

MERGER PLAN

FOR MERGER BETWEEN

PGS ASA
(AS TRANSFERRING COMPANY)

AND

TGS NEWCO AS
(AS ACQUIRING COMPANY)

WITH CONSIDERATION SHARES ISSUED BY

TGS ASA

25 October 2023

IMPORTANT INFORMATION:

This is an unofficial office translation only. In case of any discrepancy or inconsistency between this translated merger plan and the merger plan in Norwegian language the Norwegian language version shall at all times prevail.

1. MERGER PARTIES AND ISSUER OF CONSIDERATION SHARES

- 1.1 The transferor company: PGS ASA (PGS)
Enterprise Registration No.: 916 235 291
Business municipality: Oslo
Address: Lilleakerveien 4C, 0283 Oslo
- 1.2 The acquiring company: TGS NewCo AS (TGS NewCo)
Enterprise Registration No.: 931 752 200
Business municipality: Oslo
Address: Askekroken 11, 0277 Oslo
- 1.3 The issuer of consideration shares: TGS ASA (TGS)
Enterprise Registration No.: 976 695 372
Business municipality: Oslo
Address: Askekroken 11, 0277 Oslo

each a **Party** and together the **Parties**.

2. MAIN FEATURES OF THE MERGER

- 2.1 Both TGS and PGS are Norwegian public companies listed on the Oslo Stock Exchange and operate in the offshore seismic industry.
- 2.2 TGS NewCo is a Norwegian wholly owned subsidiary of TGS.
- 2.3 The Boards of Directors of the Parties have agreed to propose that PGS be merged into TGS NewCo in accordance with the rules on triangular mergers in Section 13-2 (2) of the Norwegian Public Limited Companies Act (the **Public Companies Act**). Upon completion of the merger, the assets, rights and obligations of PGS will in their entirety be transferred to TGS NewCo in accordance with the principle of continuity, while the shareholders of PGS will receive consideration in the form of shares in TGS, the parent company of TGS NewCo. PGS will be dissolved upon completion of the merger.
- 2.4 The rationale for the proposed merger is to unite two competent commercial cultures in the seismic industry, and thereby creating a stronger and more diversified geophysical company and data provider to the energy value chain, driven by technology and innovation.
- 2.5 Following the merger, the TGS shares will continue to be listed on the Oslo Stock Exchange.

3. **MERGER CONTRIBUTION**

On the Effective Date (as defined in Clause 9.3), all assets, rights and obligations of PGS will in their entirety be transferred to TGS NewCo in accordance with the principle of continuity. At the same time PGS will be dissolved.

4. **MERGER CONSIDERATION**

- 4.1 The shareholders of PGS shall receive 0.06829 ordinary shares in TGS for each share they own in PGS as consideration for the merger (the **Merger Shares**). The exchange ratio of 0.06829 shares in TGS for each share in PGS is calculated based on a fully diluted share capital of PGS (including PRSUs).
- 4.2 TGS will issue the Merger Shares through an increase of its share capital as specified in Clause 5. The Merger Shares are deemed to have been subscribed for by way of the general meeting of PGS approving the merger plan, cf. Section 13-3 (3) of the Public Companies Act.
- 4.3 Upon completion of the merger in accordance with Clause 9 below, the subscription amount for the Merger Shares shall be settled by TGS NewCo issuing a receivable to TGS, pursuant to Section 13-2 (2) second sentence of the Public Companies Act (the **Merger Receivable**). The par value of the Merger Receivable shall be NOK 9,185,531,520.00, which corresponds to the fair market value of the equity contributed to TGS NewCo in connection with the merger, being the total number of Merger Shares multiplied by the closing price of TGS shares on the Oslo Stock Exchange on the date before this merger plan is resolved by the Parties' board of directors. The Merger Receivable shall be subordinated to TGS NewCo's other creditors.
- 4.4 Fractions of Merger Shares will not be allotted. For each shareholder the amount of Merger Shares will be rounded down to each whole number. Excess Merger Shares issued, which as a result of rounding will not be allotted, will be issued to and sold by SpareBank 1 Markets AS as receiving agent. The sales proceeds will be given to TGS, who is free to give the sales proceeds further to charity.
- 4.5 Delivery of Merger Shares to PGS shareholders outside of the European Economic Area shall be made in accordance with relevant applicable securities laws, which the Parties will cooperate to ascertain and comply with. The Parties agree that the merger shall be carried out in a way that does not trigger any registration requirements in the U.S. or other jurisdictions outside the European Economic Area and acknowledge that this and other similar restrictions may imply a market sale of the Merger Shares otherwise deliverable to shareholders resident in such jurisdictions and transfer of the proceeds from such sale to each relevant shareholder.
- 4.6 The Merger Shares will not be registered under the U.S. Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under the U.S. Securities Act. Merger Shares will therefore only be delivered to PGS shareholders that are either (i) not U.S. Persons as defined in Regulation S of the U.S. Securities Act, or (ii) "accredited investors" as defined in Regulation D of the U.S. Securities Act. Shareholders in PGS that are not Eligible U.S. Shareholders will receive cash-in-lieu of the Merger Shares following a sale of such Merger Shares as they would otherwise be entitled to receive. Such Merger Shares as the non-Eligible U.S. Shareholders would otherwise be entitled to, will be sold by the receiving agent appointed for the purpose of the merger for the account of and for the risk of the relevant beneficiary with a proportional distribution of net sales proceeds among the non-Eligible U.S. Shareholders.

