U.K. Annual Report and IFRS Financial Statements for the year ended December 31, 2017

This U.K. Annual Report of TechnipFMC plc comprises the Strategic Report, Directors' Report, Corporate Governance Report, Directors' Remuneration Report, and the TechnipFMC plc consolidated IFRS Financial Statements contained herein (the "Financial Statements").

This U.K. Annual Report has been prepared in accordance with the reporting requirements of the U.K. Companies Act 2006 and the U.K. Financial Conduct Authority's Disclosure Guidance and Transparency Rules. It has been submitted to the National Storage Mechanism and is available for inspection at www.morningstar.co.uk/uk/nsm and will be included in the materials for the 2018 annual general meeting of shareholders be held on June 14, 2018 (the "2018 Annual Meeting").

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STRATEGIC REPORT

April 26, 2018

Dear Shareholders,

First, I want to say how tremendously proud I am of what TechnipFMC has achieved since our Day 1 on January 17, 2017. Our employees continue to demonstrate an impressive commitment to excellence and a real desire to drive the change necessary to create client success. Our vision, to enhance the performance of the world's energy industry, is being achieved and I would like to thank all of them for their dedication over the past year.

2017 achievements

Our merger was completed 15 months ago and we have been able to leverage the unparalleled breadth of capabilities of TechnipFMC from our industry-leading front-end engineering, our culture of innovation that is bringing to market next-generation solutions, to our reputation of superior project execution. These capabilities, coupled with our unique commercial alignment to deliver efficiencies across the Subsea chain, allow us to drive the change required for real, sustainable improvement to project economics improvements which enable our customers to sanction more projects with greater confidence in cost and time to first-production.

The market has also embraced our merger enthusiastically. As TechnipFMC, we are driving technology advancements and are building on our Subsea market position through our integrated offerings which did not exist in the industry just 15 months ago: iFEED®, iEPCI™ and iLOF®. After having been awarded five iEPCI™ projects in 2017, we have been awarded three additional ones during first quarter 2018, bringing total iEPCI™ projects to nine, including the largest development to be awarded as an integrated project to date, the Energean Karish and Tanin development, further demonstrating client acceptance of our unique offerings. The Energean Karish and Tanin development is also the first iEPCI™ contract that fully integrates the entire subsea scope with that of the host production facility, leveraging the unique capabilities we have across our portfolio.

In the Onshore-Offshore segment, the Prelude FLNG unit, the largest floating structure ever built, has arrived at its operating location off the Western Australia coast where it is being commissioned. The delivery of the Petronas Satu FLNG facility and our recent award of the ENI Coral FLNG project in Mozambique have helped to solidify TechnipFMC's position as a leader in the FLNG business. Yamal LNG in the Siberian Arctic, the largest and most challenging LNG facility to date, produced its first liquefied natural gas in November and loaded its first cargo in December. We were awarded the Bahrain Petroleum Company's Sitra oil refinery project in early December 2017, following our successful completion of an extensive FEED study, which attests to our clients' confidence in our ability to deliver complex projects across our Onshore-Offshore portfolio.

In the Surface Technologies segment, the emergence of the unconventional market in North America drove structural change in our industry and we are very well-positioned to capture the associated growth by introducing new integrated commercial models across the globe.

Delivering returns

Our solid operational results and our strong balance sheet enable us to continue to focus on shareholder returns. In September 2017, we announced the implementation of a share repurchase program, which authorizes TechnipFMC to repurchase up to $500 million of our ordinary shares by the end of 2018. Additionally, TechnipFMC's Board of Directors has started to implement a quarterly dividend, declaring an interim quarterly dividend of $0.13 dividend per share that was paid to shareholders on December 1, 2017.

We strongly believe this combination of share repurchases and quarterly dividends demonstrates our commitment to improving shareholder returns.

Looking forward

We see significant opportunities ahead, and these will be driven by internal initiatives as well as market fundamentals. For 2018, our focus is on managing revenue declines due to lower inbound in prior years against the strategic investments needed to sustain our operational capabilities through the recovery. We intend to generate further integration savings and operational efficiencies. We will continue to deliver real, differentiated and sustainable change through integrated business models that can transform the markets we serve and generate benefits for our customers and our Company.

Douglas J. Pferdehirt
Director and Chief Executive Officer

I. Company Overview

TechnipFMC plc, a public limited company incorporated and organized under the laws of England and Wales, with registered number 09909709, and with registered office at One St. Paul's Churchyard, London EC4M 8AP, United Kingdom (''TechnipFMC'', the ''Company,'' ''we'' or ''our'') is a global leader in subsea, onshore/offshore, and surface and surface industries, with market-leading positions in oil and gas projects, technologies, systems, and services. We offer a portfolio of solutions for the production and transformation of oil and gas. These solutions range from discrete products and services to fully integrated solutions, with a clear focus to deliver greater efficiency across project lifecycles from concept to project delivery and beyond.

We operate across three business segments: Subsea, Onshore/Offshore, and Surface Technologies. We have further operational headquarters in Paris, France and Houston, Texas, United States.

History

In March 2015, FMC Technologies, Inc., a U.S. Delaware corporation (''FMC Technologies''), and Technip S.A., a French *société anonyme* (''Technip''), signed an agreement to form an exclusive alliance and to launch Forsys Subsea, a 50/50 joint venture, that would unite the skills and capabilities of two subsea industry leaders. This alliance, which became operational on June 1, 2015 was established to identify new and innovative approaches to the design, delivery, and maintenance of subsea fields.

Forsys Subsea brought the industry's most talented subsea professionals together early in operators' project concept phase with the technical capabilities to design integrate products, systems and installation to significantly reduce the cost of subsea field development and enhance overall project economics.

Based on the success of the Forsys joint venture and its innovative approach to integrate solutions, Technip and FMC Technologies announced in May 2016 that the companies would combine through a merger of equals to create a global leader, TechnipFMC, that would drive change by redefining the production and transformation of oil and gas. The business combination was completed on January 16, 2017 (the ''Merger''), and on January 17, 2017, TechnipFMC began operating as a unified, combined company trading on the New York Stock Exchange (''NYSE'') and on the Euronext Paris Stock Exchange (''Euronext Paris'') under the symbol ''FTI.''

In 2017, our first year as a merged company, TechnipFMC secured several project awards as many operators moved forward with final investment decisions for major onshore projects and subsea developments. Several of the subsea awards incorporated the use of our integrated approach to project delivery, validating our unique business model aimed at lowering project costs and accelerating the delivery of initial hydrocarbon production. This approach was made possible by bringing together the complementary work scopes of the merged companies. With the industry's most comprehensive and only truly integrated market offering, we have continued to expand the deepwater opportunity set for our customers. TechnipFMC's expertise does not end with the production of hydrocarbons. Because of its best in class project design and execution capabilities, enabled by a portfolio of proprietary technologies, TechnipFMC continues to secure and deliver projects that further enable our clients to monetize resources - from liquefaction of gas onshore or on floating vessels, through refining and product facilities.

The Company continued to innovate and introduce new technologies across our portfolio of products and services. TechnipFMC also delivered strong financial performance in 2017, driven by a relentless focus on operational execution and cost reduction activities.

II. Business

A. TechnipFMC's Strategy

TechnipFMC has a unique and comprehensive set of capabilities to serve the oil and gas industry. With our proprietary technologies and production systems, integration expertise, and comprehensive solutions, we are transforming our clients' project economics. We have also used these capabilities to develop a new subsea commercial model that is transforming the way the Company interacts with its customers and creates value with them.

Adaptation drives TechnipFMC's solutions and environmental awareness allows us to be proactive. Enhancement of the Company's performance and competitiveness is a key component of this strategy that is achieved through technology and innovation differentiation, seamless execution, and reliance on simplification to drive costs down.

We are targeting profitable and sustainable growth, seizing growing market opportunities from renewables to shale, expanding the range of our services, managing our assets efficiently, and ultimately being well-prepared to drive and benefit from the burgeoning recovery in our industry.

Each of our more than 37,000 employees is driven by a steadfast commitment to clients and a culture of purposeful innovation, challenging industry conventions, and finding new and better ways of working to unlock possibilities. This leads to fresh thinking, streamlined decisions, and smarter results, enabling us to achieve our vision of enhancing the performance of the world's energy industry.

B. Business Segments

Subsea

The Subsea segment provides integrated design, engineering, procurement, manufacturing, fabrication and installation and life of field services for subsea systems, subsea field infrastructure and subsea pipe systems used in oil and gas production and transportation.

We have manufacturing facilities located near the world's principal offshore oil and gas producing basins. We operate flexible pipe manufacturing plants, umbilical production units, reeled rigid pipe shore-based facilities, plus a fleet of specialized vessels for pipeline installation, subsea construction, diving support and heavy lift.

We have created an industry leader in front end engineering and design (''FEED''), subsea production systems (''SPS''), flexible pipe, and subsea umbilicals, risers, and flowlines (''SURF''). Our strong commercial focus has enabled the successful market introduction of an integrated Subsea business model, which spans a project's early phase design through the life-of-field. Our integrated business model is unlocking incremental opportunities and materially expanding the deepwater opportunity set.

Through integrated FEED studies, iFEED™ (''iFEED''), we are uniquely positioned to influence project concept and design. Using innovative solutions for field architecture, including standardized equipment, new technologies, and simplified installation, we can significantly reduce subsea development costs and accelerate time to first production.

Further, we are driving even greater value through our ability to integrate the SPS and SURF scopes and more efficiently execute the installation campaign, known as integrated engineering, procurement, construction, and installation, iEPCI™ (''iEPCI''). Our first-mover advantage and ability to convert iFEED studies into iEPCI contracts, often as a direct award, also creates a unique proprietary set of opportunities for the Company that are not available to our peers. This allows us to deliver a fully integrated and technologically differentiated subsea system, and to better manage the complete work scope through a single contracting mechanism and single interface, where we can provide the greatest benefit to project economics.

Our Subsea business depends on our ability to maintain a cost-effective and efficient production system, achieve planned equipment production targets, successfully develop new products, and meet or exceed stringent performance and reliability standards.

Engineering, Manufacturing and Supply Chain (''EMS'') is a new organization we formed in November 2017 to help achieve productivity improvements by reducing the cost of engineering and manufacturing our products, including working with our suppliers to reduce supplier costs, and optimizing our processes and how we manage workflow. Through EMS, we are focused on implementing world-class manufacturing practices, including lean flow and automation, to improve delivery and reliability, while reducing total product cost and lead time to delivery.

Principal Products and Services

Subsea Systems. Our systems are used in the offshore production of crude oil and natural gas. Subsea systems are placed on the seafloor and are used to control the flow of crude oil and natural gas from the reservoir to a host processing facility, such as a floating production facility, a fixed platform or an onshore facility.

Our subsea production systems and products include drilling systems, subsea trees, chokes and flow modules, manifold pipeline systems, control and data management systems, well access systems, multiphase and wetgas meters, and additional technologies. The design and manufacture of our subsea systems requires a high degree of technical expertise and innovation. Some of our systems are designed to withstand exposure to the extreme hydrostatic pressure of deepwater environments, as well as internal pressures of up to 20,000 pounds per square inch (“psi”) and temperatures up to 400º F. The development of our integrated subsea production systems includes initial engineering design studies and field development planning to consider all relevant aspects and project requirements, including optimization of drilling programs and subsea architecture.

Our subsea processing systems, which include subsea boosting, subsea gas compression and subsea separation, are designed to accelerate production, increase recovery, extend field life, and/or lower operators’ production costs. To provide these products, systems and services, we utilize engineering, project management, procurement, manufacturing, assembly and testing capabilities.

Flexible Pipe and Umbilical Supply. We perform the engineering and manufacturing of flexible pipes, relying on our engineering centers across various regions and our manufacturing units. In Brazil, the flexible pipes are delivered alongside the dock of the manufacturing unit and are loaded onto a vessel operated by the client. In other markets, TechnipFMC vessels typically install the flexible pipes.

We use engineering and technical expertise to respond to tenders from a variety of clients including oil companies, engineering, procurement, construction and installation services (“EPCI”) contractors and other subsea production system manufacturers, often as part of a broader scope. The Company relies upon engineering centers, and the thermoplastic, steel tube, hybrid (a combination of steel tube, thermoplastic hose and electrical cables) and power cable umbilical manufacturing units across various regions.

Vessels. We operate a fleet consisting of 18 vessels, with two additional vessels under construction. Of the 18 vessels currently in operation, we have sole ownership of nine vessels, ownership of six vessels within joint ventures, and operate three vessels under long-term charter. The fleet has been reduced significantly since 2013, when it consisted of 36 vessels, including nine under construction at the time.

We wholly own five pipelay support vessels and jointly own eight subsea construction vessels, including two under construction. All of the jointly owned vessels have a 50/50 ownership structure and operate exclusively in the Brazilian market. These vessels are contracted to Petróleo Brasileiro S.A. - Petrobras (“Petrobras”), principally to install umbilical and flexible flowlines and risers to connect subsea wells to floating production units across a range of water depths. We also own one subsea construction and pipelay vessel mostly dedicated to the Asia Pacific market and have long-term charter agreements for three further construction vessels. The Company also owns three dive support vessels.

Subsea Services. We provide an array of subsea services to improve uptime, lower lifecycle costs and increase recovery over the life of the field for our clients’ subsea production systems. These services include (i) provision of exploration and production well head systems, (ii) installation and completion, (iii) asset management services for test, maintenance, refurbishment and upgrades of subsea equipment and tooling, (iv) field performance services based on product data and field data to optimize the performance of the subsea production systems, (v) inspection, maintenance and repair (“IMR”) of subsea infrastructure. (vi) well access and intervention services, both rig-based and vessel-based (riserless light well intervention or “RLWI”), to enhance well production, (vii) Remotely Operated Vehicles (“ROV”) services, and (viii) well plug and abandonment and decommissioning.

Key drivers of subsea services market activity are the inspection and maintenance of subsea infrastructure, driven in large part by aging infrastructure on mature fields. The need for well intervention services also continues to grow, with more than 6,000 wells operated globally, of which 33% are older than 10 years and 65% are older than five years.

With our extensive experience in subsea equipment, our large installed base of subsea production infrastructure, our broad range of services, and our historical technical leadership, we are in a unique position to offer integrated solutions through “life of field” services combining asset light solutions (e.g., RLWI), digital services (e.g., Condition Performance Monitoring / Flow Manager suite of applications), and leading edge automated systems (e.g., Schilling ROVs, IRIS) to enhance the economics of producing fields through maximization of asset uptime, higher production volumes and lower operating expense.

Robotics, Controls and Automation. We design and manufacture ROVs and manipulator arms that are used in subsea drilling, construction, IMR, and life of field services. Our product offering includes electric and hydraulic work-class ROVs, tether management systems, launch and recovery systems, remote manipulator arms and modular control systems. We also provide support and services such as product training, pilot simulator training, spare parts, and technical assistance.

We also provide electro-hydraulic and electric production and intervention control systems, allowing accurate control and monitoring of subsea installations to ensure the highest production availability while providing safe and environmentally friendly field operations. These include the sensors, multi-phase flow meters, digital infrastructure, integrity monitoring, control functionality and automation features needed for subsea systems. Robotics capabilities are now being applied in the space of controlling manifold valves during production. This is a convergence of our technologies in order to provide a better system for our customers.

Capital Intensity

Many of the systems and products we supply for subsea applications are highly engineered to meet the unique demands of our customers' field properties and are typically ordered one to two years prior to installation. We often receive advance payments and progress billings from our customers to fund initial development and working capital requirements. However, our working capital balances can vary significantly depending on the payment terms and execution timing on key contracts.

Dependence on Key Customers

Generally, our customers in this segment are major integrated oil companies, national oil companies and independent exploration and production companies.

We actively pursue alliances with companies that are engaged in the subsea development of oil and natural gas to promote our integrated systems for subsea production. These alliances are typically related to the procurement of subsea production equipment, although some alliances are related to EPCI services. Development of subsea fields, particularly in deepwater environments, involves substantial capital investments. Operators have also sought the security of alliances with us to ensure timely and cost-effective delivery of subsea and other energy-related systems that provide integrated solutions to meet their needs.

Our alliances establish important ongoing relationships with our customers. While these alliances do not contractually commit our customers to purchase our systems and services, they have historically led to, and we expect that they would continue to result in, such purchases.

No single Subsea customer accounted for more than 10% or more of our 2017 consolidated revenue.

Competition

Our Subsea segment competes across: subsea products, subsea projects and subsea services. For subsea products, we typically compete with companies that supply subsea systems, pipes, umbilicals, and smaller companies that are focused on a specific application, technology or geographical niche in which TechnipFMC operates. Competitors include OneSubsea (a Schlumberger company), Baker Hughes, a GE Company (''Baker Hughes''), Aker Solutions ASA, Dril-Quip, Inc., National Oilwell Varco and Oceaneering International, Inc. For Subsea EPCI, competitors include Subsea 7 S.A., Saipem S.p.A. (''Saipem'') and McDermott International Inc. (''McDermott'').

Seasonality

In the North Sea, winter weather generally subdues drilling activity, reducing vessel utilization and demand for subsea services as certain activities cannot be performed. As a result, the level of offshore activity in our Subsea segment is negatively impacted in the first quarter of each year.

Market Environment

The low crude oil price environment over the last three years led many of our customers to reduce their capital spending plans or defer new deepwater projects. The reduction and deferral of projects has resulted in delayed subsea projects inbound for the industry. Operators continue to take needed actions to improve their subsea project economics and suppliers in turn continue to take the necessary steps to further reduce project break-even levels by offering cost-effective approaches for project developments. The risk of project sanctioning delays continues to be high in the current environment; however, innovative approaches to subsea projects, like our iEPCI solution, have improved project economics and many offshore discoveries can be developed economically at today's crude oil prices. In the long term, deepwater development is expected to remain a significant part of operators' portfolios.

Strategy

Our strategy includes the following priorities:

- early involvement in the conceptual design and integrated front-end engineering, or iFEED of subsea development projects to create value through technology and integration of scopes (integrated engineering, procurement, construction, and installation, or iEPCI) by simplifying field architecture accelerating delivery schedules, and time to first production;
- innovative research and development (''R&D''), often in collaboration with clients and partners, to develop leading products and technologies that deliver greater efficiency to the client, lower development costs, and enable frontier developments;
- superior project execution capabilities allowing the Company to mobilize the right teams, assets and facilities to capture and profitably execute complex subsea projects and services;
- capitalization on combined competencies coming from alliances and partnerships with both clients and suppliers; and
- leverage of supplier relationships to capitalize on supply chain market dynamics and implement greater simplification and standardization in products and processes.

Recent and Future Developments

With many of our customers reducing their capital spending plans or deferring new deepwater projects in response to a low crude oil price environment, we have adjusted our workforce and manufacturing capacity to align our operations with the anticipated decreases in activity due to delayed project inbound. These restructuring actions have resulted in a leaner cost structure. The operational improvements and cost reductions made in 2016, combined with additional actions taken in 2017, will help mitigate the anticipated decline in operating margins in 2018.

In November 2017, we announced the launch of a completely new suite of products called Subsea 2.0. Relative to traditional subsea equipment, the Subsea 2.0 technology portfolio significantly reduces the size, weight, and part count of the equipment installed on the seabed. Subsea 2.0 technologies can enhance project economics both as a stand-alone offering and as part of an integrated solution, further unlocking oil and gas reserves that otherwise would not be developed.

We believe that 2016 marked the inflection in subsea order activity as demonstrated by operators making final investment decisions on several major developments. The Company's full year Subsea orders of $5.1 billion in 2017 increased 16 percent from the prior year. In the fourth quarter of 2017, we received a major iEPCI award for the VNG Norge Fenja project in Norway. Our integrated business model is positively impacting project economics and expanding the deepwater opportunity set.

In 2018, we expect to see another increase in subsea market activity, driven by major projects, as well as a blend of small-to- mid size projects and service opportunities. In addition, we identify the following longer-term trends in the subsea market:

- smaller projects and direct awards represent a growing portion of our order mix. In 2017, these awards represented just over half of total inbound orders; the remainder being publicly announced projects as well as subsea service activities. Subsea tiebacks are often part of this mix; these shorter cycle brownfield expansions provide operators with faster paybacks and higher returns;
- there is a growing trend towards independent operators and new entrants undertaking subsea developments; we are a natural partner for this customer group because of the ability to offer fully integrated solutions; and
- natural gas developments are growing in prominence. We believe that more than half of offshore capital expenditures could be directed at natural gas developments by early next decade.

We continue to work closely with our customers and believe that, in the context of weaker oil prices, with our unique business model we can further reduce their project break-even levels by offering cost-effective approaches to their project developments. This includes growing customer acceptance of integrated business models to help achieve the cost-reduction goals and accelerate time to first oil and gas.

Product Development

We continue to expand our Subsea technologies portfolio of solutions to deliver a complete production system for high pressure and high temperature applications. In 2014, we entered into a joint development agreement with several major operators to develop common standards for subsea production equipment capable of operating at pressures as high as 20,000 psi and temperatures up to 350º F. This joint development agreement is delivering standardized design, materials, processes and interfaces to deliver improved reliability and operations over the life of the field.

Technology development progressed on Subsea 2.0, the next generation of subsea equipment, utilizing designs that will be significantly smaller, lighter and simpler than current designs. These new products incorporate a modular product architecture and component level standardization to enable a flexible configure-to-order approach. The products are expected to deliver breakthrough in the way that subsea products are manufactured, assembled, installed and maintained over the life of the field. Several major elements of the portfolio were launched to the market during the year. We also completed the development of our second generation of electrically trace heated pipe in pipe (ETH-PiP), which delivers significant advancements in power output and length enabling hydrate prevention in longer distance tiebacks of 50 kilometers and beyond.

In addition to the investments made to develop lower cost production solutions, we also invest in the development of technology to expand our service portfolio. During the year, we qualified new technology to enable the inspection of flexible risers and flowlines. We are also advancing subsea robotic productivity through the development of more efficient ROV systems that are easier to operate and maintain.

