53	856
Genie Erneta (Resigned in June 2016)	134	-	184	15	333

[1] Termination benefits are included in "Other Benefits" for Robert Hobbs and Genie Erneta.

Executive Management 2015

Executive Management	Salary	Bonuses	Other Benefits	Payments from long-term incentive plans	Total Remunerations
Robert Hobbs	506	593	19	163	1,280
Kristian Johansen [1]	435	187	153	94	870
Sven B Larsen (CFO from 1 September 2015)	167	-	7	-	174
John A. Adamick	235	188	17	-	440
Knut Agersborg	172	73	21	157	424
Genevieve Erneta	207	64	17	-	288
Katja Akantieva (Executive from 17 February 2015) [1]	212	68	74	-	354
Stein Ove Isaksen	236	107	20	113	477
Zhiming Li	308	206	19	128	662
Tana Pool	287	95	19	-	401

[1] Other benefits include compensation for relocation expenses.

Long Term Incentives

Executive Management	No. of Shares Held 31/12/2016	No. of Options Held 31/12/2016	No. of Options Granted in 2016	No. of Options Exercised in 2016	PSUs awarded in 2016	Total balance of free-standing warrants related to PSUs/RSUs	WAEP (in NOK)
Kristian Johansen (CEO)	1,500	51,500	-	-	68,000	88,000	-
Sven B Larsen (CFO)	600	-	-	-	32,000	52,000	-
John Adamick (SVP Geological Products and Services)	36,000	42,000	-	14,400	26,000	38,000	113.80
Knut Agersborg (VP Global Services)	2,100	42,000	-	-	23,000	35,000	-
Will Ashby (VP HR and Communication)	-	6,500	-	-	23,000	24,800	-
Katja Akantieva (SVP Onshore)	-	10,100	-	-	26,000	38,000	-
Zhiming Li (SVP Data Processing and Research & Development)	105,694	42,000	-	14,000	26,000	38,000	113.80
Tana Pool (VP General Counsel)	-	-	-	-	23,000	35,000	-
Fredrik Amundsen (SVP Europe & Asia Pacific)	-	10,100	-	-	26,000	28,500	-

The 2014 Long Term Incentive plan will not deliver a material payout to Executives, partly as a result of the challenging market conditions. Under the 2015 PSU Plan the ROACE metric threshold will be very challenging given the performance in the first two years of the measurement period. The Health & Safety metric will not be achieved due to a lost time incident in a TGS office during 2016. It is too early to conclude on the potential payout from the 2016 PSU plan, although the Health & Safety metric will not be achieved for the same reason as stated above.

2014 Plan

Metric	2014 Threshold	2014 Target	2014 Stretch	Status at 31 Dec 2016
Market Share	22%	30%	35%	22%
EPS Growth	5%	20%	30%	EPS Decline - Fail
Lost Time Injuries	Zero	Zero	Zero	1 - Fail

2015 Plan

Metric	2015 Threshold	2015 Target	2015 Stretch	Status at 31 Dec 2016
Market Share	26%	29%	32%	22%
Absolute ROACE	25%	30%	35%	5%
Lost Time Injuries	Zero	Zero	Zero	1 - Fail

2016 Plan

Metric	2016 Threshold	2016 Target	2016 Stretch	Status at 31 Dec 2016
Market Share	24%	26%	28%	22%
Absolute ROACE	4%	8%	12%	5%
Lost Time Injuries	Zero	Zero	Zero	1 - Fail