



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

Notice is hereby given that the annual general meeting of TGS-NOPEC Geophysical Company ASA, reg. no 976 695 372 (the "**Company**"), will be held on 9 May 2017 at the offices of Schjødt law firm at Ruseløkkveien 16, NO-0201, Oslo, Norway at 17.00 hours (Oslo time).

Registration of attendees will begin at 16.30 hours.

Shareholders are cautioned that the Company's Articles of Association sets a registration deadline. Shareholders who wish to participate in the general meeting must therefore give notice to the Company by 5 May 2017 at 14.00 hours (Oslo time). A registration form and proxy form is attached hereto as appendix 1.

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

1. **Opening and registration of attending shareholders**
2. **Appointment of meeting chair and a person to co-sign the minutes**
3. **Approval of the notice and the agenda**
4. **Approval of the financial statements and Board's report for 2016**
5. **Approval of auditor's fee**
6. **Appointment of members to the Board**
7. **Approval of remuneration to the members of the Board**
8. **Appointment of members to the Nomination Committee**
9. **Approval of remuneration to the members of the Nomination Committee**
10. **Statement on corporate governance pursuant to section 3-3b of the Norwegian Accounting Act**
11. **Statement on remuneration principles for senior executives**
12. **Approval of long-term incentive plan and resolution to issue free-standing warrants**
13. **Board authorization to acquire own shares**
14. **Board authorizations to (a) issue new shares and (b) issue convertible loans**
15. **Board authorization to distribute dividends**

* / * / * / *

1 Opening and registration of attending shareholders

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

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

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

3 Approval of the notice and the agenda

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

4 Approval of the financial statements and Board's report for 2016

The Board's report, the Company's financial statements and the consolidated financial statements of the Company and its subsidiaries (the Group) for 2016, together with the audit report, were published on 11 April 2017 and are attached as appendix 2 and available on the Company's web page, www.tgs.com.

The Board proposes that the general meeting makes the following resolution: *"The general meeting approves the Board's report for 2016 and the Company's financial statements for 2016."*

5 Approval of auditor's fee

The Board proposes a fee of USD 154,000 to the auditor as audit fee for the Company. This does not include fees related to the audits of the Company's subsidiaries or other professional services rendered. Note 4 to the Company's Financial Statements and note 7 to the Group's Consolidated Financial Statements provide further details on other fees to the auditor.

The Board proposes that the general meeting makes the following resolution: *"The general meeting approves the auditor's fees for 2016."*

6 Appointment of members to the Board

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

7 Approval of remuneration to the members of the Board

Reference is made to the Nomination Committee's proposal for remuneration to Board, which is attached as appendix 3 and also made available on the Company's web page, www.tgs.com.

8 Appointment of members to the Nomination Committee

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

9 Approval of remuneration to the members of Nomination Committee

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

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

Pursuant to Section 5-6 (4) of the Norwegian Public Limited Liability Companies Act, the general meeting shall consider the statement on corporate governance made in accordance with Section 3-3b of the Norwegian Accounting Act. The statement is included under the heading *"Report on Corporate Governance"* in the Company's Annual Report for 2016, which is attached as appendix 2 and available on the Company's website, www.tgs.com. The chairman of the Board will account for the main contents at the general meeting. The statement will not be subject to any vote.

11 Statement on remuneration principles for senior executives

In accordance with section 6-16a of the Norwegian Public Limited Companies Act, the Board has prepared a statement with respect to the principles for remuneration for senior executives of the Company. The statement is included in the Declaration on Executive Remuneration attached as appendix 4. Reference is also made to note 7 to the Group's consolidated financial statements for 2016 and Item 12 of Report on Corporate Governance, which are included the Company's Annual Report for 2016, attached as appendix 2 and available on the Company's webpage, www.tgs.com.

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

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

The Board proposes that the general meeting approves a long-term incentive plan for 2017, cf the Norwegian Public Limited Companies Act sections 5-6 (3) and 6-16a first paragraph third sentence no 3.

In 2012 and 2013, the general meeting approved stock option plans, and in 2015 and 2016, the general meeting approved share-based long-term incentive plans. These plans are secured by either free-standing warrants or treasury shares. From these earlier plans, there are currently outstanding 551,075 stock options and 1,039,530 free-standing warrants associated with certain of those options, performance share units or restricted share units that, as of 10 April 2017, have been granted but not yet exercised.

The proposed 2017 plan provides for the grant of performance share units (PSUs) and restricted share units (RSUs), on terms generally consistent with the plan approved in 2016 and 2015, except that the proposed 2017 plan will include new performance metrics. Upon vesting, the PSUs and RSUs will represent the right to receive shares of TGS common stock as described below. The plan is limited to a maximum of 444,200 shares issuable upon vesting of the PSUs and RSUs. The plan will be administered by the Board. In the event of any merger, reorganization, recapitalization, stock dividend, stock split, combination of shares, share exchange, or other change in shares of the Company, the number of shares then subject to the plan, including shares subject to outstanding awards, shall be adjusted in proportion to the change in outstanding shares.

PSUs: Pursuant to the proposed 2017 long-term incentive plan, PSUs will be granted to members of the executive team and will vest three years after the date of grant if the executive remains employed at vesting. Upon vesting, the holder of the PSUs will receive TGS shares (if any), with the number of shares issuable determined by multiplying the number of PSUs granted by a factor of 0% to 100%. The factor is determined by performance against three target metrics: (i) relative return on average capital employed (ROACE) within a peer group of 11 other companies, (ii) absolute return on average capital employed, and (iii) health and safety performance (leading and lagging measures). See further details under "2.4 Long Term Incentives 2017" in TGS' Declaration on Executive Remuneration, which is issued alongside the Company's Annual Report for 2016 and is attached to this notice as appendix 4 and available on the Company's web page, www.tgs.com.