Onshore/Offshore

The Onshore/Offshore segment offers a full range of services spanning the entire value chain to our customers, including technical consulting, concept selection and final acceptance test. We have been successful in meeting our clients' needs given our proven skills in managing large engineering, procurement and construction (''EPC'') projects.

Our Onshore business combines the study, engineering, procurement, construction and project management of the entire range of onshore facilities related to the production, treatment, and transportation of oil and gas, as well as the transformation of petrochemicals such as ethylene, polymers and fertilizers, as well as other activities.

We conduct large-scale, complex and challenging projects that involve extreme climatic conditions and non-conventional resources and are subject to increasing environmental and regulatory performance standards. We rely on technological know-how for process design and engineering, either through the integration of technologies from leading alliance partners or through our own technologies. We seek to integrate and develop advanced technologies and reinforce our project execution capabilities in each of our Onshore activities.

Our Offshore business combines the study, engineering, procurement, construction and project management within the entire range of fixed and floating offshore oil and gas facilities, many of which were the first of their kind, including the development of floating liquefied natural gas (''FLNG'') facilities.

Principal Products and Services

Development of Onshore Fields. We design and build different types of facilities for the development of onshore oil and gas fields, processing facilities and product export systems. In addition, we also renovate existing facilities by modernizing production equipment and control systems, in accordance with applicable environmental standards.

Refining. We are a leader in the design and construction of oil refineries. We manage many aspects of these projects, including the preparation of concept and feasibility studies, and the design, construction and start-up of complex refineries or single refinery units. We have been involved in the design and construction of 30 new refineries, and are one of the few contractors in the world to have built six new refineries since 2000. We have extensive experience with technologies relating to refining and have completed more than 850 individual process units, from 100 major expansion or refurbishment projects implemented in more than 75 countries. As a result of our cooperation with the most highly renowned technology licensors and catalyst suppliers and our strong technological expertise and refinery consulting services, we are able to provide an independent selection of appropriate technologies to meet specific project and client targets. These technologies result in direct benefits to the client, such as emission control and environmental protection, including hydrogen and carbon dioxide management, sulfur recovery units, water treatment and zero flaring. With a strong record of accomplishment in refinery optimization projects, we have experience and competence in relevant technological fields in the oil refining sector.

Natural Gas Treatment and Liquefaction. We offer a complete range of services to support our clients' capital projects from concept to delivery, including from the wellhead to LNG producing plant, gas-to-liquids (''GTL''), natural gas liquids (''NGL'') recovery and gas treatment. In the field of LNG, we pioneered base-load LNG plant construction through the first-ever facility in Arzew, Algeria. We have delivered 75 million metric tons per annum (''Mtpa'') since 2000, and currently have 24 Mtpa under construction. TechnipFMC brings knowledge and conceptual design capabilities that are unique among engineering and construction companies involved in LNG. We have engineered and delivered a broad range of LNG plants, including mid-scale and very large scale plants, onshore and offshore plants, and plants in remote locations. We have experience in the complete range of services for LNG receiving terminals from conceptual design studies to EPC. Following the world's six largest LNG trains in Qatar, Yemen LNG, and a series of mid-scale LNG plants in China, together with our JV partners, we are delivering the Yamal LNG plant (''Yamal'') in the Russian Arctic.

We are also well positioned in the GTL market and are one of the few contractors with experience in large GTL facilities. We have unique experience in delivering plants using Sasol's ''Slurry Phase Distillate'' technology, and have provided front-end engineering design for the Fischer-Tropsch section of more than 60% of commercial coal-to-liquids and GTL capacity worldwide. Our clients also benefit from our development of environmental protection measures, including low nitrogen oxides and sulfur oxides emissions, waste-water treatment, and waste management.

We have extensive experience in the development and inclusion of cryogenic NGL recovery processes in large gas treatment plants. We have unique expertise in efficiently extracting ethane and propane hydrocarbons due to our Cryomax® technology, which reduces the investment cost per ton of produced ethane or propane as compared to conventional expander plants. When used with LNG, Cryomax® technology allows the efficient production of ethane and propane as components of mixed refrigerant processes, even when processing very lean gas.

We specialize in the design and construction of large-scale gas treatment complexes as well as existing facility upgrades. Gas treatment includes the removal of carbon dioxide and sulfur components from natural gas using chemical or physical solvents, sulfur recovery, and gas sweetening processes based on the use of an amine solvent. The Company ranks among the top contractors in the field in relation to sulfur recovery units installed in refineries or natural gas processing plants. Given our long-term experience in the field of sour gas processing, we can provide support to clients for the overall evaluation of the gas sweetening/sulfur recovery chain and the selection of optimum technologies.

Ethylene. We hold proprietary technologies and are a leader in the design, construction and commissioning of ethylene production plants. We design steam crackers, from concept stage through construction and commissioning, for both new plants (including mega-crackers) and plant expansions. We have a portfolio of the latest generation of commercially proven technologies and are uniquely positioned to be both a licensor and an EPC contractor. Our technological developments have improved the energy efficiency in ethylene plants by improving thermal efficiency of the furnaces and reducing the compression power required per ton, reducing carbon dioxide emissions per ton of ethylene by 30%.

Petrochemicals and Fertilizers. We are a world leader in the process design, licensing and realization of petrochemical units, including basic chemicals, intermediate and derivative plants. We provide a range of services that includes process technology licensing and development and full EPC complexes. We license a portfolio of chemical technologies through long-standing alliances and relationships with leading manufacturing companies and technology providers. We have research centers to develop and test technologies for polymer and petrochemical applications, where fully automated pilot plants gather design data to scale-up processes for commercialization.

Hydrogen. Hydrogen is the most widely used industrial gas in the refining, chemical and petrochemical industries, and is also widely used in the production of cleaner transport fuels. We offer a single point of responsibility for the design and construction of hydrogen and synthesis gas production units, with solutions ranging from Process

Design Packages to full lumpsum turnkey projects. We also offer services for maintenance and performance optimization of running units. We have solutions in place for carbon capture readiness in future hydrogen plants, targeting more than a two-thirds reduction in carbon dioxide release from the hydrogen plant.

Fixed Platforms. We offer a broad range of fixed platform solutions in shallow water, including: large conventional platforms with pile steel jackets whose topsides are installed offshore either by heavy life vessel or floatover; small, conventional platforms installed by small crane vessel; steel gravity-based structure platforms, generally with floatover topsides; and small to large self-installing platforms.

Floating Production Units. We offer a broad range of floating platform solutions for moderate to ultra-deepwater applications, including:

- Spar platforms: capable of operating in a wide range of water depths, the Spar is a low motion floater that can support full drilling with dry trees or with tender assist and flexible or steel catenary risers. The Spar topside is installed offshore either by heavy lift or floatover;
- Semi-Submersible Platforms: these platforms are well suited to oil field developments where subsea wells drilled by the mobile offshore drilling unit are appropriate. Semi-Submersibles can operate in a wide range of water depths and have full drilling and large topside capability. We have our own unique design of low-motion Semi-Submersible platforms that can accommodate dry trees; and
- Tension-Leg Platform (''TLP''): an appropriate platform for deepwater drilling and production in water depths up to approximately 1,500 meters, the TLP can be configured with full drilling or with tender assist and is generally a dry tree unit. The TLP and our topside can be integrated onto the substructure at a cost-effective manner at quayside.

Floating Production Storage, and Offloading (''FPSO''). Working with our construction partners, we have delivered some of the largest FPSOs in the world. FPSOs enable offshore production and storage of oil which is then transported by a tanker where pipeline export is uneconomic or technically challenged (for example, ultra-deepwater). FPSOs utilize onshore processes adapted to a floating marine environment. They can support large topsides and hence large production capacities.

Floating liquefied natural gas. We pioneered the FLNG industry and are working closely with our clients to engineer three of the industry's first FLNG contracts: the Shell Prelude FLNG facility and the ENI Coral South FLNG project. We are the only contractor to integrate all the core activities required to deliver an FLNG project: LNG process, offshore facilities, loading systems, and subsea infrastructure.

FLNG is an innovative alternative to traditional onshore LNG plants, and is suitable for remote and stranded gas fields that were deemed uneconomical previously. FLNG is a commercially attractive and environmentally friendly approach to the monetization of offshore gas fields. It avoids the potential environmental impact of building and operating long-distance pipelines and extensive onshore infrastructure.

Capital Intensity

Our Onshore/Offshore business is executing turnkey contracts, performing engineering, procurement, construction, and project management for an entire or part of a facility. We can execute EPC contracts alone or in consortium with other companies.

Dependence on Key Customers

Generally, our Onshore/Offshore customers are major integrated oil companies or national oil companies. We have developed privileged relationships with our main clients around our portfolio of technologies, expertise in project management, and execution. Our customers have sought the security of alliances with us to ensure timely and cost-effective delivery of their projects.

One customer, JSC Yamal LNG, individually represented more than 10% of 2017 consolidated revenue.

Competition

In the Onshore market, we face a large number of competitors, including U.S. companies (Bechtel, CB&I, Fluor, Jacobs and KBR), Japanese companies (Chiyoda Corporation, JGC Corporation and Toyo Engineering Corporation), European companies (Petrofac Ltd., Saipem, Tecnicas Reunidas, S.A., Maire Tecnimont Group and

John Wood Group Plc) and Korean companies (GS Caltex Corporation, Hyundai Oilbank, Samsung Engineering Co., Ltd, SK Energy Co., Ltd., and Daelim Industrial Co., Ltd). In addition, we compete against smaller, specialized, and locally based engineering and construction companies in certain countries or for specific units such as petrochemicals.

Competition in the Offshore market is relatively fragmented and includes various players with different core capabilities, including offshore construction contractors, shipyards, leasing contractors, and local yards in Asia Pacific, the Middle East and Africa. Competitors include Daewoo Shipbuilding & Marine Engineering Co., Ltd., Hyundai Heavy Industries Co., Ltd., Samsung Heavy Industries Co., Ltd., Saipem, KBR, Inc., McDermott, China Offshore Oil Engineering Co. Ltd and JGC Corporation.

Seasonality

Our Onshore business is not sensitive to any seasonality. Our Offshore business could be impacted by seasonality in the North Sea region during the offshore installation campaign at the end of a project.

Market Environment

The Onshore market is impacted by changes in oil and gas prices, but is typically more resilient than offshore markets. Indeed, some downstream markets have benefited from low commodity prices where market fundamentals are connected to other markets (for example, petrochemicals and fertilizers that are linked to world growth). This market is mostly present in developing countries with rapidly growing energy demand (in particular, in Asia) and countries with abundant oil and gas reserves that have decided to expand downstream (in particular, in the Middle East and Russia). The Onshore market remains relatively small in Western Europe, with a diversity of projects (including a second generation of bio ethanol plants). The North American Onshore market is experiencing a strong recovery in the wake of the oil and gas shale revolution.

The Offshore market is impacted by changes in oil prices. Offshore fields in the Gulf of Mexico, the Middle East and the North Sea in Europe were the traditional backbone for investments in the last decade. Recent discoveries of offshore fields with reserves in other regions such as Brazil, Australia and East Africa are expected to become drivers of investment from some of our clients. In the long-term, gas is expected to be a major element of the energy mix, requiring new investments in the upstream industry. FLNG opportunities exist in the medium term, particularly in Australia and East Africa.

Strategy

Our strategy is based on the following:

- selectivity of clients, projects, and geographies, which serves to maintain early engagement, leading to influence over technological choices, design considerations, and project specifications that make projects economically viable;
- technology-driven differentiation with strong project management, which eliminates or significantly reduces technical and project risks, leading to both schedule and cost certainty without compromising safety; and
- excellence in project execution, because of our global, multi-center project delivery model complemented by deep partnerships and alliances to ensure the best possible execution for complex projects.

TechnipFMC’s Onshore/Offshore segment continually invests in innovation and technology The Company is at the forefront of digital solutions due in part to our investment in 3D models and interfaces.

Recent and Future Developments

In response to industry challenges to improve project economics in the Offshore market, we are continuing our cost reduction efforts to align capacity and capabilities with market demands. Meanwhile, Onshore market activity continues to provide a tangible set of opportunities, including natural gas, refining and petrochemical projects.

Activity in LNG is fueled by higher demand for natural gas as the fuel source continues to take a share of global energy demand. The trend is structural, driven by market preference for cleaner energy sources and the need to satisfy growing domestic demand in markets such as in the Middle East. To meet this demand, we believe that large gas projects will need to be sanctioned in the near to intermediate term.

As Onshore market activity levels remain stable, it provides our business with the opportunity to remain actively engaged in and pursue front-end engineering studies, which provide the platform for early engagement with clients and can significantly reduce the risk of project execution. Market opportunities for downstream front-end engineering studies and full EPC projects are most prevalent in the Middle East, African and Asian markets in both LNG and refining. We continue to track near-term prospects for petrochemical and fertilizer projects as well. We believe this opportunity set could generate additional inbound orders in the coming years.

Product Development

We are positioned as a premier provider of project execution strategy and technology solutions which enable our customers to unlock resources at advantaged capital and operating economics. We invest Onshore/Offshore R&D in these main areas: (i) the development of process technology and equipment for economy of scale, (ii) continuous improvement of our proprietary process technologies and other solutions to reduce operating and investment cost, and (iii) intensification and diversification of our proprietary technology offering.

Our Offshore R&D efforts are focused on improving the economics of FLNG through innovations in design and constructibility. We also launched a new program to develop solutions for smaller scale FLNG and LNG import projects. Additionally, to further reduce operating and investment costs we progressed the development of robotic solutions for offshore platforms and continued work on a standard and adaptable design for Normally Unmanned Installations (NUI).

Acquisitions and Investments

In January 2017, we officially opened our Modular Manufacturing Yard at Dahej, in Gujarat state, located in Western India. The approximately 150,000 square meter yard combines our strengths in process technology, modularized engineering, and manufacturing and construction.

The yard represents a culmination of our knowledge, skill and technology expertise covering a range of product lines, such as designed modular hydrogen plants; modular process plant and equipment using proprietary process technology and partnering with leading technology partners worldwide; fired heaters, reformers, ethylene furnaces: components and assemblies; and proprietary special application burners.

Surface Technologies

The Surface Technologies segment designs and manufactures products and systems, and provides services used by oil and gas companies involved in land and offshore exploration and production of crude oil and natural gas. Surface Technologies designs, manufactures and supplies wellhead systems as well as technologically advanced high pressure valves, flowlines, and pumps used in stimulation activities for oilfield service companies. Surface Technologies also provides frac systems and services, and production, separation and flow processing systems for exploration and production companies in the oil and gas industry, as well as measurement systems and loading arms solutions for the energy customers. We manufacture most of our products in several facilities located worldwide.

Principal Products and Services

Integrated Surface Drilling, Completion, and Production Systems. We provide a full range of drilling, completion and production wellhead systems for both standard and custom-engineered applications. Surface wellhead production systems, or trees, are used to control and regulate the flow of crude oil and natural gas from the well. Our surface wellhead products and systems are used worldwide on both onshore and offshore applications and can be used in difficult climates, including arctic cold or desert high temperatures. Our product technologies include conventional wellheads, unihead drill-thru wellheads designed for faster surface installations, drilling time optimization time-saving conventional wellheads designed to reduce overall rig time, and other technologies, including sealing technology, thermal equipment, and valves and actuators.

We support our customers through comprehensive surface wellhead system service packages that provide strategic solutions to ensure optimal equipment performance and reliability. These service packages include all phases of the asset's life cycle, from the early planning stages, through testing and installation, commissioning and operations, replacement and upgrades, interventions, decommissioning/abandonment, and maintenance, storage and preservations.

As part of our surface integrated services business, we provide an integrated shale offering, which includes manifolds, trees and flowback equipment for timely and cost-effective well completion. We also provide flowback services for the recovery of solids, fluids, and hydrocarbons from oil and natural gas wells after the stimulation of the well, and well optimization services for exploration companies in the oil and gas industry.

Pressure Control. We design and manufacture flowline products, under the Weco®/Chiksan® trademarks, articulating frac arm manifold trailers, well service pumps, compact valves and reciprocating pumps used in well completion and stimulation activities by major oilfield service companies, such as Halliburton Company, Schlumberger, Baker Hughes and Weatherford International plc. Our flowline products are used in equipment that pumps fluid into a well during the well construction and stimulation processes. Our well service pump product line includes triplex and quintuplex pumps utilized in a variety of applications, including fracturing, acidizing and matrix stimulation, and are capable of delivering flow rates up to 35 barrels per minute at pressures up to 20,000 psi. The performance of this business typically rises and falls with variations in the active rig count throughout the world and pressure pumping activity and intensity in the Americas.

Measurement Solutions. We design, manufacture and service measurement products for the worldwide oil and gas industry. Our flow computers and control systems manage and monitor liquid and gas measurement for applications such as custody transfer, fiscal measurement and batch loading and deliveries. Our FPSO metering systems provide the precision and reliability required for measuring large flow rates characteristic of marine loading operations. Our gas and liquid measurement systems provide many solutions in energy-related applications such as crude oil and natural gas production and transportation, refined product transportation, petroleum refining and petroleum marketing and distribution. We combine advanced measurement technology with state-of-the-art electronics and supervisory control systems to provide the measurement of both liquids and gases to ensure processes operate efficiently while reducing operating costs and minimizing the risk associated with custody transfer.

Loading Systems. We provide land- and marine-based loading and transfer systems to the oil and gas, petrochemical and chemical industries. Our systems provide transfer loading solutions using Chiksan® loading arms and Chiksan® swivel joint technologies, which are capable of diverse applications. While our marine systems are typically constructed on a fixed jetty platform, we have developed advanced loading systems that can be mounted on a vessel or structure to facilitate ship-to-ship and tandem loading and offloading operations in open seas or exposed locations. Both our land- and marine-based loading and transfer systems are capable of handling a wide range of products including petroleum products, LNG and chemical products.

Capital Intensity

Surface Technologies manufactures most of its products, resulting in a reliance on manufacturing locations throughout the world. We also maintain a large amount of rental equipment related to pressure operations.

Dependence on Key Customers

No single Surface Technologies customer accounted for 10% or more of our 2017 consolidated revenue.

Competition

Surface Technologies is a market leader for our primary products and services. Some of the factors that distinguish us from other companies in the same sector include our technological innovation, reliability and product quality. Surface Technologies competes with other companies that supply surface production equipment and pressure control products. Some of our major competitors in Surface Technologies include Cameron International Corporation (a Schlumberger company), Weir Oil & Gas (a division of The Weir Group PLC), Baker Hughes, Forum Energy Technologies, Inc. and Gardner Denver, Inc.

Seasonality

In Western Canada, the level of activity in the oilfield services industry is influenced by seasonal weather patterns. During the spring months, wet weather and the spring thaw make the ground unstable and less capable of supporting heavy equipment and machinery. As a result, municipalities and provincial transportation departments enforce road bans that restrict the movement of heavy equipment during the spring months, which reduces activity levels. There is greater demand for oilfield services, specifically completion services, provided by our Canadian surface integrated services business in the winter season when freezing permits the movement and operation of heavy equipment. Activities tend to increase in the fall and peak in the winter months of November through March.

Market Environment

While the North American rig count and market activity have steadily improved over the last year, the recovery has been constrained to certain oil and gas producing basins that can generate acceptable returns. The market recovery began in late 2016 in North America and continued through 2017. This increased activity has resulted in stronger demand for the Company's products and services, particularly pressure control equipment. Activity outside of North America remains generally stable but continues to experience competitive pricing pressure in certain markets.

Strategy

Our strategy is focused on being a leading provider of best-cost and high-performance integrated assets and services for our customers in the drilling, completion, production, midstream and transportation sectors. We intend to grow and expand by focusing on improving customer economics and providing superior service.

Recent and Future Developments

We continue to operate in a challenging environment because of lower global activity and competitive pricing. North America rig count and operating activity have been steadily improving through 2017. The market has also benefited from increased service intensity related to hydraulic fracturing activity. As a result of these market dynamics, we have experienced stronger demand for pressure control equipment. Combined with our cost rationalization initiatives, we are capturing the economic benefits of the higher activity levels. In North America, we believe that we will see further market improvements, primarily driven by increased unconventional activity.

Outside of North America, we expect global activity levels to improve in 2018. In our business, we believe that the Middle East, Asia Pacific, and Europe are best poised for growth. While our international surface business experienced competitive pricing pressure throughout 2017, pricing has stabilized, with limited improvement in a few select international markets. We expect this pricing environment to continue throughout 2018.

Product Development

In 2017, we successfully launched the 2'' 10,000 psi cage choke, expanding the Company's traditional product offering for onshore solutions and delivering our first order to a major Middle East customer. We also launched a fully automated and digitized Flow Testing Advanced Automated Package (AAP) leveraging the Company's superior de-sanding technology and digital platform, which allows for remote monitoring and real-time data capture via the cloud.

Acquisitions and Investments

In October 2017, we announced an agreement to acquire Plexus Holding plc's (''Plexus'') Wellhead exploration equipment and services business for jack up applications. In conjunction with our global footprint and market presence, this portfolio expansion in the mudline and high pressure, high temperature arena will enable us to be a leading provider of products and services to the global jack up exploration drilling market. This acquisition fits within our strategy to extend and strengthen our position in exploration-drilling products and services while leveraging our global field presence.

The business will be integrated into our Surface Technologies segment and will include the transfer of key personnel from Plexus, with their specialized know-how, to ensure continuity and ongoing customer support. The business will continue to operate from the existing location in Dyce, Aberdeen, United Kingdom.

In December 2017, we opened a fully capable 18,000 square meter Surface international facility in Abu Dhabi's Industrial City 2, as part of our continued investment in the United Arab Emirates to reinforce our leading position in delivering local solutions that extend asset life and improve returns for Abu Dhabi National Oil Company (''ADNOC'') and other customers. The launch of this facility positions us to respond to the expected increase in ADNOC activity in 2018 and beyond.

