

2023 TGS Management Remuneration Report

Introduction

The objective of this report is to ensure transparency of the TGS remuneration policy and to provide a comprehensive and comparable overview of the remuneration awarded or received by the Executive Management Team of TGS during the financial year 2023, in accordance with TGS remuneration policy, adopted by the Annual General Meeting on 11 May 2023.

Pursuant to section 6-16b (2) of the Norwegian Public Limited Liability Companies Act, the Statement will be presented to the Annual General Meeting 2024 which shall hold an advisory vote on the report.

The report is available on the TGS website for 10 years from the time of publishing.

Company performance

Revenues in 2023 amounted to USD 794.3 million, up 11% compared to the USD 716.6 million recognized in 2022. The increase is driven by growth in sales of seismic acquisition services, outweighing lower sales of multi-client data.

Operating profit for 2023 was USD 53.3 million, corresponding to a margin of 7%, compared to an operating profit of USD 132.0 (18% margin) million in 2022. Cost of sales was USD 217.4 million compared to 37.5 million in 2022; the increase relates to the proprietary work performed by Magseis Fairfield. In 2023, amortization and impairments of the multi-client library were USD 233.7 million versus USD 373.3 million in 2022. Of this amount, impairments (excluding accelerated amortization) accounted for USD 7.6 million, compared to USD 19.3 million in 2022.

Accelerated amortization, which represents impairments recognized in connection with the recognition of revenues when multi-client projects are completed and performance obligations met, amounted to USD 62.6 million in 2023 versus USD 201.7 million in 2022. Straight-line amortization for 2023 totaled USD 163.5 million, up from USD 152.3 million in 2022. The increase is mainly caused by the full-year impact of straight-line amortization from projects being completed in 2022. Other operating expenses and personnel costs amounted to USD 193.0 million in 2023 compared to USD 140.2 million in 2022. The increase is primarily a result of the acquisitions of Prediktor AS, certain assets of ION Geophysical (and hiring of related personnel) and Magseis Fairfield, which occurred during Q3 and Q4 2022.

Integration of the OBN acquisition business into the TGS organization was a key focus throughout 2023. Retention of key employees and alignment of remuneration practices remained paramount as we integrated the workforces, and with inflation still high in many of the countries where TGS has offices.

The TGS workforce remained relatively flat throughout 2023 with an overall 4% decrease in the workforce from the start of the year, compared to 2022, which saw a 95% increase in the workforce due in large part to the 2022 acquisitions. Voluntary turnover continues to trend downwards from prior years and recruitment, particularly in technology and new energy departments, increased again in 2023. Overall, the demographics of the TGS workforce shifted from prior years, due in large part to the acquisition of Magseis Fairfield. Most notably, 19% of the TGS workforce is now comprised of offshore employees and the percentage of US-based employees decreased from 58% to 46% of the global workforce. TGS also added two executives to the TGS Executive Team: EVP, Acquisition and EVP, Imaging.

TGS recognizes the importance of conducting our operations in a sustainable manner and ensuring we have an ESG strategy that is aligned with our operations and overall strategy. Thus, TGS continues to incorporate material ESG and HSE metrics in both its long-term and short-term incentive plans to ensure there is both leadership and workforce alignment with the TGS ESG strategy. Throughout 2023, TGS received recognition for its ESG strategy and execution; most notably, TGS is included on the 2023 Bloomberg Gender Equality Index (three years in a row), is listed in the OBX ESG Index since it launched in 2022, is named in the S&P Global Sustainability Yearbook in 2023 with above average industry and global ratings, received another A-rating by Position Green in its 2023 ESG 100 (two years in a row), and continued to be a CDP Supporter.