RSUs: Pursuant to the proposed 2017 long-term incentive plan, RSUs will be granted to certain non-executive key employees and will also vest three years after the date of grant if the employee remains employed at vesting. Upon vesting, the holder of the RSUs will receive an equivalent number of TGS shares, subject to achieving satisfactory performance against individual goals over the three-year plan period. The individual performance goals will be based on the performance criteria described in TGS' Declaration on Executive Remuneration with a focus on goals that support the corporate targets for ROACE, customer engagement and employee engagement.

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

In 2014, the Board adopted minimum Executive Stock Ownership Guidelines based on a multiple of salary for the CEO (3X), CFO (2X) and the rest of the executive team members (1X). Executives are required to meet the minimum ownership requirements within five years from the date the guidelines were adopted.

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

The Board therefore submits the following shareholder resolutions in connection with the proposed 2017 long-term incentive plan (one vote to be given for the proposed resolution in its entirety, not for each item of the proposed resolution):

- (i) *The general meeting approves the 2017 long-term incentive plan.*

- (ii) *The Company shall issue a minimum of 10,000 and a maximum of 444,200 free-standing warrants, however subject to the requirement that the number of issued and outstanding free-standing warrants shall in no event exceed 10 percent of the registered number of shares in the Company at the date of this resolution.*
- (iii) *Each free-standing warrant shall give the right to subscribe for 1 share at a par value of NOK 0.25.*
- (iv) *The free-standing warrants may be subscribed for by employees who are granted rights under the long-term incentive plan upon the decision by the Board. Existing shareholders shall not have preferred rights to subscribe for the free-standing warrants pursuant to the Norwegian Public Limited Companies Act section 11-13, cf. sections 10-4 and 10-5.*
- (v) *The free-standing warrants shall be subscribed for on a separate subscription form at the latest by 15 November 2017. The employees shall not pay for the free-standing warrants issued.*
- (vi) *The price to be paid for the shares issued on the basis of the free-standing warrants shall be the par value of the shares, NOK 0.25 per share.*
- (vii) *The right to request the issuance of shares under the free-standing warrants follows from the long-term incentive plan, but so that no free-standing warrant can be exchanged for shares later than five years following the date of this general meeting.*
- (viii) *The holder of the free-standing warrants shall not have rights as a shareholder with regard to capital increases, capital reductions, new resolutions on the issue of warrants, dissolution, merger, demerger or reorganization, except with respect to shares that have been issued to and paid for by the free-standing warrant holder. Upon changes in the Company's share capital, such as share splits, reverse splits and other capital actions as provided for in the long-term incentive plan, the warrant terms (subscription price and number of shares to be issued upon exercise) shall be adjusted as set out in the long-term incentive plan.*
- (ix) *Shares issued on the basis of the free-standing warrants shall give right to dividends declared following the date the shares are issued.*
- (x) *As part of the long-term incentive plan, the free-standing warrants cannot be transferred. Any outstanding free-standing warrants shall be transferred back to the Company as and when the right to exercise the right to request shares in exchange for the free-standing warrants is lost pursuant to the underlying long-term incentive plan.*

13 Board authorization to acquire own shares

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

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

- (i) *The Board is hereby authorized to acquire, on behalf of the Company, the Company's own shares up to 10% of the nominal value of Company's share capital, which pursuant to the current nominal value is up to NOK 2,554,226. The limitations shall be adjusted in the event of share consolidation, share splits, and similar transactions.*
- (ii) *The lowest price to be paid per share shall be NOK 0.25 and the highest price to be paid per share shall be the price as quoted on the stock exchange at the time of the acquisition plus 5%. The lowest price is equal to the current nominal value and shall be adjusted in the event of share consolidation, share splits, and similar transactions.*

- (iii) *Acquisitions and sales of the Company's own shares can take place in the manner which the Board of Directors considers to be in the Company's best interest.*
- (iv) *The authorization may be used one or several times. This authority shall be valid until the annual general meeting in 2018, however no longer than until 30 June 2018.*
- (v) *The authorization shall replace previously granted authorizations.*

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

The annual general meeting has previously granted the Board authorizations to increase the share capital by issuance of new shares and/or convertible loans. The current authorizations granted at the annual general meeting in 2016 expire at the 2017 general meeting, and the Board therefore proposes that these authorizations are renewed.

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

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

A | Share issue authorization:

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

- (i) *In accordance with section 10-4 of the Norwegian Public Limited Companies Act, the Board is granted the authorization to increase the Company's share capital by up to NOK 2,554,226 through one or more issuances of new shares or bonus issues. The subscription price and other subscription terms will be determined by the Board.*
- (ii) *The capital increase may be paid in cash, by set-off or by other contributions in kind. The authorization includes the right to incur special obligations on behalf of the Company, cf. Section 10-2 of the Norwegian Public Limited Liability Companies Act.*
- (iii) *The shareholders' pre-emptive rights pursuant to Sections 10-4, cf. Section 10-5 of the Norwegian Public Limited Liability Companies Act, to subscribe for any new shares may be deviated from by the Board.*
- (iv) *The authorization shall encompass share capital increases in connection with mergers, cf. section 13-5 of the Norwegian Public Limited Liability Companies Act.*
- (v) *The authorization is valid until the annual general meeting in 2018, but no later than 30 June 2018.*
- (vi) *The authorization shall replace previously granted authorizations.*