The new plant is part of a program to strengthen our capabilities in the Surface international business, but also provides a solid platform for us to grow our integrated offerings into the Middle East, including multiple product lines and aftermarket services that are key to the strategy. The new facility will offer a broader range of capabilities in-country, supporting our full portfolio with our high technology equipment in the drilling, completion, production, and pressure control sectors. The facility includes a fully-developed training center, high-pressure hydraulic and gas testing capabilities, state of the art cladding, and machining technology and one-stop-shop for customer equipment storage, preservation, preparation, and make-up for mobilization to the field.

C. Sources and Availability of Raw Materials

Our business segments purchase carbon steel, stainless steel, aluminum and steel castings and forgings from the global market place. We typically do not use single source suppliers for the majority of our raw material purchases; however, certain geographic areas of our businesses or a project or group of projects may heavily depend on certain suppliers for raw materials or supplies of semi-finished goods. We believe the available supplies of raw materials are adequate to meet our needs.

D. Research and Development

We are engaged in R&D activities directed toward the improvement of existing products and services, the design of specialized products to meet customer needs and the development of new products, processes and services. A large part of our product development spending has focused on the improved design and standardization of our Subsea and Onshore/Offshore products to meet our customer needs.

E. Patents, Trademarks, and Other Intellectual Property

We own a number of patents, trademarks and licenses that are cumulatively important to our businesses. As part of our ongoing R&D focus, we seek patents when appropriate for new products and product improvements. We have over 6,000 issued patents and pending patent applications worldwide. Further, we license intellectual property rights to or from third parties. We also own numerous trademarks and trade names and have approximately 500 registrations and pending applications worldwide.

We protect and promote our intellectual property portfolio and take actions we deem appropriate to enforce and defend our intellectual property rights. We do not believe, however, that the loss of any one patent, trademark or license, or group of related patents, trademarks or licenses, would have a material adverse effect on our overall business.

F. Segment and Geographic Financial Information

The majority of TechnipFMC's consolidated revenue and segment operating profits are generated in markets globally. Each segment's revenue is dependent upon worldwide oil and gas exploration, production and petrochemical activity.

III. Business Review

A. Introduction

In this U.K. Annual Report, TechnipFMC is reporting in its consolidated financial statements the results of its operations for the year ended December 31, 2017, which consist of the combined results of operations of Technip S.A. and FMC Technologies, Inc.

Due to the merger of FMC Technologies and Technip, FMC Technologies' results of operations have been included in the financial statements for periods subsequent to the consummation of the Merger on January 16, 2017. Under the acquisition method of accounting, Technip was identified as the accounting acquirer and acquired a 100% interest in FMC Technologies.

Since TechnipFMC is the successor company to Technip, we are presenting the results of Technip's operations for the year ended December 31, 2016 and balance sheet as of December 31, 2016.

Historically, Technip prepared its financial statements in accordance with IFRS, as adopted by the European Union (''IFRS''), and FMC Technologies prepared its financial statements in accordance with U.S. GAAP. Following completion of the Merger, TechnipFMC is preparing its consolidated financial statements in accordance with both (i) U.S. GAAP in accordance with U.S. securities law and reporting requirements, and (ii) IFRS in accordance with the requirements of the Companies Act and the U.K. Disclosure Guidance and Transparency Rules. The U.S. GAAP financial statements for the year ended December 31, 2017 were contained in the Annual Report on Form 10-K filed with the SEC on March 31, 2018 and the IFRS financial statements are contained in this U.K. Annual Report.

The basis of presentation, critical accounting estimates and significant accounting policies are set out in Note 1 to the Financial Statements contained in this U.K. Annual Report.

B. Key Performance Indicators

The Company's directors consider that the most important key performance indicators (''KPIs'') for 2017 are set out below. As the Merger became effective on January 16, 2017, the Company does not have any KPIs for year 2016.

As we evaluate our operating results, we consider performance indicators like revenue, operating profit and capital employed, in addition to the level of inbound orders and order backlog. A significant proportion of our revenue is recognized under the percentage of completion method of accounting. Cash receipts from such arrangements typically occur at milestones achieved under stated contract terms. Consequently, the timing of revenue recognition is not always correlated with the timing of customer payments. We aim to structure our contracts to receive advance payments that we typically use to fund engineering efforts and inventory purchases. Working capital (excluding cash) and net (debt) cash are therefore key performance indicators of cash flows.

C. Results of Operations

Management's report of the consolidated results of operations is provided on the basis of comparing actual results of operations for the twelve months ended December 31, 2017 to actual results of operations for the twelve months ended December 31, 2016.

(In $ millions, except percentages)	Twelve months Ended December 31, 2017	2016	Change $	%
Revenue	15,056.9	9,199.6	5,857.3	64%
Cost of sales	(12,517.7)	(7,630.2)	(4,887.5)	64%
Selling, general and administrative expense	(1,052.6)	(572.1)	(480.5)	84%
Research and development expense	(212.9)	(105.4)	(107.5)	102%
Impairment, restructuring and other expense	(312.2)	(347.6)	35.4	(10)%
Merger transaction and integration costs	(56.2)	(140.4)	84.2	(60)%
Other income (expense), net				
Income	(31.1)	(45.0)	13.9	(31)%
Income (loss) from equity affiliates	0.5	112.9	(112.4)	(99)%
Net interest expense	(333.0)	(50.4)	(282.6)	(561)%
Income before income taxes	**541.7**	**421.4**	**120.3**	**28%**
Provision for income taxes	586.1	144.6	441.5	305.3%
Net (Loss) income	**(44.4)**	**276.8**	**(321.2)**	**(116.0)%**
Net (income) loss attributable to non-controlling interests	(20.9)	34.5	(55.4)	(160.1)%
Net (loss) income attributable to TechnipFMC plc	(65.3)	311.3	(376.6)	(120.1)%

2017 Compared With 2016

Revenue

Revenue increased $5,587.3 million in 2017 compared to the prior-year period.

Gross profit

Gross profit (revenue less cost of sales) remained stable as a percentage of sales of 17% in 2017 and 2016.

Selling, general and administrative expense

Selling, general and administrative expense increased $480.5 million year-over-year.

Impairment, restructuring and other expense

Impairment, restructuring and other expense decreased by $35.4 million year-over-year. Impairment, restructuring and other expense for 2017 included $157.4 million of impairment expense. In recent years, we have implemented restructuring plans across our businesses to reduce costs and better align our workforce with anticipated activity levels. Thus, we previously incurred significant restructuring activities in 2016.

Merger transaction and integration costs

We incurred merger transaction and integration costs of $56.2 million during 2017 due to the Merger. A significant portion of the expenses recorded in the period are related to transaction and leased facility termination fees, with a lower portion but still material related to integration activities pertaining to combining the two legacy companies. Refer to Note 2 to the Financial Statements contained in this U.K. Annual Report for further information related to the Merger.

Other income (expense), net

Other income (expense), net, primarily reflects foreign currency gains and losses. During 2017, we recognized $16.9 million of net other income.

Net interest expense

The increase in interest expense was due to the changes in the fair value of a mandatorily redeemable financial liability. During the year ended December 31, 2017, we revalued the liability to reflect current expectations about the obligation and recognized a loss of $293.7 million. Refer to Note 25 to the Financial Statements contained in this U.K. Annual Report for further information regarding the fair value measurement assumptions of the mandatorily redeemable financial liability and related changes in its fair value.

Provision for income taxes

Our income tax provisions for 2017 and 2016 on a historical basis reflected effective tax rates of 108.2% and 34.3%, respectively. The year-over-year increase in the effective tax rate was primarily due to additional losses generated during the year for which no tax benefit is expected to be realized and an unfavorable change in actual country mix of earnings. In addition, due to U.S. legislation passed in the fourth quarter of 2017, we incurred a one-time deemed repatriation transition tax of $148.7 million and an unfavorable tax provision impact of $18.9 million from the revaluation of the U.S. deferred individual tax assets and liabilities.

D. Liquidity and Capital Resources

Most of our cash is managed centrally and flowed through centralized bank accounts controlled and maintained by TechnipFMC domestically and in foreign jurisdictions to best meet the liquidity needs of our global operations.

We expect to meet the continuing funding requirements of our global operations with cash generated by such operations and our existing revolving credit facility.

Net (Debt) Cash is a non-GAAP financial measure reflecting cash and cash equivalents, net of debt. Management uses this non-GAAP financial measure to evaluate our capital structure and financial leverage. We believe net debt, or net cash, is a meaningful financial measure that may assist investors in understanding our financial condition and recognizing underlying trends in our capital structure. Net (debt) cash should not be considered an alternative to, or more meaningful than, cash and cash equivalents as determined in accordance with GAAP or as an indicator of our operating performance or liquidity.

The following table provides a reconciliation of our cash and cash equivalents to net (debt) cash, utilizing details of classifications from our consolidated balance sheets.

(In millions)	December 31, 2017	December 31, 2016
Cash and cash equivalents	$ 6,737.4	$ 6,269.3
Short-term debt and current portion of long-term debt	(1,527.7)	(894.4)
Long-term debt, less current portion	(2,656.1)	(1,658.5)
Net cash	$ 2,553.6	$ 3,716.4

The gross change in the debt and cash components of our net (debt) cash position was primarily due to the Merger. Refer to Note 2 to the Financial Statements contained in this U.K. Annual Report for further information related to the Merger.

Cash Flows

Cash flows for each of the years in the two-year period ended December 31, 2017, were as follows:

(In millions)	Year Ended December 31, 2017	Year Ended December 31, 2016
Cash provided by operating activities	$ 83.6	$ 493.8
Cash provided (required) by investing activities	1,221.6	3,110.5
Cash required by financing activities	(899.4)	(534.6)
Effect of exchange rate changes on cash and cash equivalents	62.3	(21.6)
Increase (decrease) in cash and cash equivalents	$ 468.1	$3,091.3

Operating cash flows. During 2017, we generated $83.6 million in cash flows from operating activities, which was a $410.2 million decrease compared to 2016. The decrease in cash provided by operating activities in 2017 was due to the change in our working capital balances that can vary significantly depending on the payment and delivery terms on key contracts in our portfolio of projects.

Investing cash flows. Investing activities provided $1.2 billion in 2017 primarily due to the Merger. Refer to Note 2 to the Financial Statements contained in this U.K. Annual Report for further information related to the Merger.

Cash provided by investing activities in 2016 was $3.1 billion, primarily reflecting cash acquired through an acquisition.

Financing cash flows. Financing activities used $899.4 million in 2017. The increase of $364.8 million in cash required for financing activities was primarily due to a decrease in proceeds from the issuance of long-term debt in 2016, and an increase in payments of taxes withheld on share-based compensation, offset by increased borrowings of our commercial paper during 2017.

Debt and Liquidity

Total borrowings at December 31, 2017 and 2016, comprised the following:

(In millions)	December 31, 2017	December 31, 2016
Commercial paper	1,450.4	210.8
Synthetic bonds due 2021	499.2	428.0
Convertible bonds due 2017	—	524.5
3.45% Senior Notes due 2022	500.0	—
5.00% Notes due 2020	238.9	209.7
3.40% Notes due 2022	179.8	158.0
3.15% Notes due 2023	155.0	136.1
3.15% Notes due 2023	149.6	131.4
4.00% Notes due 2027	89.9	79.0
4.00% Notes due 2032	115.4	101.2
3.75% Notes due 2033	116.0	101.8
Bank borrowings	332.5	452.1
Finance leases	328.7	328.7
Other	28.4	20.3
Total borrowings	$4,183.8	$2,552.9

The following is a summary of our revolving credit facility at December 31, 2017:

(In millions)	Amount	Debt Outstanding	Commercial Paper Outstanding(a)	Letters of Credit	Unused Capacity	Maturity
Five-year revolving credit facility . . .	$2,500.0	$—	$1,450.4	$—	$1,049.6	January 2022

Under our commercial paper program, we have the ability to access up to $1.5 billion and €1.0 billion of financing through our commercial paper dealers. Our available capacity under our revolving credit facility is reduced by any outstanding commercial paper.

Committed credit available under our revolving credit facility provides the ability to issue our commercial paper obligations on a long-term basis. We had $1,450.4 million of commercial paper issued under our facility at December 31, 2017.

Our revolving credit facility contains customary covenants as defined by the credit facility agreement which includes a financial covenant requiring that our total capitalization ratio not exceed 60% at the end of any financial quarter. The facility agreement also contains covenants restricting our ability and our subsidiaries ability to incur additional liens and indebtedness, enter into asset sales, make certain investments. As of December 31, 2017, we were in compliance with all restrictive covenants under our revolving credit facility.

Refer to Note 21 and Note 25 to the Financial Statements contained in this U.K. Annual Report for further information related to our credit facility and our mandatorily redeemable liability, respectively.

Credit Risk Analysis

Valuations of derivative assets and liabilities reflect the fair value of the instruments, including the values associated with counterparty risk. These values must also take into account our credit standing, thus including in the valuation of the derivative instrument the value of the net credit differential between the counterparties to the derivative contract. Our methodology includes the impact of both counterparty and our own credit standing. Adjustments to our derivative assets and liabilities related to credit risk were not material for any period presented.

We use the income approach as the valuation technique to measure the fair value of foreign currency derivative instruments on a recurring basis. This approach calculates the present value of the future cash flow by measuring the change from the derivative contract rate and the published market indicative currency rate, multiplied by the contract notional values. Credit risk is then incorporated by reducing the derivative's fair value in asset positions by the result of multiplying the present value of the portfolio by the counterparty's published credit spread. Portfolios in a liability position are adjusted by the same calculation; however, a spread representing our credit spread is used. Our credit spread, and the credit spread of other counterparties not publicly available are approximated by using the spread of similar companies in the same industry, of similar size and with the same credit rating.

At this time, we have no credit-risk-related contingent features in our agreements with the financial institutions that would require us to post collateral for derivative positions in a liability position.

Additional information about credit risk is incorporated herein by reference to Note 31 to the Financial Statements contained in this U.K. Annual Report.

Outlook

Historically, we have generated our liquidity and capital resources primarily through operations and, when needed, through our credit facility. We have $1,049.6 million of capacity available under our revolving credit facility that we expect to utilize if working capital needs temporarily increase. The volatility in credit, equity and commodity markets creates some uncertainty for our business. However, management believes, based on our current financial condition, existing backlog levels and current expectations for future market conditions, that we will continue to meet our short- and long-term liquidity needs with a combination of cash on hand, cash generated from operations and access to capital markets. While we will continue to reach payment milestones on our projects, we expect our consolidated operating cash flow in 2018 to decrease as a result of the negative impact of the decline in commodity prices and the corresponding impact the industry downturn has had on our overall business in terms of the number of new projects awarded and the payment terms and conditions of such project awards during 2016 and 2017. Consequently, any payment deferrals or discounts on pricing granted to clients in prior years may adversely affect our results of operations and cash flows in 2018 and beyond.

We project spending approximately $300 million in 2018 for capital expenditures, largely on expenditures in our subsea service business. However, projected capital expenditures for 2018 does not include any contingent capital that may be needed to respond to a contract award.

We implemented a U.K. court-approved reduction of our capital, which completed on June 29, 2017, in order to provide distributable profits to support the payment of future dividends or future share repurchases. Our Board of Directors authorized $500 million for the repurchase of shares which was executed over the remainder of 2017 and will be completed in 2018. Also, on October 25, 2017, it was announced that our Board of Directors authorized and declared an initial quarterly cash dividend of $0.13 per ordinary share.

During 2018, we expect to make contributions of approximately $19.9 million to our pension plans. Actual contribution amounts are dependent upon plan investment returns, changes in pension obligations, regulatory environments and other economic factors.

E. Market Risk

We are subject to financial market risks, including fluctuations in foreign currency exchange rates and interest rates. In order to manage and mitigate our exposure to these risks, we may use derivative financial instruments in accordance with established policies and procedures. We do not use derivative financial instruments where the objective is to generate profits solely from trading activities. At December 31, 2017 and December 31, 2016, substantially all of our derivative holdings consisted of foreign currency forward contracts and foreign currency instruments embedded in purchase and sale contracts.

These forward-looking disclosures only address potential impacts from market risks as they affect our financial instruments and do not include other potential effects that could impact our business as a result of changes in foreign currency exchange rates, interest rates, commodity prices or equity prices.

Foreign Currency Exchange Rate Risk

We conduct operations around the world in a number of different currencies. Many of our significant foreign subsidiaries have designated the local currency as their functional currency. Our earnings are therefore subject to change due to fluctuations in foreign currency exchange rates when the earnings in foreign currencies are translated into U.S. dollars. We do not hedge this translation impact on earnings. A 10% increase or decrease in the average exchange rates of all foreign currencies at December 31, 2017, would have changed our revenue and income before income taxes attributable to TechnipFMC by approximately 6% and 7%, respectively.

When transactions are denominated in currencies other than our subsidiaries' respective functional currencies, we manage these exposures through the use of derivative instruments. We primarily use foreign currency forward contracts to hedge the foreign currency fluctuation associated with firmly committed and forecasted foreign currency denominated payments and receipts. The derivative instruments associated with these anticipated transactions are usually designated and qualify as cash flow hedges, and as such the gains and losses associated with these instruments are recorded in other comprehensive income until such time that the underlying transactions are recognized. Unless these cash flow contracts are deemed to be ineffective or are not designated as cash flow hedges at inception, changes in the derivative fair value will not have an immediate impact on our results of operations since the gains and losses associated with these instruments are recorded in other comprehensive income. When the anticipated transactions occur, these changes in value of derivative instrument positions will be offset against changes in the value of the underlying transaction. When an anticipated transaction in a currency other than the functional currency of an entity is recognized as an asset or liability on the balance sheet, we also hedge the foreign currency fluctuation of these assets and liabilities with derivative instruments after netting our exposures worldwide. These derivative instruments do not qualify as cash flow hedges.

Occasionally, we enter into contracts or other arrangements containing terms and conditions that qualify as embedded derivative instruments and are subject to fluctuations in foreign exchange rates. In those situations, we enter into derivative foreign exchange contracts that hedge the price or cost fluctuations due to movements in the foreign exchange rates. These derivative instruments are not designated as cash flow hedges.

Interest Rate Risk

At December 31, 2017, we had commercial paper of approximately $1.5 billion with a weighted average interest rate of 0.56%. Using sensitivity analysis to measure the impact of a 10% adverse movement in the interest rate, or nine basis points, would result in an increase to interest expense of $20.7 million.

We assess effectiveness of forward foreign currency contracts designated as cash flow hedges based on changes in fair value attributable to changes in spot rates. We exclude the impact attributable to changes in the difference between the spot rate and the forward rate for the assessment of hedge effectiveness and recognize the change in fair value of this component immediately in earnings. Considering that the difference between the spot rate and the forward rate is proportional to the differences in the interest rates of the countries of the currencies being traded, we have exposure in the unrealized valuation of our forward foreign currency contracts to relative changes in interest rates between countries in our results of operations. To the extent any one interest rate increases by 10% across all tenors and other countries' interest rates remain fixed, and assuming no change in discount rates, we would expect to recognize a decrease of $0.3 million in unrealized earnings in the period of change. Based on our portfolio as of December 31, 2017, we have material positions with exposure to interest rates in the United States, Canada, Australia, Brazil, the United Kingdom, Singapore, the European Community and Norway.

IV. Non-Financial Reporting

TechnipFMC's priority is to act ethically, lawfully, and in accordance with our core values and foundational beliefs. The five foundational beliefs that are the cornerstone of TechnipFMC's values are: (i) safety, (ii) integrity, (iii) quality, (iv) respect, and (v) sustainability.

Our Code of Business Conduct is built on our core values and foundational beliefs, and describes the decision-making and behaviors expected of our employees and of us when dealing with each other and our stakeholders. It works in conjunction with our policies and procedures, and applies to all directors, officers and employees, all employees of our subsidiaries and affiliates, and anyone who represents TechnipFMC or acts on our behalf, including contract employees, partners, subcontractors, suppliers, contractors, agents, and sales agents.

We will never compromise on our five foundational beliefs in the decisions we make. Each of these foundational beliefs is tangibly embedded in the topics developed below: employee and social matters, health and safety, environment, human rights, anti-corruption and anti-bribery, and our approach to managing our suppliers. Details of TechnipFMC's business model are in Section II of the Strategic Report, and details of the principal risks related to our operations and our management of those risks are in Section V of the Strategic Report.

A. Employee and Social Matters

People and culture are at the heart of TechnipFMC's development strategy. People are our wealth and strength.

We are committed to our employees, and our employee guidelines are specified in our Code of Business Conduct, which applies to all employees, regardless of their roles and no matter where they work.

We believe that all of our employees are entitled to fair treatment, courtesy, and respect, wherever they work – in the office, on vessels, on industrial and construction sites, or in client offices. We do not tolerate any form of abuse or harassment, and we will not tolerate any action, conduct or behavior that is humiliating, intimidating, or hostile.

Furthermore, our hiring and employee development decisions are fair and objective. Employment decisions will be based only on relevant qualifications, performance, demonstrated skills, experience and other job-related factors, with our goal of creating a diverse, tolerant and inclusive workforce.

Workforce overview

Breakdown of total workforce per contract

	Dec. 31, 2017
Employees on payroll	**37,703**
Permanent employees	34,092
Temporary employees (fixed-term)	3,611
Contracted workforce	**3,310**
TOTAL WORKFORCE	**41,013**

Diversity

As of December 31, 2017, TechnipFMC had the following number of employees:

	Male employees	Female employees	Total	% of female employees
Executive Officers	9	2	11	18%
Senior managers	96	18	114	16%
Employees on payroll (overall)	29,402	8,301	37,703	22%

Gender diversity is a strategic objective for us. We do not tolerate unlawful discrimination related to employment, and our Code of Business Conduct requires that employment decisions related to recruitment, selection, evaluation, compensation, development, among others, are not influenced by race, color, religion, gender, age, ethnic origin, nationality, sexual orientation, marital status, or disability. We also ensure that our suppliers, customers, and business partners are aware of our goal of creating a diverse and tolerant workforce. More details are available in Section VI of the Corporate Governance Report.