Governance

The TGS current remuneration policy is designed to support our strategy of delivering profitable growth, operational excellence, and environmental and social responsibility. TGS aims to provide our executives with a competitive and balanced compensation package that rewards short-term and long-term performance, as well as share ownership and retention. TGS compensation package consists of four main elements: base salary, short-term incentive (STI), long-term incentive (LTI), and health and retirement benefits. TGS executive compensation is heavily weighted towards variable pay, continues to be linked to financial, strategic, and ESG metrics that reflect our business objectives and values, and includes share ownership guidelines that require executives to hold a multiple of their base salary in TGS shares. The TGS current remuneration policy was approved by shareholders during the 2023 Annual General Meeting. No material deviations to that policy were made in 2023.

The TGS Compensation Committee is responsible for reviewing and making recommendations to the TGS Board of Directors on TGS executive remuneration and benchmarking, short-term and long-term incentive plans, and the TGS strategy for attracting, retaining and developing executive and future senior management.

Governance

The TGS Compensation Committee is composed entirely of independent directors. In 2023, Bettina Bachmann served as Chair of the Committee following her appointment to the TGS Board of Directors in May 2023, along with Grethe Moen as director and Maurice Nessim as director. The Committee held seven meetings in 2023.

Shareholder outreach

TGS annually reaches out to shareholders in advance of publication of its remuneration report or material changes to its remuneration practices. TGS chair of the compensation committee contacts major shareholders to inform and solicit their input, advice and support. Following publication of the TGS 2022 remuneration report, TGS received some negative feedback from the proxy advisors and shareholders, who requested additional information and transparency about executive pay in TGS. Specifically, the proxy advisor concerns related to lack of sufficient disclosures in the TGS' prior remuneration report regarding TGS efforts to address shareholder concerns following the 2021 Annual General Meeting vote on remuneration and the peer group for the relative metric for TGS long-term incentive plan.

Following the 2023 Annual General Meeting, TGS updated its shareholder outreach process to provide a comprehensive pack with overview and background data for major shareholders prior to receiving the official remuneration report. This allows shareholders to review the information and provide meaningful input on the remuneration report and practices. TGS also engaged an advisory company who is specialized in national and international executive pay structures and engaged with the proxy advisory firm in a further effort to ensure it captures shareholder feedback on remuneration. TGS has reached out to over a dozen major shareholders, including the major shareholders who previously voted against TGS remuneration report, as part of its shareholder outreach campaign following the 2023 Annual General Meeting. Overall, the feedback received from these shareholders as a part of this campaign has been positive and TGS has not received any comments from shareholders expressing material concerns about TGS remuneration practices. Shareholder feedback generally focused on our long-term incentive plan metrics and ensured that they are aligned with investors' interests. Finally, we have updated this report to ensure we provide sufficient information on our performance, metrics, and LTI peer group to ensure our shareholders can make informed and balanced decisions regarding our remuneration practices based upon shareholder and proxy advisor feedback we have received.

Compensation to the Board of Directors

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

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

Total compensation to the Board in 2023 was USD 500,000, compared to USD 548,000 in 2022. Despite the increase in the size of the Board following the 2023 AGM, the strength of the USD relative to the NOK resulted in a negative impact in the total amount in 2023. Compensation related to Board and committee meetings that took place in 2023 is outlined in the table below, and details the total number of shares owned by Board members as of 31 December 2023. Shareholdings include shares owned by their related parties.

Board of Directors' fees 2023	Director's fee ¹	Value of shares received ²	Total remunerations
Christopher Geoffrey Finlayson (Chair of the Board)	131	43	174
Irene Egset (Director) ³	43	21	64
Svein Harald Øygaard (Director)	37	21	58
Grethe Kristin Moen (Director)	37	21	58
Luis Araujo (Director)	20	21	41
Bettina Bachmann (Director) ³	20	21	41
Maurice Nessim (Director)	20	21	41
Mark Leonard (Director until May 2023)	23	–	23

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

² In August 2023, each of the Directors, other than the Chairman, received 1,650 restricted shares in TGS. The Chair received 3,300 restricted shares in TGS.

