



To the Shareholders of PGS ASA

Our ref.: PU

Oslo, 23 March 2020

PGS ASA ANNUAL GENERAL MEETING 22 APRIL 2020 – 15:00 CET

Enclosed please find:

- Calling Notice
- Proxy form

The annual report for 2019 and the other appendices to the Calling Notice will be made available on www.pgs.com. The hardcopy of the appendices will not be distributed automatically to the individual shareholders, but will be sent you upon request to ir@pgs.com.

Yours sincerely
On behalf of PGS ASA

A handwritten signature in black ink, appearing to read 'Walter Qvam'.

Walter Qvam
Chairman

ENCLOSURES



**CALLING NOTICE FOR
ANNUAL GENERAL MEETING**

Notice is hereby given of the 2020 Annual General Meeting of PGS ASA ("PGS" or the "Company") at the PGS head office, Lilleakerveien 4C, 0216 Oslo, Norway to be held on

22 April 2020, at 15:00 (Norwegian time)

IMPORTANT NOTICE:

Due to the outbreak of the Covid-19 virus, shareholders are recommended to avoid meeting in person at the Annual General Meeting. Instead, shareholders are invited to cast their votes electronically in advance, or provide the Chairperson of the Board an authorization to vote with or without voting instructions. The persons planned to be present at the AGM are the Chairperson of the Board, President & CEO and the General Counsel of PGS. Further details on how to vote in advance or provide an authorization is given at the end of this document.

The Appendices to this Calling Notice are not enclosed to the paper version of the Calling Notice, but are made available on www.pgs.com.

The Company's Board of Directors has decided to call the Annual General Meeting to vote on the matters described below.

The Chairperson of the Board of Directors will open the Annual General Meeting and, according to the Articles of Association § 9, the Chairperson shall also chair the Annual General Meeting.

ITEM 1 APPROVAL OF THE CALLING NOTICE AND AGENDA

ITEM 2 ELECTION OF PERSON TO COUNTERSIGN THE MINUTES

It is proposed that a person be elected among those present at the General Meeting to countersign the Minutes.

ITEM 3 APPROVAL OF THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS OF PGS ASA AND THE GROUP FOR 2019

The Board of Directors' Report and the Financial Statements of PGS ASA and the group for 2019 are presented as Appendix I.

Proposed resolution:

The General Meeting approves the Board of Directors' Report and the Financial Statements of PGS ASA and the group for 2019.



ITEM 4 APPROVAL OF THE AUDITOR'S FEE FOR 2019

The Auditor's fees for 2019 for PGS ASA are NOK 4.7 million. This does not include fees related to the audits of the Company's subsidiaries, the audit of the Company's Consolidated Financial Statements or other professional services rendered.

Proposed resolution:

The General Meeting approves the Auditor's fees for 2019.

ITEM 5 ELECTION OF BOARD OF DIRECTORS

The proposals for candidates to the Board of Directors are based on recommendations in the report from the Nomination Committee, see Appendix II to the Calling Notice and the Articles of Association § 6 a). The service period for the Board of Directors is the earlier of one year or until the next annual general meeting.

ITEM 5.1 Walter Qvam (Chairperson)

Proposed resolution:

Walter Qvam shall be re-elected as Chairperson to the Board of Directors for a new service period commencing on the date hereof and ending on the earlier of one year or the 2021 annual general meeting.

ITEM 5.2 Anne Grethe Dalane

Proposed resolution:

Anne Grethe Dalane shall be re-elected to the Board of Directors for a new service period commencing on the date hereof and ending on the earlier of one year or the 2021 annual general meeting.

ITEM 5.3 Richard Herbert

Proposed resolution:

Richard Herbert shall be re-elected to the Board of Directors for a new service period commencing on the date hereof and ending on the earlier of one year or the 2021 annual general meeting.

ITEM 5.4 Marianne Kah

Proposed resolution:

Marianne Kah shall be re-elected to the Board of Directors for a new service period commencing on the date hereof and ending on the earlier of one year or the 2021 annual general meeting.



ITEM 5.5 Trond Brandsrud

Proposed resolution:

Trond Brandsrud shall be re-elected to the Board of Directors for a new service period commencing on the date hereof and ending on the earlier of one year or the 2021 annual general meeting.

ITEM 6 NOMINATION COMMITTEE – ELECTION OF MEMBERS

The proposals for candidates to the Nomination Committee are based on the recommendations in the report from the Nomination Committee, see Appendix II to the Calling Notice and the Articles of Association § 6 b). The service period for the Nomination Committee members is according to the Nomination Committee Mandate and Charter two years, unless a shorter period has been decided by the general meeting. The proposal is to resolve a shorter service period lasting until the next annual general meeting.

ITEM 6.1 Harald Norvik (Chairperson)

Proposed resolution:

Harald Norvik shall be re-elected as Chairperson of the Nomination Committee for a new service period commencing on the date hereof and ending with the 2021 annual general meeting.

ITEM 6.2 Terje Valebjørg

Proposed resolution:

Terje Valebjørg shall be re-elected as a member of the Nomination Committee for a new service period commencing on the date hereof and ending with the 2021 annual general meeting.

ITEM 6.3 Alexandra Herger

Proposed resolution:

Alexandra Herger shall be re-elected as a member of the Nomination Committee for a new service period commencing on the date hereof and ending with the 2021 annual general meeting.

ITEM 6.4 Ole Jakob Hundstad

Proposed resolution:

Ole Jakob Hundstad shall be re-elected as a member of the Nomination Committee for a new service period commencing on the date hereof and ending with the 2021 annual general meeting.



ITEM 7 APPROVAL OF THE BOARD MEMBERS' AND NOMINATION COMMITTEE MEMBERS' FEES

Item 7.1 Motion to approve Board members' and Nomination Committee members' fees for the period 24 April 2019 to the annual general meeting 2020

Pursuant to the Articles of Association, § 6 c), the Nomination Committee presents to the General Meeting a motion to approve the remuneration to the members of the Board of Directors and the members of the Nomination Committee for the period from and including 24 April 2019 to the annual general meeting 2020, see Appendix III to the Calling Notice.

The fees for the members of the Board of Directors and the Nomination Committee members are calculated on basis of the principles approved by the annual general meeting 2019, cf. Appendix IV to the Calling Notice.

Proposed resolution:

The General Meeting approves the fee to each member of the Board of Directors and each member of the Nomination Committee for the period from and including 24 April 2019 to the annual general meeting 2020.

Item 7.2 Motion to approve the principles for the Board members' fees for the period 22 April 2020 to the annual general meeting 2021

In accordance with the Articles of Association, § 6 c), the Nomination Committee presents to the General Meeting a motion to approve the principles for the Board members' fees for the period from and including 22 April 2020 to the annual general meeting 2021, see Appendix V to the Calling Notice.

Proposed resolution:

The General Meeting approves the principles for the Board members' fees for the period from and including 22 April 2020 to the annual general meeting 2021.

Item 7.3 Motion to approve the principles for the Nomination Committee member fees for the period 22 April 2020 to the annual general meeting 2021

In accordance with the Articles of Association, § 6 c), the Nomination Committee presents to the General Meeting a motion to approve the principles for the Nomination Committee members' fees for the period from and including 22 April 2020 to the annual general meeting 2021, see Appendix V to the Calling Notice.

Proposed resolution:

The General Meeting approves the principles for the Nomination Committee members' fees for the period from and including 22 April 2020 to the annual general meeting 2021.



ITEM 8

AUTHORIZATION TO ACQUIRE TREASURY SHARES

The General Meeting of the Company has on an annual basis authorised the Board of Directors to acquire treasury shares. The Board of Directors proposes to renew this authorization.

The purpose of such share repurchase authority is to allow for adjustments to the Company's capital structure. Further, in the opinion of the Board of Directors, treasury shares will give the Company flexibility in terms of satisfying employee share incentive plans and to fund possible acquisitions and other possible corporate transactions by the Company.

Proposed resolution:

- (i) *The Board of Directors is authorized to acquire shares in the Company on behalf of the Company.*
- (ii) *The shares are to be acquired at market terms in a regulated market where the shares are traded.*
- (iii) *The shares may be disposed of either to meet obligations under employee incentive schemes, as part of consideration payable for acquisitions made by the Company, as part of consideration for any mergers, demergers or acquisitions involving the Company, by way of cancellation of the shares in part or full, to raise funds for specific investments, for the purpose of paying down loans (including convertible loans), or in order to strengthen the Company's capital base. The Board is free to choose the method of disposal considered expedient for such purposes.*
- (iv) *The maximum face value of the shares which the Company may acquire pursuant to this authorization is in total NOK 116,162,098. Under no circumstances can the Company acquire shares leading to an aggregate number of treasury shares exceeding 10% of the total number of shares. The minimum amount which may be paid for each share acquired pursuant to this power of attorney is NOK 3, and the maximum amount is NOK 150.*
- (v) *This authorization is valid from registration in the Norwegian Register of Business Enterprises and expires on 30 June 2021.*
- (vi) *The authorization to acquire treasury shares granted on 24 April 2019 is revoked with effect from the time the above authorization in this item 8 becomes effective.*



ITEM 9 STATEMENT FROM THE BOARD REGARDING REMUNERATION PRINCIPLES FOR SENIOR EXECUTIVES

In accordance with section 6-16a of the Public Companies Act, the Board has issued a statement with respect to the principles for remuneration for senior executives of the Company. The statement is presented in Appendix VI to the Calling Notice, and is for the advisory vote of the General Meeting. However, the principles contained in the statement on award of Performance based Restricted Stock Units (“PRSUs”) to senior executives of the Company is presented to the General Meeting for approval and is binding for the Board of Directors.