Developing and keeping talent

Enabling our people to grow and develop is a significant priority. In September 2017, we launched our new global Human Resources (''HR'') portal. It represents a key milestone in the integration process, bringing our employees closer together as one company and ensuring fairness and transparency for all employees in their development journey. This portal is the one-stop-shop for all relevant HR processes and information, including goal setting, performance appraisal, learning, recruitment and competency management. It will support employees in realizing their potential by providing them with the tools, processes, and data to effectively manage their career development.

In November 2017, the yearly performance appraisal process, which was supported by our HR portal, was kicked off for all TechnipFMC payroll employees. In January 2018, a job portal was launched, making it easier to view and apply for any role within the global TechnipFMC organization, and increasing transparency and fairness of opportunity. Our job portal is the only route through which external candidates and recruiters may submit job applications, ensuring that our application process is consistent worldwide. In mid-2018, a technologically advanced learning management system TechnipFMC University will go live, providing us with a state-of-the-art training and learning platform aiming to offer smart content for employees and placing learning at the heart of our Company.

Community involvement and voluntarism

TechnipFMC's Code of Business Conduct encourages employees to engage with local communities where we work, to contribute to their social and economic self-sustainability and to ensure that TechnipFMC is a responsible corporate citizen in our communities. It is the foundation of that responsibility that forges our commitment to local communities. Our Code of Business Conduct requires that we, among other things:

- design sustainable development initiatives with a focus on long-term added value;
- engage with local communities impacted by our activities in close coordination with our clients and contribute to social and economic self-sustainability;
- anticipate and minimize potential disruptions to the community;
- mitigate any negative impacts to local communities from our activities;
- contribute to local employment growth by fostering training and transfer of skills and technology; and
- respect local cultures and be aware of local practices and traditions, legislation, and cultural factors that may impact behaviors and decisions.

Below are some examples of our outreach in our communities:

United Way of Greater Houston

TechnipFMC has recently participated in numerous events with the United Way of Greater Houston, a Texas non-profit organization, including Women's Initiative Day of Caring, Target Hunger Day of Caring, and the Veterans Program.

In addition, TechnipFMC made a $1 million donation to United Way of Greater Houston following devastation along the Texas coast due to the flooding from Hurricane Harvey.

Seed of Hope in India

Through our Seed of Hope in India initiative, TechnipFMC sponsors, among other things, education and other expenses for hundreds of orphaned students, and education for underprivileged girls. TechnipFMC also sponsors non-governmental organizations in providing training to more than 100 women on handcraft work to become financially independent, providing therapeutic kits, and conducting vocational training for autistic children.

B. Health and Safety

We manage Health, Safety, Environment and Security (''HSES'') as an integral part of our business, based on a genuine care and concern for the people and environment.

We believe that all injuries are preventable. By fostering an incident-free environment, we drive our clients' success without compromising safety, health, security, or environmental sustainability. We act responsibly and openly at every step, assuring our customers and partners of our competence and inspiring their trust.

Pulse program

Pulse is TechnipFMC's HSES culture and engagement program. Through training, self-assessment and communication, it provides us with the right skills, tools and behaviors to enable us to maintain and strengthen our HSES culture.

Safety Performance

Our 2017 HSES performance reflects our first-year reporting as a new company with a unique set of operations compared to our industry. We continue to focus on assessing and lowering risks to prevent incidents in all the work we do.

In 2017, 324 million man-hours were worked at the Company's facilities and project sites worldwide.

TechnipFMC safety performance	2017
Total Recordable Incident Rate (TRIR)(1)	0.28
Lost Time Injury Frequency (LTIF)(1)	0.05
Leadership & Management Walkthrough Frequency(1)	13.18
Fatal Accident Frequency(1)	0

(1) The frequencies are calculated across 200,000 hours worked. Incidents as defined by the U.S. Department of Labor's Occupational Safety and Health Administration standards are considered. Cut-Off date is Dec 31, 2017.

C. Environment

As defined in our global HSES Policy, our overall objectives regarding environmental responsibility are firstly to operate in a manner that minimizes the impact of our operations on the environment and develop sustainable solutions to reduce carbon emissions and our overall environmental footprint; and secondly, to continue to work to avoid causing any environmental incidents.

For details on the principal environmental risks related to our operations and our management of those risks see Section V of the Strategic Report.

Despite operating in a complex industry, we are committed to successfully managing our environmental impacts by effectively measuring our environmental performance. We thereby seek to prevent and reduce our impacts on the environment in accordance with legal requirements, ISO 14001 requirements, and international and internal standards.

Details about our greenhouse gas emissions are set out in Section IX of the Directors' Report.

Responsibility and Organization

Environmental management is the responsibility of everyone at TechnipFMC. The effective implementation of environmental policy depends upon management's commitment, the accountability of every entity, an ongoing dialog with key stakeholders, and a chain of responsibility that extends to the workforce of the entire Company.

All entities and projects within TechnipFMC are managed by dedicated HSES managers and directors, with a team of HSES engineers and supervisors responsible for the application of the environmental rules in their respective areas to ensure that our environmental requirements are well implemented. Our Code of Business Conduct requires managers to make employees, contractors and suppliers aware of applicable environmental rules, procedures, and expecting behaviors, and that people reporting to them receive the required environmental training.

A specific Environmental Working Group ("EWG") reports to the Corporate HSES team and coordinates a network of environmental specialists from all of TechnipFMC's regions and business units. EWG sets environmental programs, supports the enhancement of environmental performance, and develops global environmental initiatives involving all TechnipFMC entities and projects.

Legal and Regulatory Compliance

TechnipFMC is committed to operating in compliance with all applicable environmental regulations, laws, and international codes and standards in the countries in which we operate.

Environmental Certification

TechnipFMC maintains a policy of seeking to implement environmental certification ISO 14001 where practicable. To meet this commitment, TechnipFMC has implemented an environmental management framework.

As of December 31, 2017, 59 legal entities were ISO 14001 certified. In 2017, 13 main Operating Centers have completed the transition to ISO 14001:2015, involving 24 legal entities. For each of these entities, the environmental management system was verified and certified by an independent third party.

D. Human Rights

TechnipFMC does not tolerate use of child, forced, indentured, or involuntary labor, regardless of where we conduct business. We will not work with suppliers that source minerals from conflict zones. We will do business only with those who respect human rights and uphold labor laws. Our Code of Business Conduct requires that all directors, officers, employees, and employees of subsidiaries and affiliates ensure our business partners and suppliers do not engage in inappropriate labor practices, including child or indentured labor. In addition, our Code of Business Conduct requires that employees cooperate with regular inspections and audits to verify that our values are implemented throughout the company.

Where TechnipFMC employees suspect that a violation of the Code of Business Conduct or our policies has occurred or occur, they have the responsibility to report it. Various channels are available, including the option to report concerns to their managers, to anyone in the corporate compliance or legal department, the employee’s human resources representative, or an independent third party via a dedicated reporting hotline.

TechnipFMC treats all reports of suspected violations of our Code confidentially and will share the information only with those who ‘‘need to know’’ to investigate and properly resolve the issue. In addition, we have a zero-tolerance policy on retaliation against employees for reporting suspected violations of our policies or Code of Business Conduct or for cooperating with an investigation. We encourage employees and others to raise questions and concerns to ensure that we are leading by example.

TechnipFMC endeavors to ensure compliance with human rights within the scope of our operations and in accordance with the following international human rights regulations and principles:

- the United Nations Guiding Principles on Business and Human Rights;
- the 1948 Universal Declaration of Human Rights; and
- the International Labour Organization’s Fundamental Conventions regarding the freedom of association, the eradication of discrimination and forced labor and the abolition of child labor.

E. Anti-Corruption and Anti-Bribery Matters

TechnipFMC is committed to conducting business across the world ethically, lawfully, and in accordance with our core values and our foundational beliefs. Therefore, all employees, as well as our business partners and supply chain, are expected to conduct their activities in an ethical and lawful manner on a day-to-day basis.

At TechnipFMC, all acts of corruption (including bribes, kickbacks, and self-dealing) are strictly forbidden. We compete fairly on the strength of our technology, service, and execution excellence. We do not tolerate corruption in any form and do not make or accept improper payments to obtain or retain business with those in government or the private sector or as a reward for awarding subcontractor or supplier contracts. We are committed to complying with all international and national legislation against illegal payments, including prohibitions on facilitation payments (to expedite routine and administrative government action) except in extraordinary circumstances where the safety or security of an employee is in immediate danger.

To ensure that our partners share our commitment to ethical business practices, and to ensure that our partners’ other relationships (including family relationships) do not create the appearance of a potential conflict of interest, we conduct detailed due diligence of all potential business partners before entering into a relationship. Our Code of Business Conduct highlights our commitment to integrity, and in conjunction with our standards and procedures, we have implemented a variety of anti-bribery and corruption-related operational standards that translate our general principles into concrete operating procedures.

We have also developed an Anti-Bribery and Corruption Standard, which applies to all our directors, officers, employees and contracted personnel, aimed at providing a clear and comprehensive operational framework for the conduct of our business in all of the countries in which we operate. The Anti-Bribery and Corruption Standard sets out the Company's principles for strict compliance with applicable anti-bribery and corruption laws.

The Company pays particular attention to indicators that could cast doubt on the honesty and integrity of third parties involved in our business. We have developed a Business Partner Standard, which applies to all our directors, officers, employees and contracted personnel, that establishes the due diligence requirements and procedures for intermediaries, joint ventures/consortia, and processing agents, and enables us to assess and manage bribery and corruption risks while conducting business globally.

We also developed a Gifts and Hospitality Standard, which applies to all our directors, officers, employees and contracted personnel, setting forth our rules related to the receipt or provision of gifts and hospitality and to establish procedures for the approval, reporting, and accounting of such. The Gifts and Hospitality Standard serves to assist employees in ensuring that gifts and hospitality, whether given or received as part of a usual courtesy of business, are not and cannot be considered as bribes.

Our Code of Business Conduct, the Anti-Bribery and Corruption Standard, and related standards are applicable to all employees, business partners, supply chain members, as well as all of our business transactions, and all of our majority-owned or controlled subsidiaries. We will also use our best efforts to induce our joint venture and consortium members to adopt the standards or agree to abide by an equivalent set of standards.

F. Supply Chain Matters

In line with our aspiration to develop business relationships with like-minded clients, sub-contractors, suppliers, and business partners who are guided by a similar set of principles of business conduct, it is our policy that our Code of Business Conduct be shared and discussed with clients, suppliers and our business partners to better explain our rules of conduct and reinforce our culture of accountability.

Our Code of Business Conduct requires directors, officers and employees to ensure that:

- our suppliers, customers, and business partners are aware of our commitment to creating a diverse and tolerant workforce;
- managers make contractors and suppliers aware of applicable HSES rules, procedures, and expected behaviors, and their role in HSES culture wherever we operate;
- our business partners and suppliers do not engage in inappropriate labor practices, including child or indentured labor;
- appropriate due diligence is conducted on all consultants, suppliers, business partners, and agents, and ensuring that third parties understand TechnipFMC's policy of zero tolerance for corruption;
- we exercise appropriate due diligence on subcontractors, suppliers, and other vendors to prevent money laundering; and
- all payments to subcontractors, suppliers, consultants, and agents are made in accordance with our financial standards, including the requirement that payment be made in the country in which the work was performed.

V. Principal Risks and Uncertainties

You should carefully consider the specific risks and uncertainties set forth below and the other information contained within this Strategic Report, as these are important factors that could cause the Company's actual results, performance or achievements to differ materially from our expected or historical results. Some of the statements within this Strategic Report and in the Company's financial statements are ''forward-looking'' statements. For a discussion of those statements and of other factors to consider see the ''Cautionary Statement about Forward-Looking Statements'' section below.

The Company has identified material weaknesses relating to internal control over financial reporting. If our remedial measures are insufficient to address the material weaknesses, or if one or more additional material weaknesses or significant deficiencies in our internal control over financial reporting are discovered or occur in the future, our consolidated financial statements may contain material misstatements and we could be required to further restate our financial results, which could have a material adverse effect on our financial condition, results of operations and cash flows.

Management identified material weaknesses in the Company's internal control over financial reporting as of March 31, 2017 and December 31, 2017 as described in the Corporate Governance Report of this U.K. Annual Report.

A material weakness is a deficiency, or combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

As a result of the material weaknesses, management has concluded that our internal control over financial reporting was not effective as of December 31, 2017. In addition, as a result of these material weaknesses, our chief executive officer and chief financial officer have concluded that, as of December 31, 2017, our disclosure controls and procedures were not effective. Until these material weaknesses are remediated, they could lead to errors in our financial results and could have a material adverse effect on our financial condition, results of operations and cash flows.

If our remedial measures are insufficient to address the material weaknesses, or if one or more additional material weaknesses or significant deficiencies in our disclosure controls and procedures or internal control over financial reporting are discovered or occur in the future, our consolidated financial statements may contain material misstatements and we could be required to further restate our financial results, which could have a material adverse effect on our financial condition, results of operations and cash flows, restrict our ability to access the capital markets, require significant resources to correct the weaknesses or deficiencies, subject us to fines, penalties or judgments, harm our reputation or otherwise cause a decline in investor confidence and in the market price of our stock.

Additional material weaknesses or significant deficiencies in our internal control over financial reporting could be identified in the future. Any failure to maintain or implement required new or improved controls, or any difficulties we encounter in their implementation, could result in additional significant deficiencies or material weaknesses, cause us to fail to meet our periodic reporting obligations or result in material misstatements in our financial statements. Any such failure could also adversely affect the results of periodic management evaluations and annual auditor attestation reports regarding the effectiveness of our internal control over financial reporting required under Section 404 of the U.S. Sarbanes-Oxley Act of 2002 and the rules promulgated under Section 404. The existence of a material weakness could result in errors in our financial statements that could result in a restatement of financial statements, cause us to fail to meet our reporting obligations and cause investors to lose confidence in our reported financial information, leading to a decline in our stock price.

We can give no assurances that the measures we have taken to date, or any future measures we may take, will remediate the material weaknesses identified or that any additional material weaknesses will not arise in the future due to our failure to implement and maintain adequate internal control over financial reporting. In addition, even if we are successful in strengthening in our controls and procedures, those controls and procedures may not be adequate to prevent or identify irregularities or ensure the fair and accurate presentation of our financial statements included in our periodic reports filed with the SEC.

Unanticipated changes relating to competitive factors in our industry, including ongoing industry consolidation, may impact our results of operations.

Our industry, including our customers and competitors, has experienced unanticipated changes in recent years. Moreover, the industry is undergoing vertical and horizontal consolidation to create economies of scale and control the value chain, which may affect demand for our products and services because of price concessions for our competitors or decreased customer capital spending. This consolidation activity could impact our ability to maintain market share, maintain or increase pricing for our products and services or negotiate favorable contract terms with our customers and suppliers, which could have a significant negative impact on our results of operations, financial condition or cash flows. We are unable to predict what effect consolidations and other competitive factors in the industry may have on prices, capital spending by our customers, our selling strategies, our competitive position, our ability to retain customers or our ability to negotiate favorable agreements with our customers.

Demand for our products and services depends on oil and gas industry activity and expenditure levels, which are directly affected by trends in the demand for and price of crude oil and natural gas.

We are substantially dependent on conditions in the oil and gas industry, including (i) the level of exploration, development and production activity, (ii) capital spending, and (iii) the processing of oil and natural gas in refining units, petrochemical sites and natural gas liquefaction plants by energy companies that are our customers. Any substantial or extended decline in these expenditures may result in the reduced pace of discovery and development of new reserves of oil and gas and the reduced exploration of existing wells, which could adversely affect demand for our products and services and, in certain instances, result in the cancellation, modification, or re-scheduling of existing orders in our backlog. These factors could have an adverse effect on our revenue and profitability. The level of exploration, development and production activity is directly affected by trends in oil and natural gas prices, which historically have been volatile and are likely to continue to be volatile in the future.

Factors affecting the prices of oil and natural gas include, but are not limited to, the following:

- demand for hydrocarbons, which is affected by worldwide population growth, economic growth rates and general economic and business conditions;
- costs of exploring for, producing and delivering oil and natural gas;
- political and economic uncertainty and socio-political unrest;
- government policies and subsidies;
- available excess production capacity within the Organization of Petroleum Exporting Countries (“OPEC”) and the level of oil production by non-OPEC countries;
- oil refining capacity and shifts in end-customer preferences toward fuel efficiency and the use of natural gas;
- technological advances affecting energy consumption;
- potential acceleration of the development of alternative fuels;
- access to capital and credit markets, which may affect our customers’ activity levels and spending for our products and services; and
- natural disasters.

The oil and gas industry has historically experienced periodic downturns, which have been characterized by diminished demand for oilfield services and downward pressure on the prices we charge. The current downturn in the oil and gas industry, which began in 2014, has resulted in a reduction in demand for oilfield services and could further adversely affect our financial condition, results of operations or cash flows.

Our success depends on our ability to implement new technologies and services.

Our success depends on the ongoing development and implementation of new product designs, including the processes used by us to produce or market our products, and on our ability to protect and maintain critical intellectual property assets related to these developments. If we are not able to obtain patent, trade secret or other protection of our intellectual property rights, if our patents are unenforceable or the claims allowed under our patents are not sufficient to protect our technology, or if we are not able to adequately protect or patents or trade secrets, we may not be able to continue to develop our services, products and related technologies. Additionally, our competitors may be able to develop technology independently that is similar to ours without infringing on our patents or gaining access to our trade secrets. If any of these events occurs, we may be unable to meet evolving industry requirements or to do so at prices acceptable to our customers, which could adversely affect our financial condition, results of operations and cash flows.

The industries in which we operate or have operated expose us to potential liabilities, including the installation or use of our products, which may not be covered by insurance or may be in excess of policy limits, or for which expected recoveries may not be realized.

We are subject to potential liabilities arising from equipment malfunctions, equipment misuse, personal injuries and natural disasters, the occurrence of which may result in uncontrollable flows of gas or well fluids, fires and explosions. Although we have obtained insurance against many of these risks, our insurance may not be adequate to cover our liabilities. Further, the insurance may not generally be available in the future or, if available, premiums may not be commercially justifiable. If we incur substantial liability and the damages are not covered by insurance or are in excess of policy limits, or if we were to incur liability at a time when we are not able to obtain liability insurance, such potential liabilities could have a material adverse effect on our business, results of operations, financial condition or cash flows.

We may lose money on fixed-price contracts.

As customary for the types of businesses that we operate, we often agree to provide products and services under fixed-price contracts. We are subject to material risks in connection with such fixed-price contracts. It is not possible to estimate with complete certainty the final cost or margin of a project at the time of bidding or during the early phases of its execution. Actual expenses incurred in executing these fixed-price contracts can vary substantially from those originally anticipated for several reasons including, but not limited to, the following:

- unforeseen additional costs related to the purchase of substantial equipment necessary for contract fulfillment;
- mechanical failure of our production equipment and machinery;
- delays caused by local weather conditions and/or natural disasters (including earthquakes and floods); and
- a failure of suppliers or subcontractors to perform their contractual obligations.

The realization of any material risks and unforeseen circumstances could also lead to delays in the execution schedule of a project. We may be held liable to a customer should we fail to meet project milestones or deadlines or to comply with other contractual provisions. Additionally, delays in certain projects could lead to delays in subsequent projects for which production equipment and machinery currently being utilized on a project were intended.

Pursuant to the terms of fixed-price contracts, we are not always able to increase the price of the contract to reflect factors that were unforeseen at the time its bid was submitted. Depending on the size of a project, variations from estimated contract performance, or variations in multiple contracts, could have a significant impact on our financial condition, results of operations or cash flows.

New capital asset construction projects for vessels and plants are subject to risks, including delays and cost overruns, which could have a material adverse effect on our financial condition or results of operations.

We seek to continuously upgrade and develop our asset base. Such projects are subject to risks of delay and cost overruns that are inherent to any large construction project and are the result of numerous factors including, but not limited to, the following:

- shortages of key equipment, materials or skilled labor;
- unscheduled delays in the delivery or ordered materials and equipment;

- issues regarding the design and engineering; and
- shipyard delays and performance issues.

Failure to complete construction in time, or the inability to complete construction in accordance with its design specifications, may result in loss of revenue. Additionally, capital expenditures for construction projects could materially exceed the initially planned investments or can result in delays in putting such assets into operation.

Our failure to timely deliver our backlog could affect our future sales, profitability, and our relationships with our customers.

Many of the contracts we enter into with our customers require long manufacturing lead times due to complex technical and logistical requirements. These contracts may contain clauses related to liquidated damages or financial incentives regarding on-time delivery, and a failure by us to deliver in accordance with customer expectations could subject us to liquidated damages or loss of financial incentives, reduce our margins on these contracts or result in damage to existing customer relationships. The ability to meet customer delivery schedules for this backlog is dependent on a number of factors, including, but not limited to, access to the raw materials required for production, an adequately trained and capable workforce, subcontractor performance, project engineering expertise and execution, sufficient manufacturing plant capacity and appropriate planning and scheduling of manufacturing resources. Failure to deliver backlog in accordance with expectations could negatively impact our financial performance, particularly in light of the current industry environment where customers may seek to improve their returns or cash flows.

We face risks relating to our reliance on subcontractors, suppliers, and our joint venture partners.

We generally rely on subcontractors, suppliers and our joint venture partners for the performance of our contracts. Although we are not dependent upon any single supplier, certain geographic areas of our business or a project or group of projects may heavily depend on certain suppliers for raw materials or semi-finished goods.

