

IG SEISMIC SERVICES PLC
(the “Company”)

CORPORATE GOVERNANCE CODE

INTRODUCTION

Since the Company’s shares are not listed on the Cyprus Stock Exchange, it is not required to comply with the corporate governance regime relating to companies listed on the Cyprus Stock Exchange, and as the Company is incorporated in Cyprus and is not seeking admission of its equity shares to the premium segment of the Official List of the U.K. Listing Authority, it is not subject to the U.K. Corporate Governance Code issued by the Financial Reporting Council (the “Code”). However, in order to ensure that the Company’s corporate governance mechanisms and procedures are efficient and adhere to best market practice, the Company has decided to implement its own corporate governance code (the “Company’s Code”) based on the Code but adapted therefrom to ensure that the requirements and obligations imposed in the Company are appropriate given its status as a Cyprus public limited company.

THE MAIN PRINCIPLES OF THE COMPANY’S CODE

Section A: Leadership

- The Company should be headed by an effective board of directors (the “**Board**”) which is collectively responsible for the long-term success of the Company.
- There should be a clear division of responsibilities at the head of the Company between the running of the Board and the executive responsibility for the running of the Company’s business. No one individual should have unfettered powers of decision.
- The chairman of the Board (the “**Chairman**”) is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role.
- As part of their role as members of a unitary board, non-executive directors should constructively challenge and help develop proposals on strategy.

Section B: Effectiveness

- The Board and its committees should have the appropriate balance of skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively.
- There should be a formal, rigorous and transparent procedure for the appointment of new directors to the Board.
- All directors should be able to allocate sufficient time to the Company to discharge their responsibilities effectively.
- All directors should receive induction on joining the Board and should regularly update and refresh their skills and knowledge.
- The Board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.
- The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.

- All directors should be submitted for re-election at regular intervals, subject to continued satisfactory performance.

Section C: Accountability

- The Board should present a balanced and understandable assessment of the Company's position and prospects.
- The Board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The Board should regularly consider the appropriateness of its risk management and internal control systems.
- The Board should establish arrangements for considering how they should apply corporate reporting and risk management principles and for maintaining an appropriate relationship with the Company's auditor.

Section D: Remuneration

- Levels of remuneration should be sufficient to attract, retain and motivate directors of the quality required to run the Company successfully, but the Company should avoid paying more than is necessary for this purpose.
- There should be a formal and transparent procedure for developing procedure on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his or her own remuneration.

Section E: Relations with Shareholders

- There should be a dialogue with shareholders based on the mutual understanding of objectives. The Board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place.
- The Board should use the AGM to communicate with investors and to encourage their participation.

SECTION A - LEADERSHIP

A.1 The Role of the Board

Main Principle

The Company should be headed by an effective Board which is collectively responsible for the long-term success of the Company.

Supporting Principles

The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board should set the Company's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance. The Board should set the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.

All directors must act in what they consider to be the best interests of the Company, consistent with their statutory duties.

Company's Code Provisions

- A.1.1 The Board should meet sufficiently regularly to discharge its duties effectively. There should be a formal schedule of matters specifically reserved for its decision.
- A.1.2 The Company may arrange appropriate insurance cover in respect of legal action against its directors.

A.2 Division of Responsibilities

Main Principle

There should be a clear division of responsibilities at the head of the Company between the running of the Board and the executive responsibility for the running of the Company's business. No one individual should have unfettered powers of decision.

Company's Code Provisions

- A.2.1 The roles of Chairman and chief executive should not be exercised by the same individual. The division of responsibilities between the Chairman and the chief executive should be clearly established and agreed by the Board.

A.3 The Chairman

Main Principle

The Chairman is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role.

Supporting Principle

The Chairman is responsible for setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues. The Chairman should also promote a culture of openness and debate by facilitating the effective contribution of non-executive directors in particular and ensuring constructive relations between executive and non-executive directors.

The Chairman is responsible for ensuring that the directors receive accurate, timely and clear information. The Chairman should ensure effective communication with shareholders.

A.4 Non-executive Directors

Main Principle

As part of their role as members of a unitary board, non-executive directors should constructively challenge and help develop proposals on strategy.

