



Til Aksjonærene i  
Petroleum Geo-Services ASA (PGS)

Our ref.: PU

Oslo, 14. april 2015

**PETROLEUM GEO-SERVICES ASA ORDINÆRE GENERALFORSAMLING**

**13. MAI 2015 – KL. 15.00**

Vedlagt oversendes:

- Innkalling
- Fullmaktsskjema

Årsrapporten for 2014 og de øvrige vedleggene til innkallingen vil bli gjort tilgjengelig på [www.pgs.com](http://www.pgs.com). Papirutgaven av disse blir ikke automatisk sendt ut til den enkelte aksjonær, men vil imidlertid bli tilsendt ved forespørsel til [ir@pgs.com](mailto:ir@pgs.com)

Med vennlig hilsen  
for Petroleum Geo-Services ASA

A handwritten signature in black ink.

Francis Gugen  
Styreformann

**VEDLEGG**

**INNKALLING TIL  
ORDINÆR GENERALFORSAMLING**

Det innkalles herved til ordinær generalforsamling for 2015 i Petroleum Geo-Services ASA ("Selskapet"). Møtet vil bli avholdt i PGS hovedkontor, Lilleakerveien 4C, 0216 Oslo, den

**13. mai 2015 kl. 15.00 norsk tid**

Vedleggene til innkallingen følger ikke med papirversjonen av innkallingen, men er gjort tilgjengelige på [www.pgs.com](http://www.pgs.com).

Selskapets styre har bestemt å innkalte til ordinær generalforsamling for å stemme over sakene beskrevet nedenfor.

Generalforsamlingen vil bli åpnet av styreleder, og i henhold til vedtektenes § 9 vil styreleder også lede den ordinære generalforsamlingen.

**SAK 1                    GODKJENNELSE AV INNKALLING OG AGENDA**

**SAK 2                    VALG AV PERSON TIL Å MEDUNDERTEGNE PROTOKOLLEN**

Det foreslås at det velges en person blant de tilstedevarende på generalforsamlingen til å medundertegne protokollen.

**SAK 3                    GODKJENNELSE AV ÅRSBERETNING OG ÅRSREGNSKAP FOR  
PETROLEUM GEO-SERVICES ASA OG KONSERNET FOR 2014**

Årsberetning og årsregnskap for Petroleum Geo-Services ASA og konsernet for 2014 er fremlagt i Vedlegg I.

Forslag til vedtak:

*Årsberetning og årsregnskap for 2014 for Petroleum Geo-Services ASA og konsernet godkjennes.*

**SAK 4                    GODKJENNELSE AV UTBYTTE FOR 2014**

Styret foreslår at det utdeles utbytte for 2014 på NOK 0,70 per aksje. Samlet utbetaling på NOK 149 880 485 betyr at omtrent 1,5% av den frie egenkapitalen i Petroleum Geo-Services ASA blir utbetalt som utbytte til aksjonærene. Den foreslalte utdeling av utbytte representerer 1,4% av den totale egenkapitalen per 31. desember 2014 og vil bli betalt fra tilgjengelige kontanter og likvide midler. Selskapet anses av Styret å ha en solid egenkapital- og likviditetsposisjon også etter utdelingen.

Forslag til vedtak:

*Det utbetalles utbytte med NOK 0,70 per aksje for 2014, som utgjør en samlet utbytteutbetaling på NOK 149 880 485. Det vil bli utbetalte utbytte til de som er aksjonærer ved utløpet av handelsdagen 13. mai 2015, og aksjer som handles fra og med 15. mai 2015 vil omsettes uten rett til årets utbytte.*

## SAK 5

### GODKJENNELSE AV REVISJONSHONORAR FOR 2014

Revisjonshonoraret for Petroleum Geo-Services ASA for 2014 er på NOK 1,8 mill. Dette beløpet inkluderer ikke honorar i tilknytning til revisjon av Selskapets datterselskaper, revisjon av Selskapets konsoliderte regnskaper eller for andre utførte tjenester.

Forslag til vedtak:

*Generalforsamlingen godkjenner revisjonshonoraret for 2014.*

## SAK 6

### VALG AV STYREMEDLEMMER

Forslagene til valg av styremedlemmer er basert på anbefalinger i Valgkomitéens rapport, se Vedlegg II til innkallingen og selskapets vedtekter § 6 a). Styremedlemmene tjenesteperiode er det seneste tidspunkt av ett år eller frem til neste ordinære generalforsamling.

#### Sak 6.1

##### **Francis Robert Gugen (styreleder)**

Forslag til vedtak:

*Francis Robert Gugen blir gjenvalgt som styreleder for en tjenesteperiode fra og med denne dato.*

#### Sak 6.2

##### **Harald Norvik (nestleder)**

Forslag til vedtak:

*Harald Norvik blir gjenvalgt som styrets nestleder for en tjenesteperiode fra og med denne dato.*

#### Sak 6.3

##### **Daniel J. Piette**

Forslag til vedtak:

*Daniel J. Piette blir gjenvalgt som styremedlem for en tjenesteperiode fra og med denne dato.*

#### Sak 6.4

##### **Holly Van Deursen**

Forslag til vedtak:

*Holly Van Deursen blir gjenvalgt som styremedlem for en tjenesteperiode fra og med denne dato.*

**Sak 6.5      Carol Bell**

Forslag til vedtak:

*Carol Bell blir gjenvalgt som styremedlem for en tjenesteperiode fra og med denne dato.*

**Sak 6.6      Anne Grethe Dalane**

Forslag til vedtak:

*Anne Grethe Dalane blir gjenvalgt som styremedlem for en tjenesteperiode fra og med denne dato.*

**Sak 6.7      Walter Qvam**

Forslag til vedtak:

*Walter Qvam blir gjenvalgt som styremedlem for en tjenesteperiode fra og med denne dato.*

**Sak 6.8      Morten Borge**

Forslag til vedtak:

*Morten Borge blir valgt som styremedlem for en tjenesteperiode fra og med denne dato.*

**SAK 7            VALGKOMITÉ – VALG AV MEDLEMMER**

Forslaget til valg av Valgkomitéen er basert på anbefalinger i Valgkomitéens rapport, se Vedlegg II til innkallingen samt Selskapets vedtekter § 6 b).

**Sak 7.1      Roger O’Neil (leder)**

Forslag til vedtak:

*Roger O’Neil blir gjenvalgt som leder av Valgkomitéen for en ny tjenesteperiode fra og med denne dato og til og med den ordinære generalforsamlingen i 2016.*

**Sak 7.2      C. Maury Devine**

Forslag til vedtak:

*C. Maury Devine blir gjenvalgt som medlem av Valgkomitéen for en ny tjenesteperiode fra og med denne dato og til og med den ordinære generalforsamlingen i 2016.*

**Sak 7.3      Hanne Harlem**

Forslag til vedtak:

*Hanne Harlem blir gjenvalgt som medlem av Valgkomitéen for en ny tjenesteperiode fra og med denne dato og til og med den ordinære generalforsamlingen i 2016.*

**SAK 8      GODKJENNELSE AV HONORARER FOR STYREMEDLEMMER OG MEDLEMMER AV VALGKOMITÉEN**

**Sak 8.1      Forslag om å godkjenne honorarer for styremedlemmene og medlemmene av Valgkomitéen**

I overensstemmelse med vedtektenes § 6 c) fremlegger Valgkomitéen et forslag om å godkjenne honorarene til styremedlemmene og medlemmene av Valgkomitéen, se Vedlegg III.

Honorarene for styremedlemmene og for medlemmene av Valgkomitéen er fastsatt i henhold til de prinsippene som ble vedtatt av den ordinære generalforsamlingen i 2014, se Vedlegg IV.

Forslag til vedtak:

*Generalforsamlingen godkjenner honoraret til hvert av styremedlemmene og til hvert av medlemmene i Valgkomitéen.*

**Sak 8.2      Forslag om å godkjenne prinsippene for fastsettelse av aksjonærvalgte styremedlemmers honorar for perioden 13. mai 2015 til generalforsamlingen 2016**

I overensstemmelse med vedtektenes § 6 c), fremmer Valgkomitéen forslag til generalforsamlingen for fastsettelse av prinsippene for de aksjonærvalgte styremedlemmene honorarer for perioden 13. mai 2015 til generalforsamlingen 2016, se Vedlegg V.

Forslag til vedtak:

*Generalforsamlingen godkjenner prinsippene for fastsettelse av aksjonærvalgte styremedlemmers honorar for perioden 13. mai 2015 frem til generalforsamlingen 2016.*

### Sak 8.3

### **Forslag om å godkjenne prinsippene for fastsettelse av medlemmene av Valgkomitéen sine honorarer for perioden 13. mai 2015 til generalforsamlingen 2016**

I overensstemmelse med vedtektenes § 6 c), fremmer Valgkomitéen forslag til generalforsamlingen for fastsettelse av prinsippene for Valgkomitéens medlemmers honorarer for perioden 13. mai 2015 frem til generalforsamlingen 2016, Vedlegg VI.

Forslag til vedtak:

*Generalforsamlingen godkjenner prinsippene for fastsettelse av Valgkomitéens medlemmers honorarer for perioden 13. mai 2015 til generalforsamlingen 2016.*

### SAK 9

### **FULLMAKT TIL Å KJØPE EGNE AKSJER**

Generalforsamlingen i Selskapet har årlig gitt styret fullmakt til å erverve egne aksjer. Styret foreslår at denne fullmakten fornyes.

Hensikten med en slik tilbakekjøpsfullmakt er å tillate tilpasninger i Selskapets kapitalstruktur. Det er videre styrets oppfatning at en beholdning av egne aksjer vil gi Selskapet fleksibilitet i forhold til oppfyllelse av aksjeinnsentivprogrammer for ansatte og til finansiering av mulige oppkjøp og andre mulige transaksjoner foretatt av Selskapet.

Forslag til vedtak:

- (i) *Styret gis fullmakt til å kjøpe aksjer i Selskapet på vegne av Selskapet.*
- (ii) *Aksjene må kjøpes til allminnelige markedsbetingelser i et regulert marked hvor aksjene omsettes.*
- (iii) *Aksjene skal avhendes enten som en del av oppfyllelsen av innsentivprogrammer for ansatte, som en del av vederlaget ved oppkjøp som foretas av Selskapet, som en del av vederlaget i fusjoner, fusjoner eller oppkjøp som involverer Selskapet, ved at deler av eller alle aksjene slettes, for å innhente midler til spesifikke investeringer, i den hensikt å nedbetale lån (inklusive konvertible lån) eller styrke Selskapets kapitalgrunnlag. Styret står fritt til å velge hensiktsmessige avhendingsmetoder for disse formål.*
- (iv) *Den maksimale pålydende verdi av aksjene som totalt kan erverves i henhold til denne fullmakt er NOK 65 339 999. Erverv av egne aksjer må ikke under noen omstendighet finne sted i et slikt omfang at antallet egne aksjer utgjør totalt mer enn 10 prosent av aksjekapitalen. Minste beløp som kan betales for hver aksje som kjøpes i henhold til denne fullmakt er NOK 3, og det maksimale beløp er NOK 150.*

- (v) *Denne fullmakten er gyldig fra registrering i Føretaksregisteret og skal være gyldig til 30. juni 2016.*
- (vi) *Fullmakten til å erverve egne aksjer, innvilget den 8. mai 2014, tilbakekalles fra det tidspunkt fullmakten i dette punkt 9 trer i kraft.*

**SAK 10****ERKLÆRING FRA STYRET OM PRINSIPPER FOR FASTSETTELSE AV LØNN OG ANNEN GODTGJØRELSE TIL LEDENDE ANSATTE**

I samsvar med allmennaksjeloven § 6-16a har styret avgitt en erklæring om prinsipper for fastsettelse av lønn og annen godtgjørelse til ledende ansatte i Selskapet. Erklæringen følger som Vedlegg VII.

