



# Remuneration and Corporate Governance Committee Mandate and Charter

Mandate and Charter for the Remuneration and Corporate Governance of PGS ASA  
Established by: The Board of Directors of PGS ASA  
Last revised: 11 October 2021

## Purpose and mandate

The Remuneration and Corporate Governance Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of PGS ASA (“PGS” or the “Company”) and shall act as preparatory body in connection with the Board’s role with respect to;

- the compensation, benefits and perquisites (the “Total Compensation”) of the Company’s President and Chief Executive Officer (“CEO”),
- the Company’s corporate governance policies and procedures,
- succession planning for the role of CEO, and
- the Company’s overarching organization model and human resource strategy,

which in each case are matters for which the Board maintains responsibility and decision making.

In addition, the Committee shall act, be responsible for, and make decisions with respect to the overall framework and size of the Total Compensation of the Company’s Executive Vice Presidents (“EVPs”).

## Membership

The Committee shall consist of at least two members to be elected by the Board at its first meeting following the annual shareholders’ meeting, each of whom shall serve at the discretion of the Board. A Committee chairperson will be designated by the Board.

If the chairperson of the Board is not an elected member of the Committee, the chairperson of the Board shall be notified about and asked to provide input to the Committee prior to any meeting where the Committee reviews corporate and individual goals and objectives relevant to the CEO’s Total Compensation, evaluates the CEO’s performance relative to those goals and objectives, and makes a proposal for the CEO’s Total Compensation level based on this evaluation.

The Board intends that a majority of members of the Committee be "independent directors" in accordance with Norwegian law and applicable provisions of the Norwegian Code of Practice for Corporate Governance (the "Code"). New Committee members will receive appropriate training and orientation.

## Responsibilities

The following shall be the principal duties and responsibilities of the Committee in support of the Board in the administration and exercise of the Board's responsibility for supervisory oversight:

1. Make recommendations to the Board for approval of all aspects of the CEO's Total Compensation, including, but not limited to; (i) reviewing or amending of the current CEO Total Compensation or the structure for such; and (ii) review of corporate and individual goals and objectives relevant to the CEO's Total Compensation, an evaluation of the CEO's performance relative to those goals and objectives, and a proposal for the CEO's Total Compensation level based on this evaluation. In making a proposal for the long-term incentive component of the CEO's Total Compensation, the Committee will consider the Company's performance, relative shareholder return, the value of long-term incentive compensation given to CEOs at comparable companies, and the awards given to the CEO in past years;
2. make recommendations to the Board with respect to incentive compensation and equity-based incentive plans that require shareholder approval, and act as a preparatory body for the Board in the management of such incentive plan(s);
3. assist the Board in preparing the senior executive compensation policy and report pursuant to sections 6-16 a) and 6-16 b) of the Norwegian Public Limited Companies Act;
4. review and assess on a regular basis the Company's Corporate Governance policies and procedures, including the Rules of Procedure for the Board and applicable Corporate Governance Guidelines (such as the Code), as maintained on the Company's website, and recommend any material proposed changes to the Board for approval. When reviewing and making recommendations with respect to the Company's Corporate Governance policies and procedures, the Committee shall take into consideration changes in Norwegian corporate law, applicable stock exchange listing standards, the Code and such other changes in Norwegian best practices;
5. assist the Board with succession planning for the position of CEO;
6. assist the Board in reviewing the Company's overarching human resource strategy, including (i) succession planning for EVPs and other senior management and (ii) potential assessments for key positions;
7. assist the Board in reviewing the Company's overarching organization model;
8. assist the Board with the Board's annual evaluation of the Board, its committees and the Company's management;
9. perform other duties and responsibilities as may be assigned to the Committee, from time to time, by Board;
10. review and reassess the adequacy of this Mandate and Charter regularly and recommend any proposed material changes to the Board for approval; and
11. conduct an annual performance evaluation of its activities.

The Committee shall itself act, be responsible for and make decisions with respect to the overall framework and size of the Total Compensation of EVPs. However, the following shall be excluded and shall remain the responsibility of the CEO:

- To establish and review individual goals and objectives relevant to the EVPs' variable compensation, evaluate their performance relative to those goals and objectives, and determine the level of variable compensation based on this evaluation within frames of the system for variable compensation adopted by the Committee; and
- to determine the annual salary increase of each EVP within the total frame set for the EVPs by the Committee.

## **Meetings**

The Committee shall meet as often as it deems appropriate and necessary. The Committee will meet when called by the Committee chairperson or by two members or when requested by the chairperson of the Board or the CEO. The Committee chairperson and one member shall constitute a quorum.

## **Reports to the Board**

The Committee shall prepare minutes and shall report to the Board on a regular basis. The report to the Board shall contain recommendations for Board action and decision when appropriate.

The chairperson of the Committee shall ensure that the Board after every Committee meeting receives a report on the work of the Committee and that all matters before the Committee requiring the decision of the Board is placed on the agenda of the Board and that adequate documentation in support of the decision is provided to the Board.

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