Supporting Principle

Non-executive directors should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. They should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible. They are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing and, where necessary, removing executive directors, and in succession planning.

Company's Code Provisions

A.4.1 Where directors have concerns which cannot be resolved about the running of the Company or a proposed action, they should ensure that their concerns are recorded in the Board minutes. On resignation, a non-executive director should provide a written statement to the Chairman, for circulation to the Board, if they have any such concerns.

SECTION B: EFFECTIVENESS

B.1 The Composition of the Board

Main Principle

The Board and its committees should have the appropriate balance of skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively.

Supporting Principles

The Board should be of sufficient size that the requirements of the business can be met and that changes to the Board's composition and that of its committees can be managed without undue disruption, and should not be so large as to be unwieldy.

The Board should include an appropriate combination of executive and non-executive directors (and, in particular, independent non-executive directors).

The value of ensuring that committee membership is refreshed and that undue reliance is not placed on particular individuals should be taken into account in deciding chairmanship and membership of committees.

No one other than the committee chairman and members is entitled to be present at a meeting of the audit, technology, nominations and remuneration committees, but others may attend at the invitation of the committee.

Company's Code Provisions

B.1.1 The Board should identify each non-executive director it considers to be independent. The Board should determine whether the director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement.

B.2 Appointments to the Board

Main Principle

There should be a formal, rigorous and transparent procedure for the appointment of new directors to the Board.

Supporting Principles

The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board.

The Board should satisfy itself that plans are in place for orderly succession for appointments to the Board and to senior management, so as to maintain an appropriate balance of skills and experience within the Company and on the Board and to ensure progressive refreshing of the Board.

Company's Code Provisions

B.2.1 Non-executive directors should be appointed for specified terms subject to re-election and to statutory provisions relating to the removal of a director. Any term beyond six years for a non-executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the Board.

B.3 Commitment

Main Principle

All directors should be able to allocate sufficient time to the Company to discharge their responsibilities effectively.

Company's Code Provisions

B.3.1 For the appointment of a Chairman, a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises should be prepared. A Chairman's other significant commitments should be disclosed to the Board before appointment. Changes to such commitments should be reported to the Board as they arise.

B.3.2 The terms and conditions of appointment of non-executive directors should be made available for inspection by the shareholders. The letter of appointment should set out the expected time commitment. Non-executive directors should undertake that they will have sufficient time to meet the commitments that are expected of them. Their other significant commitments should be disclosed to the Board before appointment, with a broad indication of the time involved and the Board should be informed of subsequent changes.

B.4 Development

Main Principle

All directors should receive induction on joining the Board and should regularly update and refresh their skills and knowledge.

Supporting Principles

The Chairman should ensure that the directors continually update their skills and the knowledge and familiarity with the Company required to fulfil their role both on the Board and on Board committees. The Company should provide the necessary resources for developing and updating its directors' knowledge and capabilities.

To function effectively, all directors need appropriate knowledge of the Company and access to its operations and staff.

Company's Code Provisions

B.4.1 The Chairman should ensure that new directors receive a full, formal and tailored induction on joining the Board. As part of this, directors should avail themselves of opportunities to meet major shareholders.

B.4.2 The Chairman should regularly review and agree with each director their training and development needs.

B.5 Information and Support

Main Principle

The Board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.

Supporting Principles

The Chairman is responsible for ensuring that the directors receive accurate, timely and clear information. Management has an obligation to provide such information but directors should seek clarification or amplification where necessary.

Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows within the Board and its committees and between senior management and non-executive directors, as well as facilitating induction and assisting with professional development as required.

The Company Secretary should be responsible for advising the Board through the Chairman on all governance matters.

Company's Code Provisions

B.5.1 The Board should ensure that directors, especially non-executive directors, have access to independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities as directors. Committees should be provided with sufficient resources to undertake their duties.

B.5.2 All directors should have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are complied with. Both the appointment and removal of the Company Secretary should be a matter for the Board as a whole.

B.6 Evaluation

Main Principle

The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.

Supporting Principles

The Chairman should act on the results of the performance evaluation by recognising the strengths and addressing the weaknesses of the Board and, where appropriate, proposing new members be appointed to the Board or seeking the resignation of directors.