Forslag til vedtak:

*Styrets erklæring i samsvar med allmennaksjeloven § 6-16a godkjennes.*

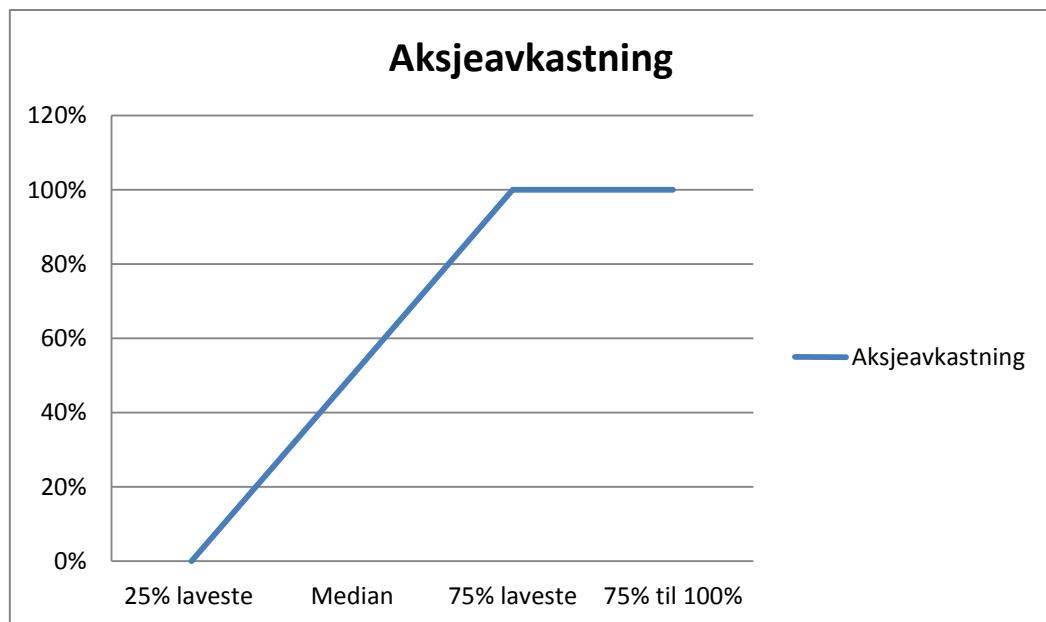
**SAK 11****GODKJENNELSE AV LANGSIKTIG INSENTIVPROGRAM FOR ANSATTE**

Styret foreslår at generalforsamlingen godkjenner et langsigktig insentivprogram for perioden fra datoен for ordinær generalforsamling og til frem til 13. mai 2020 («Insentivprogrammet»). Insentivprogrammet inneholder noen endringer sammenlignet med programmet som ble godkjent på 2012, 2013 og 2014 generalforsamlinger.

I henhold til Insentivprogrammet, kan Selskapet gi aksjeenheter («Aksjeenheter») og ytelsesbaserte aksjeenheter («Ytelsesbaserte Aksjeenheter») til ansatte.

Enhver tildelt Aksjeenhet vil, forutsatt at deltakeren fortsetter å være ansatt i Selskapet (eller et datterselskap), bli gjort opp tre år etter de er tildelt.

Oppgjør av Ytelsesbaserte Aksjeenheter vil i tillegg forutsette at Selskapet har oppnådd en gitt aksjeavkastning fra tildelingstidspunktet til oppgjørstidspunktet. Selskapets aksjeavkastning skal måles mot aksjeavkastningen for selskapene i STOXX TMI Oil Equipment, Services & Distribution index («STOXX indeksen») og må være blandt de 75% øverste for at de Ytelsesbaserte Aksjenehetene skal bli gjort opp. Dersom Selskapets aksjeavkastning er blandt de øverste 75% skal de Ytelsesbaserte Aksjenehetene gjøres opp i henhold til følgende figur:



Vertikalaksen angir prosentandelen for Ytelsesbaserte Aksjenheter som gjøres opp. Horisontalaksen angir Selskapets aksjeavkastning i forhold til STOXX indeksen.

En mer detaljert beskrivelse av vilkårene for oppgjør av de Ytelsesbaserte Aksjeenheterne er gitt i det fullstendige dokumentet for Incentivprogrammet inkludert i Vedlegg VIII.

Ved oppgjøret vil deltakeren motta et antall aksjer i Selskapet som tilsvarer antall tildelte og oppgjorte Aksjeenheter og Ytelsesbaserte Aksjeenheter. De Ytelsesbaserte Aksjeenheterne som ikke blir gjort opp bortfaller. Overlevering av aksjer vil skje fra Selskapets beholdning av egne aksjer eller, hvis det ikke finnes nok egne aksjer, ved en kontantutbetaling av samme verdi. Dette vil derfor ikke innebære noen utvanningseffekt overfor Selskapets aksjonærer.

I henhold til det foreslalte Incentivprogrammet, skal styret foreslå det maksimale antall Aksjeenheter og Ytelsesbaserte Aksjeenheter som kan utstedes. Styret foreslår at det maksimale antall Aksjeenheter og Ytelsesbaserte Aksjeenheter som kan utstedes under Incentivprogrammet for 2014 er 1 500 000. Følgelig er det maksimale antall aksjer som kan tildeles deltakerne 1 500 000 aksjer. For CEO og lederguppen skal minst 60% av tildelingen være Ytelsesbaserte Aksjeenheter. Ingen deltagere i incentivprogrammet (inkludert CEO) kan motta mer enn 7% av det totale antall aksjer tildelt under Incentivprogrammet.

Styret er av den oppfatning at et incentivprogram for nøkkelpersoner hvor Ytelsesbaserte Aksjeenheter kun gjøres opp der Selskapet over tid har levert en god aksjeavkastning i forhold til en indeks bestående av sammenlignbare selskaper er i samsvar med interessene til Selskapet og aksjonærerne. Det foreslalte systemet innebærer også at aksjonærer og andre fullt ut kan etterprøve hvor mange Ytelsesbaserte Aksjeenheter som gjøres opp. Videre vil programmet ha en retensjonseffekt ved at Aksjeenhetsdelen av tildelingen alltid vil ha en verdi for deltakerne.

De fullstendige vilkår og vilkår for Incentivprogrammet fremgår av Vedlegg VIII.

Innen 1. juni 2015, vil totalt 1 214 000 opsjoner tildelt under 2010 opsjonsprogrammet (2010 opsjonsprogrammet) utløpe og 494 450 RSUs under 2012 RSU programmet (2012 Aksjeenhetsprogrammet) vil bli gjort opp. Etter godkjennelse av det foreslalte 2015 Incentivprogrammet og utløp av 2010 Opsjonsprogrammet samt oppgjør av 2012 Aksjeenhetsprogrammet, vil totalt antall utestående Aksjeenheter, Ytelsesbaserte Aksjeenheter og opsjoner tildelt ansatte være 4 292 465, som tilsvarer 1,97% av Selskapets totale aksjekapital.

Generalforsamlingen oppfordres til å godkjenne Incentivprogrammet.

Forslag til vedtak:

*Det langsiktige incentivprogrammet for 2015 godkjennes.*

## SAK 12

### **FORSLAG OM Å GI STYRET FULLMAKT TIL Å FORHØYE SELSKAPETS AKSJEKAPITAL**

Generalforsamlingen i Selskapet har årlig tildelt styret fullmakt til å utstede nye aksjer. Styret foreslår at fullmakten som ble gitt i 2014 fornyes. Styret foreslår videre at fullmakten deles i to, slik at det vil være en generell fullmakt og en fullmakt utelukkende knyttet til utstedelse av nye aksjer i henhold til Selskapets opsjonsprogrammer. Antall aksjer som omfattes av fullmakten under sak 12.2 nedenfor er beregnet slik at fullmakten dekker ikke-utøvde opsjoner tildelt i henhold til de nåværende aksjeopsjonsprogrammer.

Styret er av den oppfatning at den begrensede, generelle fullmakten er nødvendig for å gi fleksibilitet i tilfelle av mulige oppkjøp og andre transaksjoner og for oppgjør av slike, og at en slik fullmakt derfor vil være i Selskapets interesse. Videre foreslås det at styret gis fullmakt til å fravike eksisterende aksjonærers fortrinnsrett for å kunne tilrettelegge for at nye aksjonærer tegner seg for aksjer.

Videre, har styret foreslått å begrense den generelle fullmakten i sak 12.1, slik at antall aksjer som kan utstedes i henhold til denne fullmakten og fullmakten i sak 13 til å utstede konvertible lån, samlet ikke kan overstige 10 % av Selskapets aksjekapital.

#### **Sak 12.1**

#### **Generell fullmakt til å forhøye aksjekapitalen**

Forslag til vedtak:

*Generalforsamlingen vedtar herved følgende styrefullmakt:*

- (i) *Styret gis fullmakt til å forhøye aksjekapitalen i Selskapet med totalt NOK 65 339 999 gjennom én eller flere forhøyelser av aksjekapitalen. Imidlertid er fullmakten begrenset slik at antall aksjer som kan utstedes ved denne fullmakten og fullmakten til å utstede konvertible obligasjoner, som angitt i sak 13 i protokollen fra ordinær generalforsamling avholdt 13. mai 2015,*

*samlet ikke kan overstige 10% av Selskapets aksjekapital på tidspunktet for beslutningen om å utstede nye aksjer. Styret har videre fullmakt til å fastsette prisen og vilkårene for slike tilbud og tegninger, inkludert, men ikke begrenset til, hvorvidt dette skal skje i det norske og/eller internasjonale marked, hvorvidt rettet mot bestemte investorer eller gjøres offentlig, og hvorvidt fulltegnet eller ikke.*

- (ii) *Fullmakten omfatter retten til å forhøye Selskapets aksjekapital ved å tillate tingsinnskudd, og retten til å pådra Selskapet særlege forpliktelser.*
- (iii) *Fullmakten skal anvendes i forbindelse med mulige oppkjøp av selskaper eller virksomhet innenfor olje- og energisektoren, inkludert oljeservicesektoren, oppgjør for forpliktelser (inkludert konvertible lån), finansiering av vesentlige investeringer eller til å innhente midler for å styrke Selskapets kapitalbase.*
- (iv) *Styret har videre fullmakt til å sette til side aksjeeiernes fortrinnsrett etter allmennaksjeloven § 10-4. Bakgrunnen for slik beslutning må begrunnes konkret av styret, og må være basert på hva som er i Selskapets beste interesse grunnet strategiske fordeler eller behov for kapitalinnskudd.*
- (v) *Fullmakten omfatter vedtak om å fusjonere, jfr. allmennaksjeloven § 13-5.*
- (vi) *Fullmakten skal gjelde fra og med den dag den blir registrert i Foretaksregisteret, og skal være gyldig til 30. juni 2016.*
- (vii) *Fullmakten til å utstede nye aksjer som ble innvilget på generalforsamlingen 8. mai 2014 tilbakekalles med virkning fra det tidspunkt fullmakten gitt i dette punkt 12.1 trer i kraft.*

## **Sak 12.2 Fullmakt til å forhøye aksjekapitalen i forbindelse med det eksisterende aksjeopsjonsprogrammet**

Forslag til vedtak:

*Generalforsamlingen vedtar herved følgende styrefullmakt:*

- (i) *Styret gis fullmakt til å forhøye aksjekapitalen i Selskapet med totalt NOK 7 700 000, gjennom en eller flere forhøyelser av aksjekapitalen. Styret har videre fullmakt til å fastsette prisen og vilkårene for slike tilbud og tegninger innenfor de begrensninger og i samsvar med de betingelser som fremgår av Selskapets aksjeopsjonsprogrammer som er i kraft.*
- (ii) *Fullmakten skal bare brukes i tilknytning til Selskapets aksjeopsjonsprogrammer som til enhver tid er i kraft.*
- (iii) *Styret har videre fullmakt til å sette til side aksjeeiernes fortrinnsrett etter allmennaksjeloven § 10-4. Dette er begrunnet med at aksjeopsjonsprogrammet har til formål å gi insentiver til ansatte.*

- (iv) *Fullmakten skal gjelde fra og med den dag den blir registrert i Foretaksregisteret, og skal utløpe 30. juni 2016.*
- (v) *Fullmakten til å utstede nye aksjer i henhold til Selskapets aksjeopsjonsprogrammer, som ble innvilget på generalforsamlingen den 8. mai 2014, tilbakekalles når fullmakten i dette punkt 12.2 trer i kraft.*

## SAK 13

### **FORSLAG OM Å GI STYRET FULLMAKT TIL Å UTSTEDE KONVERTIBLE LÅN**

Selskapets generalforsamling har tidligere tildelt Styret en årlig fullmakt til å utstede konvertible lån. Styret overveier kontinuerlig muligheter for å videreutvikle Selskapet i samsvar med Selskapets strategi. En sentral del av dette er å identifisere og tilrettelegge for den riktige finansielle strukturen for Selskapet. For fortsatt å gi styret tilstrekkelig fleksibilitet til å kunne implementere en kostnadseffektiv og fleksibel finansiell struktur er det ønskelig at styret gis ny fullmakt til å beslutte og å opppta konvertible lån. Videre foreslås det at styret gis fullmakt til å fravike eksisterende aksjonærers fortrinnsrett for å kunne tilrettelegge for at nye investorer tegner seg for lånet. Styret har imidlertid foreslått å begrense fullmakten slik at antall aksjer som utstedes i henhold til konvertible lån under fullmakten og fullmakten i pkt. 12.1 til å utstede aksjer, ikke samlet kan overstige 10 % av Selskapets aksjekapital.