Item 9.1 Motion to approve the guiding principles of the Board statement

Proposed resolution:

The General Meeting approves the guiding principles of the Board statement pursuant to section 6-16a of the Public Companies Act.

Item 9.2 Motion to approve the binding principles of the Board statement

Proposed resolution:

The General Meeting approves the binding principles of the Board statement pursuant to section 6-16a of the Public Companies Act.

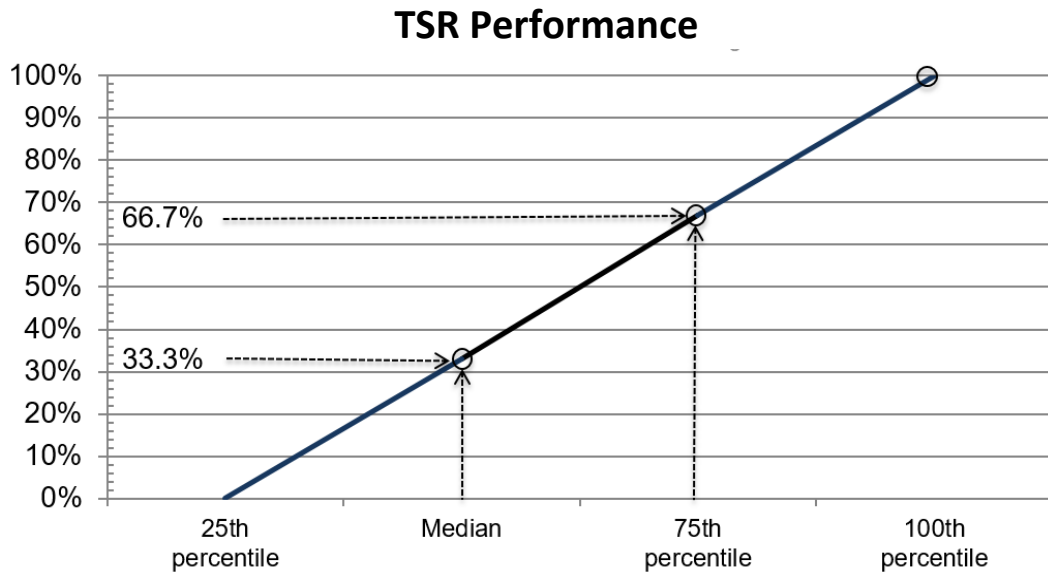
ITEM 10 APPROVAL OF LONG TERM INCENTIVE PLAN FOR EMPLOYEES

The Board of Directors proposes to the General Meeting to approve a long term incentive plan (“LTI Plan”) for employees effective from 22 April 2020. No award will be made from the 2020 LTI Plan after 22 April 2023. The proposed 2020 LTI Plan is based on the LTI Plan approved at the 2019 AGM, where the Company may only grant performance related restricted stock units (“PRSUs”) to employees.

Any awarded PRSUs will, subject to the participant’s continued employment with the Company (or a subsidiary), be settled three years after grant subject to the below additional conditions:



Settlement of 75% of the awarded PRSUs are subject to the Company achieving a Total Shareholder Return (“TSR”) from award to settlement above the lower quartile measured against the average TSR of relevant companies included in a comparator group (the “LTI Plan Comparator Group”). For Company TSR performance above the lower quartile of the companies in the LTI Plan Comparator Group, this part of the PRSUs will settle in accordance with this chart:



Percentages of awarded PRSUs that will vest as a function of PGS' TSR performance measured against the LTI Comparator Group on the vertical axis. Examples of TSR performance against the LTI Comparator Group on the horizontal axis.

Settlement of 25% of the awarded PRSUs are subject to the Company achieving a goal (defined as a range) on Return on Capital Employed (“ROCE”) for the period covering the three full financial years prior to the date of settlement. ROCE is defined as Segment EBIT (without exclusion of gains or losses from sale of assets, impairments or other charges) divided by average Net Capital Employed (where Net Capital Employed is the sum of shareholders’ equity and net interest bearing debt). The performance range is between 10% and 15%, where for a ROCE of 10% or less, none of the PRSUs subject to this KPI will settle, while a ROCE of 15% or above will result in 100% settlement of the PRSUs subject to this KPI. Achievements are linear from 0% to 100% settlement of the ROCE PRSUs within the performance range. The performance will be calculated each year, where each year’s result will be combined for the three year measurement period.

For a more detailed description of settlement of PRSUs, see the full 2020 LTI Plan document included in Appendix VII to the Calling Notice.

Upon settlement, the participant will receive a number of shares in the Company which equals the number of PRSUs awarded and settled. PRSUs that do not settle will be terminated. Delivery of shares will take place from the Company’s pool of treasury shares or, if an insufficient number of treasury shares exists, by cash payment of an equivalent value. Therefore, there will be no dilutive effect for the Company’s shareholders.

Pursuant to the proposed 2020 LTI Plan, the Board shall propose the maximum number of PRSUs available for grant. The Board proposes that the maximum number of PRSUs to be granted under the 2020 LTI Plan is 2,400,000. Consequently, the maximum number of shares



to be delivered to participants equals 2,400,000. No participant in the 2020 LTI Plan (including the CEO) may receive more than 7% of the total pool.

The main elements of the total direct compensation to the executives and other key employees in the Company normally consist of a base salary, a short-term incentive plan ("STI Plan") and an LTI Plan. For 2017 the STI Plan was cancelled due to the challenging market. In 2018, the STI Plan was reintroduced with pay outs thereunder being capped to 50% compared to earlier levels. For 2019, the Company - *inter alia* due to improved market conditions - introduced a full STI Plan. Given the improved market conditions, as well as the positive effects of the Company's re-organization and other efforts and improved financial performance, the Board proposes also for 2020 a full STI Plan.

In the Board's opinion, the 2020 LTI Plan whereby PRSUs settle to the extent the Company over time delivers TSR compared to the LTI Plan Comparator Group and meets the goals on ROCE, aligns the compensation of key employees with the long term interests of the Company and its shareholders. Also, in addition to incentivize performance and increase of shareholder value, this program will help attract and retain talent.

The complete terms and conditions of the 2020 LTI Plan are seen in Appendix VII to the Calling Notice.

On June 21, 2020 a total of 368,060 RSUs awarded under the 2017 LTI Plan will settle and 697,090 PRSUs will either settle or forfeit. Following approval of the proposed 2020 LTI Plan and settlement of the mentioned 2017 LTI Plan, the outstanding PRSUs awarded to employees will be 6,344,550 which amount to approximately 1.64% of the Company's total current outstanding share capital.

The General Meeting is requested to approve the 2020 LTI Plan.

Proposed resolution:

The General Meeting approves the 2020 Long Term Incentive Plan.

ITEM 11

MOTION TO AUTHORIZE THE COMPANY'S BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL

The General Meeting of the Company has on an annual basis authorized the Board of Directors to issue new shares. The Board of Directors proposes to renew the authorization granted in 2019.

The Board of Directors is of the opinion that the limited general authorization is necessary to provide flexibility in terms of potential acquisitions and other corporate transactions and settlements thereof, and therefore, is in the best interest of the Company. It is further proposed to authorize the Board of Directors to waive existing shareholders' preferential rights in order to allow the possibility for new shareholders subscribing shares.

Further, the Board of Directors has proposed to restrict the general authorization in item 11 so that the number of shares to be issued under this authorization and the authorization in item 12 to issue convertible loans in the aggregate cannot exceed 10% of the Company's share capital.