Individual evaluation should aim to show whether each director continues to contribute effectively and to demonstrate commitment to the role (including commitment of time for Board and committee meetings and any other duties).

Company's Code Provisions

B.6.1 The non-executive directors should be responsible for performance evaluation of the Chairman, taking into account the views of executive directors.

B.7 Re-election

Main Principle

All directors should be submitted for re-election at regular intervals, subject to continued satisfactory performance.

Company's Code Provisions

- B.7.1 All directors should be subject to re-election at intervals of no more than three years. The current term for a director is one year. Non-executive directors who have served longer than nine years should be subject to annual re-election. The names of directors submitted for election or re-election should be accompanied by sufficient biographical details and any other relevant information to enable shareholders to take an informed decision on their election.
- B.7.2 The Board should set out to shareholders in the papers accompanying a resolution to elect a non-executive director why they believe an individual should be elected. The Chairman should confirm to shareholders when proposing re-election that, following formal performance evaluation, the individual's performance continues to be effective and to demonstrate commitment to the role.

SECTION C: ACCOUNTABILITY

C.1 Financial And Business Reporting

Main Principle

The Board should present a balanced and understandable assessment of the Company's position and prospects.

Supporting Principle

The Board's responsibility to present a balanced and understandable assessment extends to interim and other price-sensitive public reports and reports to regulators as well as to information required to be presented by statutory requirements.

Company's Code Provisions

- C.1.1 The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and there should be a statement by the auditor about their reporting responsibilities.
- C.1.2 The directors should include in the annual report an explanation of the basis on which the Company generates or preserves value over the longer term (the business model) and the strategy for delivering the objectives of the Company.
- C.1.3 The directors should report in annual and half-yearly financial statements that the business is a going concern, with supporting assumptions or qualifications as necessary.

C.2 Risk Management and Internal Control

Main Principle

The Board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The Board should consider the appropriateness of its risk management and internal control systems.

Company's Code Provisions

C.2.1 The Board should, at least annually, conduct a review of the effectiveness of the Company's risk management and internal control systems and should report to shareholders that they have done so. The review should cover all material controls, including financial, operational and compliance controls.

C.3 Audit Committee and Auditors

Main Principle

The Board should establish arrangements for considering how they should apply corporate reporting and risk management principles and for maintaining an appropriate relationship with the Company's auditor.

Company's Code Provisions

C.3.1 The Board should establish an audit committee of at least three directors, at least one of which shall be an independent director. The Board should satisfy itself that at least one member of the audit committee has recent and relevant financial experience.

C.3.2 The main role and responsibilities of the audit committee should be set out in written terms of reference.

C.3.3 The terms of reference of the audit committee, including its role and the authority delegated to it by the Board, should be made available to the shareholders upon request.

C.3.4 The audit committee should review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The audit committee's objective should be to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

C.3.5 The audit committee should monitor and review the effectiveness of the internal audit activities. Where there is no internal audit function, the audit committee should consider annually whether there is a need for an internal audit function and make a recommendation to the Board.

C.3.6 The audit committee should have primary responsibility for making a recommendation to the Board on the appointment, reappointment and removal of the external auditor. If the Board does not accept the audit committee's recommendation, it should include in any papers recommending appointment or re-appointment, a statement from the audit committee explaining the recommendation and should set out reasons why the Board has taken a different position.

SECTION D: REMUNERATION

D.1 The Level and Components of Remuneration

Main Principle

Levels of remuneration should be sufficient to attract, retain and motivate directors of the quality required to run the Company successfully, but the Company should avoid paying more than is necessary for this purpose.

Supporting Principle

Any performance-related elements of executive directors' remuneration should be stretching and designed to promote the long-term success of the Company.

The nominations and remuneration committee should judge where to position the Company relative to other companies. But they should use such comparisons with caution in view of the risk of an upward ratchet of remuneration levels with no corresponding improvement in performance.

Company's Code Provisions

- D.1.1 In designing schemes of performance-related remuneration for executive directors, the nominations and remuneration committee should follow the provisions in Schedule A to this Code of Conduct.
- D.1.2 Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role. Remuneration for non-executive directors should not usually include share options or other performance-related elements.
- D.1.3 The nominations and remuneration committee should carefully consider what compensation commitments (including any pension contributions and all other elements) their directors' terms of appointment would entail in the event of early termination. The aim should be to avoid rewarding poor performance. They should take a robust line on reducing compensation to reflect departing directors' obligations to mitigate loss.