5. SHARE CAPITAL INCREASE IN TGS

5.1 Prior to the Effective Date, TGS shall adopt a resolution to increase its share capital to issue the Merger Shares with effect from the Effective Date as defined in Clause 9.3. The independent expert statement with respect to the Merger Receivable is included in [Appendix 3.3](#).

5.2 As part of the approval of the merger, the general meeting of TGS shall pass the following resolution regarding a share capital increase:

1. The share capital in TGS is increased by NOK 16,309,537.50 by the issuance of 65,238,150 shares each with a nominal value of NOK 0.25.
2. The shares are issued to the shareholders of PGS as stated in PGS' shareholder register in Euronext Securities Oslo (VPS) 2 trading days after the merger has been completed, in accordance with the normal settlement cycle in Euronext Securities Oslo (T + 2), and shall be deemed to have been subscribed for by way of the general meeting of PGS approving the merger plan dated 25 October 2023 for the merger between PGS and TGS NewCo. Merger shares which are excess due to rounding down due to fractional shares shall be issued to SpareBank 1 Markets AS receiving agent which will sell the shares and give the sales proceeds to TGS.
3. The subscription price is NOK 140.80 per share, which results in a total subscription amount of NOK 9,185,531,520.00.
4. The subscription amount is settled by TGS NewCo issuing to TGS a receivable upon completion of the merger, see Section 13-2 (2) second sentence of the Public Companies Act. The par value of the receivable is NOK 9,185,531,520.00, which corresponds to the fair market value of the equity contributed to TGS NewCo in connection with the merger.
5. Reference is made to the expert statement on the contribution in kind.
6. The new shares shall qualify for dividends from the date of the general meeting approving the merger and other shareholder rights in TGS from the date of registration of the share capital increase in the Norwegian Register of Business Enterprises. From the same time, Section 5 of the Articles of Association shall be amended to reflect the new share capital and the new number of shares.
7. The expenses associated with the share capital increase are estimated to be NOK 150,000.
8. Completion of this resolution is conditional upon the merger between PGS and TGS NewCo becoming effective.

5.3 The Articles of Association for TGS after the Effective Date are included in [Appendix 3.2](#).

6. COMPENSATION FOR DIVIDENDS IN TGS

6.1 As follows from Section 5.2 no. 6, the shareholders in PGS shall be compensated in cash by TGS for any dividend declared by TGS after the date of the general meeting approving the merger and for which the ex-date occurs prior to completion of the merger. Such dividend

compensation shall on completion of the merger be payable in cash to each PGS shareholder in an amount equal to:

- (a) the number of Merger Shares that each PGS shareholder receives as consideration for the merger,
- (b) multiplied by the aggregate dividend declared by TGS on each TGS share after the date of the general meeting and for which the ex-date occurs prior to completion of the merger.

