



CGG
A French Limited Company with share capital of € 7,116, 702
Registered office : 27 avenue Carnot 91 300 Massy
969 202 241 Evry Trade and Register Companies Register

**SPECIAL REPORT OF THE BOARD OF DIRECTORS
ON STOCK OPTIONS**

Pursuant to section L. 225-184 of the French Commercial Code, you will find hereinunder a description of (i) the transactions carried out with regard to CGG (hereafter the “Company”) current stock options plans and (ii) the new stock option plans implemented on June 24, 2021.

We remind you that the Board of Directors upon recommendation of the Appointment-Remuneration Committee determines the general policy regarding the allocation of stock options. Options are granted to executive officers and managers of the Group having contributed to the Group’s overall performance or those having a high potential of evolution within the group.

We specify that no company affiliated to the Company within the meaning of Section L. 225-180 or controlled by the Company within the meaning of Section L.233-16 of the French Commercial Code has put in place any stock options plans.

I. Options exercised during fiscal year 2021

1. By the Executive Officer:

Nil

2. By the ten employees of the Group having exercised the higher number of shares:

Nil

II. Implementation of a new stock option plan on June 24, 2021

Pursuant to the authorization given to the Board of Directors by the General Meeting on June 16, 2020 in its 17th resolution to allocate stock options to certain of its employees, the Board of Directors in its meeting of June 24, 2021 has put in place a new stock option plan. A total of 1,910,920 stock options were granted to the Group executives and certain Group employees as follows:

Beneficiaries	Number of stock options allocated	Exercise price (in €)
Executive Officer	330,000	0.91
Employees	1,580,920	0.91
Total	1,910,920	

The exercise price has been set at € 0.91. The options are valid for an eight-year period as from the date of the implementation of the stock option plan, i.e. until June 24, 2025 included. The options are divided into two batches which can be exercised from June 25, 2023 (50%) and June 25, 2024 (50%) as far as the employees are concerned.

Except in very limited cases listed in the plan regulation, any beneficiary leaving the group will lose his rights to his/her vested options if they have not been exercised before the end of his/her notice period. Beneficiaries whether retired or employed by a subsidiary that would leave the group perimeter, continue to benefit from their options but remain subject to the conditions relating to the vesting period. In case of dismissal other than for serious or gross misconduct, the vested options are kept and can be exercised at any time.

As far as the Executive Officer and the Executive Leadership members are concerned, the Board of Directors decided, in conformity with the recommendations of the AFEP-MEDEF governance code that, the acquisition of options in one batch after 3 years in June 2024 (100% of the allocation) is subject to a performance condition relating to the relative evolution of the CGG share price and two financial performance conditions.

The other conditions of the plan applicable to the Executive Officer and to the members of the Executive Leadership are similar to those contained in the general plan implemented for the other senior managers and employees of the Group as described above.

Finally, in compliance with the provisions of article L.22-10-57 of the French commercial code, the Board of Directors decided that the number of shares resulting from the exercise of stock-options that the Senior Executive Officer will have to keep under the registered form until the end of her term shall account for 25% of the amount of the gain on the purchase price when exercising the options granted by the Board of Directors on June 24, 2021.

The number of options allocated to Mrs. Sophie ZURQUIYAH, Chief Executive Officer, is set out in the table below:

Name of the Executive officer	Number of options allocated	Valuation of options pursuant to the method used for consolidated financial statements (€)	Subscription price (in €)	Exercise period
Sophie ZURQUIYAH	330,000	95,700	0.91	From June 25, 2024 to June 24, 2029 included

The number of stock-options allocated by the Company to each of the ten employees (excluding the above mentioned Executive Officer) who were allocated the higher number of options under the plan implemented during fiscal year 2021 is set out in the table below:

Name of the beneficiaries	Number of options allocated	Valuation of options pursuant to the method used for consolidated financial statements (€)	Subscription price (€)
Yuri BAIDOUKOV*	160,000	46,400	0.91
Emmanuelle DUBU*	90,000	26,100	0.91
Dechun LIN*	90,000	26,100	0.91