D.2 Procedure

Main Principle

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his or her own remuneration.

Supporting Principles

The nominations and remuneration committee should consult the Chairman and/or chief executive about their proposals relating to the remuneration of other executive directors. The nominations and remuneration committee should also be responsible for appointing any consultants in respect of executive director remuneration. Where executive directors or senior management are involved in advising or supporting the nominations and remuneration committee, care should be taken to recognise and avoid conflicts of interest.

The Chairman should ensure that the Company maintains contact as required with its principal shareholders about remuneration.

Company's Code Provisions

- D.2.1 The Board should establish a nominations and remuneration committee of at least three directors, at least one of which shall be an independent director. The nominations and remuneration committee should make available to the shareholders its terms of reference, explaining its role and the authority delegated to it by the Board. Where remuneration consultants are appointed, a statement should be made available of whether they have any other connection with the Company.
- D.2.2 The nominations and remuneration committee should have delegated responsibility for setting remuneration for all executive directors and the Chairman, including any pension rights and any compensation payments. The committee should also recommend and monitor the level and structure of remuneration for senior management.

- D.2.3 The Board itself or, where required by the Articles of Association, the shareholders should determine the remuneration of the non-executive directors within the limits set in the Articles of Association. Where permitted by the Articles, the Board may however delegate this responsibility to a committee.

SECTION E: RELATIONS WITH SHAREHOLDERS

E.1 Dialogue with Shareholders

Main Principle

There should be a dialogue with shareholders based on the mutual understanding of objectives. The Board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place.

Supporting Principles

The Chairman should ensure that all directors are made aware of their major shareholders' issues and concerns.

The Board should keep in touch with shareholder opinion in whatever ways are most practical and efficient.

Company's Code Provisions

- E.1.1 The Chairman should ensure that the views of shareholders are communicated to the Board as a whole. The Chairman should discuss governance and strategy with major shareholders. Non-executive directors should be offered the opportunity to attend scheduled meetings with major shareholders and should expect to attend meetings if requested by major shareholders.

E.2 Constructive Use of the AGM

Main Principle

The Board should use the AGM to communicate with investors and to encourage their participation.

Company's Code Provisions

- E.2.1 At any general meeting, the Company should propose a separate resolution on each substantially separate issue, and should, in particular, propose a resolution at the AGM relating to the annual report and accounts. For each resolution, proxy appointment forms should provide shareholders with the option to direct their proxy to vote either for or against the resolution or to withhold their vote. The proxy form and any announcement of the results of a vote should make it clear that a 'vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution.
- E.2.2 The Company should ensure that all valid proxy appointments received for general meetings are properly recorded and counted. For each resolution, where a vote has been taken on a show of hands, the Company should ensure that the following information is given at the meeting:
- the number of shares in respect of which proxy appointments have been validly made;
 - the number of votes for the resolution;

- the number of votes against the resolution; and
- the number of shares in respect of which the vote was directed to be withheld.

E.2.3 The Chairman should arrange for the chairmen of the audit, technology, nominations and remuneration committees to be available to answer questions at the AGM and for all directors to attend.

SCHEDULE A: THE DESIGN OF PERFORMANCE-RELATED REMUNERATION FOR EXECUTIVE DIRECTORS

The nominations and remuneration committee should consider whether the directors should be eligible for annual bonuses. If so, performance conditions should be relevant, stretching and designed to promote the long-term success of the Company. Upper limits should be set and disclosed. There may be a case for part payment in shares to be held for a significant period.

The nominations and remuneration committee should consider whether the directors should be eligible for benefits under long-term incentive schemes. Traditional share option schemes should be weighed against other kinds of long-term incentive scheme. The total potentially available rewards should not be excessive.

Payouts or grants under all incentive schemes, including new grants under existing share option schemes, should be subject to challenging performance criteria reflecting the Company's objectives, including non-financial performance metrics where appropriate. Remuneration incentives should be compatible with risk policies and systems.

Consideration should be given to the use of provisions that permit the Company to reclaim variable components in exceptional circumstances of misstatement or misconduct.