6.2 Dividend compensation pursuant to Clause 6.1 may not exceed the NOK value of 20% of the par value of the Merger Receivable and is subject to completion of the merger.

7. SETTLEMENT OF PRSUS IN PGS

7.1 PGS currently has long term incentive plans dated 21 April 2021, 27 April 2022 and 26 April 2023 (collectively the **LTI Plans**), pursuant to which employees in PGS or its subsidiaries as defined in the LTI Plans (the **Participants**) have been granted performance based restricted stock units (**PRSUs**), subject to the terms and conditions under each LTI Plan. The LTI Plans stipulate that in the event of the occurrence of a Change of Control (as defined therein), all PRSUs awarded to the Participants under the LTI Plans shall be immediately settled in full. The Parties confirm and agree that all PRSUs awarded under the LTI Plans to the Participants shall settle in full one (1) trading day prior to the Effective Date.

7.2 All PRSUs that have been awarded under the LTI Plans to the Participants,

- (a) including any PRSUs awarded under the LTI Plan dated 21 April 2021 that otherwise should have been settled or forfeited prior to the Effective Date according to the plan,
- (b) including any PRSUs awarded to Good Leavers (as defined in the LTI Plans),
- (c) excluding any PRSUs awarded to any Participant that is not a Good Leaver (as defined in the LTI Plans) and that has resigned, given or received a notice of termination prior to the Effective Date, and
- (d) excluding without prejudice to item (a) above any other PRSUs that have forfeited or settled in full prior to the Effective Date (for example following the death of a Participant),

collectively the **Eligible PRSUs**, shall be settled in cash and paid by PGS to each Participant one (1) trading day prior to the Effective Date.

7.3 The cash amount payable by PGS to each Participant holding Eligible PRSUs shall be equal to the product of (a) and (b):

- (a) the number of Eligible PRSUs the Participant has been awarded; and
- (b) the volume weighted average price of the PGS share on the Oslo Stock Exchange on the date falling two trading days prior to the Effective Date.

8. IMPLEMENTATION FOR TAX PURPOSES

The merger is implemented with full tax continuity pursuant to Chapter 11 of the Tax Act and in accordance with Chapter 13 of the Public Companies Act.

9. EFFECTIVE DATE

9.1 The effective date of the merger for company law purposes is the date on which it is registered as having been completed in the Register of Business Enterprises (the **Effective Date**).

9.2 As from the Effective Date, transactions in PGS shall for accounting purposes be deemed to have been made for TGS NewCo's account, pursuant to the Public Companies Act Section 13-6 (1) no. 2.

9.3 The following effects of the merger will enter into force on the Effective Date:

- (a) PGS is dissolved;
- (b) PGS' assets, rights and obligations are transferred to TGS NewCo;
- (c) TGS NewCo issues the Merger Receivable to TGS;
- (d) the share capital of TGS is increased and the Merger Shares are issued to the shareholders of PGS;
- (e) the dividend compensation pursuant to Clause 6.1 is paid to the shareholders of PGS; and
- (f) the merger is completed with continuity for tax purposes pursuant to Chapter 11 of the Tax Act.

9.4 TGS and TGS NewCo will convert the Merger Receivable into equity in TGS NewCo on the Effective Date.

10. CONDITIONS PRECEDENT TO COMPLETION OF THE MERGER

10.1 Completion of the merger is conditional on the following conditions being met or waived (in whole or in part):

- (a) The six weeks creditor notification period pursuant to Section 13-15 of the Public Companies Act having expired without any objections from the creditors, or if any objection has been made within this notification period, the creditor having received adequate security or the court having rejected the demand for security pursuant to Section 13-16 of the Public Companies Act;
- (b) the approval of the relevant competition authorities and other regulatory authorities that are reasonably required or expedient for the completion of the merger have been obtained without conditions or on conditions that can be remedied through measures that in the reasonable opinion of TGS are acceptable or that all applicable suspensions and other relevant time periods in relation to filings with such competition and other regulatory authorities have expired, lapsed or been terminated under applicable law;