Proposed resolution:

The General Meeting hereby approves the following authorization:

- (i) The Board of Directors is authorized to increase the Company's share capital by a total amount of NOK 116,162,098 through one or more subscriptions. The authorization is, however, restricted so that the number of shares to be issued under this authorization and the authorization to issue convertible bonds set out in item 12 of the minutes from the Annual General Meeting held 22 April 2020 in the aggregate cannot exceed 10% of the Company's share capital at the time of the resolution to issue shares. The Board of Directors is further authorized to determine the price and terms of such offerings and subscriptions, including but not limited to, whether in the Norwegian and/or the international markets, whether private or public and whether or not underwritten.*
- (ii) The authorization includes the right to increase the Company's share capital in return for non-cash contributions and the right to assume special obligations on behalf of the Company.*
- (iii) The authorization shall be utilised in connection with potential acquisitions of companies or businesses within the oil and energy sector, including the oil service sector, settlement of obligations (including convertible loans), funding of material investments, debt repurchases or to raise funds in order to strengthen the Company's capital base.*
- (iv) The Board of Directors is further authorized to set aside the preferential rights pursuant to Section 10-4 of the Public Limited Companies Act. The rationale behind each such resolution must be given by the Board, and must be based on this being in the interest of the Company due to strategic benefits or need for capital contributions.*
- (v) The authorization includes a resolution to merge, c.f. the Public Limited Companies Act Section 13-5.*
- (vi) The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until 30 June 2021.*
- (vii) The general authorization to issue new shares that was granted on the General Meeting 24 April 2019 is revoked with effect from the time the above authorization in this item 11 becomes effective.*



ITEM 12

MOTION TO AUTHORIZE THE COMPANY'S BOARD OF DIRECTORS TO ISSUE CONVERTIBLE LOANS

The General Meeting of the Company has previously granted the Board of Directors the authority to issue convertible loans. The Board of Directors is continually considering how to further develop the Company in accordance with its identified strategy. Identifying and setting up the right financial structure is vital in this respect. In order to continue to provide the Board of Directors with sufficient flexibility to be able to put in place a cost efficient and flexible financial structure, it is desirable that the Board of Directors is granted a new power of attorney authorizing the Board of Directors to agree and enter into convertible loans. It is further proposed to authorize the Board of Directors to waive existing shareholders' preferential rights in order to allow the possibility for new investors subscribing the loan. The Board has, however, proposed to restrict the authorization so that that the number of shares to be issued pursuant to convertible loans under this authorization and the authorization in item 11 to issue shares, in the aggregate cannot exceed 10% of the Company's share capital.

Proposed resolution:

The General Meeting hereby approves the following authorization:

- (i) The Company may raise new convertible loans up to or at a total amount of NOK 3,500,000,000 (or the equivalent in other currencies). The Board of Directors are authorised to negotiate and enter into convertible loan agreements within the limits and in accordance with the terms of this authorisation.*
- (ii) The share capital of the Company may be increased by a total of NOK 116,162,098 as a result of the loans referred to in sub item (i) above being converted into equity. The authorization is, however, restricted so that the number of shares to be issued under this authorization and the general authorization to issue shares as set out in item 11 of the minutes from the Annual General Meeting held 22 April 2020 in the aggregate cannot exceed 10% of the Company's share capital at the time of the resolution to issue convertible bonds.*
- (iii) The shareholders' preferential rights to subscribe the loans may be set aside. The rationale behind each such resolution must be given by the Board, and must be based on this being in the interest of the Company due to strategic benefits or need for capital contributions.*
- (iv) The authorization to issue new convertible loans shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until 30 June 2021. The authorization to increase the share capital in accordance with sub item (ii) above shall be valid as long as required to meet the Company's obligations under the loan agreements.*
- (v) The authorization to issue convertible loans granted on 24 April 2019 is revoked with effect from the time the above authorization in this item 12 becomes effective.*



ITEM 13 INDEMNIFICATION OF BOARD OF DIRECTORS AND PRESIDENT & CEO

It has been the practice of the Company that the Annual General Meeting passes a resolution providing an indemnification for the Board members and the President & CEO relating to liability and claims made against them arising out of their service for the Company. At the Extraordinary General Meeting of the Company held 13 December 2006, the general indemnification agreement for the Board of Directors was approved.

Proposed resolution:

The General Meeting accepts indemnification for the Board members and the President & CEO for the period from and including 24 April 2019 to 22 April 2020.

ITEM 14 CORPORATE GOVERNANCE STATEMENT

The corporate governance statement of the Company is a separate item on the agenda for the Annual General Meeting. The statement is also referred to in the 2019 Board of Directors' Report and included in the annual report setting out the Financial Statements and attached separately hereto as Appendix VIII to the Calling Notice.

This separate item is a non-voting item as the corporate governance statement is subject to discussions only and not to separate approval by the shareholders.

* * *

At the Company's Annual General Meeting, each share has one vote. There are a total of 387,206,996 shares. An owner with shares registered through a custodian has voting rights equivalent to the number of shares covered by the custodian arrangement, provided that the owner of the shares shall within two working days before the Annual General Meeting provide the Company with his or her name and address together with a confirmation from the custodian to the effect that he or she is the beneficial owner of the shares held in custody.

Shareowners who wish to take part in the Annual General Meeting must give notice no later than 20 April 2020 by 12 noon (CET). Notice may be sent electronically through the Company's website www.pgs.com or through VPS Investor Services. Advance votes may only be cast electronically, through the Company's website www.pgs.com or through VPS Investor Services. To access the electronic system for notification of attendance and advance voting through the Company's website, reference number and PIN code must be stated. Notice 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. If shareholders are unable to attend the General Meeting, a proxy may be granted to another individual, cf. attached notice of attendance and proxy form.

Oslo, 23 March 2020

A handwritten signature in blue ink, appearing to read 'Walter Qvam'.

Walter Qvam
Chairperson



List of Appendices to this Calling Notice that are made available on www.pgs.com:

- Appendix I – Board of Directors’ Report and Financial Statements
- Appendix II – Nomination Committee Report
- Appendix III – Board members’ and Nomination Committee members’ fees for the period 24 April 2019 to the Annual General Meeting 2020
- Appendix IV – Principles for Board members’ and Nomination Committee members’ fees for the period 24 April 2019 up to the Annual General Meeting in 2020
- Appendix V – Principles for Board member and Nomination Committee’s fees for the period from 22 April 2020 up to the annual general meeting 2021
- Appendix VI – Board of Directors’ Statement on Remuneration to the CEO and Senior Executives
- Appendix VII – 2020 Long Term Incentive Plan
- Appendix VIII – Corporate Governance Report



Ref no:

PIN code:

Notice of Annual General Meeting

Meeting in PGS ASA will be held on 22 April 2020 at 15:00.
Address: Lilleakerveien 4c, 0216 Oslo, Norway

Advance votes

The company accepts votes in advance for this Meeting. Registration Deadline for advance votes: 20 April 2020 at 12:00 noon. Advance votes may only be executed electronically, through the Company's website www.pgs.com (use ref and pin code above) or through VPS Investor Services. In Investor Services chose *Corporate Actions and General Meeting*.

Notice of attendance

The Undersigned will attend the Annual General Meeting on the 22 April 2020 and cast votes for:

_____ own shares.

Notice of attendance should be registered through the Company's website www.pgs.com or through VPS Investor Services.

For notification of attendance through the Company's website, the above mentioned reference number and pin code must be stated. In VPS Investor Services chose *Corporate Actions and General Meeting*.

If you are not able to register this electronically, you may send by e-mail to genf@dnb.no, or by regular Mail to DNB Bank ASA, Registrars Department, P.O.Box 1600 Centrum, 0021 Oslo, Norway. The notice of attendance must be received no later than **20 April 2020 at 12:00 noon**.

If the shareholder is a Company, please state the name of the individual who will be representing the Company: _____

Place	Date	Shareholder's signature
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Proxy without voting instructions for Annual General Meeting of PGS ASA

If you are unable to attend the meeting, you may grant proxy to another individual.

Ref no:

PIN code:

Proxy should be registered through the Company's website www.pgs.com or through VPS Investor Services.

For granting proxy through the Company's website, the above mentioned reference number and pin code must be stated. In VPS Investor Services chose *Corporate Actions and General Meeting*.

If you are not able to register this electronically, you may send by E-mail to genf@dnb.no, or by regular Mail to DNB Bank ASA, Registrars Department, P.O.Box 1600 Centrum, 0021 Oslo, Norway.

This proxy must be received no later than **20 April 2020 at 12:00 noon**.

If you send the proxy without naming the proxy holder, the proxy will be given to the Chair of the Board of Directors or an individual authorised by him or her.

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

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

(Name of proxy holder in capital letters)

proxy to attend and vote for my/our shares at the Annual General Meeting of PGS ASA on 22 April 2020.

Place	Date	Shareholder's signature (<i>only for granting proxy</i>)
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With regards to your right to attend and vote, 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 for Annual General Meeting in PGS ASA

If you are unable to attend the meeting in person, you may use this proxy form to give voting instructions to Chair of the Board of Directors or the person authorised by him or her. (Alternatively, you may vote electronically in advance, see separate section above.) Instruction to other than Chair of the Board should be agreed directly with the proxy holder.

Proxies with voting instructions can only be registered by DNB, and must be sent to genf@dnb.no (scanned form) or by regular Mail to DNB Bank ASA, Registrars' Department, P.O.Box 1600 Centrum, 0021 Oslo, Norway.

The form must be received by DNB Bank ASA, Registrars' Department no later than **20 April 2020 at 12:00 noon**.

Proxies with voting instructions must be dated and signed in order to be valid.

The undersigned: _____

Ref no:

hereby grants the Chair of the Board of Directors (or the person authorised by him or her) proxy to attend and vote for my/our shares at the Annual General Meeting of PGS ASA on 22 April 2020.

The votes shall be exercised in accordance to the instructions below. If the sections for voting are left blank, this will be counted as an instruction to vote in accordance with the Board's and Nomination Committee's recommendations. However, if any motions are made from the attendees in addition to or in replacement of the proposals in the Notice, the proxy holder may vote at his or her discretion. If there is any doubt as to how the instructions should be understood, the proxy holder may abstain from voting.