B | Convertible loan authorization:

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

- (i) *In accordance with section 11-8 of the Norwegian Public Limited Companies Act, the Board is granted the authorization to issue loans for a total amount of up to NOK 2,250,000,000 with the right to require shares to be issued (convertible loans).*
- (ii) *The share capital may be increased by up to NOK 2,554,226, provided that the combined number of shares that are issued pursuant to this authorization and the authorization in agenda item 14(a) shall not exceed 10% of the Company's current share capital.*
- (iii) *The subscription price and other subscription terms will be determined by the Board.*

- (iv) *The shareholders' pre-emptive rights pursuant to section 11-4 of the Norwegian Public Limited Companies Act cf. sections 10-4 and 10-5, may be deviated from by the Board.*
- (v) *The authorization is valid until the annual general meeting in 2018, but no later than 30 June 2018.*
- (vi) *The authorization shall replace previously granted authorizations.*

15 Board authorization to distribute dividends

The annual general meeting for 2016 authorized the Board to distribute quarterly dividends on the basis of the 2015 financial statements. The authorization was granted as Norwegian law provides that dividends declared in the period between approval of the financial statements for one year and approval of the next year's financial statements, will, absent a shareholder approved audited interim balance sheet, be considered as additional dividends based on the financial statements for the last year approved. The Board has reviewed the Company's financial situation, including the Company's distributable reserves according to the financial statements for 2016. On this basis and in accordance with the Company's dividend policy, the Board proposes that the authorization to distribute quarterly dividend payments be renewed and the general meeting passes the following resolution:

"The Company authorizes the Board to distribute quarterly dividends on the basis of the financial statements for 2016. The Board shall, when using the authorization, pass its decision in accordance with the Company's approved dividend policy. The authorization shall be valid until the Company's annual general meeting in 2018, but no later than 30 June 2018."

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Attendance and registration

Shareholders are entitled to attend the general meeting, in person or by a proxy of their own choice. Notice of attendance must be received no later than 2.00 p.m. on 5 May 2017 to facilitate the proceedings at the general meeting. Notice of attendance can be given electronically through the Company's website www.tgs.com or VPS Investor Services, or by completing the attendance form to DNB Bank ASA, Registrar's Department, P.O. Box 1600 Sentrum, NO-0021 Oslo, fax no: + 47 22 48 11 71.

Shareholders who wish to attend and vote at the general meeting by proxy may send the proxy form electronically through VPS Investor Services, or to DNB Bank ASA, Registrar's Department, within the time limit stated above (2.00 p.m. on 5 May 2017). Proxy forms can also be brought and presented at the general meeting.

It is specifically noted that pursuant to section 8 of the Company's Articles of Association, the right to attend and vote at the general meeting is reserved for shareholders who are registered in the shareholders' register the fifth business day prior to the general meeting, i.e. on 2 May 2017 (record date).

Advance voting

Shareholders not present at the general meeting may prior to the meeting cast a vote on each agenda item via the Company's website www.tgs.com or VPS Investor Services. The pin-code and reference number from the registration form is required to do so. The deadline for advance voting is 2.00 p.m. on 5 May 2017. Until the deadline, votes already cast may be changed or withdrawn. Votes already cast prior to the general meeting will be considered withdrawn in the event of a shareholder attending the general meeting in person or by proxy.

Notice to nominee holders and shareholders with nominee accounts

Pursuant to Article 8 of the Company's Articles of Association, a shareholder has the right to cast vote for the number of shares that are registered on the respective shareholder with the Norwegian Central Securities Depository (VPS) on the fifth business day before the general meeting (i.e. 2 May 2017, the record date). Beneficial owners of shares registered with nominee accounts who wish to exercise their rights at the general meeting must therefore register themselves directly in the VPS registry of shareholders and be registered with the VPS on the fifth business day prior to the general meeting (i.e. 2 May 2017) to ensure their eligibility to meet and cast vote.

Shareholder rights

A shareholder has the right to address the general meeting, and to bring one adviser and convey to him/her the right of address. A shareholder may table alternative resolutions for items included on the agenda and may request that members of the Board and/or the CEO in the general meeting provide available information about matters which may affect the

assessment of the Company's financial situation, including information about activities in other companies in which the Company participates and other matters to be discussed in the general meeting, as further set out in Section 5-15 of the Norwegian Public Limited Companies Act. Requests for information should be put forward no later than ten days prior to the general meeting.

Other matters

TGS-NOPEC Geophysical Company ASA is a Norwegian public limited company subject to the rules of the Norwegian Public Limited Companies Act. As of the date of this notice, the Company has issued 102,169,040 shares, each of which represents one vote. As of the same date, the Company holds in total 247,625 treasury shares that cannot be voted over. The shares have equal rights also in all other respects.

This notice, registration and proxy forms, the 2016 annual report and financial statements, the Board of Director's declaration on the fixing of salaries and other remuneration to the CEO and other senior executives, the Company's Articles of Association as well as other documents regarding the general meeting, are available at the Company's website: www.tgs.com. Shareholders may contact the Company, through the CEO, Kristian Johansen, by ordinary mail, fax, email or phone (+ 1 713 860 2100), or through the Company's website in order to request the documents in question on paper minimum 21 days before the date of the general meeting.