Forslag til vedtak:

*Generalforsamlingen vedtar herved følgende styrefullmakt:*

- (i) *Selskapet kan opppta nye konvertible lån på til sammen NOK 3 500 000 000 (eller tilsvarende i annen valuta). Styret gis fullmakt til å fremforhandle og inngå konvertible låneavtaler innenfor begrensningene og i samsvar med betingelsene i denne fullmakten.*
- (ii) *Selskapets aksjekapital kan forhøyes med totalt opptil NOK 65 339 999 som en følge av at lån nevnt i underpunkt (i) over konverteres til egenkapital. Fullmakten er imidlertid begrenset slik at antall aksjer som kan utstedes under denne fullmakten og den generelle fullmakten til å utstede aksjer, slik som det fremgår av pkt. 12.1 i protokollen fra ordinær generalforsamling avholdt 13. mai 2015, samlet ikke kan overstige 10 % av Selskapets aksjekapital på tidspunktet for beslutning om å utstede konvertible obligasjoner.*
- (iii) *Aksjeeiernes fortrinnsrett til å tegne seg for lånet kan settes til side. Slik beslutning må begrunnes konkret av styret, og må være basert på å være i Selskapets interesse grunnet strategiske fordeler eller behov for kapitalinnskudd.*
- (iv) *Fullmakten til å utstede nye konvertible lån skal gjelde fra og med den dag den blir registrert i Foretaksregisteret, og skal være gyldig til 30. juni 2016. Fullmakten til å forhøye aksjekapitalen i samsvar med*

*underpunkt (ii) er gyldig så lenge Selskapet er forpliktet til slik konvertering etter låneavtalene.*

(v) *Fullmakten til å utstede konvertible lån som ble innvilget den 8. mai 2014, tilbakekalles når fullmakten gitt i dette punkt 13 trer i kraft.*

## **SAK 14**

### **SKADESLØSHOLDELSE AV STYREMEDLEMMENE OG ADMINISTRERENDE DIREKTØR**

Det har vært Selskapets praksis at den ordinære generalforsamlingen treffer et vedtak om at styremedlemmene og daglig leder holdes skadesløse i forhold til ansvar og krav rettet mot dem som følge av deres arbeid for Selskapet. På Selskapets ekstraordinære generalforsamling avholdt den 13. desember 2006, ble en generell skadesløsholdelsesavtale for styret godkjent.

Forslag til vedtak:

*Generalforsamlingen godkjenner skadesløsholdelse for styremedlemmene og administrerende direktør i perioden fra 8. mai 2014 til 13. mai 2015.*

## **SAK 15**

### **UTTALELSE OM GOD EIERSTYRING OG SELSKAPSLEDELSE**

Uttalelse om god eierstyring og selskapsledelse skal være et eget punkt på agendaen for ordinær generalforsamling. Uttalelsen er også referert til i styrets redegjørelse for 2014, og tatt inn i årsberetningen hvor også årsregnskapet inngår, samt vedlagt separat til denne innkallingen som Vedlegg X.

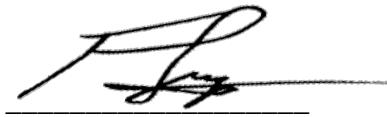
Dette er et punkt som det ikke skal stemmes over ettersom uttalelsen om god eierstyring og selskapsledelse kun er gjenstand for diskusjon og ikke separat godkjennelse fra aksjonærerens side.

\* \* \*

På Selskapets ordinære generalforsamling har hver aksje én stemme. Det er i alt 217 799 997 aksjer i Selskapet. En aksjonær med aksjer registrert gjennom en forvalter har stemmerett tilsvarende det antall aksjer som er omfattet av forvalningsoppdraget, forutsatt at eieren av aksjen innen to dager før den ordinære generalforsamlingen oppgir til Selskapet sitt navn og adresse sammen med en bekrefteelse fra forvalteren om at han er den reelle eier av aksjene som oppbevares av forvalteren.

Aksjonærer som ønsker å ta del i den ordinære generalforsamlingen må gi varsel om dette ikke senere enn 11. mai 2015, innen 12.00 (norsk tid). Påmelding foretas elektronisk via selskapets hjemmeside [www.pgs.com](http://www.pgs.com) eller via Investortjenester. Forhåndsstemme kan kun foretas elektronisk via selskapets hjemmeside [www.pgs.com](http://www.pgs.com) samt via VPS Investortjenester. For å få tilgang til elektronisk påmelding og forhåndsstemming via selskapets hjemmeside, må pinkode og referansenummer oppgis. Varsel kan alternativt sendes på e-post: [genf@dnb.no](mailto:genf@dnb.no) Postadresse: DNB Bank ASA, Verdipapirservice, postboks 1600 Sentrum, 0021 Oslo.

**Oslo, 14. april 2015**



*Francis Gugen  
Styreleder*

Oversikt over vedlegg til denne innkallingen som er gjort tilgjengelige på [www.pgs.com](http://www.pgs.com):

- *Årsregnskap og årsberetning, Vedlegg I*
- *Valgkomitéens rapport, Vedlegg II*
- *Honorarer for styremedlemmer og Valgkomitémedlemmer frem til 13. mai 2015, Vedlegg III*
- *Prinsipper for fastsettelse av styremedlemmene og Valgkomitémedlemmene honorar frem til 13. mai 2015, Vedlegg IV*
- *Prinsipper for fastsettelse av styremedlemmers honorarer frem til generalforsamlingen 2016, Vedlegg V*
- *Prinsipper for fastsettelse av Valgkomitémedlemmene honorarer frem til generalforsamlingen 2016, Vedlegg VI*
- *Erklæring om fastsettelse av lønn og annen godtgjørelse, Vedlegg VII*
- *2015 langsiktig insentivprogram, Vedlegg VIII*
- *Uttalelse om god eierstyring og selskapsledelse, Vedlegg IX*

*For det tilfelle De ikke kan være tilstede på den ordinære generalforsamlingen kan fullmakt gis til styreleder Francis Gugen, eller administrerende direktør Jon Erik Reinhardsen.*

*Francis Gugen*

*Jon Erik Reinhardsen*

*Petroleum Geo-Services ASA  
P.O. Box 251 Lilleaker  
0216 Oslo*

*Petroleum Geo-Services ASA  
P.O. Box 251 Lilleaker  
0216 Oslo*

**Ref.nr.:** **Pinkode:**

**Innkalling til ordinær generalforsamling**

Ordinær generalforsamling i Petroleum Geo-Services ASA  
avholdes 13. mai 2015 kl 15.00 på PGS hovedkontor,  
Lilleakerveien 4c, 0216 Oslo

Dersom ovennevnte aksjeeier er et foretak,  
oppgi navnet på personen som representerer foretaket:

Navn på person som representerer foretaket  
(Ved fullmakt benyttes blanketten under)

**Møteseddel/forhåndsstemmer**

Undertegnede vil delta på ordinær generalforsamling den 13. mai 2015 og avg i stemme for:

I alt for \_\_\_\_\_ antall egne aksjer  
andre aksjer i henhold til vedlagte fullmakt(er)  
aksjer

Denne påmelding må være DNB Bank ASA i hende senest 11. mai 2015 kl. 12.00.

**Påmelding foretas elektronisk via selskapets hjemmeside [www.pgs.com](http://www.pgs.com) eller via Investortjenester.**

**Forhåndsstemme** kan kun foretas elektronisk via selskapets hjemmeside [www.pgs.com](http://www.pgs.com) samt via VPS Investortjenester. For å få tilgang til elektronisk påmelding og forhåndsstemming via selskapets hjemmeside, må ovennevnte pinkode og referansenummer oppgis. Alternativt: e-post: [genf@dnb.no](mailto:genf@dnb.no) Postadresse: DNB Bank ASA, Verdipapirservice, postboks 1600 Sentrum, 0021 Oslo.

Sted	Dato	Aksjeeiers underskrift ( <b>Undertegnes kun ved eget oppmøte. Ved fullmakt benyttes delen nedenfor</b> )
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**Fullmakt uten stemmeinstruks**

**Ref.nr.:**

**Pinkode:**

Denne fullmakseddelen gjelder fullmakt uten stemmeinstruks. Dersom De ønsker å avg i stemmeinstrukser, vennligst gå til side 2.

Dersom De selv ikke kan møte på ordinær generalforsamling, kan denne fullmakt benyttes av den De bemyndiger, eller De kan sende fullmakten uten å påføre navn på fullmektigen. I så fall vil fullmakten anses gitt styrets leder, eller den han bemyndiger.

Fullmakten må være DNB Bank ASA, Verdipapirservice, i hende senest 11. mai 2015 kl. 12.00.

**Elektronisk innsendelse av fullmakt via selskapets hjemmeside [www.pgs.com](http://www.pgs.com) eller via Investortjenester.** Alternativt: e-post: [genf@dnb.no](mailto:genf@dnb.no). Postadresse: DNB Bank ASA, Verdipapirservice, Postboks 1600 Sentrum, 0021 Oslo.

Undertegnede: \_\_\_\_\_  
gir herved (sett kryss):

Styrets leder (eller den han bemyndiger), eller  
 \_\_\_\_\_ (Fullmektigens navn med blokkbokstaver)

fullmakt til å møte og avg i stemme i Petroleum Geo-Services ASAs ordinære generalforsamling 13. mai 2015 for mine/våre aksjer.

Sted	Dato	Aksjeeiers underskrift ( <b>Undertegnes kun ved fullmakt</b> )
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Angående møte- og stemmerett vises til allmennaksjeloven, især lovens kapittel 5. Det gjøres spesielt oppmerksom på at ved avgivelse av fullmakt skal det legges frem skriftlig og datert fullmakt fra aksjepostens reelle eier.  
Dersom aksjeeier er et selskap, skal firmaattest vedlegges fullmakten.

## Fullmakt med stemmeinstruks

Ref.nr.:

Pinkode:

Denne fullmakseddelen gjelder fullmakt med stemmeinstruks. Dersom De ikke selv kan møte på ordinær generalforsamling, kan De benytte dette fullmaktsskjema for å gi stemmeinstruks til en fullmekting. De kan gi fullmakt med stemmeinstruks til den De bemyndiger, eller De kan sende fullmakten uten å påføre navn på fullmektingen. I så fall vil fullmakten anses gitt til styrets leder eller den han bemyndiger. Fullmakten må være datert og signert.

Fullmakten må være DNB Bank ASA, Verdipapirservice, i hende senest 11. mai 2015 kl. 12.00.

E-post: [genf@dnb.no](mailto:genf@dnb.no) (skannet blankett) **Postadresse:** DNB Bank ASA, Verdipapirservice, 0021 Oslo.

Undertegnede: \_\_\_\_\_  
gir herved (sett kryss på én):

Styrets leder (eller den han bemyndiger), eller  
 \_\_\_\_\_  
 (Fullmektingens navn med blokkbokstaver)

fullmakt til å møte og avgjøre stemme i Petroleum Geo-Services ASAs ordinære generalforsamling 13. mai 2015 for mine/våre aksjer.

Stemmegivningen skal skje i henhold til instruksjonene nedenfor. Dersom det ikke krysses av i rubrikken nedenfor, vil dette anses som en instruks om å stemme "for" forslaget i innkallingen. Dersom det blir fremmet forslag i tillegg til, eller som erstatning for forslaget i innkallingen, avgjør fullmektingen stemmegivningen. Fullmektingen vil i så fall legge en for fullmektingen rimelig forståelse til grunn. Det samme gjelder dersom det er tvil om forståelsen av instruksen. Dersom en slik tolkning ikke er mulig, vil fullmektingen kunne avstå fra å stemme.

Agenda ordinær generalforsamling 2015	For	Mot	Avstå
1. GODKJENNELSE AV INNKALLING OG AGENDA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. VALG AV PERSON TIL Å MEDUNDERTEGNE PROTOKOLLEN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. GODKJENNELSE AV ÅRSBERETNING OG ÅRSREGNSKAP FOR PETROLEUM GEO-SERVICES ASA OG KONSERNET FOR 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. GODKJENNELSE AV UΤBYTTE FOR 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. GODKJENNELSE AV REVISJONSHONORAR FOR 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. VALG AV STYREMEDLEMMER			
6.1. Francis Robert Gugen (Styrets leder)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2. Harald Norvik (Styrets nestleder)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.3. Daniel J. Piette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.4. Holly Van Deursen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.5. Carol Bell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.6. Anne Grethe Dalane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.7. Walter Qvam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.8. Morten Borge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. VALGKOMITÉ – VALG AV MEDLEMMER			
7.1. Roger O'Neil (Leder)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.2. C. Maury Devine	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.3. Hanne Harlem	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 8. GODKJENNELSE AV HONORARER FOR STYREMEDLEMMER OG MEDLEMMER AV VALGKOMITÉEN
 

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8.1. Forslag om å godkjenne honorarer for styremedlemmene og medlemmene av Valgkomitéen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.2. Forslag om å godkjenne prinsippene for fastsettelse av aksjonærvalgte styremedlemmers honorar fra 13.mai 2015 til generalforsamlingen 2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.3. Forslag om å godkjenne prinsippene for fastsettelse av medlemmene av Valgkomitéen sine honorarer fra 13.mai 2015 til generalforsamlingen 2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. FULLMAKT TIL Å KJØPE EGNE AKSJER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. ERKLÆRING FRA STYRET OM PRINSIPPER FOR FASTSETTELSE AV LØNN OG ANNEN GODTGJØRELSE TIL LEDENDE ANSATTE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. GODKJENNELSE AV AKSJEINSENTIVPROGRAM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. FORSLAG OM Å GI STYRET FULLMAKT TIL Å FORHØYE SELSKAPETS AKSJEKAPITAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.1. Generell fullmakt til å forhøye aksjekapitalen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.2. Fullmakt til å forhøye aksjekapitalen i forbindelse med det eksisterende aksjeopsjonsprogrammet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. FORSLAG OM Å GI STYRET FULLMAKT TIL Å UTSTEDE KONVERTIBLE LÅN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SKADESLØSHOLDELSE AV STYREMEDLEMMENE OG ADM.DIREKTØR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. UTTALELSE OM GOD EIERSTYRING OG SELSKAPSLEDELSE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Sted	Dato	Aksjeeiers underskrift <b>(Undertegnes kun ved fullmakt)</b>
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Angående møte- og stemmerett vises til allmennaksjeloven, især lovens kapittel 5. Dersom aksjeeier er et selskap, skal firmaattest vedlegges fullmakten.