Agenda Annual General Meeting 2020	For	Against	Abstention
1. APPROVAL OF THE CALLING NOTICE AND AGENDA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. ELECTION OF PERSON TO COUNTERSIGN THE MINUTES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. APPROVAL OF THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS OF PGS ASA AND THE GROUP FOR 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. APPROVAL OF THE AUDITOR'S FEE FOR 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. ELECTION OF BOARD OF DIRECTORS			
5.1. Walter Qvam (Chairperson)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.2. Anne Grethe Dalane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.3. Richard Herbert	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.4. Marianne Kah	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.5. Trond Brandsrud	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. NOMINATION COMMITTEE – ELECTION OF MEMBERS			
6.1. Harald Norvik (Chairperson)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2. Terje Valebjørg	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.3. Alexandra Herger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.4 Ole Jakob Hundstad	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. APPROVAL OF THE BOARD MEMBERS' AND NOMINATION COMMITTEE MEMBERS' FEES			
7.1. Motion to approve Board members' and Nomination Committee members' fees for the period 24 April 2019 to the annual general meeting 2020	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.2. Motion to approve the principles for the Board members' fees for the period 22 April 2020 to the annual general meeting 2021	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.3. Motion to approve the principles for the Nomination Committee members' fees for the period 22 April 2020 to the annual general meeting 2021	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. AUTHORIZATION TO ACQUIRE TREASURY SHARES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. STATEMENT FROM THE BOARD REGARDING REMUNERATION PRINCIPLES FOR SENIOR EXECUTIVES			
9.1 Motion to approve the advisory elements of the Board statement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.2 Motion to approve the binding principles of the Board statement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. APPROVAL OF LONG TERM INCENTIVE PLAN FOR EMPLOYEES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. MOTION TO AUTHORIZE THE COMPANY'S BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. MOTION TO AUTHORIZE THE COMPANY'S BOARD OF DIRECTORS TO ISSUE CONVERTIBLE LOANS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. INDEMNIFICATION OF BOARD OF DIRECTORS AND PRESIDENT&CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. CORPORATE GOVERNANCE STATEMENT			

Place _____ Date _____ Shareholder's signature (Only for granting proxy with voting instructions)

With regards to your right to attend and vote, 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.




Annual General Meeting 2020

Would you like to receive notice to the General Assembly and other VPS messages electronically?

To save the environment and costs for the companies in which you own shares, you can choose to receive notices and other information electronically instead of in the mail.

Follow the steps below:

- Login through your bank or with Bank ID at vps.no - Investor - Login Investor Services
- Click on your name in the upper right
- Select "Investor Information"
- Press the blue edit button 
- Check that your email address is correct. You can change this yourself at the same time
- Select YES to Electronic Company Announcements / Investor Announcement at all points below

Electronic corporate messages *

I wish to receive notification of change, notice of general meeting etc., Mutual funds

Yes No

I wish to receive notification of change, notice of general meeting etc., Stocks

Yes No

Notifications for investor

I want to receive all investor messages from VPS by email.

Yes No

- You will receive an e-mail stating that you have a message in investor services when VPS messages/summons are sent
- Log in to the same location and retrieve the VPS message/notice in the Mailbox in the upper right
- Registration, proxy or advance votes (for companies that have this) must be done in investor services under Corporate Actions - General Meeting
- Contact your VPS account manager if you have any questions or problems setting up this

Nomination Committee Report to the 2020 AGM

Introduction

The Nomination Committee (the “Committee”) in PGS ASA (“PGS” or the “Company”) was established at the Annual General Meeting (“AGM”) on 8 June 2005. The current Committee consists of Harald Norvik (Chairperson), Terje Valebjørg, Alexandra Herger and Ole Jakob Hundstad. None of the members of the Committee are employees of PGS or members of the PGS Board of Directors (the “Board”).

The Committee held five meetings in 2019.

The main duties of the Committee are to propose nominees for election at the AGM as members and chairperson to the Board and the Committee itself, and to propose the fees to be paid to the members of the Board and the Committee.

The duties of the Committee are further regulated in the Nomination Committee Mandate and Charter. The current Charter is available on www.pgs.com.

The Board and Committee also send out a letter to the 30 largest shareholders once a year inviting them to join in on a dialog on corporate governance and corporate responsibility matters. The letter is also posted on www.pgs.com and any shareholder may initiate communication with the Company on these matters. During 2019, one meeting was conducted with shareholders under this initiative.

Nominees to the Board of Directors

The Committee has in preparation of its work on proposing nominees for election as members and chairperson to the Board interviewed existing members of the Board as well as the President & CEO. For the 2020 AGM, the Committee emphasizes the importance of PGS’ need for a balance of experience and expertise among the members to the Board, which will provide knowledge of the strategic, international, financial, technological and management issues which face PGS and its’ management.

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

The proposal is to re-elect for a term ending on the earlier of one year from the 2020 AGM or the 2021 AGM Mr. Walter Qvam as Chairperson (appointed as Director in 2013), and the Directors Ms. Anne Grethe Dalane (appointed as Director in 2013), Mr. Richard Herbert (appointed as Director in 2017), Ms. Marianne Kah (appointed as Director in 2018), and Mr. Trond Brandsrud (appointed as Director in 2019). Information about the Directors’ participation in Board meetings can be found in the Corporate Governance Report, cf. Appendix VIII to the Calling Notice.

The Committee considers the proposed re-electives, to be independent from the Company's management, major business relations, and major shareholders (owning shares in the Company of more than 10%).

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

Details of the existing - and proposed - Director's experience and expertise can be found on <https://www.pgs.com/about-us/board-and-executive-team/board-of-directors/>.

The Committee has put considerable effort in assessing the needs of the Board. The Committee believes that both the existing and proposed Board – taking into consideration both shareholder elected and employee elected Directors – will provide the necessary industry knowledge, technical competence and corporate experience needed for PGS' corporate governance.

Nominees for the Nomination Committee

The Committee has carefully considered whether to propose new members to the Committee on the 2020 AGM. In this work, the Committee has specifically evaluated PGS' need for a Committee which has knowledge of the strategic, international, financial, technological and management issues which face PGS in order to identify qualified and suitable nominees to the Board. The Committee also emphasize the importance of both male and female members and both Norwegian and international members to the Committee.

The Committee proposes that Mr. Harald Norvik (appointed as Chairperson in 2017) is re-elected as Chairperson, and that Committee members Mr. Terje Valebjørg (appointed as member in 2016), Ms. Alexandra Herger (appointed as member in 2019) and Mr. Ole Jakob Hundstad (appointed as member in 2019) are re-elected as members for a term ending on the earlier of one year from the 2020 AGM or the 2021 AGM.

The Committee considers the proposed re-electives, to be independent from the Company's management, major business relations and major shareholders (owning shares in the Company of more than 10%) however noting that Mr. Hundstad is employed with the Government Pension Fund Norway (Folketrygdfondet) who owns shares in the Company but less than 10%.

Details of existing - and proposed - Committee members experience and expertise can be found on <https://www.pgs.com/about-us/corporate-governance/nomination-committee/>.

Remuneration of the Board of Directors

The Committee has reviewed remuneration practice for both shareholder and employee elected Directors in both international and Norwegian peer companies in order to establish a recommendation to the AGM. The Committee has also taken into account the results of the latest Board Remuneration Survey issued by the Norwegian Institute of Directors. Based on this, the Committee propose to keep the principles and levels for remuneration to the shareholder

and employee elected Directors for the period 2020 AGM-2021 AGM at the same level as it was approved by the AGM for the period 2019 AGM-2020 AGM.

The remuneration scheme for the shareholder and employee elected Directors thus proposed for the period 2020 AGM-2021 AGM is presented in Appendix V to the Calling Notice.

The remuneration payable to the Directors for the previous period 2019 AGM-2020 AGM is set forth in Appendix III to the Calling Notice. This remuneration is calculated in accordance with the principles for Director remuneration that were adopted by the 2019 AGM, see Appendix IV to the Calling Notice.

According to the Norwegian Code of Practice for Corporate Governance, the Directors should be requested to own shares in the Company. The Committee recommended at the 2018 AGM that the shareholder elected Directors over a three-year period themselves acquire shares in the Company in an amount at least equal to 25% of the proposed annual fixed board member fee. Whilst noting that certain Directors may be prevented from acquiring shares due to other roles and positions, the Committee will take into account Director shareholding in the Company when proposing Directors for re-election. The Committee notes that the current shareholder elected Directors that are able to acquire shares have accommodated this recommendation.

Remuneration of the Nomination Committee members

The Committee has reviewed remuneration practice for nomination committee members in both international and Norwegian peer companies in order to establish a recommendation to the 2020 AGM, and has also taken into account the results of the Board Remuneration Survey issued by the Norwegian Institute of Directors. Based on this, the Committee propose to keep the principles and levels for remuneration to the Committee members for the period 2020 AGM-2021 AGM at the same level as it was approved by the AGM for the period 2019 AGM-2020 AGM.

The principles for and levels of Committee member fees for the period 2020 AGM-2021 AGM proposed by the Committee are seen in Appendix V to the Calling Notice.

The fees payable to the Committee members for the period 2019 AGM-2020 AGM are set forth in Appendix III to the Calling Notice. These numbers are calculated on basis of the principles for remuneration that were adopted by the 2019 AGM, see Appendix IV to the Calling Notice.