- (c) none of the Parties' debt financing having been, or being capable of being, accelerated or cancelled (or notice of acceleration or cancellation having been rightfully served in accordance with the terms of the applicable debt financing agreement) as a result of an event of default (however defined in the relevant finance agreement);
 - (d) the Oslo Stock Exchange has confirmed to TGS that the conditions for continued listing following completion of the merger are fulfilled;
 - (e) no material breach of any covenant or other obligation in this merger plan or in the merger agreement entered into between parties on the date hereof (the **Merger Agreement**) having occurred; and
 - (f) no material breach of the warranties given by the Parties in the bring down letter provided by the parties prior to the respective general meetings' approval of this merger plan.
- 10.2 A Party may waive one or more closing conditions in Clause 10.1, in whole or in part, that relate to the other Party.
- 10.3 The completion of the merger shall be registered in the Register of Business Enterprises immediately after the above-mentioned conditions have been met or waived. Prior to this, the merger may not be registered in the Register of Business Enterprises.

11. REGULATORY FILINGS

- 11.1 TGS shall be responsible for preparing and making, in cooperation with PGS and its advisors (and jointly with PGS where joint filings are required), all necessary notifications to the relevant authorities in order to satisfy the Notification Condition. As part of this, TGS shall submit to the relevant authorities draft notifications, or where TGS deems appropriate formal notifications, as soon as practically possible (and where a draft notification has been submitted, a formal notification shall be submitted to the relevant authority as soon as practically possible thereafter). By Notification Condition is understood "Approval of the Transaction from the Relevant Authorities having been obtained, or any applicable waiting periods having expired without any investigation or proceeding having been initiated by the Relevant Authorities". By Relevant Authorities is understood authorities to which it is determined notification is required/advisable.
- 11.2 In any jurisdiction where both TGS and PGS are required to submit joint or separate notifications, TGS and PGS shall share responsibility for preparing the joint notification or each be responsible for the preparation of their notification, as the case may be.
- 11.3 Each of TGS and PGS shall use their reasonable endeavours to cooperate with each other as further set out in the Merger Agreement in order to determine whether any filings are required and advisable to be made with, or consents, permits, authorizations, waivers or approvals are required to be obtained from, any third parties or authorities in connection with the merger hereby. TGS (and where relevant PGS), shall make all such required or advisable filings in a timely fashion, as agreed by TGS and PGS, and shall accordingly seek all such consents, permits, authorizations or approvals in the jurisdictions where filings are made; and respond at the earliest time reasonably possible to any requirements for information or documentary material made by any authority under applicable law.

12. BOARD COMPOSITION

The nomination committee of TGS will in connection with the later of the annual general meeting of TGS in 2024 or shortly after the merger is consummated consider the composition of the TGS board of directors, taking into account also the merger.

13. CONDUCT OF BUSINESS AND COVENANTS

13.1 Until the Effective Date or termination of this merger plan in accordance with its terms, the Parties shall (and shall ensure that all entities in their respective group shall):

- (a) in all material respects conduct its business in the ordinary course consistent with past practice, materially in accordance with applicable laws, regulations and decisions of competent governmental and regulatory authorities, and seek to preserve material relationships and goodwill with customers, suppliers and other third parties, in compliance with their respective obligations under the Merger Agreement;
- (b) not, subject as otherwise envisaged or permitted in this merger plan, take any action which might reasonably be expected to be prejudicial to the successful completion of the merger or which it knows or ought to have known would be expected to have the effect of preventing any of closing conditions from being fulfilled or resulting in a delay to the expected timetable for the merger; and
- (c) comply with the applicable regulatory and exchange requirements with respect to public disclosures, including timely publication of quarterly and annual results, inside information and other material matters,

in each case except with the prior written consent of the other Party, not to be unreasonably withheld or delayed. To the extent a Party has not provided or withheld its consent within 7 business days, the other Party shall be deemed to have provided its prior written consent for the purposes of this provision.

13.2 The Parties shall promptly, to the extent not prohibited by applicable law, notify the other Party if it becomes aware that any fact, circumstance or act that is or may potentially be or become inconsistent with its obligations under this Clause 13 or the respective warranties provided by them in this merger plan having occurred or if it becomes aware of any such matter that is likely to occur.