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Asker, 12 April 2017

On behalf of the Board of Directors of

TGS-NOPEC Geophysical Company ASA



Henry H. Hamilton III
Chairman

Overview of appendices etc. to the notice follows below. Appendices 1, 3, and 4 will be attached to the notice which is sent to the shareholders, while appendix 2 will only be available on the Company's website:

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|-------------|--|
| Appendix 1: | Registration form and proxy form |
| Appendix 2: | The Board's report, the Company's financial statements for 2016, the consolidated financial statements of the Group for 2016, and the audit report |
| Appendix 3: | The Nomination Committee's proposal for composition and remuneration for the Board and Nomination Committee |
| Appendix 4: | Declaration on Executive Remuneration |

Appendix 1: Registration form and proxy form

Ref no:

PIN code:

Notice of Annual General Meeting

An Annual General Meeting of **TGS-NOPEC Geophysical Company ASA** will be held on 9 May 2017 at 5 p.m. at the offices of Schjødt law firm at Ruseløkkveien 16, NO-0201, Oslo, Norway

NB! Record date: 2 May 2017

If the above-mentioned shareholder is an enterprise, it will be represented by:

Name of enterprise's representative
(To grant a proxy, use the proxy form below)

Notice of attendance/voting prior to the meeting

The undersigned will attend the Annual General Meeting on 9 May 2017 and vote for:

A total of _____
Own shares
Other shares in accordance with enclosed Power of Attorney
Shares

This notice of attendance must be received by DNB Bank ASA no later than 2 p.m. on 5 May 2017.

Notice of attendance may be sent electronically through the Company's website www.tgs.com or through VPS Investor Services. Advance votes may only be cast electronically, through the Company's website www.tgs.com or through VPS Investor Services. To access the electronic system for notification of attendance and advance voting through the Company's website, the above-mentioned reference number and PIN code must be stated.

Notice of attendance may also be sent by e-mail: genf@dnb.no, or by regular mail to DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021 Oslo, Norway.

Place	Date	Shareholder's signature (If attending personally. To grant a proxy, use the form below)
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Proxy (without voting instructions)

Ref no:

PIN code:

Annual General Meeting of TGS-NOPEC Geophysical Company ASA

This proxy form is to be used for a proxy without voting instructions. To grant a proxy with voting instructions, please go to page 2.

If you are unable to attend the Annual General Meeting in person, this proxy may be used by a person authorised by you, or you may send the proxy without naming the proxy holder, in such case, the proxy will be deemed to be given to the Chair of the Board of Directors or a person authorised by him.

The proxy form should be received by DNB Bank ASA, Registrar's Department no later than 2 p.m. on 5 May 2017.

The proxy may be sent electronically through TGS-NOPEC Geophysical Company ASA's website <http://www.tgs.com>, or through VPS Investor Services. It may also be sent by e-mail: genf@dnb.no or by post to DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021 Oslo, Norway.

The undersigned _____
hereby grants (tick one of the two):

- ☐ the Chair of the Board of Directors (or a person authorised by him), or
- ☐ the Chair of the meeting (or a person authorised by him), or
- ☐ _____
(Name of proxy holder in capital letters)

a proxy to attend and vote for my/our shares at the Annual General Meeting of TGS-NOPEC Geophysical Company ASA on 9 May 2017.

Place	Date	Shareholder's signature (Signature only when granting a proxy)
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With regard to rights of attendance and voting, reference is made to the Norwegian Public Limited Liability Companies Act, in particular Chapter 5. If the shareholder is a company, the company's certificate of registration must be attached to the proxy.

Proxy (with voting instructions)

Ref no:

PIN code:

(Advance votes may be cast electronically, through the Company's website www.tgs.com or through VPS Investor Services)

This proxy form is to be used for a proxy with voting instructions. If you are unable to attend the Annual General Meeting in person, you may use this proxy form to give voting instructions. You may grant a proxy with voting instructions to a person authorised by you, or you may send the proxy without naming the proxy holder, in which case the proxy will be deemed to have been given to the Chair of the Board of Directors or a person authorised by him.

The proxy form must be received by DNB Bank ASA, Registrar's Department, no later than 2 p.m. on 5 May 2017.

It may be **sent by e-mail:** genf@dnb.no or by regular mail to DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021 Oslo, Norway.

The undersigned: _____
hereby grants (tick one of the two):

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

☐ the Chair of the meeting (or a person authorised by him), or

☐ _____
Name of proxy holder (in capital letters)

a proxy to attend and vote for my/our shares at the Annual General Meeting of TGS-NOPEC Geophysical Company ASA on 9 May 2017.

The votes shall be exercised in accordance with the instructions below. Please note that if any items below are not voted on (not ticked off), this will be deemed to be an instruction to vote "for" the proposals in the notice. However, if any motions are made from the floor in addition to or in replacement of the proposals in the notice, the proxy holder may vote or abstain from voting at his discretion. In such case, the proxy holder will vote on the basis of his reasonable understanding of the motion. The same applies if there is any doubt as to how the instructions should be understood. Where no such reasonable interpretation is possible, the proxy holder may abstain from voting.

