



IG Seismic Services PLC

IG SEISMIC SERVICES CORPORATE GOVERNANCE STATEMENT FOR 2015

Since IG Seismic Services PLC (hereinafter – “IGSS”, “IG Seismic Services”, the “Company”) is incorporated in the Republic of Cyprus with global depository receipts, representing shares, listed on the London Stock Exchange, it is not subject to the U.K. Corporate Governance Code issued by the Financial Reporting Council. Also, as our shares are not listed on the Cyprus Stock Exchange, we are not required to comply with the corporate governance regime relating to companies listed on the Cyprus Stock Exchange. Nevertheless, we understand the increasing importance of corporate governance principles and transparency in organization of the Company’s business and comply with U.K. Corporate Governance Code wherever reasonably possible. In addition, in order to ensure that the Company’s corporate governance mechanisms and procedures are efficient and adhere to leading market practice, the Company implemented corporate governance code based on the U.K. Corporate Governance Code, but adapted therefrom to ensure that the requirements and obligations imposed on the Company are appropriate, given its status as a public limited company in Cyprus.

Board of Directors

The Company’s Board of Directors acknowledges that to continue to be successful in the long term, the Group must be led by an effective board with the appropriate skills, experience, independence and knowledge of the Group’s activities. The Board adopted the Board of Directors Terms of Reference on September 21st, 2012 with the technical amendments as of April 12th, 2014 which, among other things, clearly defines its roles and responsibilities, composition, rights and duties, activities and organization and cover matters, including performance review, evaluation and remuneration of the Board Members.

The Board remains committed to guiding strategic objectives and ensuring that management, financial and human resources are sufficient to meet these objectives. The Board has fundamental responsibilities for the stewardship, transparency and accountability; risk management and internal controls; corporate culture; board operations and nomination of candidates by the Board to the Shareholders; monitoring management and evaluating its activities; corporate social responsibility.

The Board ensures that it has an appropriate combination of Independent, Executive and Non-Executive Directors to ensure that power and information is not confined to a limited number of individuals and thus no individual or group of individuals can dominate the Board’s decision making processes. In 2015 the Board of Directors consisted of eight members: Non-Executive Chairman (Sergey Generalov), one Executive Director (Nikolay Levitskiy), six Non-executive Directors (Boris Aleshin, Denis Cherednichenko, Maurice Dijols, Dmitry Lipyavko, Peter O’Brien (until June 5th, 2015), Gerald Rohan). Four out of eight directors were determined by the Board as Independent directors (Boris Aleshin, Dmitry Lipyavko, Peter O’Brien, Gerald Rohan, after resignation of Peter O’Brien - Maurice Dijols). On June 5th, 2015 Peter O’Brien voluntary resigned from the Board of Directors, his resignation was approved by the Extraordinary General Meeting held on July 10th, 2015 (the EGM 2015). Olivier Martin joined IGSS on 28th April, 2015, his election as a Director of the Company was approved by the EGM 2015.

The Board ensures that key financial areas, specialization, expertise and technical skills are represented by the Board. The Directors have a range of business and financial expertise that is important and relevant for the performance of their functions.

The Board of Directors in 2015 year

Name	Year of Birth	Position	Year of First Appointment
Sergey V. Generalov ⁽³⁾	1963	Non-executive director, Chairman of the Board of Directors	2012
Boris S. Aleshin	1955	Independent non-executive director	2011
Peter Lloyd O'Brien ^{(1) (4)}	1969	Independent non-executive director	2012
Dmitry Y. Lipyavko ⁽²⁾	1965	Independent non-executive director, Chairman of the Nominations and Remuneration Committee	2012
Denis V. Cherednichenko ^{(3) (4)}	1977	Non-executive director	2011
Maurice Greroire Rene Dijols ^{(2) (4)}	1951	Independent Non-executive director	2011
Nikolay V. Levitskiy ^{(2) (3)}	1972	Executive (managing) director, Chief Executive Officer	2011
Olivier Raoul Martin ⁽⁵⁾	1971	Director	2015
Gerald Joseph Rohan ^{(3) (4)}	1942	Independent non-executive director, Chairman of the Strategy and Audit Committees	2014

(1) In June 2015 voluntary resigned from the Board of Directors of IGSS.

(2) Member of the Nominations and Remuneration Committee.

(3) Member of the Strategy Committee.

(4) Member of Audit Committee

(5) Appointed by the Extraordinary General Meeting in July 2015.

Information on Board Meeting Attendance

During 2015 the Company's Board of Directors held seven meetings: three in absentia and four in person.

Board Performance Review and Evaluation

The Board of Directors undertakes a formal and rigorous annual evaluation of its own performance and of its Committees and Directors.