³ Includes fee from being Chair of the Compensation Committee (Ms. Bachmann) and the Audit Committee (Ms. Egset)

Compensation to the Board of Directors

Board of Directors' fees 2022	Director's fee ¹	Value of shares received ²	Total remunerations
Christopher Geoffrey Finlayson (Chair of the Board)	82	41	123
Mark Leonard (Director) ³	43	21	64
Irene Egset (Director) ³	43	21	64
Svein Harald Øygard (Director)	37	21	58
Grethe Kristin Moen (Director)	37	21	58
Hank Hamilton (Chair of the Board until May 2022)	164	–	164
Wenche Agerup (Director until May 2022)	17	–	17
Mark Leonard (Director until May 2023)	23	–	23

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

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

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

Board of Directors' stock ownership	Restricted shares received during 2023	Shares held 31/12/2023
Christopher Geoffrey Finlayson (Chairman of the Board)	3,300	20,550
Irene Egset (Director)	1,650	8,250
Svein Harald Øygard (Director)	1,650	29,950
Grethe Kristin Moen (Director)	1,650	4,950
Luis Araujo (Director)	1,650	1,650
Bettina Bachmann (Director)	1,650	3,780
Maurice Nessim (Director)	1,650	1,650

The AGM determines the compensation for the Nomination Committee members. Compensation related to the Nomination Committee meetings that took place in 2023 is outlined in the table below.

Compensation to the members of the Nomination Committee ¹	2023	2022
Glen Ole Rødland (Chair)	21	15
Christina Stray	13	5
Henry H. Hamilton III	13	5

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

Compensation to Executive Management

The following table provides an overview of the Executive Management team during 2023 and any individual terms or other relevant information pertaining to the reporting year.

Executive	Location	Current position	Individual terms and other information
Kristian Johansen	United States of America	CEO	Joined Executive Management Team in 2010, and appointed CEO in March 2016.
Sven Børre Larsen	Norway	CFO	Joined Executive Management Team as CFO in 2015 through August 2019. Rejoined Executive Team in August 2021.
Tana Pool	United States of America	EVP, Legal	Joined Executive Management Team as General Counsel overseeing Legal in 2013.
Whitney Eaton	United States of America	EVP, People & Sustainability	Joined Executive Management Team in March 2021.
Jan Schoolmeesters	Norway	EVP, Digital Energy Solution	Joined Executive Management Team in August 2019.
Will Ashby	United Kingdom	Chief Integration Officer	Joined Executive Management Team in 2016.
David Hajovsky	United States of America	EVP, Multi-Client	Joined Executive Management Team in March 2021.
Carel Hooijkaas	United States of America	EVP, Acquisition	Joined Executive Management Team in January 2023.
Josef Heim	United States of America	EVP Imaging	Joined Executive Management Team in February 2023.

In 2023, the aggregate compensation paid to Executive Management Team was USD 6,451 million, compared to USD 6,571 million in 2022.

In accordance with the Norwegian Public Limited Liability Companies Act, the Accounting Act, and the Norwegian Government's guidelines for executive compensation, and in line with the Norwegian Code of Practice, all aspects of compensation to the CEO and Executive Management Team are presented below. The numbers provided in the compensation table are based upon respective periods served on the Executive Management Team. The figures are in USD, using average currency exchange rates for 2023 and 2022 where applicable.

The chart below lists both the contractual base salary as of December 31 and the earned base salary for the calendar year. On average, the Executive Management Team saw a 20% decrease in total compensation in 2023 compared to 2022 due to a decrease in performance by the 2023 short-term incentive plan and a lower payout by the 2020 long-term incentive plan.