**Ref.nr.:**

**Pinkode:**

## **Nomination Committee Report to 2015 AGM**

### ***Introduction***

The Nomination Committee in PGS was established at the Annual General Meeting June 8<sup>th</sup> 2005. The current committee consists of Roger O’Neil (Chairperson), Hanne Harlem and C. Maury Devine. None of the members of the Nomination Committee are employees of PGS or members of the Board of Directors of PGS.

The Nomination Committee had four meetings in 2014.

The main duties of the Nomination Committee are to propose nominees for election as members and chairperson to the Board of Directors and the Nomination Committee, and to propose the fees to be paid to the members of the Board and the Nomination Committee. The duties of the Nomination Committee are further regulated in the Nomination Committee Mandate and Charter (the “Charter”). The Nomination Committee has reviewed the Charter and found no reason to amend it this year. The Charter is available on [www.pgs.com](http://www.pgs.com).

### ***Nominees for the Board of Directors***

The Nomination Committee has in preparation of its work on proposing nominees for election as members and chairperson to the Board of Directors interviewed existing members of the Board of Directors and the CEO and met with large shareholders to solicit their input. For the Annual General Meeting (AGM) May 13 2015, the Nomination Committee emphasizes the importance of PGS’ need for a balance of experience and expertise among the members to the Board of Directors, which will provide knowledge of the strategic, international, financial and technological and management issues which face PGS and PGS’ management.

PGS currently meets the requirements for both male and female directors of the Public Limited Companies Act Section 6-11 a (1). The same will apply if the Board proposed by the Nomination Committee is adopted by the AGM.

The proposal is to re-elect for a one year term the Directors Francis Gugen (chairperson), Harald Norvik, Daniel J. Piette, Holly Van Deursen, Carol Bell, Walter Qvam and Anne Grethe Dalane. In addition the Nomination Committee proposes the following new member to the Board for election for a one year term;

### ***Morten Borge***

Mr. Borge is currently Investment Director & Co-head of Ferd Capital. He is responsible for the overall strategy of Ferd Capital and for the executing of it. Further he is responsible for Ferd's portfolio companies within the energy and oil service sector. Prior to this he has been CFO in Interwell AS and held various positions in the audit company

PwC. He currently serves as a director on the boards of Aibel AS, Interwell AS and Servi Group AS.

The Nomination Committee is of the opinion that the proposed Board will have the competence necessary to establish an Audit Committee in accordance with competency requirements of the Public Companies Act § 6-42.

Details of existing Board members experience and expertise can be found on [www.pgs.com](http://www.pgs.com).

The Nomination Committee has put considerable effort in assessing the needs of PGS' Board of Directors. The Nomination Committee believes that the existing Board of Directors will provide the necessary industry knowledge, technical competence and corporate experience needed for PGS' corporate governance.

#### ***Nominees for the Nomination Committee***

The Nomination Committee has carefully considered whether to propose new members to the Nomination Committee on the 2015 Annual General Meeting. In this work, the Nomination Committee has specifically evaluated PGS' need for a Nomination Committee which has knowledge of the strategic, international, financial and technological and management issues which face PGS in order to identify qualified and suitable nominees to the Board of Directors. The Nomination Committee also emphasize the importance of both male and female members and both Norwegian and international members.

On this basis, the Nomination Committee proposes that Nomination Committee members Roger O'Neil, C. Maury Devine and Hanne Harlem be re-elected for a one year term. It is proposed that Mr. O'Neil is elected chairperson of the Nomination Committee.

#### ***Remuneration of the shareholder elected Board of Directors***

The Nomination Committee has reviewed remuneration practice for Directors in both international and Norwegian peer companies in order to establish a recommendation to the AGM. The Nomination Committee has concluded that it is not necessary to increase the compensation for the Chairperson of the Board of Directors or for the other Directors. Therefore current compensation levels are proposed to remain unchanged. The remuneration scheme thus proposed for the period between the 2015 AGM and the 2016 AGM is seen in Appendix V to the calling notice for the 2015 AGM.

The remuneration payable to the Directors for the previous period between the 2014 AGM and the 2015 AGM is set forth in Appendix III to the calling notice. This remuneration is calculated in accordance with the principles for Director remuneration that were adapted by the 2014 AGM, see Appendix IV to the 2015 AGM calling notice.

***Remuneration of the Nomination Committee***

The principles for and levels of Nomination Committee member fees for the period between the 2015 AGM to the 2016 AGM proposed by the Nomination Committee are seen in Appendix VI to the calling notice for the 2015 AGM. The proposal is to keep the remuneration on the same level as it has been in the period between the 2013 AGM and the 2014 AGM.

In presenting this for approval, the Nomination Committee has considered, among others, the need for a compensation structure reflecting the amount of work in the Nomination Committee as well as the structure of such work. The Nomination Committee has also considered comparable data for Norwegian companies.

The fees payable to the Nomination Committee members for the period between the 2014 AGM and the 2015 AGM are set forth in Appendix III to the calling notice. These numbers are calculated on basis of the principles for remuneration that were adapted by the 2014 AGM, see Appendix IV to the 2015 AGM calling notice.

\* \* \*

Shareholders who wish to propose new board members to PGS could do so by sending an e-mail to Mr. O'Neil at [ir@pgs.com](mailto:ir@pgs.com). Such proposals should be sent to the Nomination Committee at least two months prior to the Company's AGM.

FEES FOR BOARD MEMBERS and NOMINATION COMMITTEE MEMBERS  
8 May 2014 - 13 May 2015

**Appendix III**

			2Q 2014	3Q 2014	4Q 2014	1Q 2015	<b>TOTAL</b>
Gugen, Francis R.	Chairman	USD	29 000	31 250	34 500	30 500	<b>125 250</b>
Norvik, Harald	Vice Chairman + Chairman Audit Committee	USD	19 750	25 750	23 000	26 000	<b>94 500</b>
Piette, Daniel J.	Director + Member Audit Committee	USD	21 750	18 750	30 250	29 500	<b>100 250</b>
Bell, Carol	Director + Member Audit Committee	USD	20 250	23 250	27 250	24 000	<b>94 750</b>
Van Deursen, Holly A.	Director + Chairman Remuneration Committee	USD	22 500	20 250	29 750	29 000	<b>101 500</b>
Skaug, Ingar	Director + Member Remuneration Committee	USD	17 125	21 625	19 875	22 125	<b>80 750</b>
Dalane, Anne Grethe	Director + Member Audit Committee	USD	17 250	23 250	21 250	23 500	<b>85 250</b>
Qvam, Walter	Director + Member Remuneration Committee	USD	17 125	21 625	19 125	22 125	<b>80 000</b>
			<b>164 750</b>	<b>185 750</b>	<b>205 000</b>	<b>206 750</b>	<b>762 250</b>

			2Q 2014	3Q 2014	4Q 2014	1Q 2015	<b>TOTAL</b>
O'Neil, Roger	Chair Person Nomination Committee	USD	1 875	1 875	7 375	5 875	<b>17 000</b>
Devine, C. Maury	Member Nomination Committee	USD	1 250	1 250	8 250	6 750	<b>17 500</b>
Harlem, Hanne	Member Nomination Committee	USD	1 250	1 250	3 750	1 250	<b>7 500</b>
			<b>4 375</b>	<b>4 375</b>	<b>19 375</b>	<b>13 875</b>	<b>42 000</b>

**PRINCIPLES FOR THE BOARD MEMBERS' FEES <sup>1)</sup>**  
**For the period from 8 May 2014 to the annual general meeting 2015**

	Board Member Fee	Audit Committee Fee	Remuneration Committee Fee	Participation Fee for each Meeting	Participation By phone	Travel Time Allowance for each meeting
<b>All Members</b>	\$ 50,000	\$ 9,000	\$ 7,500	\$ 1,000 (AC Meeting fee; \$ 1,500)	\$ 750	<ul style="list-style-type: none"> <li>- Intercontinental travel: \$ 4,500.</li> <li>- Regional travel (e.g. within US or Europe): \$ 3,000.</li> <li>- Travel within same nation/state (e.g. within Norway or Texas): \$ 500</li> <li>- Travel within same city: \$ 0</li> </ul>
<b>Committee Chairperson</b>		Additional \$5,000	Additional \$3,500			
<b>Chairperson</b>	\$ 100,000			\$ 1,000	\$ 750	As for other members
<b>Deputy Chairperson</b>	\$ 5,000 extra					

Further, any costs incurred by the Board Members in relation to their participation as a member of Board or any of the committees, will be reimbursed by the Company.

All fees and costs will be paid on a quarterly basis in arrears.

\*\*\*\*\*

- 1) Directors who are employee representatives shall not be covered by these principles, and separate principles for employee representatives will be prepared if employee representation becomes relevant. There are currently no employee representatives in the Board.

**PRINCIPLES FOR THE NOMINATION COMMITTEE MEMBERS' FEES**  
**For the period 8 May 2014 to the annual general meeting 2015**

	Nomination Committee Fee	Participation Fee for each Meeting	Participation By phone	Travel Time Allowance for each meeting
<b>All Members</b>	\$ 5,000	\$ 1,000	\$ 750	<ul style="list-style-type: none"> <li>- Intercontinental travel: \$ 4,500.</li> <li>- Regional travel (e.g. within US or Europe): \$ 3,000. –</li> <li>Travel within same nation/state (e.g. within Norway or Texas): \$ 500</li> <li>- Travel within same city: \$ 0</li> </ul>
<b>Committee Chairperson</b>	Additional \$ 2,500			

Further, any costs incurred by the Nomination Committee Members in relation to their participation as a member of the Nomination Committee or any of the committees, will be reimbursed by the Company.

All fees and costs will be paid on a quarterly basis in arrears.

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**PRINCIPLES FOR THE BOARD MEMBERS' FEES <sup>1)</sup>**  
**For the period from 13 May 2015 to the annual general meeting 2016**

	Board Member Fee	Audit Committee Fee	Remuneration Committee Fee	Participation Fee for each Meeting	Participation By phone	Travel Time Allowance for each meeting
<b>All Members</b>	\$ 50,000	\$ 9,000	\$ 7,500	\$ 1,000 (AC Meeting fee; \$ 1,500)	\$ 750	<ul style="list-style-type: none"> <li>- Intercontinental travel: \$ 4,500.</li> <li>- Regional travel (e.g. within US or Europe): \$ 3,000.</li> <li>- Travel within same nation/state (e.g. within Norway or Texas): \$ 500</li> <li>- Travel within same city: \$ 0</li> </ul>
<b>Committee Chairperson</b>		Additional \$5,000	Additional \$3,500			
<b>Chairperson</b>	\$ 100,000			\$ 1,000	\$ 750	As for other members
<b>Deputy Chairperson</b>	Additional \$ 5,000					

Further, any costs incurred by the Board Members in relation to their participation as a member of Board or any of the committees, will be reimbursed by the Company.

All fees and costs will be paid on a quarterly basis in arrears.

\*\*\*\*\*

- 1) Directors who are employee representatives shall not be covered by these principles, and separate principles for employee representatives have been decided by the Company.

**PRINCIPLES FOR THE NOMINATION COMMITTEE MEMBERS' FEES**  
**For the period 13 May 2015 to the annual general meeting 2016**

	Nomination Committee Fee	Participation Fee for each Meeting	Participation By phone	Travel Time Allowance for each meeting
<b>All Members</b>	\$ 5,000	\$ 1,000	\$ 750	<ul style="list-style-type: none"> <li>- Intercontinental travel: \$ 4,500.</li> <li>- Regional travel (e.g. within US or Europe): \$ 3,000. –</li> <li>Travel within same nation/state (e.g. within Norway or Texas): \$ 500</li> <li>- Travel within same city: \$ 0</li> </ul>
<b>Committee Chairperson</b>	Additional \$ 2,500			

Further, any costs incurred by the Nomination Committee Members in relation to their participation as a member of the Nomination Committee or any of the committees, will be reimbursed by the Company.

All fees and costs will be paid on a quarterly basis in arrears.