Any difficulty faced by us in hiring suitable subcontractors or acquiring equipment and materials could compromise our ability to generate a significant margin on a project or to complete such project within the allocated timeframe. If subcontractors, suppliers or joint venture partners refuse to adhere to their contractual obligations with us or are unable to do so due to a deterioration of their financial condition, we may be unable to find a suitable replacement at a comparable price, or at all.

Moreover, the failure of one of our joint venture partners to perform their obligations in a timely and satisfactory manner could lead to additional obligations and costs being imposed on us as we would be potentially obligated to assume our defaulting partner’s obligations. Based on these potential issues, we could be required to compensate our customers.

Any delay on the part of subcontractors, suppliers, or joint venture partners in the completion of work, any failure on the part of a subcontractor, supplier or joint venture partner to meet its obligations, or any other event attributable to a subcontractor, supplier or joint venture partner that is beyond our control or not foreseeable by us could lead to delays in the overall progress of the project and/or generate significant extra costs. Even if we were entitled to make a claim for these extra costs against the defaulting supplier, subcontractor or joint venture partner, we could be unable to recover the entirety of these costs and this could materially adversely affect our business, financial condition or results of operations.

Our businesses are dependent on the continuing services of certain of our key managers and employees.

We depend on key personnel. The loss of any key personnel could adversely impact our business if we are unable to implement key strategies or transactions in their absence. The loss of qualified employees or an inability to retain and motivate additional highly-skilled employees required for the operation and expansion of our business could hinder our ability to successfully conduct research activities and develop marketable products and services.

Pirates endanger our maritime employees and assets.

We face material piracy risks in the Gulf of Guinea, the Somali Basin and the Gulf of Aden, and, to a lesser extent, in Southeast Asia, Malacca and the Singapore Straits. Piracy represents a risk for both our projects and our vessels, which operate and transport through sensitive maritime areas. Such risks have the potential to significantly harm our crews and to negatively impact the execution schedule for our projects. If our maritime employees or assets are endangered, additional time may be required to find an alternative solution, which may delay project realization and negatively impact our business, financial condition, or results of operations.

Seasonal and weather conditions could adversely affect demand for our services and operations.

Our business may be materially affected by variation from normal weather patterns, such as cooler or warmer summers and winters. Adverse weather conditions, such as hurricanes in the Gulf of Mexico or extreme winter conditions in Canada, Russia and the North Sea, may interrupt or curtail our operations, or our customers' operations, cause supply disruptions or loss of productivity and may result in a loss of revenue or damage to our equipment and facilities, which may or may not be insured. Any of these events or outcomes could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Due to the types of contracts we enter into and the markets in which we operate, the cumulative loss of several major contracts, customers or alliances may have an adverse effect on our results of operations.

We often enter into large, long-term contracts that, collectively, represent a significant portion of our revenue. These agreements, if terminated or breached, may have a larger impact on our operating results or our financial condition than shorter-term contracts due to the value at risk. Moreover, the global market for the production, transportation and transformation of hydrocarbons and by-products, as well as the other industrial markets in which we operate, is dominated by a small number of companies. As a result, our business relies on a limited number of customers. If we were to lose several key contracts, customers, or alliances over a relatively short period of time, we could experience a significant adverse impact on our financial condition, results of operations or cash flows.

Our operations require us to comply with numerous regulations, violations of which could have a material adverse effect on our financial condition, results of operations or cash flows.

Our operations and manufacturing activities are governed by international, regional transnational and national laws and regulations in every place where we operate relating to matters such as environmental, health and safety, labor and employment, import/export control, currency exchange, bribery and corruption and taxation. These laws and regulations are complex, frequently change and have tended to become more stringent over time. In the event the scope of these laws and regulations expand in the future, the incremental cost of compliance could adversely impact our financial condition, results of operations or cash flows.

Our international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act (''FCPA''), the U.K. Bribery Act of 2010 (the ''Bribery Act''), the Brazilian Anti-Bribery Act (also known as the Brazilian Clean Company Act) and economic and trade sanctions, including those administered by the United Nations, the European Union, the Office of Foreign Assets Control of the U.S. Department of the Treasury (''U.S. Treasury'') and the U.S. Department of State. The FCPA prohibits providing anything of value to foreign officials for the purposes of obtaining or retaining business or securing any improper business advantage. We may deal with both governments and state-owned business enterprises, the employees of which are considered foreign officials for purposes of the FCPA. The provisions of the Bribery Act extend beyond bribery of foreign public officials and are more onerous than the FCPA in a number of other respects, including jurisdiction, non-exemption of facilitation payments and penalties. Economic and trade sanctions restrict our transactions or dealings with certain sanctioned countries, territories and designated persons.

As a result of doing business in foreign countries, including through partners and agents, we will be exposed to a risk of violating anti-corruption laws and sanctions regulations. Some of the international locations in which we will operate have developing legal systems and may have higher levels of corruption than more developed nations. Our continued expansion and worldwide operations, including in developing countries, our development of joint venture relationships worldwide and the employment of local agents in the countries in which we operate increases the risk of violations of anti-corruption laws and economic and trade sanctions. Violations of anti-corruption laws and economic and trade sanctions are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any major violations could have a significant impact on our reputation and consequently on our ability to win future business.

While we believe we have a strong compliance program, including procedures to minimize and detect fraud in a timely manner, and continue efforts to improve our systems of internal controls, we can provide no assurance that the policies and procedures will be followed at all times or will effectively detect and prevent violations of the applicable laws by one or more of our employees, consultants, agents or partners, and, as a result, we could be subject to penalties and material adverse consequences on our business, financial condition or results of operations.

Compliance with environmental laws and regulations may adversely affect our business and results of operations.

Environmental laws and regulations in various countries affect the equipment, systems and services we design, market and sell, as well as the facilities where we manufacture our equipment and systems. We are required to invest financial and managerial resources to comply with environmental laws and regulations and believe that we will continue to be required to do so in the future. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of remedial obligations, or the issuance of orders enjoining our operations. These laws and regulations, as well as the adoption of new legal requirements or other laws and regulations affecting exploration and development of drilling for crude oil and natural gas, could adversely affect our business and operating results by increasing our costs, limiting the demand for our products and services or restricting our operations.

Disruptions in the political, regulatory, economic and social conditions of the countries in which we conduct business could adversely affect our business or results of operations.

We operate in various countries across the world. Instability and unforeseen changes in any of the markets in which we conduct business, including economically and politically volatile areas such as North Africa, West Africa, the Middle East, and the Commonwealth of Independent States, could have an adverse effect on the demand for our services and products, our financial condition or our results of operations. These factors include, but are not limited to, the following:

- nationalization and expropriation;
- potentially burdensome taxation;
- inflationary and recessionary markets, including capital and equity markets;
- civil unrest, labor issues, political instability, terrorist attacks, cyber-terrorism, military activity and wars;
- supply disruptions in key oil producing countries;
- the ability of OPEC to set and maintain production levels and pricing;
- trade restrictions, trade protection measures or price controls;
- sanctions, such as restrictions by the United States against countries deemed to sponsor terrorism;
- foreign ownership restrictions;
- import or export licensing requirements;
- restrictions on operations, trade practices, trade partners and investment decisions resulting from domestic and foreign laws and regulations;
- regime changes;
- changes in, and the administration of, treaties, laws and regulations;
- inability to repatriate income or capital;
- reductions in the availability of qualified personnel;
- foreign currency fluctuations or currency restrictions; and
- fluctuations in the interest rate component of forward foreign currency rates.

DTC and Euroclear Paris may cease to act as depository and clearing agencies for our shares.

Our shares were issued into the facilities of The Depository Trust Company (''DTC'') with respect to shares listed on the NYSE and Euroclear with respect to shares listed on Euronext Paris (DTC and Euroclear being referred to as the ''Clearance Services''). The Clearance Services are widely used mechanisms that allow for rapid electronic transfers of securities between the participants in their respective systems, which include many large banks and brokerage firms. The Clearance Services have general discretion to cease to act as a depository and clearing agencies for our shares. If either of the Clearance Services determine at any time that our shares are not eligible for continued deposit and clearance within its facilities, then we believe that our shares would not be eligible for continued listing on the NYSE or Euronext Paris, as applicable, and trading in our shares would be disrupted. While we would pursue alternative arrangements to preserve the listing and maintain trading, any such disruption could have a material adverse effect on the trading price of our shares.

The results of the United Kingdom's referendum on withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and our business.

We are based in the United Kingdom and have operational headquarters in Paris, France; Houston, Texas, U.S.A.; and in London, United Kingdom, with worldwide operations, including material business operations in Europe. In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum (''Brexit''). The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last at least two years after the government of the United Kingdom formally initiated its withdrawal process in the first quarter of 2017. Nevertheless, Brexit has created significant uncertainty about the future relationship between the United Kingdom and the European Union and has given rise to calls for certain regions within the United Kingdom to preserve their place in the European Union by separating from the United Kingdom as well as for the governments of other E.U. member states to consider withdrawal.

These developments, or the perception that any of them could occur, could have a material adverse effect on global economic conditions and the stability of the global financial markets and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates and credit ratings may be especially subject to increased market volatility. Lack of clarity about applicable future laws, regulations or treaties as the United Kingdom negotiates the terms of a withdrawal, as well as the operation of any such rules pursuant to any withdrawal terms, including financial laws and regulations, tax and free trade agreements, intellectual property rights, supply chain logistics, environmental, health and safety laws and regulations, immigration laws, employment laws and other rules that would apply to us and our subsidiaries, could increase our costs, restrict our access to capital within the United Kingdom and the European Union, depress economic activity and decrease foreign direct investment in the United Kingdom. For example, withdrawal from the European Union could, depending on the negotiated terms of withdrawal, eliminate the benefit of certain tax-related E.U. directives currently applicable to U.K. companies such as us, including the Parent-Subsidiary Directive and the Interest and Royalties Directive, which could, subject to any relief under an available tax treaty, raise our tax costs.

If the United Kingdom and the European Union are unable to negotiate acceptable withdrawal terms or if other E.U. member states pursue withdrawal, barrier-free access between the United Kingdom and other E.U. member states or among the European Economic Area overall could be diminished or eliminated. Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

As an English public limited company, we must meet certain additional financial requirements before we may declare dividends or repurchase shares and certain capital structure decisions may require stockholder approval which may limit our flexibility to manage our capital structure.

Under English law, we will only be able to declare dividends, make distributions or repurchase shares (other than out of the proceeds of a new issuance of shares for that purpose) out of ''distributable profits.'' Distributable profits are a company's accumulated, realized profits, to the extent that they have not been previously utilized by distribution or capitalization, less its accumulated, realized losses, to the extent that they have not been previously written off in a reduction or reorganization of capital duly made. In addition, as a public limited company incorporated in England and Wales, we may only make a distribution if the amount of our net assets is not less than the aggregate of our called-up share capital and non-distributable reserves and if, to the extent that, the distribution does not reduce the amount of those assets to less than that aggregate.

Following the Merger, we capitalized our reserves arising out of the Merger by the allotment and issuance by TechnipFMC of a bonus share, which was paid up using such reserves, such that the amount of such reserves so applied, less the nominal value of the bonus share, applied as share premium and accrued to our share premium account. We implemented a court-approved reduction of our capital by way of a cancellation of the bonus share and share premium account in the amount of $10,177,554,182, which completed on June 29, 2017, in order to create distributable profits to support the payment of possible future dividends or future share repurchases. Our articles of association permit us by ordinary resolution of the stockholders to declare dividends, provided that the directors have made a recommendation as to its amount. The dividend shall not exceed the amount recommended by the Board of Directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify the payment. When recommending or declaring payment of a dividend, the directors are required under English law to comply with their duties, including considering our future financial requirements.

We may not be able to pay dividends or repurchase shares of our ordinary shares in accordance with our announced intent or at all.

The Board of Directors' determinations regarding dividends and share repurchases will depend on a variety of factors, including our net income, cash flow generated from operations or other sources, liquidity position and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results. Our ability to declare future dividends and make future share repurchases will depend on our future financial performance, which in turn depends on the successful implementation of our strategy and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand and selling prices for our products and services and other factors specific to our industry or specific projects, many of which are beyond our control. Therefore, our ability to generate cash depends on the performance of our operations and could be limited by decreases in our profitability or increases in costs, regulatory changes, capital expenditures or debt servicing requirements.

Any failure to pay dividends or repurchase shares of our ordinary shares could negatively impact our reputation, harm investor confidence in us, and cause the market price of our ordinary shares to decline.

Our existing and future debt may limit cash flow available to invest in the ongoing needs of our business and could prevent us from fulfilling our obligations under our outstanding debt.

We have substantial existing debt. As of December 31, 2017, after giving effect to the Merger, our total debt is $3.9 billion. We also have the capacity under our $2.5 billion credit facility and bilateral facilities to incur substantial additional debt. Our level of debt could have important consequences. For example, it could:

- make it more difficult for us to make payments on our debt;
- require us to dedicate a substantial portion of our cash flow from operations to the payment of debt service, reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions, distributions and other general partnership purposes;
- increase our vulnerability to adverse economic or industry conditions;
- limit our ability to obtain additional financing to enable us to react to changes in our business; or
- place us at a competitive disadvantage compared to businesses in our industry that have less debt.

Additionally, any failure to meet required payments on our debt, or failure to comply with any covenants in the instruments governing our debt, could result in an event of default under the terms of those instruments. In the event of such default, the holders of such debt could elect to declare all the amounts outstanding under such instruments to be due and payable.

A downgrade in our debt rating could restrict our ability to access the capital markets.

The terms of our financing are, in part, dependent on the credit ratings assigned to our debt by independent credit rating agencies. We cannot provide assurance that any of our current credit ratings will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency. Factors that may impact our credit ratings include debt levels, capital structure, planned asset purchases or sales, near- and long-term production growth opportunities, market position, liquidity, asset quality, cost structure, product mix, customer and geographic diversification and commodity price levels. A downgrade in our credit ratings, particularly to non-investment grade levels, could limit our ability to access the debt capital markets, refinance our existing debt or cause us to refinance or issue debt with less favorable terms and conditions.

Moreover, our revolving credit agreement includes an increase in interest rates if the ratings for our debt are downgraded, which could have an adverse effect on our results of operations. An increase in the level of our indebtedness and related interest costs may increase our vulnerability to adverse general economic and industry conditions and may affect our ability to obtain additional financing.

Uninsured claims and litigation against us, including intellectual property litigation, could adversely impact our financial condition, results of operations or cash flows.

We could be impacted by the outcome of pending litigation, as well as unexpected litigation or proceedings. We have insurance coverage against operating hazards, including product liability claims and personal injury claims related to our products or operating environments in which our employees operate, to the extent deemed prudent by our management and to the extent insurance is available. However, our insurance policies are subject to exclusions, limitations and other conditions and may not apply in all cases, for example where willful wrongdoing on our part is alleged. Additionally, the nature and amount of that insurance may not be sufficient to fully indemnify us against liabilities arising out of pending and future claims and litigation. Additionally, in individual circumstances, certain proceedings or cases may also lead to our formal or informal exclusion from tenders or the revocation or loss of business licenses or permits. Our financial condition, results of operations or cash flows could be adversely affected by unexpected claims not covered by insurance.

In addition, the tools, techniques, methodologies, programs, and components we use to provide our services may infringe upon the intellectual property rights of others. Infringement claims generally result in significant legal and other costs. The resolution of these claims could require us to enter into license agreements or develop alternative technologies. The development of these technologies or the payment of royalties under licenses from third parties, if available, would increase our costs. If a license were not available, or we are not able to develop alternative technologies, we might not be able to continue providing a particular service or product, which could adversely affect our financial condition, results of operations or cash flows.

Currency exchange rate fluctuations could adversely affect our financial condition, results of operations or cash flows.

We conduct operations around the world in many different currencies. Because a significant portion of our revenue is denominated in currencies other than our reporting currency, the U.S. dollar, changes in exchange rates will produce fluctuations in our revenue, costs and earnings and may also affect the book value of our assets and liabilities and related equity. Although we do not hedge translation impacts on earnings, we do hedge transaction impacts on margins and earnings where the transaction is not in the functional currency of the business unit. Our efforts to minimize our currency exposure through such hedging transactions may not be successful depending on market and business conditions. Moreover, certain currencies in which the Company trades, specifically currencies in countries such as Angola and Nigeria, do not actively trade in the global foreign exchange markets and may subject us to increased foreign currency exposures. As a result, fluctuations in foreign currency exchange rates may adversely affect our financial condition, results of operations or cash flows.

We may not realize the cost savings, synergies and other benefits expected from the Merger.

The combination of two independent companies is a complex, costly and time-consuming process. As a result, we will be required to devote significant management attention and resources to integrating the business practices and operations of Technip and FMC Technologies. The integration process may disrupt our businesses and, if ineffectively implemented, could preclude realization of the full benefits expected from the Merger. Our failure to meet the challenges involved in successfully integrating the operations of Technip and FMC Technologies or otherwise to realize the anticipated benefits of the Merger could cause an interruption of our operations and could seriously harm our results of operations. In addition, the overall integration of Technip and FMC Technologies may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of client relationships and diversion of management's attention, and may cause our stock prices to decline. The difficulties of combining the operations of Technip and FMC Technologies include, but are not limited to, the following:

- managing a significantly larger company;
- coordinating geographically separate organizations;
- the potential diversion of management focus and resources from other strategic opportunities and from operational matters;
- aligning and executing our strategy;
- retaining existing customers and attracting new customers;
- maintaining employee morale and retaining key management and other employees;
- integrating two unique business cultures, which may prove to be incompatible;
- the possibility of faulty assumptions underlying expectations regarding the integration process;
- consolidating corporate and administrative infrastructures and eliminating duplicative operations;
- coordinating distribution and marketing efforts;
- integrating information technology (''IT''), communications and other systems;
- changes in applicable laws and regulations;
- managing tax costs or inefficiencies associated with integrating our operations;
- unforeseen expenses or delays associated with the Merger; and
- taking actions that may be required in connection with obtaining regulatory approvals.

Many of these factors will be outside our control and any one of them could result in increased costs, decreased revenue and diversion of management's time and energy, which could materially impact our business, financial condition and results of operations. In addition, even if the operations of Technip and FMC Technologies are successfully integrated, we may not realize the full benefits of the Merger, including the synergies, cost savings or sales or growth opportunities that we expect. These benefits may not be achieved within the anticipated time frame, or at all. As a result, the combination of Technip and FMC Technologies may not result in the realization of the full benefits expected from the Merger.

We may incur significant Merger-related costs.

We have incurred and expect to incur many non-recurring direct and indirect costs associated with the Merger. In addition to the cost and expenses associated with the consummation of the Merger, there are also processes, policies, procedures, operations, technologies and systems that must be integrated in connection with the Merger and the integration of Technip and FMC Technologies. While both Technip and FMC Technologies have assumed that a certain level of expenses would be incurred relating to the Merger and continue to assess the magnitude of these costs, there are many factors beyond our control that could affect the total amount or the timing of the integration and implementation expenses. There may also be significant additional unanticipated costs relating to the Merger that we may not recoup. These costs and expenses could reduce the realization of efficiencies and strategic benefits we expect to achieve from the Merger. Although we expect that these benefits will offset the transaction expenses and implementation costs over time, this net benefit may not be achieved in the near term or at all.

A failure of our IT infrastructure, including as a result of cyber attacks, could adversely impact our business and results of operations.

The efficient operation of our business is dependent on our IT systems. Accordingly, we rely upon the capacity, reliability and security of our IT hardware and software infrastructure and our ability to expand and update this infrastructure in response to changing needs. Despite our implementation of security measures, our systems are vulnerable to damages from computer viruses, natural disasters, failures in hardware or software, power fluctuations, increasingly sophisticated cyber security threats such as unauthorized access to data and systems, loss or destruction of data (including confidential customer information), phishing, cyber attacks, human error and other similar disruptions. Additionally, we rely on third parties to support the operation of our IT hardware and software infrastructure, and in certain instances, utilize web-based applications.

Threats to our IT systems arise from numerous sources, not all of which are within our control, including fraud or malice on the part of third parties, accidental technological failure, electrical or telecommunication outages, failures of computer servers or other damage to our property or assets, or outbreaks of hostilities or terrorist acts. The failure of our IT systems or those of our vendors to perform as anticipated for any reason or any significant breach of security could disrupt our business and result in numerous adverse consequences, including reduced effectiveness and efficiency of operations, inappropriate disclosure of confidential and proprietary information, reputational harm, increased overhead costs and loss of important information, which could have a material adverse effect on our business and results of operations. In addition, we may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future.

The IRS may not agree that we should be treated as a foreign corporation for U.S. federal tax purposes and may seek to impose an excise tax on gains recognized by certain individuals.

Although we are incorporated in England and Wales, the U.S. Internal Revenue Service (the ''IRS'') may assert that we should be treated as a U.S. ''domestic'' corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes pursuant to Section 7874 of the U.S. Internal Revenue Code of 1986, as amended (the ''Code''). For U.S. federal income tax purposes, a corporation is generally considered a U.S. ''domestic'' corporation (or U.S. tax resident) if it is organized in the United States, and a corporation is generally considered a ''foreign'' corporation (or non-U.S. tax resident) if it is not a U.S. domestic corporation. Because we are an entity incorporated in England and Wales, we would generally be classified as a foreign corporation (or non-U.S. tax resident) under these rules. Section 7874 of the Code (''Section 7874'') provides an exception under which a foreign incorporated entity may, in certain circumstances, be treated as a U.S. domestic corporation for U.S. federal income tax purposes.