* * *

Shareholders who wish to propose new Board members or new members of the Nomination Committee may do so by submitting a candidate's name to PGS' investor relations staff via the Company's website: www.pgs.com by following the link, "Nominate a Board Member." The deadline for submissions each year is January 31. Alternatively, candidates can be proposed by letter to PGS attn. General Counsel or via email to: ir@pgs.com.

FEES FOR BOARD MEMBERS and NOMINATION COMMITTEE MEMBERS
24 April 2019 - 22 April 2020

Appendix III

			2Q 2019	3Q 2019	4Q 2019	1Q 2020	TOTAL
Qvam, Walter	Chairperson + Chairperson Remuneration Committee	USD	27,750	30,750	27,750	30,750	117,000
Dalane, Anne Grethe	Director + Chairperson Audit Committee	USD	18,500	21,500	18,500	21,500	80,000
Herbert, Richard	Director + Member Audit Committee	USD	26,250	21,750	26,250	21,750	96,000
Kah, Marianne	Director + Member Audit Committee	USD	26,250	21,750	26,250	21,750	96,000
Trond Brandsrud	Director + Member Remuneration Committee	USD	12,561	19,875	16,875	19,875	69,186
Borge, Morten	Director + Member Remuneration Committee	USD	4,309	-	-	-	4,309
			115,620	115,625	115,625	115,625	462,495

			2Q 2019	3Q 2019	4Q 2019	1Q 2020	TOTAL
Norvik, Harald	Chairperson Nomination Committee	USD	2,625	2,625	2,625	2,625	10,500
Valebjørg, Terje	Member Nomination Committee	USD	2,000	2,000	2,000	2,000	8,000
Herger, Alexandra	Member Nomination Committee	USD	1,489	2,000	6,500	2,000	11,989
Hundstad, Ole Jakob	Member Nomination Committee	USD	1,489	2,000	2,000	2,000	7,489
Devine, C. Maury	Member Nomination Committee	USD	511	-	-	-	511
			8,114	8,625	13,125	8,625	38,489

PRINCIPLES FOR SHAREHOLDER ELECTED BOARD MEMBERS' FEES
For the period from 24 April 2019 to the annual general meeting 2020

	Board Member Fee	Audit Committee Fee	Remuneration Committee Fee	Travel Time Allowance for each meeting
All Members	\$60,000	\$9,000	\$7,500	- Intercontinental travel: \$4,500 - Regional travel (e.g. within US or Europe): \$3,000 - Travel within same nation/state (e.g. within Norway or Texas): \$500 - Travel within same city: \$0
Committee Chairperson		Additional \$5,000	Additional \$3,500	
Board Chairperson	\$100,000			As for other members

Further, any costs incurred by the shareholder elected Board Members in relation to their participation as a member of the Board or any of the committees, will be reimbursed by the Company. All fees and costs will be paid on a quarterly basis in arrears.

PRINCIPLES FOR EMPLOYEE ELECTED BOARD MEMBERS' FEES
For the period from 24 April 2019 to the annual general meeting 2020

	Board Member Fee	Audit Committee Fee	Remuneration Committee Fee	Travel Time Allowance for each meeting
All Members	NOK 100,000	N/A	N/A	N/A

The employee elected Board Members shall otherwise be subject to applicable Company policy for compensation, including policy on compensation to employees of travel related costs. All fees will be paid on a monthly basis in arrears.

PRINCIPLES FOR THE NOMINATION COMMITTEE MEMBERS' FEES
For the period 24 April 2019 to the annual general meeting 2020

	Nomination Committee Fee	Travel Time Allowance for each meeting
All Members	\$8,000	- Intercontinental travel: \$4,500 - Regional travel (e.g. within US or Europe): \$3,000 - Travel within same nation/state (e.g. within Norway or Texas): \$500 - Travel within same city: \$0
Chairperson	Additional \$2,500	

Further, any costs incurred by the Nomination Committee Members in relation to their participation as a member of the Nomination Committee, will be reimbursed by the Company. All fees and costs will be paid on a quarterly basis in arrears.

PRINCIPLES FOR SHAREHOLDER ELECTED BOARD MEMBERS' FEES
For the period from 22 April 2020 to the annual general meeting 2021

	Board Member Fee	Audit Committee Fee	Remuneration Committee Fee	Travel Time Allowance for each meeting
All Members	\$60,000	\$9,000	\$7,500	- Intercontinental travel: \$4,500 - Regional travel (e.g. within US or Europe): \$3,000 - Travel within same nation/state (e.g. within Norway or Texas): \$500 - Travel within same city: \$0
Committee Chairperson		Additional \$5,000	Additional \$3,500	
Board Chairperson	\$100,000			As for other members

Further, any costs incurred by the shareholder elected Board Members in relation to their participation as a member of the Board or any of the committees, will be reimbursed by the Company. All fees and costs will be paid on a quarterly basis in arrears.

PRINCIPLES FOR EMPLOYEE ELECTED BOARD MEMBERS' FEES
For the period from 22 April 2020 to the annual general meeting 2021

	Board Member Fee	Audit Committee Fee	Remuneration Committee Fee	Travel Time Allowance for each meeting
All Members	NOK 100,000	N/A	N/A	N/A

The employee elected Board Members shall otherwise be subject to applicable Company policy for compensation, including policy on compensation to employees of travel related costs. All fees will be paid on a monthly basis in arrears.

PRINCIPLES FOR THE NOMINATION COMMITTEE MEMBERS' FEES
For the period 22 April 2020 to the annual general meeting 2021

	Nomination Committee Fee	Travel Time Allowance for each meeting
All Members	\$8,000	- Intercontinental travel: \$4,500 - Regional travel (e.g. within US or Europe): \$3,000 - Travel within same nation/state (e.g. within Norway or Texas): \$500 - Travel within same city: \$0
Chairperson	Additional \$2,500	

Further, any costs incurred by the Nomination Committee Members in relation to their participation as a member of the Nomination Committee, will be reimbursed by the Company. All fees and costs will be paid on a quarterly basis in arrears.

Statement from the Board of Directors regarding remuneration principles for Senior Executives

1. Introduction

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

In accordance with Section 6-16a of the Norwegian Public Limited Companies Act, the Board of Directors of PGS (the “Board”) has prepared a statement related to the determination of salary and other benefits for our CEO and executive officers for the coming fiscal year. The guiding principles set out in Item 2 below will be presented to the shareholders for their advisory vote at the 2020 Annual General Meeting (“AGM”). The binding principles contained in Item 3 below on award of Performance based Restricted Stock Units (“PRsUs”) will be presented to the AGM for approval and is binding for the Board.

Since the 2019 AGM, the Board has followed the guiding principles then approved by the AGM with respect to remuneration of the CEO and the executive officers.

2. Guiding principles

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

The CEO and one executive officer have an early retirement plan allowing for termination of employment without cause when the CEO or the executive officer reach the age of 62. Full early retirement benefits are defined as 60% of the last base salary beginning in the year of retirement. The CEO is eligible for 85% of full benefits if he retires at the age of 62 and full benefits if he retires at the age of 65. The executive officer is eligible for full benefits if he retires at the age of 62. The early retirement benefits cease when the CEO and executive officer reach the age of 67.

The variable elements currently consist of participation in a short-term performance bonus scheme and a long-term performance based PRSU program. The PRSU program is addressed in Section 3 below.

Participation in the short-term performance bonus scheme and the target levels and the maximum levels of the annual performance bonus under this scheme are determined annually. Normally payment under such bonus scheme is based partly on achievements of agreed financial key performance indicators (“KPIs”) for the group and partly on achievements of agreed operational, financial and organizational KPIs included in a personal performance contract. For the CEO, any performance bonus pay-out is under this scheme capped to 150% of his annual base salary. For the executive officers, any performance bonus pay-out is under this scheme capped to 100% of their annual base salary.

This statement deals primarily with the remuneration of our CEO and executive officers. However, the remuneration principles described are to a large extent applicable to a broad group of key employees within the Company. Enhanced performance by the management groups is not achieved by our CEO and executive officers alone but is rather dependent on a large number of managers and key employees throughout the Company. Therefore, a large number of managers and key employees are normally included in performance based remuneration schemes, which contain all or some of the mentioned short- and long-term elements. In addition, all other employees may traditionally receive up to a maximum of one month salary in annual bonus.

A specific peer group of comparable companies and an executive remuneration philosophy has been adopted for determining total executive compensation. As per 31 December 2019, the peer group consisted of 20 companies primarily from Norway and Europe. All companies are of comparable size and have international operations in the oil & gas and oil service sector. An external advisor to the Company collects and combines relevant information related to the peer group companies. This is used by the Board's Remuneration and Corporate Governance Committee ("Remco") and the Board itself to benchmark total executive remuneration. The executive remuneration philosophy document includes certain guidelines on how the CEO and executive officers should compare to the peer group. These tools are amongst others used by Remco and the Board to decide on an appropriate remuneration structure and to set appropriate total remuneration for the CEO and executive officers.