The Company retained an independent third-party compensation benchmarking firm to assess the TGS compensation philosophy relative to the market and the following peer group. This peer group of 14 European and US energy and technology companies is:

GlobalData	Forum Energy Technologies	Aker Solutions
Fugro	Expro Group	Core Laboratories
CGG	Dril-Quip	Hunting
Oil States International	Helix Energy Solutions	Oceaneering International
RPC	Archrock	

The market analysis provided by the benchmarking firm, Mercer, indicated that TGS executive base salaries are broadly aligned with the TGS compensation philosophy of targeting the 40th percentile and total annual compensation (base salaries and bonus targets) is, on average, 3% above market 25th percentile. However, TGS executive target long-term incentive awards are, on average, 35% below the market 25th percentile, driving total direct compensation for TGS executives to be 15% below the market 25th percentile, on average.

Total compensation to Executive Management

Name	Position	Year	Contractual base salary	Fixed compensation			Variable compensation			Total compensation (USD)	Fixed/variable compensation (as % of total)
				Base salary (USD)	Benefits (USD)	Pension expense (USD)	Short-term incentive (STI) (USD)	Long-term incentive (LTI) (USD)	Extraordinary items (USD)		
Kristian Johansen	CEO	2023	750	747	67	20	610	202	–	1646	51/49
	CEO	2022	600	587	109	17	999	408	–	2120	34/66
Sven Børre Larsen ²	CFO	2023	351	374	14	14	151	32	–	585	69/31
	CFO	2022	322	320	15	13	234	151	–	733	47/53
Carel Hooijkaas	Executive	2023	404	397	17	12	304	127 ³	35	892	48/52
	Executive	2022	–	–	–	–	–	–	–	–	–
Tana Pool	Executive	2023	374	373	15	20	165	81	–	654	62/38
	Executive	2022	343	336	14	17	245	150	–	762	48/52
Jan Schoolmeester ²	Executive	2023	341	379	6	14	164	78	–	641	62/38
	Executive	2022	366	373	6	13	313	151	–	856	46/54
Will Ashby ²	Executive	2023	323	323	2	23	159	76	–	583	60/40
	Executive	2022	268	334	1	18	232	153	–	738	48/52
David Hajovsky	Executive	2023	340	339	19	14	180	19	–	571	65/35
	Executive	2022	305	298	18	12	259	310	–	897	37/63
Whitney Eaton	Executive	2023	300	299	19	12	103	19	–	452	73/27
	Executive	2022	258	256	15	11	141	42	–	465	61/39
Josef Heim ¹	Executive	2023	305	258	19	20	106	31	–	434	72/28
		2022	–	–	–	–	–	–	–	–	–

¹ Hooijkaas joined the Executive Team in January 2023 and Heim joined the Executive team in February 2023. Compensation for both has been annualized.

² Larsen and Schoolmeesters' compensation is paid in NOK and Ashby's compensation is paid in GBP. Each did receive annual merit increases in line with the rest of the organization between 2022 and 2023 in local currency; however, the strength of the USD relative to the GBP and NOK resulted in a negative impact to their salaries when converted to USD.

³ In 2023, Hooijkaas was awarded 18,025 TGS shares, to vest over three years (40%, 40%, 20%) from 2023-2025, as part of the implementation of the Magseis Fairfield 2022 long-term incentive plan following the close of the acquisition of Magseis Fairfield. 7,210 shares from the Magseis Fairfield long-term incentive plan vested in 2023 with the remainder to vest in 2024 (7,210 shares) and 2025 (3,605 shares).

Extraordinary items include certain annual expatriate benefits such as one-time relocation expenses.

Compensation table definitions

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

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

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

STI reflects the annual bonus paid during the calendar year. The Company's STI Plan is paid on a quarterly basis following reporting of the quarterly results. Therefore, bonuses paid in 2023 reflect bonus amounts for the fourth quarter of 2022 STI Plan and the first three quarters of the 2023 STI Plan, and the same for all prior years.