Agenda ordinary General Meeting 2017		For	Against	Abstention
1.	Opening and registration of attending shareholders	-	-	-
2.	Appointment of meeting chair and a person to co-sign the minutes	☐	☐	☐
3.	Approval of the notice and the agenda	☐	☐	☐
4.	Approval of the financial statements and Board of Directors' report for 2016	☐	☐	☐
5.	Approval of the auditor's fee	☐	☐	☐
6.	Appointment of members to the Board	-	-	-
a.	Henry H. Hamilton III, Chairman	☐	☐	☐
b.	Mark Leonard	☐	☐	☐
c.	Vicki Messer	☐	☐	☐
d.	Tor Magne Lønnum	☐	☐	☐
e.	Wenche Agerup	☐	☐	☐
f.	Elisabeth Grieg	☐	☐	☐
g.	Torstein Sanness	☐	☐	☐
h.	Nils Petter Dyvik	☐	☐	☐
7.	Approval of remuneration to the members of the Board	☐	☐	☐

8.	Appointment of members to the Nomination Committee	-	-	-
a.	Tor Himberg-Larsen, Chairman	☐	☐	☐
b.	Christina Stray, member	☐	☐	☐
9.	Approval of remuneration to the members of the Nomination Committee	☐	☐	☐
10.	Statement on corporate governance pursuant to section 3-3b of the Norwegian Accounting Act	-	-	-
11.	Statement on remuneration principles for senior executives	☐	☐	☐
12.	Approval of long-term incentive plan and resolution to issue free-standing warrants	☐	☐	☐
13.	Board authorization to acquire own shares	☐	☐	☐
14.	Board authorizations to:	-	-	-
a.	Issue new shares	☐	☐	☐
b.	Issue convertible bond	☐	☐	☐
15.	Board authorization to distribute dividends	☐	☐	☐

Place	Date	Shareholder's signature (Only for granting proxy with voting instructions)
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With regard to rights of attendance and voting, reference is made to the Norwegian Public Limited Liability Companies Act, in particular Chapter 5. If the shareholder is a company, the company's certificate of registration must be attached to the proxy.

Appendix 2: The Board's report, the Company's financial statements for 2016, the consolidated financial statements of the Group for 2016, and the audit report

(Not distributed together with the notice. Available on www.tgs.com)

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



TGS-NOPEC Geophysical Company ASA (TGS)

Below is the recommendation from the Nomination Committee to the Annual General Meeting on May 09, 2017.

ELECTION OF DIRECTORS

The Nomination Committee proposes that the following candidates are elected to the Board and to serve as Directors until the Annual General Meeting in 2018. The Nomination Committee recommends the shareholders to vote for each candidate as follows:

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

Born 1959. Mr. Hamilton joined TGS-NOPEC as CEO in 1995 and held that position until June 2009. He was formerly employed by Shell Oil Company and later as VP & GM of North and South America for Schlumberger's Geco-Prakla. Mr. Hamilton was first elected as a director of the Board in 1998 and as Chairman of the Board in 2009.

Other present Directorships in global publicly listed companies: Odfjell Drilling ASA.

Mark Leonard, Independent Director (re-election)

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

Other present Directorships in global publicly listed companies: None.

Vicki Messer, Independent Director (re-election)

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

Other present Directorships in global publicly listed companies: None.

Tor Magne Lønnum, Independent Director (re-election)

Born 1967. Mr. Lønnum is presently the Chief Financial Officer of Aimia Inc., and previously served as the Group CFO for Tryg AS and Tryg Forsikring AS from 2011 to 2016. He also has working experience as Chief Financial Officer of Skipper Electronics AS, Accountant in Samarbeidende Revisorer AS, Manager in KPMG, Chief Financial Officer of Gjensidige NOR Insurance, Group Director of Gjensidige NOR Insurance, and Deputy CEO and Chief Financial Officer in Gjensidige Forsikring ASA. He was first elected as a director of the Board in 2013.

Other present Directorships in global publicly listed companies: None.

Wenche Agerup, Independent Director (re-election)

Born 1964. Wenche Agerup joined Telenor ASA in 2015 and is presently EVP Corporate Affairs and General Counsel. In the period from 1997 to 2010, Ms. Agerup held various leading positions within Norsk Hydro ASA, including Plant Manager at Årdal Metal Plant in Norway and Project Director in Hydro UMC Joint Venture in Australia. From 2010 to 2015, Ms. Agerup was Executive Vice President, Corporate Staffs & General Counsel of Norsk Hydro and member of the Corporate Management Board, reporting to the Chief Executive Officer. She was first elected as a director of the Board in 2015.

Other present Directorships in global publicly listed companies: Statoil ASA.

Elisabeth Grieg, Independent Director (re-election)

Born 1959. Elisabeth Grieg is Chief Executive Officer (CEO) of Grieg International AS, co-owner of the Grieg Group and a member of the founding family. She serves on the board of several of the Grieg Group companies. She has also been a Board Member of many prominent Scandinavian companies, such as Statoil, Norsk Hydro and Nordea AB, as well as a member of the Corporate Assembly of Orkla ASA. She has chaired the Board of GIEK (Norwegian Guarantee Institute for Export Credits), and she was the first female President of the Norwegian Shipowners' Association. She was first elected as a director of the Board in 2015.

Other present Directorships in global publicly listed companies: None.

Torstein Sanness Independent Director (re-election)

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

Other present Directorships in global publicly listed companies: Panoro Energy ASA.