The following issues were considered, among others, by the Board in the reporting year:

- Annual evaluation of the Board of Directors performance and assessment of the independence of the Independent Directors; recommendations to the Shareholders at the AGM on the re-election of the retiring Directors of the Company; Changes in the composition of the Board of Directors; Changes in the composition of the Audit Committee of the Board of Directors and appointment of the Chairman of the Audit Committee; Change of the remuneration of the Board members;
- The Strategy of the Group, risk management and risk map, tender campaign, overview of international projects of the Company;
- Budget of the Group, investment plan, optimization of financial and economic situation;
- Reporting of operational and financial results during 2015;
- Approval of the appointment of the auditor and of consolidated financial statements for the year 2014 (on the recommendation of the Audit Committee);
- Approval of the remuneration of top management (on the recommendation of the Nominations and Remuneration Committee);
- Calling the AGM of Shareholders;
- Calling the EGM in 2015; Corporate and financial restructuring; Approval of delisting from London Stock Exchange and of listing at Moscow Exchange; Approval of major transactions within the framework of financial restructuring.

Share Capital and Major Shareholders

The issued share capital of IGSS consists of 20,833,400 shares with a nominal value of US\$0.01 per share. Global Depository Receipts (GDRs) of IG Seismic Services, representing two ordinary shares each, are listed and traded on the Main Market of the London Stock Exchange under the ticker IGSS. JP Morgan Chase Bank is the depository bank for the GDR programme of IGSS.

Shareholder structure as of 31 December 2015

Mr. Nikolay Levitskiy	25.82%
Industrial Investors Group	7.78%
Schlumberger	12.00%
Remwill Trade Limited	15% - 1 share
SBC Geofizika LLC	15.00%
Other institutional and private shareholders	24.4%

Changes in the shareholder structure during the year 2015

Mr. Nikolay Levitskiy (CEO of IG Seismic Services PLC (IGSS)) has disposed of 6,250,019 shares of IGSS representing 30.00% minus 1 share of the issued share capital of IGSS in the course of series of the transactions with Remwill Trade Limited ("Remwill") and SBC Geofizika LLC ("SBCG"). The transaction closed on 16 December 2015.

Company Codes and Policies

The Company continues to monitor developments in corporate governance with a view to update its policies and practices, as appropriate.

The Directors have adopted several codes and policies applicable to the Directors, officers and employees of the Company including:

Corporate Governance Code

A copy of a Corporate Governance Code is available on the Company's web site. The Corporate Governance Code set out principles of corporate governance and transparency in the conduct of the Company's business, ensuring that the Company's corporate governance mechanisms and procedures are efficient and adhere to the expectations of Company's stakeholders in respect with the leadership, Board effectiveness, accountability, remuneration and other areas.

Code of Business Conduct and Ethics

A copy of Code of Business Conduct and Ethics is available on the Company's web site. The Code of Business Conduct and Ethics promotes ethical behavior and compliance with a wide range of requirements, critical to the conduct of effective operations within the Company, including requirements in the areas of health & safety, conflict of interests and confidentiality.

Regulations with respect to insider information

The Company has developed and follows a systematic approach to deal with inside information by establishing effective arrangements to restrict access to inside information and having persons with access to inside information identified and recorded appropriately.

The arrangement also covers dealing by persons discharging managerial responsibilities and their connected persons in the Company's securities.

Annual General Meeting

The Company held the Annual General Meeting of the Shareholders of the Company on June 5, 2015 in Cyprus. Details of the resolution proposed at the Annual General Meeting were given in the Notice of the

Annual General Meeting, which was published and sent to the shareholders. Generally the shareholders voted in favor of all proposed resolutions and the Consolidated Financial Statements of the Company together with the Directors' and Auditors' Reports for the year ended 31 December 2014 were approved, the retiring auditors of the Company Ernst & Young LLC were re-appointed, two retiring directors were re-elected.

Auditors

Ernst & Young LLC remained the Company's independent auditor for the year 2015.

Committees' Reports

Audit Committee

Summary of the role of the Audit Committee

The Audit Committee of IG Seismic Services PLC is formed as a committee of the Company's Board of directors. The Audit Committee's Terms of Reference were established and approved on 24 September 2012. In accordance with the Terms, the Committee shall comprise of at least three members selected from the members of the Board, at least two of which shall be independent non-executive directors. The Chairman shall be independent non-executive director, having recent and relevant financial experience.

Composition of the Audit Committee

The following non-executive directors were the members of the Audit Committee during first half-year of 2015: Peter O'Brien, Denis Cherednichenko, Maurice Dijols and Gerald Rohan. Gerald Rohan became the Chairman of the Audit Committee after resignation of Peter O'Brien.

The Board considers that during the reporting year the composition of the Audit Committee had the required level of experience to be sufficient to meet the standards imposed by the UK Corporate Governance Code. In the event that any issues should arise which would be deemed outside the area of expertise of the members, independent professional advice would be sought.