14. TERMS FOR EXERCISING RIGHTS AS SHAREHOLDER, RIGHT TO DISTRIBUTIONS AND LISTING OF THE MERGER SHARES

14.1 Shareholders of PGS at the time that the merger is being registered as completed with the Register of Business Enterprises (as stated in PGS' shareholder register in Euronext Securities Oslo 2 trading days after the merger has been completed, in accordance with the normal settlement cycle in Euronext Securities Oslo (T + 2)) may from the same point in time exercise its rights as shareholders in TGS with respect to the Merger Shares and are entitled to dividend and other distributions on the Merger Shares resolved after the date of the general meeting approving the merger. Such shareholders shall immediately be recorded in the shareholders register of TGS.

14.2 The Merger Shares shall be admitted to trading on the Oslo Stock Exchange immediately after the merger has been completed, together with TGS' other shares, subject to publication by TGS of a listing prospectus/exempted document. TGS shall use its reasonable efforts to

ensure that such listing prospectus/exempted document is prepared and published as soon as practicably possible following completion of the merger. PGS shall use its reasonable efforts to provide assistance and information to TGS as required for this purpose.

15. SPECIAL RIGHTS

- 15.1 No shareholders have any special rights in PGS. PGS has not issued any subscription rights as mentioned in Sections 11-1, 11-10 or 11-12 of the Public Companies Act.
- 15.2 No special rights or benefits will be given to any member of the Board of Directors.
- 15.3 In line with PGS' senior executive remuneration policy, the President & the CEO of PGS will as a consequence of the merger receive (i) a cash bonus between 100% and 150% of base salary upon approval/consummation of the merger, (ii) settlement of the PRSUs as set forth in Clause 7, and (iii) for leaving the company, severance pay for a period of 24 months being equal to his non-compete period. The severance pay is reduced if he has other income in the period.

16. REPORT ON THE MERGER AND STATEMENT ON THE MERGER PLAN

16.1 Reports on the merger

- 16.1.1 The Boards of Directors of each of TGS NewCo and PGS have prepared a report on the merger and the effects it will have on the relevant company in accordance with the Public Companies Act Section 13-9.
- 16.1.2 The reports are included in [Appendix 1.3](#) and [Appendix 2.3](#).

16.2 Expert statement regarding the merger plan and the share capital increase

- 16.2.1 The Board of Directors of PGS has commissioned an expert statement regarding the merger plan from KWC Revisjon AS, Enterprise Registration No. 898 823 962 (KWC), in accordance with the Public Companies Act Sections 13-10 (1) and (2) and 2-6 (2). The expert statement is included in [Appendix 2.4](#).
- 16.2.2 The Board of Directors of TGS NewCo has commissioned an expert statement regarding the merger plan from KWC in accordance with the Public Companies Act Sections 13-10 (1) and (2) and 2-6 (2). The expert statement is included in [Appendix 1.5](#).
- 16.2.3 The Board of Directors of TGS has commissioned an expert statement regarding share contribution in the form of the Merger Receivable from KWC in accordance with the Public Companies Act Sections 10-2 (3) and 2-6 (1) and (2). The expert statement is included in [Appendix 3.3](#).

17. ACCOUNTS AND ARTICLES OF ASSOCIATION

- 17.1 The annual accounts and annual report with auditor's report for the last three years and the latest half year interim report, cf. the Norwegian Securities Trading Act Section 5-6, for PGS are enclosed in [Appendix 2.2](#). Current Articles of Association are included in [Appendix 2.1](#).
- 17.2 TGS NewCo was established in 2023, and annual accounts, directors' report and auditor's report for TGS NewCo have not been prepared. Current Articles of Association are included in [Appendix 1.1](#). The incorporation document is included in [Appendix 1.2](#). Interim accounts for TGS NewCo are included in [Appendix 1.3](#).

18. EMPLOYEES

In connection with the merger process, there will not be a change of employer entity for any current employees. Consequently, employees will only experience a change of (ultimate and structural) ownership of the employing entities in the PGS group. As such, the provisions in the Norwegian Working Environment Act chapter 16 are not applicable. PGS however intends to hold information/consultation meeting(s) with the respective employee representatives in the PGS group.