Nils Petter Dyvik, Independent Director (New)

Born 1953. Mr. Dyvik is educated from the Norwegian Business School (1974-1978) and received his MBA in Finance from the University of Wisconsin in 1979. Since 1996, he has served in various capacities for Wilh Wilhelmsen, a global maritime company, most recently as Group CFO from 2007 to 2016. From 2002 to 2007, he served as CEO of Wallenius Wilhelmsen, from 1999 to 2002, as Deputy CEO of Wilh Wilhelmsen, and from 1996 to 1999, as Deputy CEO of Wilhelmsen Lines AS. Prior to joining Wilh Wilhelmsen, he served as CEO and Deputy CEO for Norwegian American Line from 1988 to 1996, and worked with Kreditkassen (Nordea) from 1986 to 1988, L.M. Skaugen from 1980 to 1986, and Saga Petrokjemi from 1979 to 1980. Mr. Dyvik has extensive board experience, and currently serves as the Chair of NorSea Group and Wilhelmsen Ferd Offshore AS and as a member of the Board for The Maritime Rescue School.

Other present Directorships in global publicly listed companies: None

APPROVAL OF DIRECTORS' FEE FOR THE PERIOD MAY 10, 2017 TO SHAREHOLDERS' MEETING IN MAY 2018

The Nomination Committee proposes that the Chairman shall receive in total USD 200.000 to be paid bi-annually until the Annual General Meeting in 2018.

The Nomination Committee further proposes that each of the Directors, other than the Chairman, shall receive NOK 295.000 to be paid bi-annually until the Annual General Meeting in 2018.

In addition, each of the Directors other than the Chairman, shall receive 1,650 restricted shares in the Company on May 10, 2017.

No consideration shall be paid for the restricted shares, but the Directors cannot sell any of these shares before May 10, 2019.

The Board's committee work is, unlike most compensation structures of Norwegian boards, not compensated separately but included in the total compensation of the Board Members. As the position as chairman of the two committees entails additional work, the Nomination Committee proposes that the Chairman of the Audit Committee and the Chairman of the Compensation Committee shall each receive a flat fee of NOK 45.000 to compensate for the additional work the chairmanships entails.

APPROVAL OF COMPENSATION TO THE MEMBERS OF THE NOMINATION COMMITTEE FOR THE PERIOD MAY 11, 2016 TO MAY 10, 2017

The Nomination Committee proposes that the fee to members of the Nomination Committee shall be NOK 7.500 per meeting to each member to compensate for the time spent for the works of the Committee. In addition, the Chairman of the Nomination Committee shall be paid NOK 80.000 to compensate for the additional work the chairmanship entails.

ELECTION OF MEMBERS TO THE NOMINATION COMMITTEE

The Nomination Committee proposes that the following candidates are elected to serve as members of the Nomination Committee from May 10, 2017 and for a period up to two years.

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

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

Christina Stray, member (re-election)

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

Herman Kleeven, member (elected for a period up to 2018)

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

THE CONSIDERATIONS OF THE NOMINATION COMMITTEE.

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

The Committee has in this election period communicated with some of the largest shareholders in the Company. Via the TGS-NOPEC web site, the Committee has asked the shareholders to propose candidates to the TGS Board of Directors. The Committee has evaluated the Board's 2016 Self-Evaluation Report. The report has also been discussed in details with the Chairman. In addition, the Nomination Committee has arranged meetings with the joint Board and with each TGS Board Member and the CEO on an individual basis.

In nominating the present TGS Board of Directors, the Nomination Committee has balanced the need for continuity, renewal and succession. One of the longest serving Board Members has decided to resign from the Board. In replacing such Board Member, the proposed Board is renewed with new and relevant qualifications. Nils Petter Dyvik has broad international experience in the shipping business, lastly as CFO of an international shipping group. He will supplement the Board's expertise within strategic, operational and financial issues.

The Nomination Committee is of the opinion that the nominated Board of Directors will have the necessary qualifications to meet challenges ahead.

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

All recommendations made by the Nomination Committee are unanimous.

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

Oslo, April 5, 2017

Tor Himberg-Larsen

Christina Stray

Herman Kleeven
Chairman

Appendix 4: Declaration on Executive Remuneration



TGS 2016 DECLARATION ON EXECUTIVE REMUNERATION

Declaration on Executive Remuneration

From the Compensation Committee

TGS' Total Compensation Philosophy is closely aligned with our employees' passion for business, team-work and our results-driven culture. While base salaries are targeted at a relatively low level versus peers, our remuneration is heavily weighted in variable, performance-linked pay, which reflects the "results-driven" approach of our employees. All employees, at all levels in the organization participate in the same Short Term Incentive plan which is directly linked to the company's operating profit. This alignment of reward fits well with the "team-work" culture of the company. Ultimately our total rewards package is designed to attract and retain talented people who have a passion for business and consistently and continually demonstrate the highest levels of performance.

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

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

It is the Board's belief that attracting and retaining highly engaged Executives with great vision, global experience, a passion for business and a strong drive for results is critical to TGS' continued success.

Mark Leonard, Director and Chair of the Compensation Committee

23 March, 2017

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

1. Executive Remuneration Policy Statement

1.1. Total Compensation Philosophy

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

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

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

Remuneration Element (2017)	Objective	Award Level	Performance Criteria
Base Salary	Base salary in combination with STI and LTI should attract and retain Executives	Around 25 th percentile of our peer group	Base salary is subject to annual review with performance assessed based on fulfilment of pre-defined goals (see 2.2 below)
Short Term Incentive (STI)	Drive and reward individuals for annual achievement of business objectives and maintain a strong link between compensation and company's financial performance	Target Total Cash Compensation (Base Salary + STI) above 50 th and up to 75 th percentile of the market in years where the company performs above market	Target STI is set based on individual level of responsibility, individual contribution and performance (see 2.2 below). Actual payout is a direct function of the company's operating profit
Long Term Incentive (LTI)	Strengthen the alignment of top management and Shareholder interests and retention of key employees	Target award at x2 base salary for CEO and x1 average of base salary for other Executives	Participation in the LTI plan and the size of the award is reflective of the level and impact of the position. Performance criteria for payout based on ROACE target, Relative ROACE, and HSE performance
Benefits	Industry competitive pension and insurance plans	U.S.: 6% 401k matching (cap at \$18k); Norway: 5.6%/15% below/above 7G (12G cap); UK: 7%	N/A