\*\*\*\*\*

## **Board of Directors' statement on remuneration to the CEO and the Executive Officers**

In accordance with §6-16a of the Norwegian Public Limited Companies Act, the Board of Directors has prepared a statement related to the determination of salary and other benefits for our CEO and other executive officers. The guidelines set out below for our CEO and other executive officers salary and other benefits, for the coming fiscal year, will be presented to the shareholders for their advisory vote at the May 2015 Annual General Meeting.

PGS is an international company operating in the global geophysical industry. Our operations are conducted world-wide and our employment base is and needs to be largely international. The total compensation package for our CEO and other executive officers shall therefore be competitive both within the Norwegian labor market and internationally. Both the level of total compensation and the structure of the compensation package for our CEO and other executive officers shall be such that it may attract and retain highly qualified international leaders. This will require the use of several different instruments and measures also meant to provide incentives for enhanced performance and to ensure common goals and interest between the shareholders and management.

The current remuneration package for our CEO and other executive officers includes fixed elements and variable elements. The fixed elements consist of a base salary and other benefits. Other benefits include car allowance, newspaper subscription, mobile phone, internet and similar benefits. The fixed elements also include a defined benefit and a defined contribution pension plan.

The CEO and three executive officers have an early retirement plan allowing for termination of employment without cause when the CEO or the executive officers reach the age of 62. Provided that the CEO or executive officers have been employed as a CEO or an executive officer for 10 years (or in some cases longer) the CEO or the executive officers are entitled to a yearly payment of up to 60% of the last base salary beginning in the year of retirement until the CEO or the executive officers reach the age of 67.

The variable elements today consist of a performance bonus scheme, participation in earlier years' share option program and participation in performance based restricted stock unit programs.

Participation in the performance bonus scheme and the target levels and the maximum levels of the annual performance bonus scheme are determined annually. Payment under the performance bonus scheme is based partly on achievements of agreed financial key performance indicators ("KPIs") for the group and partly on achievements of agreed operational, financial and organizational KPIs included in a personal performance contract.

The Group KPIs are financial targets set by the Board of Directors at the start of each fiscal year. The Group KPIs are then broken down to business unit KPIs. The CEO and other executive officers' personal performance contract for a given year therefore contains such Group or business unit KPI goals as well as KPI goals linked to other personal measures of success such as HSE, operational effectiveness and organizational development.

The annual performance bonus for the CEO is approved by the Board of Directors in a meeting, based on recommendations from the Remuneration and Corporate Governance Committee. The annual performance bonus scheme for the other executive officers are reviewed and approved by the Remuneration and Corporate Governance Committee on the CEO's recommendation, and the executive officers' achievements under the scheme are also reviewed by the Remuneration and Corporate Governance Committee.

In 2014 the CEO participated in a performance bonus scheme where he was entitled to a cash bonus provided the Company and the CEO met certain financial and non-financial performance targets. The target bonus for the CEO which assumes that the company goals and the CEO's individual goals are met is a cash bonus of 85% of the CEO's annual base salary. This target bonus can be increased or decreased in cases of performance above or below the targets set for the CEO and the Company. Other executive officers, listed above, who were employed by the Company during 2014 and remain employed as of March 1, 2015 are participants in a bonus scheme where they are entitled to a cash bonus targeted at 57% of the respective executive's annual base salary. The target bonus can be increased or decreased in cases of performance above or below the targets set for the executive and the Company. The CEO's performance bonus is capped at 150% of base salary, the executive officers' at 100% of base salary.

The Board of Directors will continue to use these schemes for determining the level of annual performance bonus in the coming financial year, but given the uncertain market outlook any bonus based on the schemes' structure (e.g. max and target bonuses) will be reduced by 50% for the financial year 2015.

The Annual General Meetings in 2013 and 2014 authorized a performance based restricted stock unit program in order to ensure continued long term incentives which are linked to the development of the Company's share price. The Board of Directors will propose to the 2015 Annual General Meeting a slightly revised Long Term Incentive program. The 2015 Long Term Incentive Program will for the CEO and executive officers consist of 60% Performance based Restricted Stock Units ("PRSUs") and 40% Restricted Stock Units ("RSUs"). Settlement of the PRSUs and subsequent transfer of shares to the eligible employee will take place three years later subject to achieving a satisfactory Total Shareholder Return compared to a the companies in STOXX TMI Oil Equipment, Services & Distribution index adjusted for dividends and further employment by the Company. Settlement of the RSUs and subsequent transfer to the eligible employee of shares in the Company will take place three years later subject principally to further employment by the Company.

The Board of Directors will propose for approval by the Annual General Meeting a pool of PRSUs and RSUs which will be granted to eligible employees in 2015. The full Long Term Incentive Plan including all targets, terms and conditions will be presented to the Annual General Meeting in May 2015 for approval. The Board of Directors will not distribute any other share based incentives than the Long Term Incentive Plan to the CEO or any executive officer during 2015.

This statement deals primarily with the remuneration of our CEO and other executive officers. However, the above described remuneration policy is to a large extent applicable to a broad group of key employees within the Company. Enhanced performance by the management groups is not achieved by our CEO and other executive officers alone but rather is dependent on a large number of managers and key employees throughout the Company. Therefore, a large number of managers and key employees are included in performance based remuneration schemes, which contain all or some of the above mentioned elements. More than 500 employees within the Company are currently eligible for performance based remuneration. In addition, all other employees may traditionally receive up to a maximum of one month salary in annual bonus. For 2015 the maximum bonus is reduced to half a month salary. The level of this bonus payment is determined by the Board of Directors based on the financial results of the Company.

Remuneration of the CEO and other executive officers are evaluated regularly by the Remuneration and Corporate Governance Committee and the Board of Directors. The Remuneration and Corporate Governance Committee annually reviews the total compensation level, the mix between fixed and performance related compensation and the mix between short, medium and long term compensation. The Remuneration and Corporate Governance Committee has developed an annual schedule in order to ensure

and facilitate a structured approach to the annual review of executive compensation. The committee has also engaged an external advisor for this work.

A specific peer group of comparable companies and an executive remuneration philosophy has been adopted. The peer group currently consists of nineteen companies from Norway, Europe and the Americas. All companies are of comparable size and with international operations within the oil service sector. The external advisor collects and combines relevant information on the companies in the peer group. This is used by the Remuneration and Corporate Governance Committee and the Board of Directors for benchmarking of executive remuneration. The executive remuneration philosophy document includes certain targets and guidelines on how the Company's CEO and executives should compare to the peer group. These tools amongst others are used by the Remuneration and Corporate Governance Committee and the Board of Directors to decide on an appropriate remuneration structure and to set appropriate total remuneration for the CEO and executive officers.

Since the Annual General Meeting in May 2014 the Board of Directors have followed the guidelines then approved by the Annual General Meeting with respect to remuneration of the CEO and the other executive officers.

**13 May, 2015**

**Petroleum Geo-Services ASA 2015 Long Term Incentive Plan**

1. *Plan.* The Petroleum Geo-Services ASA 2015 Long Term Incentive Plan (the “Plan”) was adopted by Petroleum Geo-Services ASA to reward certain corporate officers and employees of the Company and its Subsidiaries by enabling them to receive Shares of the Company.

2. *Objectives.* The purpose of the Plan is to further align the interests of the Company, its Subsidiaries and its shareholders by providing long term incentives in the form of Awards to employees who can contribute materially to the success and profitability of the Company and its Subsidiaries. Such Awards will recognize and reward outstanding performances and individual contributions and give Participants in the Plan an interest in the Company parallel to that of the shareholders, thus enhancing the proprietary and personal interest of such Participants in the Company’s continued success and long term progress. This Plan will also enable the Company and its Subsidiaries to attract and retain such employees.

3. *Definitions.* As used herein, the terms set forth below shall have the following respective meanings:

“Award” means the grant of PRSUs and/or RSUs to an Employee pursuant to such applicable terms, conditions, and limitations as may be established in order to fulfill the objectives of the Plan.

“Award Agreement” means one or more agreements between the Company and an Employee setting forth the terms, conditions and limitations applicable to an Award.

“Board” means the Board of Directors of the Company.

“Change of Control” shall be deemed to have occurred if: (a) a tender offer is made and consummated for the ownership of 25% or more of the outstanding voting securities of the Company; (b) a company, person or group of companies or persons otherwise comes into control of more than 25% of the outstanding voting securities of the Company; (b) the Company is merged or consolidated with another corporation and as a result of such merger or consolidation less than 51% of the outstanding voting securities of the surviving or resulting corporation are owned in the aggregate by the persons or entities who were shareholders of the Company immediately prior to such merger or consolidation; or (c) the Company sells substantially all of its assets to another corporation, partnership or other entity that is not a wholly owned subsidiary of the Company.

“Committee” means the committee of the Board designated by the Board to administer certain portions of the Plan or, if no such committee is designated, the Board. The Committee may consist of Directors of the Board and/or of the personnel from the Company management.

“Company” means Petroleum Geo-Services ASA.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Employee” means (1) an employee of the Company or any of its Subsidiaries or (2) an individual who has agreed to become an employee of the Company or any of its Subsidiaries and is expected to become such an employee within six months following the applicable Grant Date.

“Fair Market Value” of a Share means, as of a particular date, (i) if the Company at that point is listed on Oslo Børs, the average trading price of the Shares on Oslo Børs that particular date, (ii) if the Company at that point is not listed on Oslo Børs, but is listed on another stock exchange, the average trading price of the Shares on such other stock exchange that particular date, or (iii) if the Shares are not publicly traded, the most recent value determined by an independent appraiser appointed by the Company for such purpose.

“Good Leaver” is defined in Paragraph 9(a)(iii).

“Grant Date” means the date an Award is granted to a Participant pursuant to the Plan.

“Participant” means an Employee to whom an Award has been granted under this Plan.

“Plan” is defined in Paragraph 1.

“PRSU” means a performance related restricted stock unit, each of which entitles the Participant to receive one Share, subject to the terms and conditions of the Plan and the Award Agreement.

“RSU” means a restricted stock unit, each of which entitles the Participant to receive one Share, subject to the terms and conditions of the Plan and the Award Agreement.

“Settlement Date” means, subject to Paragraph 18, the third anniversary of the Grant Date, and if the applicable Settlement Date falls on a Saturday, Sunday or public holiday in Norway, the Settlement Date shall be the first day thereafter where banks in Norway are generally open for business.

“Shares” means the ordinary shares of the Company.

“Subsidiary” means (i) in the case of a corporation, any corporation of which the Company directly or indirectly owns shares representing 50% or more of the combined voting power of the shares of all classes or series of share capital of such corporation which have the right to vote generally on matters submitted to a vote of the stockholders of such corporation, (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise), (iii) any other corporation, partnership or other entity that is a “subsidiary” of the Company within the meaning of Rule 405 promulgated by the U.S. Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended and (iv) any other corporation, partnership or other entity that is a “subsidiary” of the Company within the meaning of the Norwegian Public Limited Companies Act Section 1-3 second paragraph.

“TSR” means total shareholder return (share price differential and dividend) from the Grant Date until the Settlement date.

“LTI Comparative Group” means the average TSR of the companies included in the STOXX TMI Oil Equipment, Services & Distribution index at the Settlement date.

“VPS Account” means an account registered in the name of the Participant with the Norwegian Central Securities Depository, Verdipapirsentralen ASA.

4. *Eligibility.* All Employees who are management or key personnel are eligible for the grant of Awards under this Plan at the discretion of the Committee.

5. *Shares Available for Awards.*

(a) Subject to the provisions of Paragraph 16 hereof, no Award shall be granted if it shall result in the aggregate number of Shares to be received by Participants under the Plan plus the number of Shares covered by or subject to Awards then outstanding under this Plan (after giving effect to the grant of the Award in question) exceeding 1,500,000.

(b) The number of Shares that are the subject of Awards under this Plan that are forfeited or terminated shall again immediately become available for Awards hereunder. The Committee may from time to time adopt and observe such rules and procedures concerning the counting of Shares against the Plan maximum or any sublimit as it may deem appropriate, including rules more restrictive than those set forth above to the extent necessary to satisfy the requirements of any national stock exchange on which the Shares are listed, any applicable regulatory requirement or any tax qualification requirement. The Board and the appropriate officers of the Company are authorized to take from time to time whatever actions are necessary, and to file any required documents with governmental authorities, stock exchanges and transaction reporting systems to ensure that Shares are available for delivery pursuant to Awards.

(c) The rights provided for by an Award Agreement, the grant and settlement of the RSUs and PRSUs, the PRSUs and the RSUs themselves are at all times conditional on (i) the Board having the necessary authorization to fulfill the delivery of the Shares under the PRSUs and the RSUs and (ii) the Company holding a sufficient number of Shares as treasury shares at the relevant Settlement Date. In the event these conditions are not met, any PRSUs and RSUs awarded and settled under the Plan shall be settled by a cash bonus payment equal to the Fair Market Value per Share on the date of settlement multiplied by the number of Shares subject to the Award.

6. *Administration.*

(a) This Plan shall be administered by the Committee, except as otherwise provided herein.