Remuneration to the CEO and other executive officers are evaluated regularly by Remco and the Board. Remco annually reviews the total compensation level, the mix between fixed and performance related compensation and the mix between short- and long-term compensation. Remco has developed an annual schedule in order to ensure and facilitate a structured approach to the annual review of total executive compensation. Remco normally engages an external advisor for this work.

3. Binding principles

The AGMs from the year of 2013 including the year of 2019 authorized a PRSU program in order to ensure continued long-term incentives which were linked to the development of the Company's share price. The Board will propose to the 2020 AGM a Long Term Incentive Plan ("LTI Plan") that for all eligible employees will consist solely of PRSUs. The LTI Plan will exclude granting Restricted Stock Units that are not performance related. Settlement of the PRSUs and subsequent transfer of shares to the eligible employee will take place three years later subject to; (i) Total Shareholder Return ("TSR") achievements compared to a comparator group that as of December 31, 2019 comprise 22 relevant companies adjusted for dividends for the said period, and (ii) the Company's Return On Capital Employed ("ROCE") compared to a goal for the said period. Settlement of the PRSUs and subsequent transfer of shares in the Company to the eligible employee will take place three years after the grant subject principally to continued employment by the Company. Further details of the LTI Plan - including goals, terms and conditions - are set out in Appendix VII to the 2020 AGM Calling Notice. The full LTI Plan will be presented to the 2020 AGM for approval

The Board will propose for approval by the 2020 AGM a pool of 2,400,000 PRSUs which may be granted to eligible employees in 2020. No participant in the LTI Plan (including the CEO) may receive more than 7% of the total PRSU pool. The Board will not distribute any other share based incentives than the LTI Plan to the CEO or executive officers during 2020.

22 April 2020

PGS ASA 2020 Long Term Incentive Plan

1 *Plan.* The PGS ASA 2020 Long Term Incentive Plan was adopted by PGS ASA to reward certain corporate officers and employees of the Company and its Subsidiaries by enabling them to receive Shares of the Company.

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

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

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

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

"Board" means the Board of Directors of the Company.

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

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

"Company" means PGS ASA.

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

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

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

“Good Leaver” is defined in Article 9(b).

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

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

“Plan” is defined in Article 1.

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

“ROCE” means Return On Capital Employed. This is a financial ratio defined as Segment EBIT (without exclusion of gains or losses from sale of assets, impairments or other charges) divided by the average Net Capital Employed for the same period. Net Capital Employed is the sum of shareholders’ equity and net interest bearing debt.

“Settlement Date” means, subject to Article 19, the third anniversary of the Grant Date, and if the applicable Settlement Date falls on a Saturday, Sunday or public holiday in Norway, the Settlement Date shall be the first day thereafter where banks in Norway are generally open for business.

“Shares” means the ordinary shares of the Company.

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

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

“LTI Comparator Group” means a group of relevant companies included in a comparator group as listed in Appendix 1 hereto with the purpose of identifying average TSR of these companies at the Settlement Date.

“Securities Account” means an account registered in the name of the Participant, such as with the

Norwegian Central Securities Depository, Verdipapirsentralen ASA.

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

5. *Shares Available for Awards.*

(a) Subject to the provisions of Article 16, no Award shall be granted if it shall result in the aggregate number of Shares to be received by Participants under the Plan plus the number of Shares covered by or subject to Awards then outstanding under this Plan (after giving effect to the grant of the Award in question) is exceeding 2,400,000.

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

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

6. *Administration.*

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

(b) Subject to the provisions hereof, the Committee shall have full and exclusive power and authority to administer this Plan and to take all actions that are specifically contemplated hereby or are necessary or appropriate in connection with the administration hereof. The Committee shall also have full and exclusive power to adopt such rules, regulations and guidelines for carrying out this Plan as it may deem necessary or proper and which are either (i) not materially adverse to the Participant to whom such Award was granted, (ii) consented to by such Participant, or (iii) made pursuant to the adjustment provisions in Article 16. The Committee may correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any Award in the manner and to the extent the Committee deems necessary or desirable to further the Plan purposes.

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

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

8. *Awards.*

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

(b) The Committee shall decide how many PRSUs each Participant shall receive.

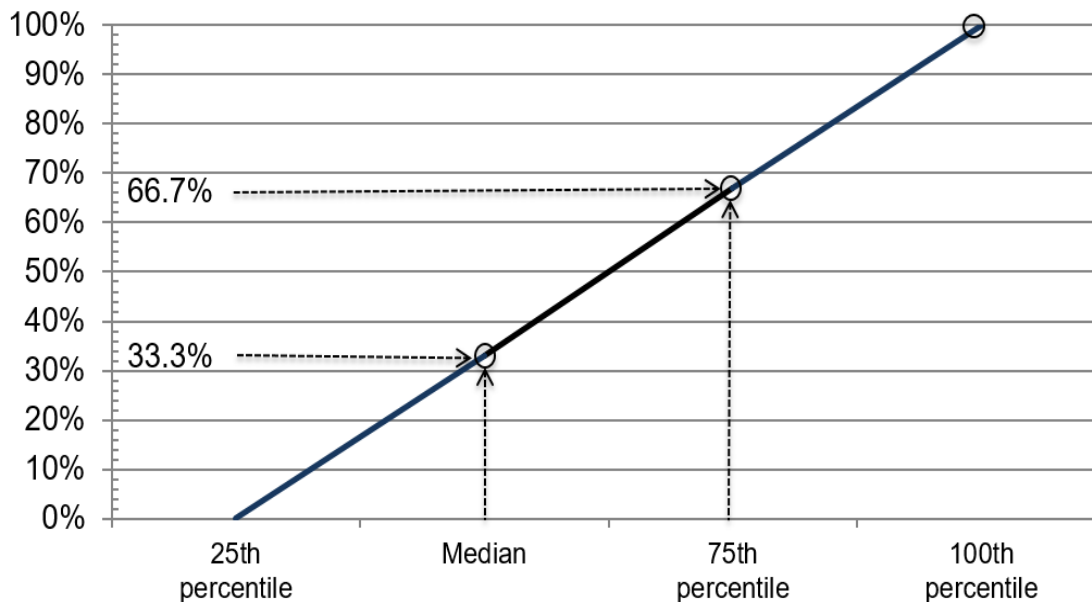
(c) Each Award may, in the discretion of the Committee, be embodied in an Award Agreement, which shall contain such terms, conditions, and limitations as shall be determined by the Committee in its sole discretion and, if required by the Committee, shall be signed by the Participant to whom the Award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

9. *PRSU Terms*

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

(i) *Settlement of 75% of awarded PRSUs:* Subject to the terms and conditions of this Plan and the Award Agreement, and further subject to Article 19, 75% of the PRSUs (the "TSR PRSUs") will be settled at the applicable Settlement Date as follows: All of the TSR PRSUs will automatically settle if the Company has delivered a TSR at the 100th percentile of the LTI Comparator Group. None of the TSR PRSUs will settle if the Company has delivered a TSR in the lower quartile of the LTI Comparator Group. If the Company has delivered a TSR at the Median of the LTI Comparator Group, 33.3% of the TSR PRSUs will settle. The settlement of TSR PRSUs as a function of TSR performance is illustrated in the chart below:

TSR Performance



Percentages of awarded PRSUs that will vest as a function of PGS' TSR performance measured against the LTI Comparator Group on the vertical axis. Examples of TSR performance against the LTI Comparator Group on the horizontal axis.

(ii) *Settlement of 25% of awarded PRSUs:* Subject to the terms and conditions of this Plan and the Award Agreement, and further subject to Article 19, 25% of the PRSUs awarded (the "ROCE PRSUs") will automatically settle at the applicable Settlement Date subject to the Company's achievement of ROCE in the three full financial years prior to Settlement Date. The performance range is between 10% and 15%, where for a ROCE of 10% or less, none of the ROCE PRSUs will settle, while a ROCE of 15% or above will result in 100% settlement of the ROCE PRSUs. Achievements are linear from 0% to 100% settlement of the ROCE PRSUs within the performance range. The performance will be calculated each year, where each year's result will be combined for the three year measure period.

Following settlement, and subject to Article 5, last sub-paragraph and the further terms and conditions of the Plan and the Award Agreement, a number of Shares equal to the number of PRSUs settled will be delivered by the Company to the Participant's Securities Account as soon as practicable. Any delivery of Shares is conditional upon the Participant having registered a Securities Account and notified the Committee of the account details. Until the date that Shares are registered with a Participant's Securities Account, the Participant shall have no rights as a shareholder pursuant to the Plan or any Award Agreement. From the date when the Shares are registered with the Participant's Securities Account, the Participant will have the right to receive dividends thereafter declared with respect to such Shares and to exercise other shareholder rights. PRSUs which do not settle on the Settlement Date are terminated and become null and void.