LTI represents the value of the shares vested during the year including dividend accrued during the measurement period. The Company's LTI cliff vests on the third year after award, subject to the performance of the plan. Thus, the 2020 LTI Plan vested in 2023 and the 2019 LTI Plan vested in 2022. For the purpose of calculating the value of the shares awarded under the LTIP, the greater of (a) the average of the closing price of the shares on each trading day in December on the Oslo Stock Exchange and (b) the closing price of the shares on the Oslo Stock Exchange on the date the shares were acquired, is used.

Extraordinary items may include one-time compensation, such as sign-on or retention bonuses, relocation costs, termination and severance payments.

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

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

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

Base salary

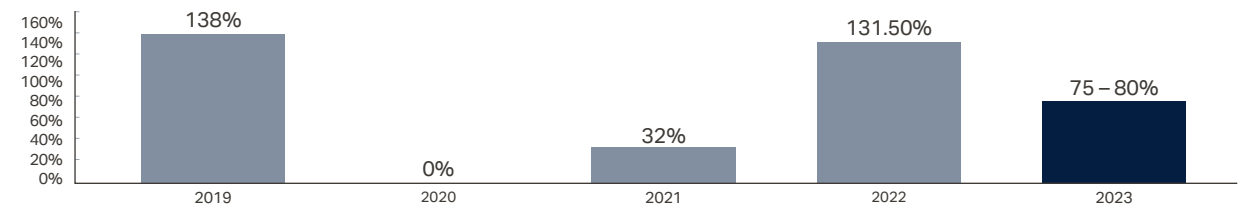
TGS Board undertook a market review of executive base compensation due to concerns regarding created inequities between the compensation of long-standing executives recruited from within the organization and executives recruited through external hiring or M&A. As a result of this analysis, the Board approved certain market adjustments, in lieu of the annual merit increase, to the Executive Management Team's base salaries in 2023 to ensure alignment with TGS compensation philosophy.

Short-term incentive

The Company's short-term incentive plan for 2023 included both financial and strategic metrics tied to the Company's performance, weighted at 75% and 25%, respectively. The financial portion is linked to the Company's profitability as determined by looking at POC (percentage-of-completion) EBIT as compared to budget. The strategic portion is linked to business unit strategic goals, and each business unit will have five strategic goals. The maximum 2023 STI payout cannot exceed 1.5x annual target. In 2023, the plan paid out at 75-80% of target, depending upon how each Business Unit performed with respect to its strategic targets. The Executive Management Team participates in this plan as do all employees.

2023 Performance criteria	Weight	Award outcome
Company's financial performance	75%	73.54%
Business unit strategic performance		
<ul style="list-style-type: none"> ■ Strategic targets include health and safety, environment and biodiversity, integration, free cash flow, investment, and business-unit specific performance targets 	25%	81 – 100%, depending upon business unit
	Total	75 – 80%, depending upon business unit

The following chart shows an overview of the actual pay-out under the STI plans over the past 10 years compared to target pay out of 100%. Prior to 2022, the STI plan was 100% based upon TGS financial performance with the strategic performance portion being added to the 2022 and 2023 plans.



The Board did not approve any discretionary incentive plans in 2023.

Long-term incentive

The TGS LTI 2020 plan was previously approved by shareholders at the 2020 Annual General Meeting. As per the plan, the LTI 2020 grant was contingent upon financial performance as measured by the three-year average from 2020 – 2022 of (i) return on average capital employed and (ii) relative return on average capital employed within our 2020 defined peer group, as well as achievement of certain health and safety and ESG metrics over the same three-year period. The LTI 2020 grant paid out at 21.5% of target at a share price of NOK 141.80 (Aug. 9, 2023).