19. AMENDMENTS AND WAIVERS

The Board of Directors of the Parties are jointly authorised to make minor amendments to the merger plan without having to present such amendments to the general meeting and to approve any amendment necessary to register the merger and the capital increase in TGS with the Register of Business Enterprises. Further, the Board of Directors of each Party are authorised to grant any waiver or approval pursuant to this merger plan.

20. TERMINATION

20.1 This merger plan may be terminated by either Party if the conditions set out in Clause 10.1 have not been fulfilled or waived by 23:59 (CET) on the second anniversary of the date of this merger plan or (i) such later date as the Parties mutually shall agree, or (ii) such earlier date as it is evident that the conditions set out in Clause 10.1 will not be fulfilled or waived.

20.2 In the event that the merger plan is validly terminated pursuant to this Clause 20, written notice thereof shall be given to the other Party, specifying the provisions hereof pursuant to which such valid termination is made and describing the basis therefor in reasonable detail.

20.3 If the merger is not completed, each Party shall cover its own costs related to the process of negotiating and preparing for the merger (save however that this shall not prevent any claim for breach of contract, where applicable).

21. DISPUTES

Any disputes between the Parties in connection with the merger plan shall be resolved by arbitration pursuant to the Arbitration Act of 14 May 2004. The arbitral tribunal shall comprise three arbitrators, of whom TGS and PGS shall appoint one arbitrator each. These shall appoint the third arbitrator, who shall chair the arbitral tribunal. The chair of the arbitral tribunal shall be a Norwegian lawyer. In the absence of agreement on the appointment of the third arbitrator, such arbitrator shall be appointed by the Chief District Court Judge of the Oslo District Court. The arbitration proceedings shall be conducted in Oslo, and Norwegian shall be the language of arbitration, unless otherwise agreed by TGS and PGS. The arbitration proceedings shall be deemed to have been commenced upon a Party sending its request to the other Party for the dispute to be resolved by arbitration.

25 October 2023

Board of Directors of PGS

Signed

Walter Hafslø Qvam (Chairperson)

Signed

Richard Herbert

Signed

Anette Valbø

Signed

Carine Patricia Roalkvam

Signed

Shona Macfarlane Grant

Signed

Anne Grethe Dalane (Deputy
chairperson)

Signed

Emeliana Dallan Rice Oxley
Emeliana Dallan Rice Oxley

Signed

Trond Brandsrud

Signed

Eivind Rødnes Vesterås

Signed

Ebrahim Attarzadeh

Board of Directors of TGS NewCo AS

Signed

Kristian Juvaas Johansen
(Chairperson)

Signed

Sven Børre Larsen

Signed

Helene Olaussen Hermansen

The Board of Directors of TGS hereby accedes to the merger plan and undertakes to resolve the share capital increase required by the merger plan, to comply with the restriction on distributions contained in Clause 6 of the merger plan, and to fulfil its obligations in Clauses 5, 6, 7, 10, 11, 12 and 13 of the merger plan.

Board of Directors of TGS

Signed

Christopher Geoffrey Finlayson
(Chairperson)

Signed

Luis Antonio Gomes Araujo

Signed

Bettina Regula Bachmann

Signed

Irene Egset

Signed

Grethe Kristin Moen

Signed

Svein Harald Øygard

Signed

Maurice Maher Nessim Abdel Shahid

APPENDICES TO THE MERGER PLAN

1. TGS NEWCO, THE TRANSFEREE COMPANY

- 1.1 Current Articles of Association of TGS NewCo
- 1.2 The incorporation document
- 1.3 Interim accounts for TGS NewCo
- 1.4 Report on the merger from the Board of Directors of TGS NewCo
- 1.5 Expert statement with respect to the merger plan

2. PGS, THE TRANSFEROR COMPANY

- 2.1 Current Articles of Association of PGS
- 2.2 Annual accounts, directors' report and auditor's report for PGS for 2021 and 2022 as well as the most recent half year interim report,
- 2.3 Report on the merger from the Board of Directors of PGS
- 2.4 Expert statement with respect to the merger plan

3. TGS, THE ISSUER OF CONSIDERATION SHARES

- 3.1 Current Articles of Association of TGS
- 3.2 New Articles of Associations of TGS
- 3.3 Expert statement with respect to the merger receivable