Unless we have satisfied the substantial business activities exception, as defined for purposes of Section 7874 and described in more detail below (the ''Substantial Business Activities Exception''), we will be treated as a U.S. domestic corporation (that is, as a U.S. tax resident) for U.S. federal income tax purposes under Section 7874 if the percentage (by vote or value) of our shares considered to be held by former holders of shares of common stock of FMC Technologies (the ''FMCTI Shares'') after the Merger by reason of holding FMCTI Shares for purposes of Section 7874 (the ''Section 7874 Percentage'') is (i) 60% or more (if, as expected, the Third Country Rule (defined below) applies) or (ii) 80% or more (if the Third Country Rule does not apply). In order for us to satisfy the Substantial Business Exception, at least 25% of the employees (by headcount and compensation), real and tangible assets and gross income of our expanded affiliated group must be based, located and derived, respectively, in the United Kingdom. We do not expect to satisfy the Substantial Business Activities Exception. In addition, the IRS and the U.S. Treasury have issued a rule that generally provides that if (i) there is an acquisition of a domestic company by a foreign company in which the Section 7874 Percentage is at least 60%, and (ii) in a related acquisition, such foreign acquiring company acquires another foreign corporation and the foreign acquiring company is not subject to tax as a resident in the foreign country in which the acquired foreign corporation was subject to tax as a resident prior to the transactions, then the foreign acquiring company will be treated as a U.S. domestic company for U.S. federal income tax purposes (the ''Third Country Rule''). Because we are a tax resident in the United Kingdom and not a tax resident in France as Technip was, we expect that we would be treated as a U.S. domestic corporation for U.S. federal income tax purposes under the Third Country Rule if the Section 7874 Percentage were at least 60%.

In addition, if the Section 7874 Percentage is calculated to be at least 60%, Section 7874 and the rules related thereto may impose an excise tax under Section 4985 of the Code (the ''Section 4985 Excise Tax'') on the gain recognized by certain ''disqualified individuals'' (including officers and directors of a U.S. company) on certain stock-based compensation held thereby at a rate equal to 15%, even if the Third Country Rule were to apply such that we were treated as a U.S. domestic corporation for U.S. federal income tax purposes. We may, if we determine that it is appropriate, provide disqualified individuals with a payment with respect to the excise tax, so that, on a net after-tax basis, they would be in the same position as if no such excise tax had been applied.

We believe that the Section 7874 Percentage was less than 60% such that the Third Country Rule is not expected to apply to us and the Section 4985 Excise Tax is not expected to apply to any such ''disqualified individuals.'' However, the calculation of the Section 7874 Percentage is complex and is subject to detailed U.S. Treasury regulations (the application of which is uncertain in various respects and would be impacted by changes in such

U.S. Treasury regulations). In addition, there can be no assurance that there will not be a change in law, including with retroactive effect, which might cause us to be treated as a U.S. domestic corporation for U.S. federal income tax purposes. Accordingly, we cannot assure you that the IRS will agree with our position and/or would not successfully challenge our status as a foreign corporation.

U.S. tax laws and/or IRS guidance could affect our ability to engage in certain acquisition strategies and certain internal restructurings.

Even if we are treated as a foreign corporation for U.S. federal income tax purposes, Section 7874 and U.S. Treasury regulations promulgated thereunder may adversely affect our ability to engage in certain future acquisitions of U.S. businesses in exchange for our equity or to otherwise restructure the non-U.S. members of our group, which may affect the tax efficiencies that otherwise might be achieved in such potential future transactions or restructurings.

In addition, the IRS and the U.S. Treasury have issued final and temporary regulations providing that, even if we are treated as a foreign corporation for U.S. federal income tax purposes, certain intercompany debt instruments issued on or after April 4, 2016 will be treated as equity for U.S. federal income tax purposes, therefore limiting U.S. tax benefits and resulting in possible U.S. withholding taxes. Although recent guidance from the U.S. Treasury states that these rules are the subject of continuing study and may be materially modified, the current regulations may adversely affect our future effective tax rate and could also impact our ability to engage in future restructurings if such transactions cause an existing intercompany debt instrument to be treated as reissued for U.S. federal income tax purposes.

We are subject to tax laws of numerous jurisdictions, and challenges to the interpretations of, or future changes to, such laws could adversely affect us.

We and our subsidiaries are subject to tax laws and regulations in the United Kingdom, the United States, France and numerous other jurisdictions in which we and our subsidiaries operate. These laws and regulations are inherently complex, and we are and will continue to be obligated to make judgments and interpretations about the application of these laws and regulations to our operations and businesses. The interpretation and application of these laws and regulations could be challenged by the relevant governmental authorities, which could result in administrative or judicial procedures, actions or sanctions, which could be material.

In addition, the U.S. Congress, the U.K. Government, the Organization for Economic Co-operation and Development, and other government agencies in jurisdictions where we and our affiliates do business have had an extended focus on issues related to the taxation of multinational corporations. One example beyond that of the Tax Cuts and Jobs Act (''TCJA'') is in the area of ''base erosion and profit shifting'' where payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. Thus, the tax laws in the United States, the United Kingdom and other countries in which we and our affiliates do business could change on a retroactive basis and any such changes could adversely affect us. Furthermore, the interpretation and application of domestic or international tax laws made by us and by our subsidiaries could differ from that of the relevant governmental authority, which could result in administrative or judicial procedures, actions or sanctions, which could be material.

We may not qualify for benefits under the tax treaties entered into between the United Kingdom and other countries.

We operate in a manner such that we believe we are eligible for benefits under the tax treaties between the United Kingdom and other countries, notably the United States. However, our ability to qualify for such benefits will depend on whether we are treated as a U.K. tax resident and upon the requirements contained in each treaty and the applicable domestic laws, as the case may be, on the facts and circumstances surrounding our operations and management, and on the relevant interpretation of the tax authorities and courts. The failure by us or our subsidiaries to qualify for benefits under the tax treaties entered into between the United Kingdom and other countries could result in adverse tax consequences to us and could result in certain tax consequences of owning and disposing of our shares.

We intend to operate to be treated exclusively as a resident of the United Kingdom for tax purposes, but French or other tax authorities may seek to treat us as a tax resident of another jurisdiction.

We are incorporated in England and Wales. English law currently provides that we will be regarded as being a U.K. resident for tax purposes from incorporation and shall remain so unless (i) we are concurrently a resident in another jurisdiction (applying the tax residence rules of that jurisdiction) that has a double tax treaty with the United Kingdom and (ii) there is a tiebreaker provision in that tax treaty which allocates exclusive residence to that other jurisdiction.

In this regard, we have a permanent establishment in France to satisfy certain French tax requirements imposed by the French Tax Code with respect to the Merger. Although it is intended that we will be treated as having our exclusive place of tax residence in the United Kingdom, the French tax authorities may claim that we are a tax resident of France if we were to fail to maintain our ''place of effective management'' in the United Kingdom due to the French tax authorities having deemed that certain strategic decisions of TechnipFMC have been taken at the level of our French permanent establishment rather than in the United Kingdom. Any such claim would need to be settled between the French and the U.K. tax authorities pursuant to the mutual assistance procedure provided for by the tax treaty dated June 19, 2008 concluded between France and the United Kingdom, and there is no assurance that these authorities would reach an agreement that we will remain exclusively a U.K. tax resident, which could materially and adversely affect our business, financial condition, results of operations and future prospects. A failure to maintain exclusive tax residency in the United Kingdom could result in adverse tax consequences to us and our subsidiaries and could result in different tax consequences of owning and disposing of our shares.

On behalf of the Board

Douglas J. Pferdehirt
Director and Chief Executive Officer
April 26, 2018

DIRECTORS' REPORT

The Board of Directors (the ''Board'') presents their report together with the audited Financial Statements of the Company and our consolidated subsidiaries for the year ended December 31, 2017.

The Corporate Governance statement as required by Rule 7.2.1 of the Disclosure Guidance and Transparency Rules (the ''DTRs'') of the U.K.'s Financial Conduct Authority is set out on page 47 of this U.K. Annual Report. All information detailed in the corporate governance statement is incorporated by reference into this Directors' Report and is deemed to form part of this Directors' Report.

For the purposes of DTR 4.1.5R(2) and DTR 4.1.8, this Directors' Report and the Strategic Report on pages 1 to 39 comprise the Management Report.

I. Directors

The directors of the Company who held office during the year ended December 31, 2017 were as follows:

Executive Directors

Executive Chairman	Chief Executive Officer
Thierry Pilenko	Douglas J. Pferdehirt

Non-Executive Directors

Arnaud Caudoux	Peter Mellbye
Pascal Colombani	John O'Leary
Marie-Ange Debon	Richard A. Pattarozzi
Eleazar de Carvalho Filho	Kay G. Priestly
Claire S. Farley	Joseph Rinaldi
Didier Houssin	James M. Ringler

In addition, Tore Halvorsen was a director of the Company until January 16, 2017.

The appointment and replacement of the directors is governed by the U.K. Companies Act 2006 (the ''Companies Act'') and the Company's articles of association (the ''Articles of Association'').

The Board is responsible for promoting the long-term success of the Company. The Board is responsible for implementation, understanding and pursuit of a sound strategy for the success of the Company, relying upon a framework of corporate governance and internal controls that are designed to protect the Company's assets. The day-to-day management of the business is delegated to the executive leadership team apart from matters specifically reserved for the Board's decision. The Board delegates some of its duties and powers to Board committees, each of which has a written charter, available on the Company's website.

The current directors of the Company have been appointed pursuant to the Articles of Association. Subject to the Articles of Association and the Companies Act, a director may be appointed by an ordinary resolution at an annual meeting of shareholders or by a decision of the Board, beginning at the 2019 annual general meeting. As agreed by the parties at the time of the Merger, the initial slate of directors would remain in place, and not be subject to annual election until 2019.

II. Share Capital and Articles of Association of the Company

As at the close of business on 2 April 2018, being the latest practicable date prior to the publication of this Directors' Report, the issued and fully paid share capital of the Company was as follows:

Class of shares	Number of shares	Nominal value
Ordinary	462,405,801	$462,405,801
Non-voting redeemable	50,000	GBP 50,000
Deferred	1	GBP 1

There are no specific restrictions on the size of a holding or on the transfer of shares. No person has any special rights of control over the Company's share capital and all issued shares are fully paid. The Board is not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or voting rights.

Following the Merger, the reserves arising out of the Merger were capitalized by the allotment and issuance by TechnipFMC of a bonus share, which was paid up using such reserves, such that the amount of reserves so applied, less the nominal value of the bonus share, applied as share premium and accrued to our share premium account. We implemented a court-approved reduction of our capital by way of a cancellation of the bonus share and share premium account in the amount of $10,177,554,182, which completed on June 29, 2017, to create distributable profits to support the payment of future dividends or future share repurchases.

Shareholders shall not be entitled to vote at any shareholders' meetings or at a separate meeting of the holders of any class of shares, either in person or by representative or proxy, in respect of any share held by them unless all amounts presently payable by them in respect of that share have been paid.

Subject to the Articles of Associations and the Companies Act, a shareholder (or any person appearing to be interested in any such shareholder's shares) may be served with a notice under section 793 of the Companies Act. If the Board is satisfied that such shareholder or person has failed to supply to the Company the required information for the prescribed period, or in purported compliance with the section 793 notice, has made a statement that is false or inadequate in a material particular, the Board may direct that the shareholder shall not be entitled to attend or vote in respect of these shares.

The Company operates the TechnipFMC Incentive Award Plan (the "Incentive Plan") for which certain employees are eligible. Details are set out in Note 20 to the Financial Statements contained in this U.K. Annual Report, and in the Proxy Statement available on our website at www.technipfmc.com under the heading under "*Investors > Financial information*".

The process of amending the Articles of Association is subject to the procedure outlined in the Companies Act.

III. Share Repurchases

A share repurchase program authorization was granted on January 11, 2017 with a five-year validity period from that date. In April 2017, our Board authorized the repurchase of $500 million of Ordinary Shares by the end of 2018. The Company implemented the share repurchase program in September 2017.

The Company does not currently hold any treasury shares and all Ordinary Shares repurchased under the share repurchase program are cancelled and not held as treasury shares. The objective of the share repurchase program is to reduce the Company's issued share capital. Purchases of the Company's Ordinary Shares under the share repurchase program are carried out on the NYSE and Euronext Paris.

The Company established our Employee Benefit Trust ("EBT"), an offshore discretionary employee benefit trust, in 2017, for the purposes of administering the Company's share-based awards granted under shareholder approved incentive plans. As at the close of business on April 2, 2018, being the latest practicable date prior to the publication of this Directors' Report, the EBT did not hold any shares of the Company.

In 2017, the Company purchased 2,112,640 of our own ordinary shares with a nominal value of $1.00 each on the NYSE and on Euronext Paris, representing 0.45% of the issued share capital on December 31, 2017 for a total amount of $24,105,949.79 and €29,160,864.13. All weekly reports on share repurchase can be found at: http://investors.technipfmc.com/phoenix.zhtml?c=254471&p=irol-sharerepurchase.

IV. Significant Shareholdings

As at the close of business on April 2, 2018, being the latest practicable date prior to the publication of this Directors' Report, the Company's significant shareholders who had notified the Company in accordance with the DTRs that they hold 3 percent or more of the Company's Ordinary Shares were as follows:

	Number of shares held	% in the issued share capital(1)
First Eagle Investment Management, LLC	34,868,417	7.54%
The Vanguard Group, Inc.	27,084,598	5.86%
BlackRock, Inc.	26,682,741	5.77%
Bpifrance Participations S.A.	24,688,691	5.34%
State Street Corporation	23,994,483	5.19%
Credit Agricole	14,974,337	3.24%

(1) The calculation of percentage in the issued share capital of each listed shareholder is based on 462,405,801 shares outstanding on April 2, 2018.

V. Directors' Indemnities

Each of our directors is covered by appropriate directors' and officers' liability insurance, and there are also deeds of indemnity in place between the Company and each director. These were executed in 2017 upon the closing of the Merger and provide for the Company to indemnify the directors in respect of any proceedings brought by third parties against them personally in their capacity as directors of the Company. The Company would also fund ongoing costs in defending a legal action as they are incurred rather than after judgment has been given. In the event of an unsuccessful defense in an action against directors in a criminal or civil action, individual directors would be liable to repay defense costs to the extent funded by the Company.

VI. Company Details and Branches Outside the United Kingdom

The Company is a public limited company incorporated in England and Wales with registered number 09909709, and with our registered office at One St. Paul's Churchyard, London EC4M 8AP.

The Company has one branch outside of the United Kingdom, which is located in Paris, France.

VII. Dividend

For the year ended December 31, 2017, the Board declared an interim quarterly dividend of USD 0.13 per share that was paid on December 1, 2017 to record holders as of November 21, 2017.

VIII. Employees

A. Promoting Cultural and Ethnic Diversity

The Company focuses on our broad cultural and ethnic diversity, which we constantly promote and develop throughout the Company and our subsidiaries, through the internationalization of our teams, multicultural programs and international mobility.

Gender diversity is a strategic objective for the Company. Details are available in Section VI of the Corporate Governance Report.

B. Providing Employment to People with Disabilities

Three of the Company's foundational beliefs – integrity, respect and sustainability – are tangibly embedded in fair employment practices and equal opportunity. The Company's policy is that our employment decisions related to recruitment, selection, evaluation, compensation, and development, among others, are not influenced by unlawful or unfair discrimination on the basis of race, religion, gender, age, ethnic origin, nationality, sexual orientation, gender or gender reassignment, marital status or disability.

It is the Company's policy to encourage and give full and fair consideration to applications for employment from disabled people, and to assist with their training and development in light of their aptitudes and abilities. If an existing employee becomes disabled, it is the Company's policy wherever practicable to provide continuing employment under our usual terms and conditions, and to provide training, career development and promotion opportunities to the disabled employee to the fullest extent possible.

C. Strengthening Social Dialogue

The Company has developed a culture that is based on the values of trust, mutual respect and dialogue. In accordance with local legislation, regular meetings with trade union-appointed and/or works council representatives are organized for information and/or consultation.

The Company's European Works Council ("EWC") meets at least twice a year. In 2017, as a result of the Merger, the EWC met three times. Negotiations have started in order to include all of TechnipFMC's European entities within the EWC by the end of 2018.

D. Internal Communication

The Company has a robust internal communications strategy and supports communication channels that ensure that all employees are communicated with in a timely and relevant way. The effectiveness of internal communication is continually monitored and adjusted based on a focus group feedback program that reaches multiple levels across the Company. Employees are regularly consulted and provided with information on changes and events that may affect them through channels such as regular meetings, employee representatives and the Company's intranet site. These consultations and meetings ensure that employees are kept informed of the financial and economic factors affecting the Company's performance and matters of concern to them as employees.

TechnipFMC encourages share ownership amongst our employees through our Incentive Plan. Details of the Incentive Plan are set out in Note 20 to the Financial Statements contained in this U.K. Annual Report.

E. Labor Relations and Collective Agreements

The Company seeks to maintain constructive relationships with works councils and trade unions, and to comply with relevant local laws and collective agreements in relation to collective or individual labor relations. The Company also operates through local subsidiaries in many countries, a number of which, including France, Germany, Norway and Italy, have legal requirements for works councils, which includes employee representatives.

IX. Greenhouse Gas Emissions

The annual quantity of greenhouse gas ("GHG") emissions measured in tons of carbon dioxide equivalent resulting from activities for which the Company is responsible is described in the table below:

Total Greenhouse Gas Emissions (Scopes 1 and 2)* *(in metric tons CO_2 equivalent)*	**2017** Direct emissions	Indirect emissions
Construction sites (including yards and spoolbases)	208,528	145,874
Industrial sites (excluding yards and spoolbases)	9,109	26,862
Fleet	264,024	0
Offices	1,545	20,709
Total emissions	483,205	193,445
TOTAL EMISSIONS		**676,650**

The annual quantity of emissions from the purchase of electricity, heat, steam, or cooling by the Company is described in the table below:

	2017
Total Greenhouse Gas Emissions from purchase of *(in metric tons CO_2 equivalent)*:	
Electricity	193,445.00
Heat	0.04
Steam	0
Cooling	0.18
TOTAL EMISSIONS	193,445.22

A. GHG Emissions Intensity

The Company's GHG emissions' intensity factor is calculated using both direct and indirect emissions (Scope 1 and Scope 2 emissions) as a numerator and the man-hours worked (corresponding to sites that contributed to environmental data reporting) as a denominator. Man-hours worked has been acknowledged as being the information that is the most representative of the Company's overall activity and is frequently used in HSES standards in the industry.

	2017
Total GHG Emissions Intensity *(in kg eq.CO_2/man-hours worked)*	3.58

B. Methodology

Environmental data is collected through TechnipFMC's HSES reporting system, Synergi, a global integrated software solution. Each of the Company's reporting entities is required to consolidate and record its environmental data in Synergi on a monthly basis. This data reflects the environmental performance of entities involved in the office, construction, manufacture, and fleet operations when TechnipFMC owns or manages the site in question and when TechnipFMC is responsible for managing the work.

The reporting period is the 2017 calendar year. Figures for environmental indicators have been extracted from the Company reporting tool for the period from January 1, 2017 to December 31, 2017.

To calculate scope 1 and scope 2 emissions, energy data registered by sites for electricity consumption and fuel consumption are converted using emission factors from the IPCC Guidelines for National Greenhouse Gas Inventories, 2006, and from CAIT v8.0, 2011. Emission factors are different depending on the type of fuel and for electricity, and on the country. They are then integrated into the reporting tool that calculates the resulting carbon dioxide emissions.

X. Events since December 31, 2017

No significant events since December 31, 2017 are reported.

XI. Future Developments

Expected future developments of the Company and our subsidiaries are set out in the Strategic Report.

XII. Change of Control

The Companies Act requires the Company to identify (i) those significant arrangements to which the Company is party that take effect, alter, or terminate upon a change of control of the Company following a takeover bid, (ii) the effects of any such agreements, and (iii) any agreements with the Company and our directors or employees for compensation for loss of office or employment that occurs because of a takeover bid.

Provisions under executive severance agreements entered into by each of the Company's executives except for our Executive Chairman may be triggered in the event of a change of control if certain conditions are met. Further details are set out on page 80 of the Directors' Remuneration Policy.

XIII. Political Donations

The Company has not made any political donations or incurred any political expenditure during the year ended December 31, 2017. In addition, the Company has not made any contributions to a non-E.U. political party during the year ended December 31, 2017.

XIV. Financial Risk Management Objectives/Policies and Hedging Arrangements

Please refer to Section III of the Corporate Governance report and Note 1 of the Financial Statements contained in this U.K. Annual Report for information on the Company's financial risk management objectives/policies and hedging arrangements.

XV. Research and Development

Please refer to Section II.D of the Strategic Report.

XVI. Directors' Responsibility Statements

The directors are responsible for our U.K. Annual Report, the Directors' Remuneration Report, and the financial statements in accordance with applicable law and regulations. The Company's financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union.

Under the Companies Act, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act and Article 4 of the E.U. IAS Regulation. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

A. Statement as to the Annual Financial Report

Each of the directors, whose names and functions are listed in Section I of this Report, confirms that to the best of his/her knowledge:

a. the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

b. the Directors' Report and Strategic Report include a fair review of the development or performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties.

B. Statement as to Disclosure to Auditors

The directors confirm that:

a. so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and

b. they have each taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the Board

Thierry Pilenko
Director and Executive Chairman
April 26, 2018

CORPORATE GOVERNANCE REPORT

Our Board believes that the purpose of corporate governance is to ensure that we maximize shareholder value in a manner that is consistent with our Code of Business Conduct, core values, and foundational beliefs, as well as all applicable legal requirements. The Board has adopted and adheres to our Corporate Governance Guidelines (our "Governance Guidelines"), which were adopted to promote this purpose and to provide stability in our Board after the closing of the Merger and during integration. As such, the Governance Guidelines contain provisions that maintain our post-Merger Board of Directors until our 2019 annual general meeting. The Board reviews these governance practices, the laws of England and Wales under which we were incorporated, the DTRs, the regulations, directives and decisions of the European Union, the rules and listing standards of the NYSE (available at https://www.nyse.com) and Euronext Paris (available at https://www.euronext.com/en/regulation/paris), and the regulations of the SEC (available https://www.sec.gov/), as well as best practices recognized by governance authorities, to benchmark the standards under which we operate.