The Audit Committee is primarily responsible for monitoring:

- the integrity of our financial statements;
- the effectiveness of our internal control and risk management systems;
- the terms of appointment and remuneration of the auditor;
- the Group's financial information submissions.

The Audit Committee also supervises and advises the Board of Directors on risk management, internal control systems and the implementation of corporate codes.

During 2015 year the Audit Committee held four meetings in person.

Among the issues considered by the Committee in the reporting year:

Financial Reporting

- Discussion of preparation of consolidated financial statement (with participation of the auditors);
- Approval of financial statement for year 2014, six months 2015 (with participation of the auditors).

Internal Control and Risk Management

- Regular discussion of issues of Internal control and risk management based on reports of Internal control department;
- Approval of documents, regulating the procedures of Internal control and risk management;
- Discussion of report on internal control improvement;
- Approval of work plans of Internal audit department, company's risk map analysis.

Corporate Governance

- Report about the work of the Committee in 2015 year and compliance with the ToR;
- Next year plan for the Committee.

Auditor

- The choice of potential candidates for the position of external auditor for IGSS, and main companies of the group in Russia and Kazakhstan;
- To recommend the company Ernst & Young LLC as external auditor for IGSS, the company «FinExpertiza» as external auditor for companies of the Group in Russia and «CENTERAUDIT Kazakhstan» for companies of the Group in Kazakhstan;
- The forming principles and volume of remuneration for audit services;
- Discussion on plan of works on audit of 2015 financial statements, report of external auditor, control of volumes of non-audit services provided to the Group by the auditor.

Business issues

- Implementation of EPR-system in the Company;
- Changes in financial block of the Company, training programs for employees of financial departments in the companies of the Group;
- Budget optimization measures.

Strategy Committee

The Strategy Committee of IG Seismic Services PLC is formed as a committee of the Company's Board of directors. The Strategy Committee's Terms of Reference were established and approved on 3 October, 2014. In accordance with the Terms, the Committee shall comprise of not less than three members, selected from the members of the Board and the Chairman shall be selected from the non-executive directors.

Composition of the Strategy Committee

In 2015 the Strategy Committee composed of four members: Gerald Rohan, Denis Cherednichenko, Sergey Generalov, Nikolay Levitskiy. The Chairman of the Strategy Committee was Gerald Rohan.

During the year the Strategy Committee held two meetings in person.

The Strategy Committee is primarily responsible for monitoring the Group's:

- strategic objectives and risks related to strategic objectives;
- strategy realization and recommendations on adjustments of the current development strategy;
- dividend policy of the Company;
- financial model and business valuation model;
- changes to organizational structure and transformation of business processes;
- large investment projects with compliance with the overall strategic objectives.

Among the issues considered by the Committee in the reporting year:

- General discussion of the strategy of the Company through the lens of Porter's Five Forces and PESTLE analysis (forces and factors that influence the strategy);
- Strategy for projects in India and Iran;
- Sources and uses of funds;
- Budget 2016 and beyond taking into consideration the strategic options.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee is formed as a committee of the Company's Board of directors. The Nominations and Remuneration Committee's Terms of Reference were established and approved on 19 April, 2013. In accordance with the Terms, the Committee shall comprise of at least three

members selected from the members of the Board. The Chairman shall be an independent non-executive director.

The Committee is responsible for the following nomination activities:

- making recommendation to the Board for approval of the list of directors to be presented to the shareholders;
- review on a regular basis the structure, size and composition of the Board of Directors;
- making recommendations regarding the membership of the other committees of the Board of Directors;
- review the results of the Board performance evaluation process that relates to the composition of the Board of Directors.

The Committee took part in the process of determining and reviewing the Group's remuneration policies.

During 2015, the Nominations and Remuneration Committee held two meetings in person.

Composition of the Nominations and Remuneration Committee

The Nominations and Remuneration Committee composed of three members: Dmitry Lipyavko, Maurice Dijols and Nikolay Levitskiy. The Chairman of the Nominations and Remuneration Committee was Dmitry Lipyavko.

Among the issues considered by the Committee in the reporting year:

- Review and recommendation to the Board of Directors of candidates for re-election to the Board at the AGM;
- Annual assessment of the independence of the Independent Directors of the Company;
- Consideration of the structure, size and composition of the Board of Directors of the Company; recommendation of the Committees of the Board of Directors of the Company;
- Recommendations to the Board concerning remuneration;
- Results of work of the Committee in 2015 year and plans for 2016 year.

This document may contain "forward-looking statements" which include all statements other than statements of historical fact. Such forward-looking statements can often be identified by words such as "plans", "expects", "intends", "estimates", "will", "may", "continue", "should" and similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the IG Seismic Services PLC 'S (the "Company") control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as at the date as of which they are made, and neither the Company, nor any of its respective agents, employees or advisors intends or has any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. The information and opinions contained in this document are provided as at the date of this document or as otherwise specified herein and are subject to change without notice.