1.2. Total Compensation Philosophy - Executive Remuneration

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

Executive Compensation Policy:

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

The compensation program for Executives consists of industry competitive benefit programs, base salaries, short-term incentives and long-term incentives. Since 2015, the Long Term Incentives have been implemented through an annual Performance Share Unit ("PSU") plan. The various compensation elements are balanced in a way that recognizes the individual Executive's responsibilities and his

or her ability to influence the short and long-term profitable growth of the Company. Compensation is reviewed annually with performance assessed based on fulfilment of pre-defined goals (see 2.2 below). Base salaries are consciously set low for Executives (around 25th percentile of our peer group) while the short-term incentive can be comparatively high.

1.3. Governance

The Board of Directors has established a Compensation Committee with responsibility for reviewing Executive remuneration and making recommendations to the Board. The Compensation Committee is composed of independent directors: Mark Leonard (Chair), Elisabeth Harstad, Wenche Agerup and Torstein Sanness (appointed in 2016).

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

The Compensation Committee is responsible for recommending the CEO's compensation package to the Board for final review and approval. This includes the CEO's target bonus, which is specifically set by the Board.

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

The Compensation Committee retains an independent third party compensation benchmarking firm to assess and recommend changes to TGS' executive

compensation practices relative to its peer group. The peer group is composed of several competitors and international oil and gas services companies (18 companies in total, eight of which are U.S. and five Norwegian). The peer group is determined by considering a combination of relative factors including annual revenue, EBITDA, market capitalization, return on equity (ROE) and return on invested capital (ROIC). This independent executive compensation analysis is conducted annually.

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

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

1.4. Review of Results of 2016 AGM Remuneration Proposals

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

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

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

For past stock option programs, the Compensation Committee recommended to the Board of Directors the number of stock options to be issued to Executives. The number of stock options granted was directly linked to Company and individual performance. As a general policy, stock options were issued at market price when granted, vested over a four-year period starting on the third anniversary of the grant and expired five years after the stock option pool was approved by shareholders at the AGM. Under Norwegian law and the respective resolutions from the AGM, five years is the maximum lifetime of a warrant to secure a stock option. At 31 December 2016 there were stock options outstanding under the 2012 and 2013 Plans. All options will have expired on or before 4 June 2018.

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

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

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

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

2. Executive Remuneration in 2017

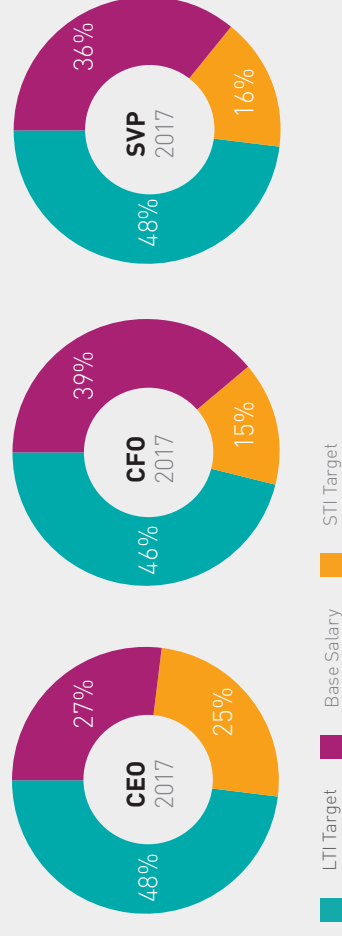
2.1. Remuneration overview 2017

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

TGS Executive remuneration is heavily weighted in variable, performance-linked pay. The Short Term Incentive Plan (see 2.3 below) is intended to bring total cash compensation above the market average in years where the company performs above market (target above 50th and up to 75th percentile of the market). Due to the challenging market conditions the target Short Term Incentive currently falls some way short of this aspiration such that the target total cash compensation for TGS Executives in 2017 is slightly below the market 25th percentile (based on third party compensation benchmarking).

The TGS Long Term Incentive PSU plan for Executives (see 2.4 below) is intended to strengthen the alignment of Executive and Shareholder interests, and aid retention in a competitive marketplace. Third party compensation benchmarking indicates that the target award level is between the market 25th and 50th percentile.

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



The table below compares the target Total Compensation for CEO, CFO and a Senior Vice President (SVP) from 2014 to 2017. The purpose of the table is to allow a simple comparison of the total targeted compensation that is established for Executives each year, removing variances caused by the timing of actual payments from the Short and Long Term Incentive plans. The Short Term Incentive numbers shown are based on what can be earned (accrued) for the full plan year. This will differ from actual bonus payments made in the year (see section 3.3) as bonus payments are made approximately two months after the end of the relevant quarter (i.e. a proportion of the Short Term Incentive will be paid in the following year). The Long Term Incentive targets shown in each year reflect the three-year plan that is implemented in that year with payout occurring three years later. For example the Long Term Incentive Target shown for 2014 is scheduled to payout during 2017 (although the actual payout will be minimal due to performance being below threshold for most of the targets). The Long Term Incentive Target shown for 2017 will not payout until 2020.