The Board provides accountability, objectivity, perspective, judgment and in some cases, specific industry or technical knowledge or experience. In carrying out its responsibilities to our shareholders, the fundamental role of the Board is to ensure

- continuity of leadership;
- the implementation, understanding, and pursuit of a sound strategy for the success of our Company; and
- the availability of financial and management resources and the implementation of control systems to carry out that strategy. The Board also provides risk oversight and has delegated some of its oversight duties to the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, and the Strategy Committee.

Our Governance Guidelines, our Code of Business Conduct (including our core values vision statement), the charters for our Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, and Strategy Committee and other corporate governance information are available on our website at www.technipfmc.com under the heading "*Who we are > Governance*".

I. Board Composition and Independence

The Company's current Board consists of 14 members, 12 of whom are independent under the rules of NYSE. Directors' biographies can be found at http://www.technipfmc.com/en/who-we-are/board-of-directors.

The Company's Governance Guidelines state that candidates for the Board, in order to be nominated by the Nominating and Corporate Governance Committee (or a subcommittee thereof), must be qualified and eligible to serve under applicable law, the Articles of Association and the NYSE and Euronext Paris rules, and have:

- a high level of personal and professional integrity;
- strong ethics and values; and
- the ability to make mature business judgments.

In addition, the Governance Guidelines provide that the Nominating and Corporate Governance Committee, or relevant subcommittee, may consider additional factors when determining whether a candidate is qualified to serve on the Board, including (a) the candidate's experience in corporate management, as a board member of another publicly held company, and in finance and accounting and/or compensation practices; (b) the candidate's professional experience relevant to our industry; (c) the strength of the candidate's leadership skills; and (d) whether the candidate has the time required for service on the Board.

The following table lists each of our directors and their respective ages and positions as of the date of this U.K. Annual Report. The business address of all our directors is c/o TechnipFMC plc, One St Paul's Churchyard, London, EC4M 8AP, United Kingdom.

Name	Age	Current Position and Date of First Appointment
Douglas J. Pferdehirt	53	Director and Chief Executive Officer (January 11, 2017)
Thierry Pilenko	60	Director and Executive Chairman (January 11, 2017)
Arnaud Caudoux	47	Director (January 16, 2017)
Pascal Colombani	72	Director (January 16, 2017)
Marie-Ange Debon	52	Director (January 16, 2017)
Eleazar de Carvalho Filho	60	Director (January 16, 2017)
Claire S. Farley	59	Director (January 16, 2017)
Didier Houssin	61	Director (January 16, 2017)
Peter Mellbye	68	Director (January 16, 2017)
John O'Leary	62	Director (January 16, 2017)
Richard A. Pattarozzi	74	Director (January 16, 2017)
Kay G. Priestly	62	Director (January 16, 2017)
Joseph Rinaldi	60	Director (January 16, 2017)
James M. Ringler	72	Director (January 16, 2017)

II. Internal Control over Financial Reporting

The Board has overall responsibility for the company's internal control over financial reporting. It is one of the responsibilities that has been delegated to the Audit Committee. As set out in Section IV.A below, the Audit Committee is responsible for reviewing the Company's internal controls (including reporting structures), monitoring compliance with its internal accounting and control policies and the effectiveness of the Company's internal audit function.

As part of its role, the Audit Committee is required to review, at least annually, the budget and current and future programs of the Company's internal audit department to assure it contains resources necessary to complete the annual audit plan in accordance with appropriate professional standards for internal auditors and review summaries of formal audit reports issued by the internal audit department.

In addition, each quarter, under the direction of the Chief Executive Officer and Chief Financial Officer, the Company is required to evaluate the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the United States Securities Act of 1934, as amended (the "Exchange Act"). Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded as of December 31, 2017, that our disclosure controls and procedures were not effective because of the material weaknesses in our internal control over financial reporting described below.

In response to the identification of the material weaknesses described below, the Company performed additional analysis and other post-closing procedures. Based upon the work performed, management believes that the Company's consolidated financial statements for the periods covered by and included in this U.K. Annual Report fairly present in all material respects the Company's financial position, results of operations and cash flows, in conformity with IFRS.

Management's Annual Report on Internal Control over Financial Reporting

Overview

Management evaluated the effectiveness of our internal control over financial reporting as of December 31, 2017 based on the framework in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). As a result of this evaluation, management identified material weaknesses in our internal control, as further described below. As a result of these material weaknesses, management has concluded that our internal control over financial reporting was not effective as of December 31, 2017.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

We concluded that we had not maintained effective internal control over financial reporting in the following areas that are discussed more fully below: (i) controls relating to the calculation of temporary gains and losses from natural hedges on certain of our projects and related foreign exchange adjustments; (ii) controls over the period-end financial reporting process specifically related to journal entries and account reconciliation in certain regions and locations; and (iii) controls relating to certain information technology systems.

Description of Material Weaknesses

Foreign Exchange Adjustments

As previously reported, we did not maintain effective controls relating to the calculation of temporary gains and losses from natural hedges on certain of our projects and related foreign exchange adjustments, and this control deficiency resulted in the restatement of our interim Condensed Consolidated Financial Statements as of, and for, the three-month period ended March 31, 2017. Additionally, this control deficiency could result in misstatements of the annual or interim consolidated financial statements or disclosures that would not be prevented or detected. Accordingly, management determined that this control deficiency constitutes a material weakness.

Information Technology General Controls

We did not design and maintain effective controls over certain IT general controls for information systems that are relevant to the preparation of our consolidated financial statements. Specifically, we did not design and maintain: (i) user access controls to ensure appropriate segregation of duties that adequately restrict user and privileged access to certain financial applications, programs, and data to appropriate Company personnel, including direct access to data, and (ii) program change management controls due to privileged access.

These IT deficiencies did not result in a material misstatement to the financial statements; however, the deficiencies, when aggregated, could impact maintaining effective segregation of duties, as well as the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with the IT controls and underlying data that support the effectiveness of system-generated data and reports) that could result in misstatements potentially impacting financial statement accounts and disclosures that would not be prevented or detected. Accordingly, our management has determined these deficiencies, in the aggregate, constitute a material weakness.

Period End Financial Reporting – Journal Entries and Account Reconciliation in Certain Regions and Locations

In certain regions and locations, we did not design and maintain effective controls over the period-end financial reporting process. We have ineffective controls over the documentation, authorization, and review of journal entries and account reconciliations in certain regions and locations. These deficiencies did not result in a material misstatement of the financial statements; however, the deficiencies, when aggregated, could result in material misstatements to the consolidated financial statements and disclosures that would not be prevented or detected. Accordingly, our management has determined these deficiencies, in the aggregate, constitute a material weakness.

Remediation Activities

Overview

Management has implemented, and continues to design and implement, certain remediation measures to address the above-described material weaknesses and enhance our system of internal control over financial reporting. Management will not make a final determination that we have completed our remediation of these material weaknesses until we have completed designing and testing of our newly implemented internal controls. Management believes the remediation measures described below will remediate the identified deficiencies and strengthen our internal control over financial reporting. As management continues to evaluate and work to enhance our internal control over financial reporting, it may be determined that additional measures must be taken to address deficiencies or it may be determined that we need to modify or otherwise adjust the remediation measures described below.

Description of Remediation Activities

Foreign Exchange Adjustments

Management has implemented controls designed to ensure the accurate remeasurement of gains and losses due to foreign currency impact for the purpose of external reporting. Management has also revised the internal system for recording and tracking foreign currency gains and losses and for recording asset/liability project positions to ensure that proper remeasurement procedures are performed.

Information Technology General Controls

Management is taking corrective actions to address the material weakness as listed below:

- Improving the control activities and procedures associated with user and privilege access to certain systems;
- Improving the control activities relating to proper segregation of duties related to the affected IT systems;
- Implementing additional business process controls or improving existing business process controls, as needed, to address the risks related to the financial reports and data generated from the affected IT systems; and
- Implementing policies, procedures and training for control owners regarding internal control processes to mitigate identified risks and maintaining adequate documentation to evidence effective design and operation of such processes.

Period End Financial Reporting—Journal Entries and Account Reconciliation in Certain Regions and Locations

Management is taking corrective actions to address the material weakness as listed below:

- Implementing specific policies and procedures with detailed instructions in order to adequately communicate the requirements around journal entry and account reconciliation processes and controls;
- Implementing controls over manual journal entries and account reconciliations, including improving the timeliness and effectiveness of our review and approval procedures,
- Communicating the requirements of journal entry and account reconciliation controls to the global accounting and finance organization as part of our global accounting and finance organization training and communication; and
- Improving the control activities relating to account reconciliation and journal entry processes by issuing guidance regarding adequate retention of evidence of control activities.

III. Risk Management of Financial Reporting

The Board believes that one of its most important roles is the oversight of the Company's management of risk, which the Board accomplishes through its Enterprise Risk Management program. Management presents to the Board the risk areas that it believes to be the most significant and the plan for the assessment, monitoring and management of those risks. The Board has ultimate responsibility for overall risk management oversight; however, it has designated the Audit Committee with oversight of financial risk.

The Audit Committee discusses with management on a regular basis financial reporting, liquidity, contract management, legal and regulatory compliance, information-related risks, including cybersecurity, taxes, and foreign exchange. The Audit Committee reviews the potential financial impacts of these risks, the steps the Company takes to ensure that appropriate processes are in place to identify, manage, and control financial and business risks and that the Company has adequate insurance coverage to mitigate these risks. In cases where a practice or procedure is identified or an operational incident occurs that could heighten the possibility of a negative impact on our operations or financial results, our management reports to the Board the steps to be taken to ensure that the risk is appropriately managed.

IV. Committees of the Board

Our Board has four standing committees: an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, and a Strategy Committee.

Each of these committees operates pursuant to a written charter setting out the functions and responsibilities of the committee, each of which may be viewed on our website at www.technipfmc.com under the heading "*Who we are > Governance*". The table below provides meeting and membership information for each of our Board committees in 2017:

Meetings and Membership	Audit	Compensation	Nominating and Corporate Governance	Strategy
Number of Meetings in 2017	6	5	4	3
Thierry Pilenko				Chair
Arnaud Caudoux	✓			
Pascal Colombani			✓	✓
Marie-Ange Debon	Chair			
Eleazar de Carvalho Filho	✓		✓	
Claire S. Farley				✓
Didier Houssin			✓	✓
Peter Mellbye			Chair	✓
John O'Leary		✓		
Richard A. Pattarozzi		✓		✓
Kay G. Priestly	✓			
Joseph Rinaldi	✓	✓		
James M. Ringler	✓	Chair		

A. Audit Committee

As an English incorporated company with a listing on the NYSE and on Euronext Paris, the Company complies with U.K. requirements and has established an Audit Committee. The Audit Committee is responsible for oversight of the financial management and control of the Company as well as oversight of the Company's independent registered public accounting firm, who will report directly to the Committee. In compliance with DTR 7.1.1A, the Chair of the Audit Committee, Marie-Ange Debon, has competence and experience in auditing. Each of the Audit Committee members are "independent" as defined by the applicable regulations of the SEC and the Audit Committee as a whole has competence relevant to the sector in which the Company operates. Biographies of all committee members can be found on our website at www.technipfmc.com under the heading "*Who we are > Board of directors*".

The Audit Committee charter sets forth the responsibilities of the Audit Committee, which include:

- monitoring the Company's financial reporting process;
- reviewing the Company's consolidated financial statements and internal controls (including reporting structures) with management and the independent auditor;
- monitoring the Company's compliance with its internal accounting and control policies, as well as legal and regulatory requirements to the extent such compliance relates to the consolidated financial statements and financial disclosures;
- selecting, subject to shareholder approval, the Company's independent auditor, and reviewing the qualifications, independence, performance, and remuneration of such independent auditor;
- reviewing the effectiveness and performance of the Company's internal audit function;
- reviewing the effectiveness of processes for reviewing and escalating financial-related allegations reported through the Company's allegation hotline; and

- performing such other functions as the Board may assign to the Audit Committee from time to time.

The Audit Committee meets as scheduled by its Chair to carry out the committee's responsibilities. The Audit Committee comprises at least four directors, selected by the Board upon the recommendation of the Nominating and Corporate Governance Committee, each of whom must be financially literate, as determined by the Board in its business judgment, and at least one of whom must qualify as a ''financial expert'' as defined by the applicable rule of the SEC. No member of the committee may be an affiliate of the Company or an employee or a person who receives any compensation from the Company, or any subsidiary thereof, other than fees paid for service as a director. While serving on the Audit Committee, each member shall, in the judgment of the Board, meet the independence and other requirements of the laws, rules, and regulations applicable to the Company, including the requirements of the SEC, NYSE, and Euronext Paris.

B. Compensation Committee

The principal duties of the Compensation Committee include:

- reviewing, evaluating, and approving the agreements, plans, policies, and programs of the Company to compensate its independent directors, the Executive Chairman, the Chief Executive Officer, and other officers, as applicable;
- consistent with equity plans approved by the Company's shareholders, reviewing, evaluating, and approving all awards by the Company of equity securities or equity derivatives to executive officers of the Company and approving the number of equity securities or equity derivatives to be allocated to all other employees at the discretion of the Chief Executive Officer;
- reviewing the compensation disclosure to be included in the Proxy Statement for the Company's annual meeting, as well as the description of the Company's directors' remuneration policy and the annual remuneration report, which form part of the Company's annual report;
- producing the Compensation Committee Report to be included in the Company's Proxy Statement;
- reviewing, evaluating, and approving the directors' remuneration policy and the directors' remuneration report;
- otherwise discharging the Board's responsibilities related to compensation of the Company's executive officers and directors; and
- performing such other functions as the Board may assign to the Compensation Committee from time to time.

The Compensation Committee meets as scheduled by its Chair to carry out the committee's responsibilities. The Compensation Committee comprises at least four directors, selected by the Board upon the recommendation of the Nominating and Corporate Governance Committee, a majority of whom must satisfy certain enhanced membership requirements outlined in the Compensation Committee Charter. While serving on the Compensation Committee, each member shall, in the judgment of the Board, meet the independence and other requirements of the laws, rules, and regulations applicable to the Company, including the requirements of the SEC, NYSE, and Euronext Paris.

C. Nominating and Corporate Governance Committee

The principal duties of the Nominating and Corporate Governance Committee include:

- advising and making recommendations to the Board regarding appropriate corporate governance practices and assisting the Board in implementing those practices;
- monitoring the development and implementation of the Company's compliance program (including procedures for allegation reporting, investigation and remediation) to ensure that the Company operates in compliance with the principles of ethical conduct and good governance;
- reviewing the Company's succession plans for the Executive Chairman, Chief Executive Officer, and other executive officers;

- identifying individuals qualified to become members of the Board and recommending director nominees for election at the annual meeting or for appointment to fill vacancies on the Board;
- recommending directors to serve on each committee of the Board and recommending the Lead Independent Director;
- leading the Board in the annual performance evaluation of the Board and its committees; and
- performing such other functions as the Board may assign to the Nominating and Corporate Governance Committee from time to time.

The Nominating and Corporate Governance Committee meets as scheduled by its Chair to carry out the committee's responsibilities. The Nominating and Corporate Governance Committee comprises at least four directors, selected by the Board upon the recommendation of the Nominating and Corporate Governance Committee. No member of the committee may be an affiliate of the Company or an employee or a person who receives any compensation from the Company, or any subsidiary thereof, other than fees paid for service as a director. While serving on the Nominating and Corporate Governance Committee, each member shall, in the judgment of the Board, meet the independence and other requirements of the laws, rules, and regulations applicable to the Company, including the requirements of the SEC, NYSE, and Euronext Paris.

In connection with its role in recommending candidates for the Board, the Nominating and Corporate Governance Committee advises the Board with respect to the combination of skills, experience, perspective, and diversity that its members believe are required for the effective functioning of the Board considering our current business strategies and regulatory, geographic, and market environment.

D. Strategy Committee

The primary responsibilities of the Strategy Committee include:

- reviewing the development and implementation of the Company's long-term global strategy, risks, and opportunities relating to such strategy, and strategic decisions regarding major asset acquisitions, divestitures, joint ventures, and strategic alliances by the Company; and
- performing such other functions as the Board may assign to the Strategy Committee from time to time.

The Strategy Committee meets as scheduled by its Chair to carry out the committee's responsibilities. The Strategy Committee comprises at least four directors, selected by the Board upon the recommendation of the Nominating and Corporate Governance Committee.

V. Code of Business Conduct

We are committed to establishing and maintaining an effective compliance program that is intended to increase the likelihood of preventing, detecting, and correcting violations of Company policy and law. Our Code of Business Conduct and core values are applicable to all of our employees, officers, and directors. Moreover, we have a hotline in place for employees to anonymously report violations of our Code of Business Conduct or complaints regarding accounting and auditing practices. Reports of possible violations of financial or accounting policies made to the hotline are reported to our Audit Committee.

We will disclose amendments to, or waivers of, our Code of Business Conduct that are required to be disclosed under the securities and NYSE rules. Any waiver of our Code of Business Conduct for our officers and directors must be approved by the Board or a relevant Board committee. We have not made any such waivers and do not anticipate making any such waiver.

The Code of Business Conduct can be found on our website at www.technipfmc.com under the heading "*Who we are > Governance*".

VI. Diversity Policy

The Code of Conduct focuses on fair employment practices and equal opportunity, requiring decisions not influenced by race, color, religion, gender, age, ethnic origin, nationality, sexual orientation, marital status, or disability. More details are set out in Section IV of the Strategic Report.

In particular, the Company has identified gender diversity as a strategic objective. In the first quarter of 2018, an action plan was to set up a global framework and key performance indicators for the year 2018 and onwards, to promote and accelerate the development of women in all functions and parts of the organization. The action plan also included objectives for entry-level employees of the Company and actions to promote ‘‘STEM’’ (Science, Technology, Engineering and Mathematics) activities in high schools and universities.

The implementation will start during the second quarter of 2018.

VII. Significant Shareholdings

Details of the significant shareholdings of the Company are set out above in Section IV of the Directors’ Report.

On behalf of the Board

Thierry Pilenko
Director and Executive Chairman
April 26, 2018

DIRECTORS' REMUNERATION REPORT

I. Introduction and Compliance Statement

The purpose of this Directors' Remuneration Report is to inform shareholders of the remuneration of the directors of TechnipFMC for the period ended December 31, 2017. This report is divided into three sections:

i. the letter from the Chair of the Compensation Committee;

ii. the Annual Report on Remuneration for 2017; and

iii. the Directors' Remuneration Policy.

Pursuant to English law, the Directors' Remuneration Report forms part of the statutory annual report of the Company for the year ended December 31, 2017 and has been prepared by the Compensation Committee on behalf of the Board in accordance with the laws, rules, and regulations applicable to the Company.

The Annual Report on Remuneration (elements of which are audited) describes the directors' fixed and variable pay, share awards, benefits, and pension arrangements, as required by Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the ''U.K. Regulations''). The Annual Report on Remuneration will be subject to a non-binding advisory shareholder vote at the 2018 Annual Meeting. The Directors' Remuneration Policy will be subject to a binding shareholder vote at such meeting and will be effective upon approval by shareholders.

II. Letter from the Chairman of the Compensation Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the first Directors' Remuneration Report of the Company, covering the period from January 1, 2017 to December 31, 2017.

Remuneration framework in context

The Company operates a complex, capital intensive, global business in a highly competitive industry that is experiencing significant commodity price volatility. We deliver highly complex solutions to address some of the most complex engineering and technical challenges in the oil and gas industry, and our solutions add value to some of the largest capital investments in the world. We have identified an opportunity to change the way projects are conceived and executed in the industry, and believe the successful execution of our strategy and achievement of Merger synergies will deliver significant value to our customers, and to shareholders. To achieve our objectives, it is critical that our compensation structures allow us to:

- retain and motivate our key executive talent and attract new talent who possess the skills necessary to execute the fundamental change in our business; and
- create a global executive team to execute our Merger plans quickly and effectively, who are focused on collaboration, teamwork, and the achievement of Merger synergies and shareholder value.

Our compensation framework reflects the increased size and organizational complexity of the Company relative to its legacy organizations, along with the challenges in executing the Merger objectives. In order to support our business, it is essential that global compensation practices in our traditional markets are understood, and that our compensation maintains our competitiveness and the value of our shareholders' investment in the transaction that created the Company.

Our approach to compensation is driven by the markets in which we primarily compete for international talent, and by our main listing jurisdiction, the NYSE. However, we are sensitive to the compensation governance practices prevalent in the United Kingdom and recognize that some characteristics of our current programs may not be consistent with those practices. One characteristic of our program that differs from typical U.K. practice but is common and competitively appropriate within our market includes the use of equity for compensating non-executive directors. Equity is a common component of non-executive director compensation within our compensation and performance peer groups, where it is widely considered to be a ''best practice'' for non-executive directors to receive a proportion of their annual compensation in equity.

As such, our compensation policy is consistent with the practices of our peers, the majority of which are also listed on the NYSE.

We comply with the remuneration reporting requirements associated with our NYSE listing. In addition, as a U.K.-registered company we report our remuneration arrangements to comply with the U.K. Regulations.

Remuneration arrangements in 2017

2017 was a year of considerable transformation for the Company. Despite challenging market conditions, the Company achieved many of its financial and strategic goals: a strong execution performance and market acceptance of our integrated business model and new technologies, evidenced by the award of six total iEPCI™ projects; a continued focus on cost and efficiency which delivered $220 million in annualized savings in less than 12 months; and a meaningful contribution to sustained ROIC improvement. Our executive directors met the majority of their personal objectives for 2017. As such, the annual bonus for 2017 will pay out at 75% of maximum for the Executive Chairman and the Chief Executive Officer.

The performance conditions attached to a long-term incentive award granted to the Executive Chairman in September 2015 partially vested in 2017 with performance goals that were certified in February 2018, and have a time vesting condition through to September 2019. The Chief Executive Officer's legacy FMC Technologies awards that were granted prior to May 2016 vested fully in connection with the Merger. Details of incentive plan pay-outs and targets are set out in the Annual Report on Remuneration.