(b) Subject to the provisions hereof, the Committee shall have full and exclusive power and authority to administer this Plan and to take all actions that are specifically contemplated hereby or are necessary or appropriate in connection with the administration hereof. The Committee shall also have full and exclusive power to adopt such rules, regulations

and guidelines for carrying out this Plan as it may deem necessary or proper and which are either (i) not materially adverse to the Participant to whom such Award was granted, (ii) consented to by such Participant, or (iii) made pursuant to the adjustment provisions in Paragraph 16. The Committee may correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any Award in the manner and to the extent the Committee deems necessary or desirable to further the Plan purposes.

(c) No member of the Committee or officer of the Company to whom the Committee has delegated authority in accordance with the provisions of Paragraph 7 of this Plan shall be liable for anything done or omitted to be done by him or her, by any member of the Committee or by any officer of the Company in connection with the performance of any duties under this Plan, except for his or her own willful misconduct or as expressly provided by statute.

7. *Delegation of Authority.* The Board or the Committee may authorize a committee of one or more members of the Board to grant individual Awards pursuant to this Plan. The Committee may delegate to the Chief Executive Officer or to other employees of the Company or its Subsidiaries its administrative duties under this Plan (excluding its granting authority) pursuant to such conditions or limitations as the Committee may establish. The Committee may engage or authorize the engagement of a third-party administrator to carry out administrative functions under the Plan. The Board shall itself determine any Award to the Chief Executive Officer and shall not delegate this or any authority under this Plan related to the Award to the Chief Executive Officer.

8. *Awards.*

(a) The Committee (or other committee to whom such authority is delegated under Paragraph 7) shall designate from time to time the Employees who are to be the Participants. Any Award shall be granted in the Committee's discretion based on amongst other considerations the position in the Company and a review on the individual Participant's performance prior to award.

(b) The Committee shall decide how many RSUs and PRSUs each Participant shall receive. The Award to the Chief Executive Officer and the Chief Executive Officer's direct reports at the time of Award, shall include at least 60% PRSUs and no more than 40% RSUs.

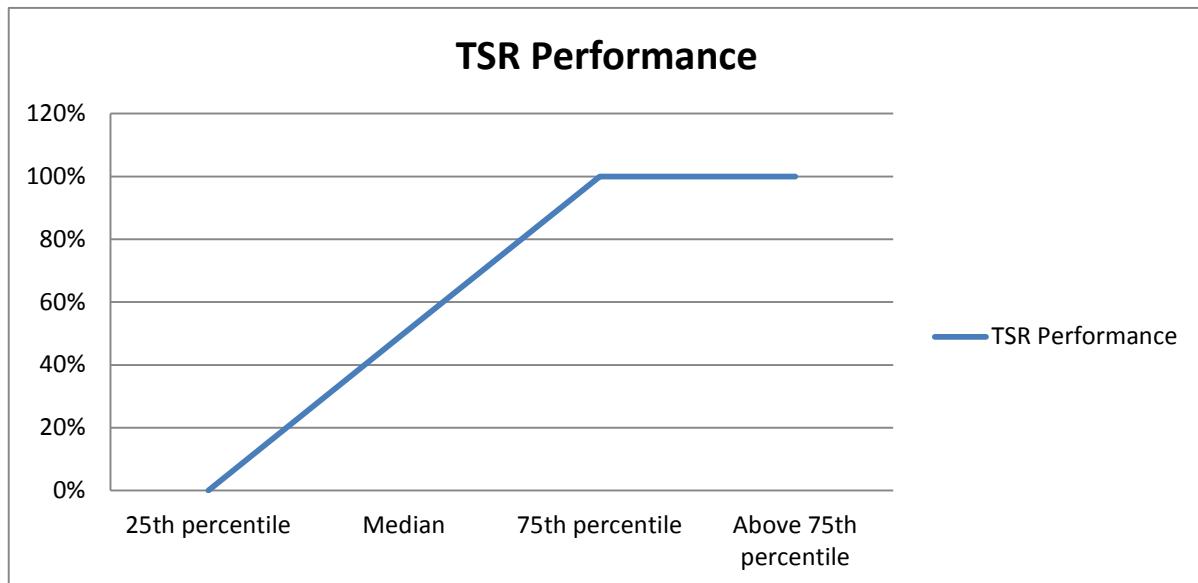
(c) Each Award may, in the discretion of the Committee, be embodied in an Award Agreement, which shall contain such terms, conditions, and limitations as shall be determined by the Committee in its sole discretion and, if required by the Committee, shall be signed by the Participant to whom the Award is granted and signed for and on behalf of the Company. Awards may be granted singly, in combination or in tandem. Awards may also be granted in combination or in tandem with, in replacement of, or as alternatives to, grants or rights under this Plan or any other employee plan of the Company or any of its Subsidiaries, including the plan of any acquired entity. All or part of an Award may be subject to conditions established by the Committee.

9. *PRSU and RSU Terms.*

(a) An Award shall be in the form of PRSUs and/or RSUs, subject to the terms and conditions of the Plan and the Award Agreement. Unless otherwise provided by the Committee or this Paragraph 9 the following terms shall apply to all PRSUs and RSUs:

(i) *Settlement of RSUs:* Subject to the terms and conditions of this Plan and the Award Agreement, and further subject to Paragraph 19, all RSUs will automatically be settled at the applicable Settlement Date. Following settlement, and subject to Paragraph 5, last sub-paragraph and the further terms and conditions of the Plan and the Award Agreement, a number of Shares equal to the number of RSUs settled will be delivered by the Company to the Participant's VPS Account as soon as practicable. Any delivery of Shares is conditional upon the Participant having registered a VPS Account and notified the Committee of the account details. Until the date that Shares are registered with a Participant's VPS Account, the Participant shall have no rights as a shareholder pursuant to the Plan or any Award Agreement. From the date when the Shares are registered with the Participant's VPS Account, the Participant will have the right to receive dividends thereafter declared with respect to such Shares and to exercise other shareholder rights.

(ii) *Settlement of PRSUs:* Subject to the terms and conditions of this Plan and the Award Agreement, and further subject to Paragraph 19, PRSUs will automatically be settled at the applicable Settlement Date as follows: all PRSUs will automatically settle if the Company has delivered a TSR in the upper quartile of the TSR Peer Group. No PRSUs will settle if the Company has delivered a TSR in the lower quartile of the TSR Peer Group. 50% of the PRSUs will settle if the Company has delivered a TSR at the Median of the TSR Peer Group. For Company TSR performance between the lower and the upper quartile of the TSR Peer Group PRSUs will settle in accordance with this chart:



Following settlement, and subject to Paragraph 5, last sub-paragraph and the further terms and conditions of the Plan and the Award Agreement, a number of Shares equal to

the number of RSUs settled will be delivered by the Company to the Participant's VPS Account as soon as practicable. Any delivery of Shares is conditional upon the Participant having registered a VPS Account and notified the Committee of the account details. Until the date that Shares are registered with a Participant's VPS Account, the Participant shall have no rights as a shareholder pursuant to the Plan or any Award Agreement. From the date when the Shares are registered with the Participant's VPS Account, the Participant will have the right to receive dividends thereafter declared with respect to such Shares and to exercise other shareholder rights. PRSUs which does not settle a the Settlement Date are terminated and become null and void.

(iii) *Termination of Employment:* A "Good Leaver" is someone who leaves due to retirement at the normal retirement age or early retirement with Company (or a Subsidiary) consent, incapacity, serious ill health or death. For a Good Leaver, all PRSUs and all RSUs continue with full effect and will automatically be settled at the applicable Settlement Date pursuant to the terms and conditions of the Plan and the Award Agreement. In the event of the death of the Employee, the RSUs shall be settled in cash as full and final settlement of all RSUs within 60 days after the time of death and all PRSUs shall terminate and become null and void. If more than one heir (whether by will, statute or otherwise) of the Employee claims the cash payment, the Committee can require as a condition for making the cash payment that the heirs within 30 days from written notice from the Committee agree among themselves who shall have the right to the cash payment, and if no such confirmation has been received in writing by the Committee within the 30 day deadline, the RSUs will terminate without any cash payment taking place and without any further liability or obligations for the Company (or any Subsidiary). For an Employee who is not a Good Leaver, all RSUs outstanding at the time the Employee resigns, gives or receives a notice of termination with the Company (or a Subsidiary) will terminate immediately without any further liability or obligations for the Company (or a Subsidiary). For the avoidance of doubt, a transfer of employment between the Company and a Subsidiary or between Subsidiaries shall not be considered a termination of employment for purposes of this Plan.

10. *Change of Control.* Notwithstanding any other provisions of the Plan, including Paragraphs 7 and 8 hereof, unless otherwise expressly provided in the applicable Award Agreement, in the event of the occurrence of a Change of Control, each RSU and PRSU granted under this Plan to the Participant shall be immediately settled in full; *provided, however,* that with respect to a Participant subject to United States taxation, no Change of Control shall be deemed to have occurred unless such event also constitutes an event specified in Code Section 409A(2)(A)(v) and the Treasury Regulations promulgated thereunder. For the avoidance of doubt settlement of all granted PRSUs shall follow Article 9 (i) and not Article 9 (ii) in the event of a Change of Control.

11. *Participants in Different Jurisdictions.* The Committee may grant awards to persons in a particular country under such terms and conditions as may, in the judgment of the Committee, be necessary or advisable to comply with the laws of the applicable foreign jurisdictions and, to that end, may establish sub-plans, modified RSU and/or PRSU settlement procedures and other terms and procedures. Notwithstanding the above, the Committee may not take any actions hereunder,

and no Awards shall be granted, that would violate any securities law, any governing statute, or any other applicable law.

12. *Securities Law regulations.*

(a) As the Company is a public company and is listed on Oslo Børs, there are certain laws, rules and regulations that apply for subscription, sale and purchase of the Company's securities (including Shares and other financial instruments in the Company), including but not limited to insider trading rules and notification obligations. Each Participant is obliged, and is personally responsible, to make him or her self familiar with such rules and to abide by the same.

(b) Furthermore, the Company has rules (which might be amended from time to time in the Company's sole discretion) for its employees and employees of its Subsidiaries trading in its securities, and each Participant is also obliged, and is personally responsible, to make him or her self familiar with such Company rules and to abide by the same.

(c) The Committee may adopt additional rules and procedures regarding the settlement of RSUs and/or PRSUs from time to time, provided that such rules and procedures are not inconsistent with the provisions of this Plan.

13. *Taxes.* The Participant shall be fully liable for any and all tax liabilities imposed upon the Participant pursuant to an Award and any and all rights conferred to the Participant under an Award Agreement, including but not limited to, taxes imposed by the settlement of RSUs and/or PRSUs and delivery of Shares or payment of cash. The Company will declare any Award and any delivery of Shares or payment of cash on the basis of an Award Agreement to the Norwegian and/or other relevant tax authorities in accordance with applicable laws at all times. The Company or its designated third-party administrator shall have the right to deduct applicable taxes (including withholding taxes) from any Award payment and withhold, at the time of delivery of cash or Shares under this Plan, an appropriate amount of cash or number of Shares or a combination thereof for payment of taxes (including withholding taxes) or other amounts required by law or to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for withholding of such taxes.

14. *Amendment, Modification, Suspension, or Termination of the Plan.* The Board may amend, modify, suspend, or terminate this Plan for the purpose of meeting or addressing any changes in legal requirements or for any other purpose permitted by law, except that (i) no amendment or alteration that would adversely affect in any material respect the rights of any Participant under any Award previously granted to such Participant shall be made without the consent of such Participant and (ii) no amendment or alteration shall be effective prior to its approval by the shareholders of the Company to the extent such approval is required by applicable legal requirements or the applicable requirements of the securities exchange on which the Shares are listed.

15. *Assignability.* Unless otherwise determined by the Committee and provided in the Award Agreement or the terms of the Award, no Award or any other benefit under this Plan shall be assignable or otherwise transferable except by will or by the laws of descent and distribution. The Committee may prescribe and include in applicable Award Agreements or the terms of the

Award other restrictions on transfer. Any attempted assignment of an Award or any other benefit under this Plan in violation of this Paragraph 14 shall be null and void.

16. *Adjustments.*

(a) The existence of outstanding Awards shall not affect in any manner the right or power of the Company or its shareholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the share capital of the Company or its business or any merger, demerger or consolidation of the Company, or any issue of Shares, bonds, debentures, preferred or prior preference stock (whether or not such issue is prior to, on a parity with or junior to the existing Shares) or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding of any kind, whether or not of a character similar to that of the acts or proceedings enumerated above.

(b) In the event of any subdivision or consolidation of outstanding Shares or a Share split, any other recapitalization or capital reorganization of the Company, any consolidation, merger or demerger of the Company with another corporation or entity (which do not qualify as a Change of Control), the adoption by the Company of any plan of exchange affecting the Shares, then the number of RSUs and/or PRSUs covered by the Awards shall be proportionately adjusted by the Company as appropriate to reflect such transaction; provided that such adjustments shall only be such as are necessary to maintain the proportionate interest of the holders of the RSUs and/or PRSUs and to preserve, without increasing, the value of such RSUs and/or PRSUs.