(b) *Termination of Employment:* A "Good Leaver" is someone who leaves due to retirement at the normal retirement age or early retirement with Company (or a Subsidiary), consent, incapacity, serious ill health, death, or someone determined a Good Leaver by the Committee. For a Good Leaver, all PRSUs continue with full effect and will automatically be settled at the applicable Settlement Date pursuant to the terms and conditions of the Plan and the Award Agreement. In the event of the death of the Employee, all PRSUs shall be settled in cash as full and final settlement of all PRSUs within 60 days after the time of death. If more than one heir (whether by will, statute or otherwise) of the Employee

claims the cash payment, the Committee can require as a condition for making the cash payment that the heirs within 30 days from written notice from the Committee agree among themselves who shall have the right to the cash payment, and if no such confirmation has been received in writing by the Committee within the 30 day deadline, the PRSUs will terminate without any cash payment taking place and without any further liability or obligations for the Company (or any Subsidiary). For an Employee who is not a Good Leaver, all PRSUs outstanding at the time the Employee resigns, gives or receives a notice of termination with the Company (or a Subsidiary) will terminate immediately without any further liability or obligations for the Company (or a Subsidiary). For the avoidance of doubt, a transfer of employment between the Company and a Subsidiary or between Subsidiaries shall not be considered a termination of employment for the purposes of this Plan.

10. Change of Control. Notwithstanding any other provisions of the Plan, including Articles 7 and 8 hereof, unless otherwise expressly provided in the applicable Award Agreement, in the event of the occurrence of a Change of Control, each PRSU granted under this Plan to the Participant shall be immediately settled in full; provided, however, that with respect to a Participant subject to United States taxation, no Change of Control shall be deemed to have occurred unless such event also constitutes an event specified in Code Section 409A(2)(A)(v) and the Treasury Regulations promulgated thereunder.

11. Participants in Different Jurisdictions. The Committee may grant Awards to persons in a particular country under such terms and conditions as may, in the judgment of the Committee, be necessary or advisable to comply with the laws of the applicable foreign jurisdictions and, to that end, may establish sub-plans, modified PRSU settlement procedures and other terms and procedures. Notwithstanding the above, the Committee may not take any actions hereunder and no Awards shall be granted, that would violate any securities law, any governing statute, or any other applicable law.

12. Securities Law regulations.

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

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

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

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

by law or to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for withholding of such taxes.

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

15. *Assignability.* Unless otherwise determined by the Committee and provided in the Award Agreement or the terms of the Award, no Award or any other benefit under this Plan shall be assignable or otherwise transferable except by will or by the laws of descent and distribution. The Committee may prescribe and include in applicable Award Agreements or the terms of the Award other restrictions on transfer. Any attempted assignment of an Award or any other benefit under this Plan in violation of this Article 15 shall be null and void.

16. *Adjustments.*

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

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

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

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

which he or she is employed or otherwise serves the Company or its Subsidiaries.

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

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

21. Section 409A.

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

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

22. Effectiveness and Term. The Plan is effective as of 22 April 2020. No Award shall be made under the Plan after 22 April 2023.

APPENDIX 1 – LTI COMPARATOR GROUP

Company	Country
Akastor ASA	NO
Aker Solutions ASA	NO
BW Offshore Limited	NO
CGG SA	FR
Fugro N.V.	NL
Hunting PLC	GB
ION Geophysical Corp	US
Kværner ASA	NO
Magseis Fairfield ASA	NO
Northern Drilling Limited	NO
Odfjell Drilling Limited	NO
Petrofac Limited	GB
Polarcus Ltd	UAE
Prosafe SE	CY/NO
Saipem SpA	IT
SBM Offshore N.V.	NL
SeaBird Exploration PLC	NO
Subsea 7 SA	NO
TechnipFMC PLC	FR
TGS-NOpec Geophysical Company ASA	NO
Wood Group (John) PLC	GB

Upon changes in the above LTI Comparator Group during the period from Grant Date to Settlement Date (such as but not limited to bankruptcy, liquidation, mergers and acquisitions), the Committee is authorized to consider the consequences thereof for the LTI Comparator Group and the Company's relative TSR.

CORPORATE GOVERNANCE REPORT

PGS ASA (“PGS” or the “Company”) is committed to maintaining high standards of corporate governance. We believe that effective corporate governance is essential to our Company’s success and establishes the framework by which we conduct ourselves in delivering services to our customers and creating value for our shareholders.

PGS is registered in Norway as a public limited liability company, and our corporate governance model is based on Norwegian corporate law, the Continuing Obligations of Stock Exchange Listed Companies issued by Oslo Stock Exchange, the Rules and Regulations of the Luxembourg Stock Exchange, and the Norwegian Code of Practice for Corporate Governance (the “NUES Recommendations”). To the extent practicable, PGS also adheres to requirements applicable to registrants of foreign securities in the United States, where our American Depositary Shares (“ADS”) are publicly traded. We have implemented corporate governance particularly suited to our Company and the industry in which we operate.

The Norwegian Public Limited Liability Companies Act section 5-6 (4) requires that the statement of Corporate Governance is brought up for the Annual General Meeting (“AGM”). Consequently, this report will be presented to the General Meeting on April 22, 2020.

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

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

1. Code of Conduct, Core Values and Corporate Responsibility

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

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

2. Business

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

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

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

Our business operations and the goals and strategies for our business areas are presented in greater detail on pages 16-18 of the Annual Report.

3. Equity and Dividends

The shareholders' equity as of December 31, 2019 was \$637.1 million, corresponding to 27.7% of total assets.

The Board of Directors believes that the Company has an adequate capital structure. However, as a result of a weak market over several years, combined with substantial investments in fleet renewal, Net Interest Bearing Debt excluding lease liabilities, currently at \$1,007.5 million, is higher than what the Board sees as beneficial for stakeholders over time. Taking into account experience from the downcycle and with a view that the Company's markets will continue to be cyclical in the future, the Company has adopted a strategic target to over time reduce Net Interest Bearing Debt to a level not exceeding \$500 to 600 million, assuming the current size and composition of business activities. As a result, the Company will give higher priority to profitability, cash flow generation and debt reduction than business growth until it reaches a lower debt level. During 2019 the Company reduced its Net Interest Bearing Debt by \$102.1 million, or 9.2%. The Board of Directors continually monitors the adequacy of the Company's capital structure in light of its objectives, strategy, risk profile and outlook.

The alternative performance measure "Net Interest Bearing Debt" as used above, excludes lease liabilities recognized in accordance with IFRS 16 and is further defined in the Annual Report.

The Board of Directors has adopted a dividend policy whereby it is the intention to distribute 25 to 50 percent of annual net income as dividends over time. The Board of Directors has no general authorization to distribute dividends. Each year's dividend is decided by the AGM after a proposal from the Board of Directors.

The Company has not distributed dividends in recent years due to a weak market, operating losses and a need to maintain an adequate liquidity reserve. Going forward, the Company's capacity to pay dividend will be assessed by the Board of Directors in light of, among other things, the market outlook and the Company's equity and funding positions. Since the Company currently has Net Interest Bearing Debt which is above the targeted level, priority is given to debt reduction before resuming dividend payments. In addition, the Company is restricted in its combined Revolving Credit and Term Loan B facility from proposing a dividend for 2019; and these agreements require certain conditions to be fulfilled before the Company may propose a dividend payment.

The Board of Directors is authorized to buy back up to 10 percent of the Company's share capital (treasury shares). The current authorization expires on June 30, 2020. However, a new authorization will, in line with past practice, be proposed at the next AGM. Purchase of treasury shares are subject to restrictions in the Revolving Credit and Term Loan B facility identical to those applicable for distribution of dividends.

It has been an ongoing practice of PGS shareholders to grant authorizations to the Board of Directors permitting it to increase the Company's share capital or issue convertible loans for up to 10 percent of the Company's share capital for certain defined purposes. The current authorizations expire on June 30, 2020. New authorization in line with past practice will be proposed at the next AGM.

Separate General Meeting votes are held for (a) authorizations to increase the share capital for certain business purposes, (b) authorization to issue convertible loans and (c) authorization to acquire treasury shares. When a proposed resolution encompasses share capital increases and/or the issuance of convertible loans and/or acquisition of treasury shares for various purposes, the Company does not find it practical to hold separate votes on each element of proposals. This is a deviation from the NUES Recommendation No. 3 where it is recommended that when the General Meeting is to consider mandates to the Board of Directors for the issue of shares for different purposes, each mandate should be considered separately by the meeting.

4. Equal Treatment of Shareholders and Transactions with Close Associates

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

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

Transactions between the Company and shareholders, a shareholder's parent company, members of the Board of Directors, executive officers, or close associates of any such party (referred to as "Close Associates") shall be conducted at arm's length distance and at market terms. Material transactions with Close Associates will be subject to independent valuation by third parties. According to PGS' Code of Conduct, our employees shall not have any personal or financial interest that might conflict with those of PGS nor influence, or appear to influence judgments or actions in carrying out their responsibilities on behalf of the Company. According to the Board of Directors' Rules of Procedure, a member of our Board of Directors may not participate in discussions or decision-making as to issues in which the Director or any person closely associated with the Director has a material personal or financial interest. The Code of Conduct and Rules of Procedure are available on our website: www.pgs.com.

5. Shares and Negotiability

The Company's shares are freely transferable and there are no restrictions imposed by the Company on ownership of or voting for shares.