Performance criteria	Weight	Minimum threshold	Award outcome
Absolute ROACE	40%	4%	4.4%
ROACE relative to peer group, averaged over three-year period ■ Peer Group: CGG, PGS, SLB, Polarcus, Shearwater (Reiber), Seabird, EMGS, IHS, Verisk, ION Geophysical and CoreLab.	40%	50 th percentile	Below threshold
HSE/ESG KPIs: ■ Lost time incidents target. ■ Executive safety inspections and crew visits target. ■ Supplier Code of Conduct target. ■ Scope 1 and 2 emissions reduction targets.	20%	n/a	Met all targets

² In accordance with the plan, adjustments were made to the peer group to account for industry activity during the plan period (acquisitions, etc.).

Active share plans in 2023

Plan name	Performance period	Award date	End of vesting and holding period
LTI 2020	Jan 2020 – Dec 2022	Aug 10, 2020	Aug 10, 2023
LTI 2021	Jan 2021 – Dec 2023	Aug 10, 2021	Aug 10, 2024
LTI 2022	Jan 2022 – Dec 2024	Aug 9, 2022	Aug 9, 2025
LTI 2023	Jan 2023 – Dec 2025	Aug 8, 2023	Aug 8, 2026

Share ownership

Employee	No. of shares held 31 Dec 2023	Balance of free-standing warrants related to unvested incentive share units			Total balance of free-standing warrants related to unvested incentive share units
		LTI 2023	LTI 2022	LTI 2021	
Kristian Johansen	170,781	63,230	66,500	60,500	190,230
Sven Børre Larsen	56,069	30,000	26,730	24,300	81,030
Jan Schoolmeesters	58,851	26,730	26,730	24,300	77,760
Will Ashby	58,916	26,730	26,730	24,300	77,760
David Hajovsky	18,737	26,730	26,730	24,300	77,760
Tana Pool	53,665	26,730	26,730	24,300	77,760
Whitney Eaton	5,429	26,730	26,730	24,300	77,760
Carel Hooijkaas ¹	32,694	26,730			52,545
Josef Heim	4,767	26,730	1,500	2,000	30,230

¹ In 2023, Hooijkaas was awarded 15,000 RSUs in accordance with the terms of his employment agreement and 18,025 shares to vest over three years (40%, 40%, 20%) from 2023–2025, as part the implementation of Magseis Fairfield 2022 long-term incentive plan following the close of the acquisition of Magseis Fairfield. Shares of 7,210 from the Magseis Fairfield long-term incentive plan vested in 2023 with the remainder to vest in 2024 (7,210 shares) and 2025 (3,605 shares).

Incentive claw back

No claw backs were applied in 2023.

Development in compensation and Company performance

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

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

The total compensation for employees covers base pay, holiday pay and STI paid out during the calendar year. To mirror the employees, the total compensation for the CEO referenced in the below chart includes base pay, holiday pay, STI paid out during the calendar year, and LTI. For relevance of comparison and due to differences in compensation levels across the Company's markets, the chart refers to the average employee compensation in the US and in Norway. The average compensation of employees is based on all regular employees of the U.S. entities and of the Norwegian entities as of 31 December 2023.

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

Executive		2023	2022	2021	2020	2019
Kristian Johansen CEO	Total compensation	1,646	2,120	1,382	2,181	2,936
	% Variable	49%	66%	51%	70%	76%
	Annual change (YoY%)	-22%	53%	-37%	-26%	36%
Sven Børre Larsen CFO	Total compensation	585	733	650	–	840
	% Variable	31%	53%	46%	–	69%
	Annual change (YoY%)	-20%	13%	–	–	1%
Tana Pool EVP	Total compensation	654	762	603	829	893
	% Variable	38%	52%	41%	57%	61%
	Annual change (YoY%)	-14%	26%	-27%	-7%	45%
Jan Schoolmeesters EVP	Total compensation	641	856	494	665	128 ²
	% Variable	38%	54%	7%	45%	0%
	Annual change (YoY%)	-25%	73%	-26%	420%	–
Will Ashby EVP	Total compensation	583	739	734	854	792
	% Variable	40%	52%	53%	55%	60%
	Annual change (YoY%)	-21%	1%	-14%	8%	35%
David Hajovsky EVP	Total compensation	571	897 ¹	411	–	–
	% Variable	35%	63%	21%	–	–
	Annual change (YoY%)	-36%	118%	–	–	–
Whitney Eaton EVP	Total compensation	452	465	273	–	–
	% Variable	27%	39%	9%	–	–
	Annual change (YoY%)	-3%	70%	–	–	–
Carel Hooijkaas EVP	Total compensation	892 ³	–	–	–	–
	% Variable	52%	–	–	–	–
	Annual change (YoY%)	–	–	–	–	–
Josef Heim	Total compensation	481 ⁴	–	–	–	–
	% Variable	28%	–	–	–	–
	Annual change (YoY%)	–	–	–	–	–