17. *Restrictions.* No Shares or other form of payment shall be delivered with respect to any Award unless the Company shall be satisfied based on the advice of its counsel that such delivery will be in compliance with applicable law. Shares delivered under this Plan may be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the applicable securities regulatory authority, any securities exchange or transaction reporting system upon which the Shares are then listed or to which it is admitted for quotation and any applicable law. The Committee may cause a legend or legends to be placed or coded upon the Shares to make appropriate reference to any such restrictions.

18. *Right to Employment.* Nothing in this Plan or any Award Agreement shall interfere with or limit in any way the right of the Company or its Subsidiaries to terminate any Participant's employment or other service relationship at any time, or confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or its Subsidiaries.

19. *Postponement of the Settlement Date.* If, due to securities law restrictions, the Committee in its discretion finds it appropriate, the Committee may elect to postpone the applicable Settlement Date. The Settlement Date may, however, only be postponed for as long as the securities law restrictions apply.

20. *Governing Law and Disputes.* This Plan and all determinations made and actions taken pursuant hereto shall be governed by and construed in accordance with the laws of the Kingdom of Norway. Any disputes arising out of or in connection with this Plan and any Award shall be settled by the ordinary courts in Norway with Asker og Bærum tingrett as the legal venue.

21. Section 409A.

(a) Awards made under this Plan are intended to comply with or be exempt from Code Section 409A, and ambiguous provisions hereof, if any, shall be construed and interpreted in a manner consistent with such intent. No payment, benefit or consideration shall be substituted for an Award if such action would result in the imposition of taxes under Code Section 409A. Notwithstanding anything in this Plan to the contrary, if any Plan provision or Award under this Plan would result in the imposition of an additional tax under Code Section 409A, that Plan provision or Award shall be reformed, to the extent permissible under Code Section 409A, to avoid imposition of the additional tax, and no such action shall be deemed to adversely affect the Participant's rights to an Award.

(b) If the Participant is identified by the Company as a "specified employee" within the meaning of Code Section 409A(a)(2)(B)(i) on the date on which the Participant has a "separation from service" (other than due to death) within the meaning of Treasury Regulation § 1.409A-1(h), any Award payable or settled on account of a separation from service that is deferred compensation subject to Code Section 409A shall be paid or settled on the earliest of (1) the first business day following the expiration of six months from the Participant's separation from service, (2) the date of the Participant's death, or (3) such earlier date as complies with the requirements of Code Section 409A.

22. *Effectiveness and Term.* The Plan is effective as of 13 May, 2015. No Award shall be made under the Plan after 13 May, 2018.

## CORPORATE GOVERNANCE

**Petroleum Geo-Services is committed to maintaining high standards of corporate governance. We believe that effective corporate governance is essential to our Company's success and establishes the framework by which we conduct ourselves in delivering services to our customers and creating value for our shareholders.**

Petroleum Geo-Services ASA is registered in Norway as a public limited liability company, and our corporate governance model is based on Norwegian corporate law and the Norwegian Code of Practice for Corporate Governance (the NUES Recommendations). To the extent practicable, PGS adheres to requirements applicable to registrants of foreign securities in the United States, where our American Depository Shares (ADS) are publicly traded. We have also implemented corporate governance guidelines particularly suited to our Company and the industry in which we operate.

The Norwegian Public Limited Liability Companies Act section 5-6 (4) requires that the Annual General Meeting ("AGM") approves the statement of Corporate Governance. Consequently, this report will be presented to the General Meeting on May 13, 2015.

Our corporate governance principles, which have been adopted by our Board of Directors, are summarized below. Our website provides full versions of our basic corporate governance documents and an overview of our governance structure. These items include the Company's Articles of Association, the Board of Directors' Rules of Procedure, and the charters for the Company's Audit Committee, Remuneration and Corporate Governance Committee, and Nomination Committee. The documents can be downloaded from our website: [www.pgs.com](http://www.pgs.com).

In accordance with the Norwegian Accounting Act section 3-3b, PGS is required to give a statement of our corporate governance in the Board of Directors report. In the Board of Directors report we refer to this document.

### **1. Code of Conduct, Core Values and Corporate Responsibility**

We have adopted a Code of Conduct that reflects our commitment to our shareholders, customers, and employees to carry out our business with the utmost integrity. Our Code of Conduct and Core Values are available in full on our website: [www.pgs.com](http://www.pgs.com).

At the heart of our Core Values is also a serious approach to Corporate Responsibility. We have built our framework for Corporate Responsibility around four key areas: People, Environment, Conduct, and Stakeholders. For a further description, see our Corporate Responsibility Report, which is available at [www.pgs.com](http://www.pgs.com).

### **2. Business**

PGS is a focused marine geophysical company that provides a broad range of seismic and reservoir services, including acquisition, imaging, interpretation, and field evaluation. The Company's MultiClient data library is among the largest in the seismic industry. The Company operates on a worldwide basis with headquarters in Oslo, Norway.

Our business purpose, as presented in the Company's Articles of Association, is as follows:

"The business of the Company is to provide services to and participate and invest in energy related businesses."

Our business operations and the goals and strategies for our business areas are presented in greater detail on pages [15–16] and [24–31] of this annual report.

### **3. Equity and Dividends**

Shareholders' equity as of December 31, 2014 was [\$2,065.6 million], corresponding to [58%] of total assets. The Board of Directors believes that the Company's net interest-bearing debt should be at moderate levels. The current guideline is to plan for a net interest-bearing debt that should not exceed two times annual EBITDA in the weak part of a business cycle and not exceed one times annual EBITDA at the peak of the cycle. The current net interest-bearing debt of \$1048 million is within this range, and the Company's funding and equity positions are considered satisfactory by the Board of Directors. The Board continually monitors the adequacy of the Company's equity in light of its objectives, strategy, and risk profile.

The Board of Directors has adopted a dividend policy whereby it is the intention to distribute 25 to 50 percent of net income as dividends. The Board of Directors has no authorization to distribute dividend. Any dividend is decided by the AGM after a proposal from the Board of Directors.

The Board of Directors is authorized to buy back up to 10 percent of the Company's share capital (treasury shares). The current authorization expires on June 30, 2015. However, a new authorization will, in line with past practice, be proposed at the next AGM.

It has been an ongoing practice of PGS shareholders to grant limited authorizations to the Board of Directors permitting it to increase the Company's share capital and/or issue convertible loans for certain defined purposes. The current authorizations expire on June 30, 2015, but new authorizations will be proposed at the next AGM.

Separate General Meeting votes are held for (a) authorizations to increase the share capital related to employee stock option programs, (b) authorizations to increase the share capital for other purposes, (c) authorization to issue convertible loans and (d) authorization to acquire treasury shares. When a proposed authorization encompasses share capital increases and/or the issuance of convertible loans and/or acquisition of treasury shares for various purposes, the Company does not find it practical to hold separate votes on each proposed purpose.

### **4. Equal Treatment of Shareholders and Transactions with Close Associates**

PGS has a single share class and all shares carry the same rights. At our General Meetings, each share carries one vote. Our Board of Directors is committed to equal treatment of shareholders in all respects.

When applicable, transactions involving the Company's own shares should be carried out through a stock exchange, or at prevailing stock-exchange prices if carried out in an alternative manner.

Transactions between the Company and shareholders, a shareholder's parent company, members of the Board of Directors, executive officers, or close associates of any such party (referred to as "Close Associates") shall be conducted at arm's length and at market terms. Material transactions with Close Associates will be subject to independent valuation by third parties. According to PGS' Code of

Conduct, our employees shall not have any personal or financial interest that might conflict with those of PGS nor influence, or appear to influence judgments or actions in carrying out their responsibilities on behalf of the Company. According to our Rules of Procedure, a member of our Board of Directors may not participate in discussions or decision-making as to issues in which the director or any person closely associated with the director has a material personal or financial interest. The Code of Conduct and Rules of Procedure are available on our website: [www.pgs.com](http://www.pgs.com).

## **5. Freely Transferable Shares**

The Company's shares are freely transferable.

## **6. General Meetings**

Through participation in General Meetings, our shareholders exercise ultimate authority over the Company and elect the members of its Board of Directors and the chairperson of the Board of Directors.

Pursuant to PGS' Articles of Association, the notice of an AGM is distributed at least four weeks in advance of the meeting to shareholders or their depository banks. For ADS holders, the record date for notice-distribution purposes is set at approximately five weeks prior to the AGM. A copy of the call notice with appendices will be posted on our website: [www.pgs.com](http://www.pgs.com).

Notices convening Extraordinary General Meetings ("EGM") must be distributed at least two weeks ahead of the meeting. The Board of Directors is to call shareholders to an EGM upon a written demand by the Company's independent auditor or shareholders representing at least five percent of the share capital, or for other purposes.

Shareholders who wish to attend a General Meeting must notify the Company's registrar or PGS by the deadline stated in the meeting notice, which must be at least two working days before the General Meeting.

According to the Company's Articles of Association, documents to be considered at the General Meeting may be published on our website. The same applies to documents that, due to statutory requirements must be attached to, or included in the notice calling the General Meeting. If the documents are published in such a manner, the statutory requirements for distribution shall not apply. Nevertheless, shareholders are entitled to request that documents to be considered by the General Meeting be sent to them via regular mail.

To vote at General Meetings, in person or by proxy, a shareholder must be registered with the Norwegian Central Securities Depository (VPS). Holders of American Depository Shares ("ADS") may vote according to the underlying shares by: (a) having the underlying shares transferred to an account with the Norwegian Central Securities Depository in the name of the holder, (b) attending the meeting as a shareholder by providing their name and address and a confirmation from Deutsche Bank, depositary for the ADS, to the effect that they are the beneficial owner of the underlying shares, or (c) authorizing Deutsche Bank to vote the ADS on their behalf in accordance with specific guidelines.

An owner with shares registered through a custodian has voting rights equivalent to the number of shares covered by the custodial arrangement, provided that the owner of the shares, within two

working days ahead of the General Meeting, provides PGS with his or her name and address together with written confirmation from the custodian to the effect that he or she is the beneficial owner of the shares held in custody.

Written and/or electronic voting in accordance with the Norwegian Public Limited Liability Companies Act, section 5-8b, shall be allowed for meetings where such method of voting is arranged by the Board of Directors.

All directors generally attend the AGM together with the chairperson of the Nomination Committee and the auditor. In accordance with our Articles of Association, the chairperson of the Board of Directors chairs General Meetings. This is a deviation from the NUES Recommendation (identified below) No. 6 for making arrangements to ensure an independent chairperson for the General Meetings. The reason for this deviation is that the Company has found this more practical and that PGS wishes to ensure that General Meetings are chaired by a competent person having proper insight into PGS' overall operations.

## **7. Nomination Committee**

According to our Articles of Association, the Company has a Nomination Committee comprised of three members to be elected by our shareholders at the AGM. The majority of Nomination Committee members shall qualify as independent parties, pursuant to the Norwegian Code of Practice for Corporate Governance. The term of service shall be two years unless the General Meeting determines that the period shall be shorter.

The Nomination Committee's main responsibilities, which are set out in its charter, are to propose nominees for election as members and chairperson of the Board of Directors and the Nomination Committee. Further, the Committee proposes remuneration to be paid to members of the Board of Directors and Nomination Committee. Remuneration is approved by the General Meeting. Annually, the Nomination Committee produces a written report containing its nominations and proposals, which is distributed in advance of each AGM.

Once a year, the Nomination Committee meets with each director individually and discusses how the Board and its committees function and whether there is a need for changes to the Board. The Nomination Committee also keeps contact with shareholders and the Chief Executive Officer as part of its work.

### **Current Nomination Committee**

The current Nomination Committee comprises Roger O'Neil (chairperson), C. Maury Devine, and Hanne Harlem. All three were re-elected at the AGM held May 8, 2014 for a service period ending with the 2015 AGM.

Shareholders who wish to propose new Board members or new members of the Nomination Committee may do so by submitting a candidate's name to PGS' investor relations staff via the Company's website: [www.pgs.com](http://www.pgs.com) by following the link, "Nominate a Board Member." The deadline for submissions each year is the end of February. Alternatively, candidates can be proposed by letter to PGS or via email to: [ir@pgs.com](mailto:ir@pgs.com). PGS does not employ any Nomination Committee members and none is a member of the Board of Directors.

In 2014, the Nomination Committee held four meetings. The Nomination Committee's report on its work and recommendations will be distributed with the notice of the 2015 AGM.

## **8. Board of Directors — Composition and Independence**

According to PGS' Articles of Association, our Board of Directors shall have from three to thirteen directors. The period of service for members of the Board of Directors shall be one year.

The Board has adopted its own Rules of Procedure that establish in more detail its roles and responsibilities, including:

- Directors' qualifications
- Requirement that a majority of the Board, a majority of the members of the Remuneration and Corporate Governance Committee, and all members of the Audit Committee are considered to be independent directors
- Annual review and determination of the independence of each director.

The composition of the Board of Directors is a reflection of the Company's commitment to protect the common interests of all shareholders and the Company's need for expertise, capacity, and diversity.