Peter WHITING*	90,000	26,100	0.91
Eduardo COUTINHO*	70,000	20,300	0.91
Jérôme DENIGOT*	70,000	20,300	0.91
Hovey COX*	70,000	20,300	0.91
Emmanuel ODIN*	70,000	20,300	0.91
Vince THIELEN	18,500	5,273	0.91
Yves GOULARD	18,500	5,273	0.91

*Executive Leadership member: acquisition of options is subject to performance conditions (cf. II)

III. Summary of the stock-options plans currently in force:

The table below presents the evolution, during fiscal year 2021, of the stock-option plans put in place by virtue of the authorizations granted by the General Meetings of May 3, 2013, May 29, 2015, April 26, 2018 and June 16, 2020 respectively:

I. History of allocations of stock options as of December 31, 2021

	2013 plan	2014 plan	2015 plan	2016 plan	2018 plan	2018 plan	2019 plan	2020 plan	2021 Plan	Total
Date of the General Meeting	05.03.2013	05.03.2013	05.29.2015	05.29.2015	04.26.2018	04.26.2018	04.26.2018 ^(B)	06.16.2020	06.16.2020	
Date of the Board of Directors' meeting	06.24.2013	06.26.2014	06.25.2015	06.23.2016	06.27.2018	12.11.2018 ^(B)	06.27.2019	06.25.2020	06.24.2021	
Number of beneficiaries	672	752	749	683	530	4	247	240	218	
Total number of shares that can be subscribed ^(B)	1,642,574	1,655,843	1,769,890	6,658,848	6,544,389	671,171	2,353,520	2,268,512	1,910,920	25,475,667
Out of which the number can be exercised by:										
<i>Executive officers</i>										
<i>Philippe SALLE ^(B)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
<i>Sophie ZURQUIYAH ^(B)</i>	<i>120,000 ^(B)</i>	<i>60,000 ^(B)</i>	<i>79,500 ^(B)</i>	<i>444,000 ^(B)</i>	<i>732,558 ^(B)</i>	<i>n.a.</i>	<i>360,000 ^(B)</i>	<i>360,000</i>	<i>330,000</i>	<i>2,486,058</i>
Start date of options exercise	06.25.2015	06.27.2016	06.26.2017	06.24.2018	06.28.2019	06.28.2019	For CEO: 06.28.2022 For other beneficiaries: 06.28.2021	For CEO and Executive Leadership team: 06.26.2023 For other beneficiaries: 06.26.2022	For CEO and Executive Leadership team: 06.25.2024 For other beneficiaries: 06.25.2023	
Expiration date	06.24.2021	06.26.2022	06.25.2023	06.23.24	06.27.2026	06.27.2026	06.27.2027	06.25.2028	06.24.2029	
Subscription price (in €) ^{(B) (B) (H)}	193.27	107.66	62.92	8.52	2.15	1.39	1.52	1.10	0.91	
Exercise rules (when the plan provides for several batches of options) ^(B)	- options accrue rights in three batches (50% after 2 years, 25% after 3 years and 25% after 4 years)	- options accrue rights in three batches (50% after 2 years, 25% after 3 years and 25% after 4 years)	- options accrue rights in three batches (50% after 2 years, 25% after 3 years and 25% after 4 years)	- options accrue rights in three batches (50% after 2 years, 25% after 3 years and 25% after 4 years)	- options accrue rights in four batches (25% after 1 year, 25% after 2 years, 25% after 3 years and 25% after 4 years)	- options accrue rights in four batches (25% after 1 year, 25% after 2 years, 25% after 3 years and 25% after 4 years)	For CEO: options accrue rights in one batch after 3 years For other beneficiaries: s: options accrue in two batches (50% after 2 years and 50% after 3 years)	For CEO and Executive Leadership team: options accrue rights in one batch after 3 years For other beneficiaries: options accrue in two batches (50% after 2 years and 50% after 3 years)	For CEO and Executive Leadership team: options accrue rights in one batch after 3 years For other beneficiaries: options accrue in two batches (50% after 2 years and 50% after 3 years)	
Number of shares subscribed as of Dec. 31, 2021 ^(H)	0	0	0	0	2,038	0	0	0	0	2,038
Cumulated number of stock-options which were cancelled or lapsed as of Dec. 31, 2021 ^(H)	614,401	436,804	184,011	260,994	1,508,908	100,677	578,080	34,480	5,700	3,724,055
Remaining stock-options as of Dec. 31, 2021 ^(H)	0	75,861	75,891	234,319	5,033,443	570,494	1,775,440	2,234,032	1,905,220	11,904,700