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

Notes:

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

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

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

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

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

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

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

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

2.3. Short Term Incentives 2017

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

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

Short Term Incentive target awards are lower than previous years due to the challenging market conditions, resulting in target Total Cash Compensation for Executives in 2017 that are slightly below the market 25th percentile based on third party benchmark data (versus the aspiration of 50th to 75th percentile).

Individual Short Term Incentive bonus targets are set at the beginning of each plan year. The targets are based on individual level of responsibility in the organization, individual contribution, performance versus previous year goals (see 2.2 above) and benchmark data. The total of all bonus targets are compared to the budgeted pool to calculate and apply an adjustment ratio. The resulting adjusted bonus amount is the individual's annual target cash performance bonus. In 2017 the CEO bonus target is set at 90% of base salary. The other Executives have bonus targets between 22% and 45% of base salary.

The actual bonus amounts paid are directly proportional to the actual operating profit of TGS. This ensures that there is direct linkage to Company performance. The bonus is paid quarterly following announcement of quarterly financial results. If the Board anticipates that the upcoming quarter(s) will result in a negative operating profit, the plan includes a withholding provision that may be instituted at the Board's discretion. The actual payout is limited to a multiple of three times target. This cap has been changed from twice base salary (2016 plan) following feedback from Shareholders. When the market improves and target bonuses return towards historical levels it is expected that the cap will return to twice the target bonus (as was the case prior to 2016). Since 2000 the average payout has been 97% of target with the lowest payout being 27% and the highest payout being 146% of target.

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

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

2.4. Long Term Incentives 2017

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

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

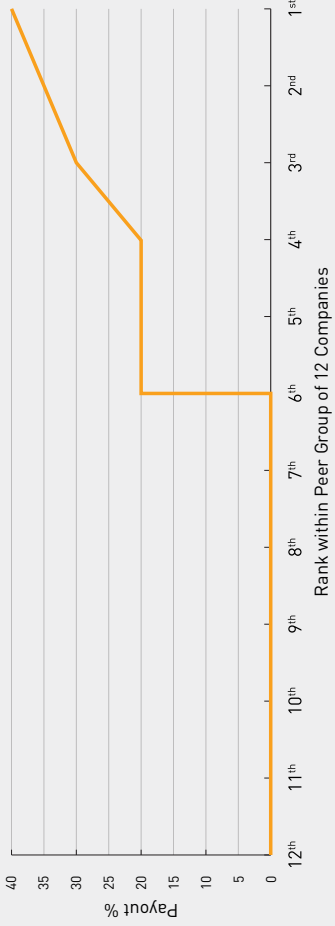
A target, stretch (cap) and threshold is set for each metric, and no shares will be earned in each category if final values are below the threshold. Dividend equivalent rights will accrue on PSUs that are ultimately awarded.

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

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

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

Where actual performance falls between the threshold and target or between the target and stretch then the actual payout will be based on a linear calculation.



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

Metric	2017 Threshold	2017 Target	2017 Stretch	2016	2015
Relative ROACE	50 th percentile	50 th to 75 th	1 st	TBD	3 rd out of 12
Absolute ROACE	5%	10%	15%	5%	-2%
Lost Time Injuries	Zero	Zero	Zero	1 - Fail	Zero

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

TGS is also proposing a 144,200 Restricted Stock Units (RSUs) plan for other key employees (around 60 staff or 10% of the workforce). Executives will not qualify for RSUs. In 2017, the RSUs will be more closely linked to achievement of specific individual performance goals that support the corporate goals disclosed in 2.2 above. Key employees in the RSU plan must achieve satisfactory performance against their goals over the three year plan period to earn the RSUs. The individual performance goals will be based on the performance criteria described in section 2.2 above with a focus on goals that support the corporate targets for ROACE, customer engagement and employee engagement.

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

2.5. Pension and Insurance Plans

The TGS Executive team are part of the TGS general pension plan (401k in U.S.) as administered in accordance with local custom and policy in Norway, U.S. and U.K. The pension plan is assessed annually based on a review of market and peers in each geography and no special or additional pension contributions are given to Executives. In 2017 TGS will make the following maximum pension contributions (as a percentage of cash compensation) to Executives depending on location:

- 6% 401k matching (cap at \$18k) in U.S.
- 5.6/15% below/above 7G (12G cap) pension in Norway; and
- 7% contribution in U.K.

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

2.6. Severance Pay Arrangements

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

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

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

No other members of the Executive team have employment agreements providing termination benefits:

3. 2016 Remuneration Results and Assessment

3.1. Compliance with 2016 Statement and Authorizations

In accordance with section 6-16a of the Norwegian Public Limited Companies Act, during 2016 the Board prepared a statement with respect to the principles for remuneration of Executives of the Company which was noted and approved at the annual general meeting. In addition the Board presented the 2016 Long Term Incentive plan to the annual general meeting which was also approved.

The Board of Directors believes that the compensation awarded to Executives in 2016 fully complies with the statements, proposals and approvals from the 2016 annual general meeting.

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

3.2. Performance in 2016

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

3.3. Executive Total Compensation in 2016

Executive Management 2016

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

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

Executive Management 2015

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

¹⁾ Other benefits include compensation for relocation expenses.

Long Term Incentives

Executive Management

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

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

2014 Plan

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

2015 Plan

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

2016 Plan

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