6. General Meetings

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

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

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

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

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

To vote at General Meetings, in person or by proxy, a shareholder must be registered with the Norwegian Central Securities Depository ("VPS"). Holders of ADS may vote according to the underlying shares by: (a) having the underlying shares transferred to an account with the Norwegian Central Securities Depository in the name of the holder, (b) attending the meeting as a shareholder by providing their name, address and evidence that they are the beneficial

owner of the ADSs and coordinating with Deutsche Bank, depository for the ADS, to have their ADSs blocked from voting, or (c) authorizing Deutsche Bank to vote the ADS on their behalf in accordance with specific guidelines.

An owner with shares registered through a custodian has voting rights equivalent to the number of shares covered by the custodial arrangement, provided that the owner of the shares, within two working days ahead of the General Meeting, provides PGS with his or her name and address together with written confirmation from the custodian to the effect that he or she is the beneficial owner of the shares held in custody.

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

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

7. Nomination Committee

According to our current Articles of Association, the Company has a Nomination Committee comprised of four members to be elected by our shareholders at the AGM. The majority of Nomination Committee members shall qualify as independent parties, pursuant to the NUES Recommendations. The term of service shall be two years unless the General Meeting determines that the period shall be shorter.

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

Once a year, the Nomination Committee meets with each Director individually and discusses how the Board of Directors and its committees function and whether there is a need for changes to the Board of Directors. The Nomination Committee also keeps contact with shareholders and the Company's President & CEO ("CEO") as part of its work.

As of December 31, 2019, the Nomination Committee comprises Harald Norvik (chairperson), Terje Valebjørg, Alex Herger and Ole Jakob Hundstad. Mr. Norvik was a first time electee at the AGM held May 10, 2017, whereas Mr. Valebjørg at the same AGM was re-elected, and Ms. Herger and Mr. Hundstad were first time elected at the AGM held April 24, 2019, all for a service period ending with the 2020 AGM.

Shareholders who wish to propose new Board members or new members of the Nomination Committee may do so by submitting a candidate's name to PGS' investor relations staff via the Company's website: www.pgs.com by following the link, "Nominate a Board Member." The deadline for submissions each year is January 31. Alternatively, candidates can be proposed by letter to PGS attn. General Counsel or via email to: ir@pgs.com. PGS does not employ any Nomination Committee members and none is a member of the Board of Directors.

In 2019, the Nomination Committee held five meetings and conference calls. The Nomination Committee's report on its work and recommendations is set out in Appendix II to the Calling Notice.

8. Board of Directors — Composition and Independence

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

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

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

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

As of December 31, 2019, the Board of Directors comprised five shareholder elected and three employee elected Directors. The current shareholder elected Directors are Walter Qvam (chairperson), Anne Grete Dalane, Richard Herbert, Marianne Kah and Trond Brandsrud, whilst the current employee elected Directors are Anette Valbø, Hege Renshus and Grunde Rønholt. The current Directors are presented more in detail on the Company's website: www.pgs.com and in this Annual Report.

All shareholder elected Directors are independent of the Company's management. All such Directors are also per December 31, 2019, independent of our major business relations and major shareholders (owning more than 10% of the shares in the Company). No shareholder elected Director may be an executive of PGS. Such Directors are not permitted to perform paid consultancy work for PGS. As of December 31, 2019, all Directors, directly or indirectly, own PGS shares.

Shareholders and other interested parties may communicate directly with our shareholder elected Directors by written correspondence addressed to PGS ASA, Board of Directors (shareholder elected members), Secretary of the Board of Directors or to the Company's General Counsel Lars Ragnar van der Bijl Mysen, PO Box 251, NO-0216 Oslo, Norway. Further, our website: www.pgs.com invites shareholders wishing to discuss corporate governance or corporate responsibility matters to contact Mr. Mysen by phone or arrange a meeting with him.

9. The work of the Board of Directors

In accordance with Norwegian corporate law, our Board of Directors has overall responsibility for management of the Company, while the CEO is responsible for day-to-day management.

The Board of Directors provides oversight of the CEO's day-to-day management and company activities in general. The Board of Directors is also responsible for ensuring that appropriate management, guidelines, and control systems are in place and are followed.

The CEO, as agreed with the chairperson of the Board of Directors, annually submits a schedule of the meetings of the Board of Directors in the upcoming calendar year. The schedule is subject to Board approval. In 2019, the Board of Directors held nine meetings including conference calls. During 2019, all the current shareholder elected Directors participated in all prescheduled board meetings and conference calls.

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

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

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

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

Our governance structure is organized as described below.

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

Board responsibilities include:

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

The responsibilities of the CEO include:

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

Board of Directors Committees

As of December 31, 2019, our Audit Committee comprises Directors Anne Grethe Dalane (chairperson), Richard Herbert, Marianne Kah, Anette Valbø and Hege Renshus. All shareholder elected Director's being members of the committee are

considered independent of the Company. The committee's functions are to assist the Board of Directors in its supervision of the integrity of PGS' financial statements; to monitor the independent auditor's qualifications, independence and performance; to monitor the performance of the internal audit function; and to promote and review compliance with laws and regulatory requirements.

As of December 31, 2019, the PGS' Remuneration and Corporate Governance Committee comprises Directors Walter Qvam (chairperson), Trond Brandsrud, and Grunde Rønholt. All shareholder elected Director's being members of this committee are considered independent of the Company's senior management. The function of the committee is to assist in matters relating to compensation, benefits, and perquisites of the CEO and other senior executives. Review and modification of the Company's corporate governance implemented in the Company are also committee responsibilities.

In 2019, the Board of Directors also mandated an ad-hoc committee comprised by Mr. Qvam, Ms. Dalane and Mr. Brandsrud to oversee the Company's refinancing process together with the PGS management.

10. Risk Management and Internal Control

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

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

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

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

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

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

Internal Audit Department

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

The scope of work for the Internal Audit Department includes determining whether the Company's risk management, control, and governance, as designed and represented by management, are adequate and well-functioning. The audit reports are issued to the Audit Committee. In addition, the Internal Audit Department regularly monitors and reports status of management's actions to respond to identified risks or weaknesses.

11. Remuneration of the Board of Directors and Executive Management

Remuneration of shareholder elected Directors is not linked to performance but is based on an annual fee and is subject to annual approval by the General Meeting. Shareholder elected Directors shall not solicit or accept specific assignments for PGS beyond their role as Directors. Shareholder elected Directors neither hold any PGS share options, restricted stock units nor performance based restricted stock units.

For details on compensation to individual Directors, please see Note 29 to the consolidated financial statements of PGS.

Remuneration payable to both employee elected and shareholder elected Directors will be proposed by the Nomination Committee according to its Mandate and Charter, and is submitted to the AGM for approval.

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

A specific peer group of comparable companies and an executive remuneration philosophy have been adopted. As per December 31, 2019, the peer group consisted of twenty companies primarily from Norway and Europe. All companies are of comparable size and have international operations in the oil & gas and oil service sectors. An external advisor collects and compiles relevant information on peer group companies. This information is used by the Remuneration and Corporate Governance Committee for benchmarking executive remuneration. The executive remuneration policy document includes certain targets and guidelines on how the Company's executives should compare to the peer group. These tools, amongst others, are used by the Remuneration and Corporate Governance Committee to decide on an appropriate remuneration structure and to set appropriate total remuneration.

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

PGS currently has a compensation structure for senior executives that include a base salary, benefits such as newspaper and mobile phone subscriptions, cash bonuses, pension plans, and performance stock-based long-term incentive programs. Features of these programs include an absolute ceiling on performance-related remuneration.

For further details on the compensation structure and total compensation to executive team members, see note 29 to the consolidated financial statement of PGS, and also the Board of Directors' Statement on Remuneration to the CEO and senior executives set forth as Appendix VI to the Calling Notice.

12. Information and Communications

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

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

The Board of Directors and the Nomination Committee send a letter to the 30 largest shareholders once a year inviting them to join in a dialog on corporate governance and corporate responsibility matters. The letter is also posted on www.pgs.com and any shareholder may initiate communication with the Company on these matters. During 2019, one meeting was conducted with shareholders under this initiative.

13. Takeover Bids

The Board of Directors has established guiding principles for how it will act in the event of a takeover bid. The Board of Directors will ensure that all shareholders are treated equally and seek to prevent disruptions to, or interference with, Company operations to the extent possible. In the event of a takeover bid, the Board of Directors will, in accordance with its overall responsibilities and good corporate governance, act in the best interest of shareholders and ensure that they are given sufficient information in the matter. If a takeover bid is made, the Board of Directors will issue a statement containing a recommendation as to whether the shareholders should accept or reject the offer, including an independent valuation of the offer. The Company's Articles of Association do not contain any restrictions, limitations, or defense mechanisms against acquisition of its shares.

14. Auditor

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

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

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

15. Compliance with Laws, Rules, Regulations and Recommendations

As part of PGS' Business Practice outlined on www.pgs.com, PGS is inter alia committed to comply with relevant laws, rules, and regulations, as well as the Continuing Obligations of Stock Exchange Listed Companies issued by Oslo Stock

Exchange and the Rules and Regulations of the Luxembourg Stock Exchange. In addition, PGS complies with the current recommendations set forth in the NUES Recommendations, subject only to deviations identified and justified in this report. The NUES Recommendations are available at www.nues.no.

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