All directors are independent of the Company's management. All directors are also per December 31, 2014, independent of our major business relations and major shareholders. The Board of Directors has considered whether Walter Qvam, who was appointed to the Board of Directors in November 2013, can be considered independent as he is the Chief Executive Officer of Kongsberg Gruppen ASA. Kongsberg Gruppen ASA, through its subsidiaries, is a provider of various services and equipment to PGS. However, this activity is not significant for either of the two companies involved, and PGS' Board has concluded that Mr. Qvam is to be regarded as independent of the Company. No member of our Board of Directors may be an executive of PGS. Directors are not permitted to perform paid consultancy work for PGS. [Five] board members, directly or indirectly, own PGS shares.

Shareholders and other interested parties may communicate directly with our independent directors by written correspondence addressed to Petroleum Geo-Services, Board of Directors (Independent Members), Secretary of the Board of Directors or to the Company's General Counsel Rune Olav Pedersen, PO Box 251, NO-0216 Oslo, Norway. Further, our website: [www.pgs.com](http://www.pgs.com) invites shareholders wishing to discuss corporate governance or corporate responsibility matters to contact Mr. Pedersen by phone or arrange a meeting with him.

## **Current Board of Directors**

As of December 31, 2014, the Board of Directors comprised eight shareholder representatives. Current board members are presented on the Company's website: [www.pgs.com](http://www.pgs.com) and in this annual report.

## **9. The work of the Board of Directors**

In accordance with Norwegian corporate law, our Board of Directors has overall responsibility for management of the Company, while the Company's Chief Executive Officer ("CEO") is responsible for day-to-day management.

The Board of Directors provides oversight of the CEO's day-to-day management and company activities in general. The Board of Directors is also responsible for ensuring that appropriate management, guidelines, and control systems are in place and are followed. The CEO, as agreed with the chairperson of the Board of Directors, annually submits a schedule for the meetings of the Board of Directors in the upcoming calendar year. The schedule is subject to Board approval. In 2014, the Board of Directors held ten meetings including conference calls. During 2014, all directors participated in all meetings and conference calls, with the exception of one director who missed one meeting and three directors who missed one conference call.

Key elements of the Rules of Procedure cover the Board of Directors' responsibilities to determine the Company's financial targets, set strategies along with the CEO and executive committees, and approve business plans, budgets, and budgetary and risk frameworks. In its supervision of the Company's business activities, the Board of Directors will seek to ensure that satisfactory procedures are in place for monitoring and follow-up of Board-approved corporate principles and guidelines covering areas such as ethical conduct; adherence to laws, rules, and regulations; health, safety and environment; and corporate social responsibility.

The Rules of Procedure also require an annual self-evaluation to determine whether the Board of Directors and its committees are functioning effectively. The annual self-evaluation is prepared and facilitated by the Remuneration and Corporate Governance Committee. An anonymous survey is carried out and the findings are discussed by the Board of Directors. The survey's findings are made available to the Nomination Committee. The Chairperson of the Nomination Committee also shares with the Board relevant information for improvement of Board processes that may come up in their annual interviews with individual directors.

Each scheduled Board of Directors meeting includes a separate session at which issues may be discussed without the presence of management.

The tasks and duties of the CEO vis-à-vis the Company's Board of Directors are also outlined in the Rules of Procedure, along with the tasks and duties of the chairperson of the Board of Directors. The CEO participates in all board meetings other than closed sessions. The Board of Directors elects a vice chairperson to chair board meetings in the chairperson's absence. The full text of the Board of Directors' Rules of Procedure is available at: [www.pgs.com](http://www.pgs.com).

Our governance structure is organized as described below.

Our Board of Directors is responsible for the supervision of our business activities. The Board has established an Audit Committee and a Remuneration and Corporate Governance Committee to assist in organizing and carrying out its responsibilities.

### **Board responsibilities include:**

- The Board of Directors appoints the Company's CEO
- The Board of Directors, along with the CEO, is committed to operating PGS in an effective and ethical manner in order to create value for the Company's shareholders. Our Code of Conduct requires management to maintain an awareness of the risks involved in carrying out our business strategies. Personal interests must not override or conflict with the interests of PGS.

**The responsibilities of the CEO include:**

- Day-to-day management of company activities
- Organizing PGS' Executive Committees and the Disclosure Committee to further assist the CEO
- The CEO, under the guidance and supervision of the Board of Directors and the Audit Committee, is responsible for ensuring that the Company's financial statements in all material respects, fairly present the Company's financial condition and the results of its operations. Timely disclosure of issues to the Board of Directors is also essential to the assessment of the Company's financial condition, business performance and risks.

**Board of Directors Committees**

Our Audit Committee comprises board members Harald Norvik (chairperson), Carol Bell, Daniel J. Piette, and Anne Grethe Dalane. All committee members are considered independent of the Company. The committee's functions are to assist the Board of Directors in its supervision of the integrity of PGS' financial statements; to monitor the independent auditor's qualifications, independence and performance; to monitor the performance of the internal audit function; and to promote and review compliance with laws and regulatory requirements.

PGS' Remuneration and Corporate Governance Committee comprises board members Holly Van Deursen (chairperson), Ingar Skaug, and Walter Qvam. The function of the committee is to assist in matters relating to compensation, benefits, and perquisites of the CEO and other senior executives. Review and modification of the Company's guidelines for good corporate governance are also committee responsibilities.

**10. Risk Management and Internal Control**

The Board of Directors is responsible for ensuring that appropriate guidelines, monitoring, and internal control systems are in place. These are to include embedding risk management, designating risk ownership, and implementing risk responses and controls.

The Board of Directors has systems in place to assess that the CEO exercises appropriate and effective management. The Board of Directors' Audit Committee assesses the integrity of PGS' accounts. It also inquiries into, on behalf of the Board of Directors, issues related to financial review and external audit of PGS' accounts. Further, the Board of Directors and the Audit Committee supervise and verify that effective internal control systems are in place, including systems for risk management and financial reporting.

The Board of Directors and the Audit Committee take steps to ensure that the Company's internal control functions are working as intended and that necessary measures are taken to reduce extraordinary risk exposure. Furthermore, the Board of Directors makes certain that there are satisfactory routines for follow-up of principles and guidelines adopted by the Board of Directors governing ethical conduct; compliance with laws, rules and regulations; health, safety and working environment; and corporate social responsibility.

The Company's anti-corruption program includes a policy, a management statement, and procedures as to several ethical issues, periodic training, high risk area assessment and monitoring, compulsory contract wording, etc. The policy and procedures are available at [www.pgs.com](http://www.pgs.com). The program is evaluated on a regular basis by the Audit Committee.

Management maintains and regularly reviews a risk matrix setting out the main risks for the Company. These risk factors and the Company's risk mitigating activities are subject to discussion in the Board of Directors at least once a year.

Management conducts day-to-day follow-up of financial management and reporting. Management has established a structured process to ensure that Internal Control over Financial Reporting is effective. The process includes identification and assessment of all material financial reporting risks, identifying and documenting relevant controls to address these risks, and monitoring that controls are implemented and performed. For controls that are not operationally effective at year-end, their potential financial exposure and impact on the consolidated financial statements are evaluated.

### **Internal Audit Department**

PGS has an Internal Audit Department reporting directly to the Audit Committee on its audit planning and audit reports. The purpose of the Internal Audit Department is to perform independent, objective assurance and consulting activities that add value and improve the Company's initiatives in financial, operational and compliance areas.

The scope of work for the Internal Audit Department includes determining whether the Company's risk management, control, and governance processes, as designed and represented by management, are adequate and well-functioning. The department has established a process for ensuring that adequate internal control-related activities are integrated into significant PGS business operations worldwide and that focus is directed towards areas of perceived high risk. Any non-conformance is systematically followed up and corrective measures are implemented and their effects monitored.

### **11. Remuneration of the Board of Directors and Executive Management**

Remuneration of board members is not linked to performance but is based on participation in meetings and is subject to annual approval by the General Meeting. Board members shall not solicit or accept specific assignments for PGS beyond their role as Board members. Board members do not hold any PGS share options.

For details on compensation to individual board members, please see [Note 28] to the financial statement of PGS.

Remuneration payable to board members will be proposed by the Nomination Committee according to its charter, and submitted to the AGM for approval.

Executive remuneration is one of the primary tasks of the Remuneration and Corporate Governance Committee. The committee annually reviews the total compensation level, the mix between fixed and performance related compensation and the mix between short, medium and long-term compensation. The Remuneration and Corporate Governance Committee has developed an annual schedule in order to ensure and facilitate a structured approach to the annual review of executive compensation. The committee has also engaged an external advisor for this work.

A specific peer group of comparable companies and an executive remuneration philosophy have been adopted. The peer group currently consists of nineteen companies from Norway, Europe, and

the Americas. All companies are of comparable size and have international operations in the oil service sector. The external advisor collects and compiles relevant information on peer group companies. This information is used by the Remuneration and Corporate Governance Committee for benchmarking executive remuneration. The executive remuneration policy document includes certain targets and guidelines on how the Company's executives should compare to the peer group. These tools amongst others, are used by the Remuneration and Corporate Governance Committee to decide on an appropriate remuneration structure and to set appropriate total remuneration.

Compensation for the CEO adheres to the same process as that used for other executives, but is also subject to approval by the Board of Directors.

PGS currently has a compensation structure for executive managers that include a base salary, benefits such as newspaper and mobile phone subscriptions, cash bonuses, pension plans, and stock-based long-term incentive programs. Features of these programs include an absolute ceiling on performance-related remuneration and a cap on maximum gain on option programs. For further details on the compensation structure and total compensation to executive team members, see [Note 28] to the financial statement of PGS.

## **12. Information and Communications**

The Board of Directors is committed to reporting financial results and other relevant information based on openness and the requirement of equal treatment of all shareholders and securities market participants. The Company complies with relevant disclosure rules and regulations. Announcements are released through the Nasdaq OMX reporting channel and posted on the Oslo Stock Exchange's news service: [www.newsweb.no](http://www.newsweb.no). In addition, all announcements are available on the Company's website: [www.pgs.com](http://www.pgs.com). The Company's policy of accessibility for shareholders is also presented on the Company's website.

The Company has an investor relations function to ensure that requests for information from shareholders, analysts and other interested parties are satisfied. The Company has an active investor communication program which includes senior management roadshows in connection with reporting of financial results, presentations at relevant investor conferences, and availability for one-on-one meetings. The Company hosts a Capital Markets Day presentation once a year.

The Board of Directors and the Nomination Committee send a letter to the largest shareholders once a year inviting them to join in a dialog on corporate governance and corporate responsibility matters. The letter is also posted on [www.pgs.com](http://www.pgs.com) and any shareholder may initiate communication with the Company on these matters. During 2014, several meetings and phone conferences were conducted with shareholders under this initiative.

## **13. Takeover Bids**

The Board of Directors has established guiding principles for how it will act in the event of a takeover bid. The Board of Directors will ensure that all shareholders are treated equally and seek to prevent disruptions to, or interference with, Company operations to the extent possible. In the event of a takeover bid, the Board of Directors will, in accordance with its overall responsibilities and good corporate governance, act in the best interest of shareholders and ensure that they are given sufficient information in the matter. If a takeover bid is made, the Board of Directors will issue a statement containing a recommendation as to whether the shareholders should accept or reject the

offer, including an independent valuation of the offer. The Company's Articles of Association do not contain any restrictions, limitations, or defense mechanisms against acquisition of its shares.

#### **14. Auditor**

The Audit Committee shall support the Board of Directors in the administration and exercise of its responsibility for supervision of the work of the independent auditor, who shall keep the Board of Directors informed of all aspects of its work for PGS. This duty includes submission of an annual plan for the audit of PGS. The auditor attends all Audit Committee meetings and, at least twice a year, meets with the Audit Committee without the presence of management. In-house policies govern the use of the auditor's services. Use of the auditor for services other than the audit of PGS requires pre-approval by the Audit Committee.

The independent auditor meets with the full Board of Directors at least once a year in connection with the preparation of the annual financial statements and, at least once a year, presents a review of PGS' financial reporting and internal control procedures for financial reporting. At least once a year, the independent auditor meets with the Board of Directors without the presence of any member of the executive management.

Remuneration paid to the auditor for mandatory and other audit services will be reported to the AGM for approval.

#### **15. Compliance with Laws, Rules, Regulations and Recommendations**

As part of PGS' Business Practice outlined on [www.pgs.com](http://www.pgs.com), PGS is inter alia committed to comply with relevant laws, rules, and regulations. In addition, PGS complies with the current recommendations set forth in the NUES Recommendations, subject only to deviations identified and justified in this report. The NUES Recommendations are available at [www.nues.no](http://www.nues.no).

The Board of Directors further conducts periodic reviews of PGS' corporate governance policies and procedures, including the Board of Directors' Rules of Procedure. This process is conducted annually and managed by the Remuneration and Corporate Governance Committee. Any changes to policies or procedures are presented to the Board of Directors for approval.