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

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

³ Hooijkaas joined TGS in January 2023 as part of the acquisition of Magseis Fairfield and this amount reflects salary received as a member of the Executive team in 2023.

⁴ Heim has been a TGS employee, joining the Executive team in February 2023 and this amount reflects salary received as a member of the Executive team in 2023.

Development in compensation and Company performance

		2023	2022	2021	2020	2019
Average total compensation of non-executive employees						
Average employee compensation	Total compensation	154,869	161,071	125,056	123,042	149,684
	% Variable	11%	17%	2%	8%	25%
	Annual change (YoY%)	-4%	29%	2%	-18%	7%
	CEO/employee ratio	10:1	12:1	10:1	16:1	19:1
Company performance						
Return on average capital employed		5%	13%	-7%	-20%	12%
EBIT (amounts in USD 1,000s)		53,268	132,034	(72,331)	(228,919)	128,998

Results from 2023 Annual General Meeting

In accordance with section 6-16a of the Norwegian Public Limited Companies Act, the Board prepared a statement during 2023 with respect to the principles for remuneration of executives of the Company, which was noted and approved at the 2023 AGM. In addition, the Board presented the 2023 LTI Plan to the Annual General Meeting, which was also approved.

The Board's position is that the compensation awarded to executives in 2023 fully complies with the statements, proposals, and approvals from the 2023 AGM.

Approved at 2023 AGM	2023 Actual
Executive base salaries target 40 th percentile of our peer group.	Third-party benchmark data from October 2023 indicated that base salaries in 2023 are, on average, 3% above market 25 th percentile and aligned with TGS philosophy of targeting the 40 th percentile.
Total cash compensation (base + bonus target) to be above 50 th percentile and up to 75 th percentile of market in years when Company performs above Market.	Third-party benchmark data from October 2023 indicated total cash compensation is 3% above market 25 th percentile.
Short-Term Incentive Plan with financial component linked to financial and strategic component, and includes a cap on annual target.	75% of 2023 STI Plan is tied to Company's financial performance (POC EBIT) and 25% tied to business unit strategic goals. 2023 STI paid out at 75 – 80%, depending upon business unit, and was capped at 1.5x annual target.
2023 Long-Term Incentive Plan with Relative ROACE, Absolute ROACE and HSE and Sustainability metrics.	2023 Long-Term Incentive Plan implemented as proposed to AGM.
Issue 850,000 warrants to fund 2023 Long-Term Incentive Plan.	Issued 822,640 warrants relating to 2023 Long-Term Incentive (561,140 PSUs and 261,500 RSUs).
Stock Ownership Guidelines.	All Executives are either in compliance with the guidelines or within the time frame to become compliant as of 1/1/2024.

Deviations from policy

No deviations from the policy in 2023.

Board of Directors' Statement

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

Auditor's Statement



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To the General Meeting of TGS ASA

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

Opinion

We have performed an assurance engagement to obtain reasonable assurance that TGS ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

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

Board of directors' responsibilities

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

Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

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

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

Oslo, 20 March 2024

KPMG AS

Dave Vijfvinkel
State Authorised Public Accountant

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