	2013 plan	2014 plan	2015 plan	2016 plan	2018 plan	2018 plan	2019 plan	2020 plan	2021 Plan	Total
Out of which the remaining number is held by:										
Executive officers										
Philippe SALLE ⁽¹⁾	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.
Sophie ZURQUIYAH ⁽²⁾	0	359	475	4,428	622,674	n.a.	360,000	360,000	330,000	1,677,936

- (1) Considering the adjustments done further to the capital increase of February 5, 2016, to the stock reverse split of July 20, 2016 and and the capital increase of February 21, 2018.
- (2) The subscription price corresponds to the average of the opening share prices of the share on the last twenty trading days prior to the meeting of the Board of Directors granting the options.
- (3) Without considering the various adjustments that have occurred after the implementation of the plans.
- (4) Considering the adjustments done further to the capital increase of October 23, 2012 for all plans previously granted and the adjustments done further to the capital increase of February 5, 2016, to the stock reverse split of July 20, 2016 and the capital increase of February 21, 2018.
- (5) In addition, certain performance conditions are applicable to the senior executive officers and the members of Executive Committee/Corporate Committee/ Executive Leadership team (depending of the allocation date) – see section 4.2.2.1.B.c) of the 2021 Universal Registration Document.
- (6) Executive officer of CGG SA since April 26, 2018.
- (7) Executive officer of CGG SA from September 1, 2015 to January 4, 2017 (member of the Corporate Committee) and since April 26, 2018 (Chief Executive Officer).
- (8) Figures presented in this column include stock-options granted by the Chief Executive Officer pursuant to the subdelegation granted by the Board of Directors, to the benefit of certain employees. In such a case, the subscription price has been set to reflect the average opening price of the CGG shares for the 20 trading days preceding the allotment date.
- (a) For the senior executive officers and members of the Corporate Committee, this 2013 plan is subject to performance conditions which have not been met for each of the three batches in 2015, 2016 and 2017.
- (b) For the senior executive officers and members of the Corporate Committee, this 2014 plan is subject to performance conditions which have not been met in 2016 for the first batch nor for the second batch in 2017, and which have been partially met (leading to a 25% vesting only) for the third batch in 2018.
- (c) For the senior executive officers and members of the Corporate Committee, this 2015 plan is subject to performance conditions which have not been met in 2017 for the first batch, which have been partially met (leading to a 25% vesting only) for the second batch in 2018, and which have not been met in 2019 for the third batch.
- (d) For the senior executive officer and members of the Corporate Committee, this 2016 plan is subject to performance conditions: which have not been met in 2018 for the first batch, and which have been partially met (leading to a 25% vesting only) for the second batch in 2019.
- (e) For the senior executive officer and members of the Executive Leadership team, this 2018 plan is subject to performance conditions which have not been met in 2019, 2020 and 2021 for the first three batches.
- (f) For the senior executive officer and members of the Executive Leadership team, this 2019 plan is subject to performance conditions which have not been met in 2021 for the first batch.
- (g) Allocation subject to the terms and conditions of the stock options plan date June 27, 2018, except for the subscription price.

The Board of Directors
March 3, 2022