Proposed remuneration arrangements for 2018

During 2017, the Compensation Committee reviewed the remuneration framework and found it to continue to be appropriate in the context of the business strategy and remuneration philosophy. As such, we have made no significant changes to the operation of our incentive plans for 2018. The performance measures to be used for 2018 are EBITDA, EBITDA as a percentage of revenues and Working Capital Improvement and are set out in the Annual Report on Remuneration.

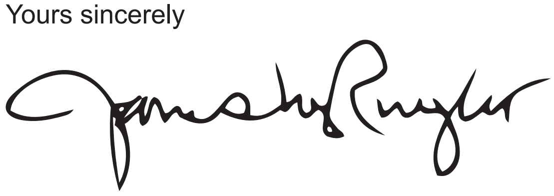
Effective December 31, 2017, benefits under the U.S. Pension Plan and the U.S. Non-Qualified Pension Plan were frozen for all non-union participants as we closed those plans. In addition, we reduced the rate of non-elective Company contributions under our U.S. defined contribution plan from 4% of compensation to 2% of eligible compensation beginning in 2018. Otherwise we made no changes to our retirement benefits or wider benefits offering for 2018.

Shareholder engagement

We are grateful to our shareholders for their engagement and continued support during the year. We intend to maintain an open dialogue with our investors on remuneration issues and to report our remuneration arrangements in a transparent and clear way.

We look forward to hearing your views on our remuneration arrangements, and your continued support at the 2018 Annual Meeting.

Yours sincerely



James M. Ringler
Director and Compensation Committee Chairman
April 26, 2018

III. Annual Report on Remuneration for the Year Ended December 31, 2017

The Compensation Committee presents the Annual Report on Remuneration, which will be submitted to shareholders as an advisory vote at the 2018 Annual Meeting. Some of the information contained in the Annual Report on Remuneration is subject to audit. Where the information is subject to audit, the information subject to audit is identified in the relevant heading.

A. Remuneration for Executive Directors

Single Total Figure of Remuneration – Audited Information

The below table sets forth the single figure of remuneration for the period ended December 31, 2017 for each of the Company's executive directors; the Chief Executive Officer and the Executive Chairman. This comprises the total remuneration received by each executive director since January 1, 2017. Because of the Merger, there is no disclosure in this report of prior-year information.

Name	Salary[1]	Taxable benefits[2]	Annual bonus	Long-term incentive awards	Pension related benefits	Total
Chief Executive Officer	**$1,116,667**	**$114,603**	**$2,272,556**	**$9,057,851**	**$125,003**	**$12,686,680**
Executive Chairman[3]	**$1,023,929[4]**	**$125,403**	**$1,954,680**	**$5,820,342**	**$ 38,563**	**$ 8,952,917**

Salary and Taxable Benefits – Audited Information

[1] Base pay provides a fixed level of compensation to our executive directors that reflects their responsibilities, job characteristics and scope, performance, experience, and skill set and is reviewed annually and subject to adjustment based on individual performance, experience, business conditions, market factors, and comparable market data from the Company's peers.

Base pay for the Chief Executive Officer reflects his salary of $1,000,000 for the period January 1 to May 31, 2017 and the increased salary of $1,200,000 effective June 1, 2017. Base pay for the Executive Chairman reflects his salary for 2017.

[2] The taxable benefits column line for the Chief Executive Officer includes: (i) personal use of company automobile $8,434; (ii) reimbursed cost of spousal travel for Company business functions of $21,083; (iii) financial planning of $18,214; (iv) security program of $46,942; and (v) Company provided apartment in Paris, France of $19,930. Taxable benefits for the Executive Chairman include: (i) reimbursed cost of spousal travel for Company business functions of $69,394; and (ii) financial planning and personal tax assistance of $56,009.

[3] The amounts reported as salary, taxable benefits, annual bonus, and pension related for the Executive Chairman were paid in Euros. These amounts were converted to U.S. dollars utilizing an average of the Euro to U.S. dollar exchange rates on the last day of each month during 2017.

[4] The value in Euro is €900,000.

Pension Contributions and Other Retirement Plans – Audited Information

Retirement benefits for 2017 have been calculated in line with the U.K. reporting regulations. Details of the pension accrued in each of the pension schemes, the U.S. Qualified Savings Plan, the U.S. Non-Qualified Savings Plan and the French Supplemental Retirement Plan (which are defined contribution schemes) by the Chief Executive Officer and the Executive Chairman in respect of qualifying services are shown below. The value of the pension under each of the pension schemes is calculated based on the Company's contributions which are based on a percentage of employee salary.

Retirement contributions for the Chief Executive Officer relate to our U.S. Qualified Savings Plan and U.S. Non-Qualified Savings Plan. Pension contributions for the Executive Chairman relate to our French Supplemental Retirement Plan, known as an ''Article 83'' pension. Further details are set out on page 64 of this report.

In December 2016, the Executive Chairman's supplemental defined benefit retirement plan known as an ''Article 39'' pension was terminated and the retirement benefits were converted to a lump sum amount payable in two equal installments in 2017 and 2018 of $2,218,512. Further details are set out on page 64 of this report.

Values relating to DC schemes	Accrued pension at year end $000	Company contributions over year $000	Normal retirement date
Chief Executive Officer	1,786	125	65
Executive Chairman	2,219	29	62

Bonus Payment – Audited Information

Our annual cash bonus plan is designed to focus management on performance factors important to the continued success of their business units and on our overall performance in a particular year. The annual cash bonus comprises a performance metrics component, the Business Performance Indicator (''BPI''), representing 75% of the annual bonus, and a discretionary component, the Annual Performance Incentive (''API''), representing 25% of the annual bonus. The payout under both BPI and API components may range from 0% to 200%. The table below sets out the measures and targets in respect of 2017, and our executive directors' achievement against those targets.

Achievement of BPI measures (75% weighting)

The Compensation Committee annually establishes BPI targets and reviews the performance measures at its February meeting. In 2017, the Compensation Committee selected three equally-weighted measures, which reflected key strategic outcomes of the Merger: Working Capital Days, EBITDA, and Synergies.

The table below describes each of the measures and reports the Company's 2017 performance relative to the targets established at the beginning of the year. The measures are adjusted for the cumulative effect of changes in accounting principles, the Merger, other significant acquisitions and divestitures, and foreign exchange movements versus the assumptions of those movements at the time the targets were set. The resulting BPI multiple of the three equally-weighted measures is then multiplied by 75% of each executive officer's cash incentive target bonus percentage to determine the executive officer's cash incentive compensation payout related to achieved BPI results. Overall performance was at or well above targeted levels.

						2017 Actual Results	
BPI Performance Measure	Definition	Importance of the Measure	Threshold (0% Payout)	Target (100% Payout)	Maximum (200% Payout)	Result	Rating
Working Capital Days	Average number of days to convert working capital into revenue	Measures our efficiency of using operating capital to operate the business; our contract arrangements typically result in negative working capital due to advance payments and milestone payments	68 days	113 days	125 days	119 days	1.54
EBITDA (in millions)	Earnings before interest, taxes, depreciation, and amortization	Facilitates comparison with peer companies by excluding the effect of different capital structures and financing decisions	$1,033	$1,721	$1,893	$2,031	2.0
Synergies (in millions)	Annual run rate benefit of cost reduction initiatives and absolute savings attributable to procurement actions	Measures the achievement on an annual basis of our synergies commitment as part of the critical elements of the Merger	$150	$220	$250	$220	1.00
2017 BPI Rating							**1.51**

Achievement of API measures (25% weighting)

The API rating is based on the achievement of both quantifiable performance objectives as well as other, more qualitative objectives.

The following describes the 2017 API objectives that were subjectively evaluated to determine, in part, their performance for purposes of calculating their API measure.

Douglas J. Pferdehirt – Chief Executive Officer

Mr. Pferdehirt's 2017 individual performance objectives related to successfully consummating the Merger and associated integration objectives, such as providing leadership in a challenging industry environment while minimizing business disruption, establishing and promoting a strong culture focused on the Company's core values and foundational beliefs, and maintaining and strengthening customer relationships and alliances. In addition, Mr. Pferdehirt's objectives included developing and communicating a consistent strategic message to build investor confidence in the new Company, including emphasis on the Company's new integrated offerings of iFeed®, iEPCI™, and integrated life-of-field (iLOF®), as well as other technological advancements that improve project economics for customers. Mr. Pferdehirt's financial objectives were focused on Merger synergies and enhancing financial results through solid execution with sustainable margin levels. Finally, his leadership development objectives included assessing senior management, identifying succession candidates, and developing and implementing a lean and efficient organizational structure to execute the Company's strategy to deliver strong operational results.

Thierry Pilenko – Executive Chairman

Mr. Pilenko's 2017 individual performance objectives reflected his role in the Merger consummation and integration, as well as his Executive Chairman role in leading the successful integration of our new Board of Directors. In addition, Mr. Pilenko's objectives included sponsoring and leading the Company's strategic Onshore/Offshore projects and maintaining effective communications and relationships with French stakeholders, including regulatory agencies and shareholders. In collaboration with the CEO, Mr. Pilenko's objectives also included developing and deploying a consistent strategic message for the Company and nurturing existing customer relationships and alliances, such as with Heerema Marine Contractors. Other objectives included securing the initial phase of future LNG projects in Russia and the successful transition of key strategic customer relationships to the CEO or other members of executive management.

Overall bonus pay-out for 2017

Performance target	Chief Executive Officer	Executive Chairman
BPI	$1,707,244	$1,391,519
API	$ 565,312	$ 460,768

Long-Term Incentive Awards – Audited Information

Long-Term Incentive Plan ("LTIP") awards granted to the Executive Chairman

The performance conditions attached to the LTIP awards granted by Technip to the Executive Chairman on September 7, 2015, July 1, 2016 and December 6, 2016 partially vested in 2017. The achievements in reference to 2015 and 2016 performance targets were certified at 100% in January 2017.

In July 2017, the indicators were adjusted to the new company by the Board. The tables below show the current position against performance targets for outstanding LTIP awards.

- The performance conditions attached to an LTIP award granted to the Executive Chairman in September 2015 partially vested in 2017 with performance goals that were certified in February 2018, and have a time vesting condition through to September 2019. The performance measures that vested in 2017 were as follows:

Stock options

Performance Measure	Target Performance	Maximum (100% vesting)	Actual performance
Relative TSR performance (1/3)	Above 8th rank amongst 14 peer companies for 2017	Above 8th rank amongst Performance Peer Group for 2017	**5th rank**
TRCF/HSE (1/3)	≤0.25	≤0.25	**0.28**
EBITDA (1/3)	≥$1.7b	≥$1.7b	**$2.03b**

Performance stock units

Performance Measure	Target Performance	Maximum (100% vesting)	Actual performance
TRCF/HSE (1/3)	≤0.25	≤0.25	**0.28**
EBITDA (1/3)	≥$1.7b	≥$1.7b	**$2.03b**
NET CASH (1/3)	≥$(720)m	≥$(720)m	**$211m**

- The 2016 LTIP award has a time vesting condition through to July and December 2020. The 2018 performance will be disclosed in the U.K. Annual Report for 2018. The performance measures that vested in 2017 were as follows:

Stock options

Performance Measure	Target Performance	Maximum (100% vesting)	Actual performance
Relative TSR performance (1/2)	Above 8th rank amongst 14 peer companies for 2017 & 2018	Above 8th rank amongst Performance Peer Group for 2017 & 2018	N/A
EBITDA (1/2)	≥$1.7b	≥$1.7b	**$2.03b**

Performance stock units

Performance Measure	Target Performance	Maximum (100% vesting)	Actual performance
Relative TSR performance (1/3)	Above 8th rank amongst 14 peer companies for 2017 & 2018	Above 8th rank amongst Performance Peer Group for 2017 & 2018	N/A
TRCF/HSE (1/3)	≤0.25	≤0.25	**0.28**
EBITDA (1/3)	≥$1.7b	≥$1.7b	**$2.03b**

Scheme Interests Awarded During the Financial Year – Audited Information

The long-term equity components of our executive compensation program are directly linked to the principle that executive compensation should be based on performance. Long-term equity awards for the executive directors consist of performance-based and time-based Restricted Stock Units (''RSUs'') and, in the case of the Chief Executive Officer, time-vested stock options, which provide incentives for our directors to remain employed by the Company and enhance shareholder value since the value of such awards depends on: (i) the director's continued employment; and (ii) the value of our Ordinary Shares on the awards' vesting or exercise date, as applicable. It is our intention that awards will normally be granted each year in or around February. However, awards for 2017 were made following completion of a review of remuneration in connection with the Merger and were made in June 2017 to our Chief Executive Officer and in August 2017 to our Executive Chairman.

60% of the grant value of our long-term equity awards are performance-based. The percentage of vested shares received from the total performance-based restricted stock unit award the executive directors ultimately receive will be determined at the end of the applicable measurement period and will depend upon the Company's performance with respect to the following two measures for that period:

- *Return on Invested Capital ("**ROIC**")* measures both profitability, equal to annual net income divided by equity plus long-term debt, as well as how effectively the Company uses capital over a three-year period. The Company's ROIC performance is compared to pre-determined minimum, target, and maximum performance levels with the number of units vesting determined by interpolating actual results against the performance range, as described below.
- *Total Shareholder Return ("**TSR**")* measures the cumulative, three-year return that an investor receives based on the volume-weighted average price and the reinvested dividends issued over the performance period. The number of units vesting under this measure is determined by the Company's ranking as measured against the constituents of the Performance Peer Group, as described below.

Equity awards are typically set by reference to the median of our compensation peer group, which comprises two separate peer groups as disclosed in the Company's Proxy Statement.

Goal/Weightings	Performance Measure	Minimum Performance	Target Performance	Maximum Performance
ROIC (50%)	Achievement of stated targets	0%	100%	200%
TSR (50%)	Ranking against Performance Peer Group	0%	100%	200%

The following table summarizes the absolute targets and associated payout levels for the ROIC measure.

Achieved Performance	Earned Performance Stock Units
Below Threshold Performance	0%
Threshold Performance	50%
Target Performance	100%
Maximum Performance or above	200%

Final performance ratings will be based on linear interpolation between these identified points.

For the TSR measure, the earned performance stock units will be based on the ranking of the Company's TSR against the constituents of the Performance Peer Group, as follows:

Ranking Level	Earned Performance Stock Units
13^{th} or Lower	0%
11^{th} or 12^{th}	50%
9^{th} or 10^{th}	75%
8^{th}	100%
7^{th}	120%
6^{th}	140%
5^{th}	160%
4^{th}	180%
3^{rd} or Higher	200%

However, if the Company's TSR is negative for the performance period, the payout will be capped at the target (100%) regardless of the Company's relative ranking amongst the ''Performance Peer Group'' consisting of the following 14 companies: Amec Foster Wheeler plc (combined with Wood Group in October 2017); Baker Hughes Incorporated (now Baker Hughes, a GE company); Chicago Bridge & Iron Company N.V.; Fluor Corporation; Halliburton Company; McDermott International Inc.; National Oilwell Varco, Inc.; Oceaneering International, Inc.; Oil States International, Inc.; Saipem S.p.A.; Schlumberger Limited; Subsea 7 S.A.; Weatherford International plc; and Wood Group.

The following table sets forth the details of scheme interests awarded to the executive directors of the Company during the year ended December 31, 2017 pursuant to the TechnipFMC plc Incentive Plan.

Director	Award Type	Grant date value of Award $	No. of shares subject to the Award	Exercise price (if applicable) $	% of scheme interests that would be receivable at threshold performance	Expiry of performance period (where applicable)[2]	Expiry of Award (where applicable)[3]	Percentage of salary
Chief Executive Officer	PSU[1]	5,577,863	196,093		0	31/12/2019		465%
	RSU	1,739,990	65,364		0			145%
	Option	1,739,998	224,835	26.62			20/06/2027	145%
Executive Chairman	PSU[1]	3,687,586	121,502		0	31/12/2019		360%
	RSU	2,132,756	81,001					208%

[1] PSUs shares shown are at target level. Maximum performance period is 200% of shares.

[2] This only applies to Performance Stock Units (''PSUs'') granted under the Incentive Plan.

[3] This only applies to options granted under the Incentive Plan.

Additional Information – Audited Information

a. Change in Control Benefits

It is our policy to offer a change in control benefit to the Chief Executive Officer to ensure that he has an incentive to continue to work in the Company's best interests during the period of time when a change in control transaction is taking place, and in order to ensure we have the ability to maintain continuity of management. It is also our policy to provide him with the assurance he will not be adversely affected by a change in control transaction without fair compensation, provided his termination is not required for cause. Finally, we believe an executive severance agreement is necessary to remain competitive in the market for skilled and experienced talent. Our change in control benefits do not include the payment of tax gross-ups. Our Executive Chairman does not have any change in control benefits. See ''Potential Payments Upon Change in Control'' on page 80 for a further description of the terms and potential amounts payable under these agreements.

The benefits payable upon a change in control event are comparable to benefits chief executive officers in similar positions at peer companies are eligible for under their change in control agreements. The competitive nature of these benefits is annually reviewed and analyzed by the Compensation Committee with the assistance of the Compensation Committee's compensation consultant, Willis Towers Watson.

b. Legacy FMC Technologies Executive Severance Agreement

FMC Technologies entered into an executive severance agreement with certain executive officers including the Chief Executive Officer, which remains effective until January 16, 2019.

This legacy severance agreement provides for severance benefits if the Chief Executive Officer is terminated by the Company without cause or the Chief Executive Officer terminates employment for good reason when his responsibilities are materially changed, his salary and/or benefits are materially reduced, and/or his location is significantly changed following the Merger and prior to January 16, 2019. In such circumstances, under his legacy severance agreement, the Chief Executive Officer is entitled to receive three times his annual base pay and three times the his annual target cash incentive bonus; a pro-rated payment equal to the amount of the Chief Executive Officer's annual target cash incentive bonus for the year the Chief Executive Officer is terminated; accrued but unpaid base pay and unused paid time off pay; elimination of ownership and retention guidelines; three years of additional age and service credit for purposes of benefit determination in the U.S. non-qualified retirement plans; health care, life, accidental death and dismemberment insurance and long-term disability insurance coverage for 18 months at employee premium rates; and outplacement services.

c. New Executive Change in Control Severance Agreement

Following the Merger, our Chief Executive Officer entered into a new executive severance agreement, which applies a ''double trigger'' meaning that severance benefits, including accelerated stock vesting, are only payable if, in addition to the qualifying change in control event, the Chief Executive Officer is terminated by the Company without cause, or the Chief Executive Officer terminates employment for good reason when his responsibilities are materially changed, his salary and/or benefits are materially reduced, and/or his location of employment is significantly changed. In such circumstances, the Chief Executive Officer is entitled to receive three times the greater of his annual base pay on the date of the agreement or on the date of termination; three times the greater of his average cash bonus payable in the three years prior to termination or his target annual cash bonus for the year of termination; a pro-rated payment equal to the amount of his annual target cash incentive bonus for the year he is terminated; accrued but unpaid base pay and unused paid time off pay; an amount equal to the premiums payable for health care, dental, vision, prescription drug, life, accidental death and dismemberment insurance and disability insurance coverage for 36 months; and outplacement services.

d. The Executive Chairman's Service Agreement

Prior to the Merger, Technip had an arrangement with Mr. Pilenko that established certain terms of employment pursuant to French laws. In connection with the Merger, the Company agreed to continue and adopt the pre-Merger terms of employment, including those mandated by French law, in order to ensure continuity during the post-Merger period until the Company's post-Merger Compensation Committee could review all executive employment arrangements. As such, the Company entered into a service agreement with Mr. Pilenko to reflect his pre-Merger employment and compensation arrangements, entitling him to a base salary of €900,000 and participation in short- and long-term incentives. In addition, we agreed to continue to provide Mr. Pilenko with the following benefits: (i) the continuation of supplementary health coverage for him and his spouse subject to such coverage being available at reasonable cost; (ii) the reimbursement of the cost of up to 12 intercontinental flights per year for his spouse at the same class of ticket he is allowed for business trips; (iii) car service for his business trips; (iv) the reimbursement of reasonable expenses relating to preparing and filing his tax returns in France, the United Kingdom, and the United States; (v) all existing or future supplementary retirement plans for executives working in France; (vi) 25 days paid holiday each year; and (vii) reimbursement of various expenses related to immigration.

Once our post-Merger Compensation Committee reviewed all executive employment arrangements, Mr. Pilenko's service agreement was updated to reflect the ability to earn an annual cash incentive, which we offer to all of our executive officers. In addition, should Mr. Pilenko's employment be terminated by us other than for cause (i.e., gross misconduct, gross negligence, conviction of an arrestable offense, conduct bringing him or us into disrepute, or being prohibited from being a director) prior to our 2019 annual general meeting, he will receive a lump sum payment equal to the salary he would have received through the date of the 2019 annual general meeting. Upon termination of his employment other than for cause, he will also be eligible for: (i) a lump sum payment equal to his annual base salary and target annual cash incentive, subject to his signing a release of claims; (ii) monthly payments of his base salary and one-twelfth of his target annual cash incentive payable over 12 months as payment for a non-compete; (iii) payment for all accrued but unused vacation days; and (iv) subject to his continued compliance with his non-compete, continuation of his supplementary health and tax preparation reimbursement benefits for two years following his termination. If Mr. Pilenko's employment is terminated for cause, he would not be entitled to any additional payments or benefits upon termination. Upon termination for any reason other than cause, all stock options granted under legacy Technip plans, performance stock unit awards, and other awards granted prior to the Merger will continue on their existing terms and will not be forfeited.

Clawback policy

We have adopted a compensation recovery clawback policy applicable to executive officers, including the executive directors, subject to the reporting requirements of Section 16 of the Exchange Act, that allows us to clawback and cancel previously granted or earned incentive compensation for any conduct constituting fraud, material theft of Company assets, bribery, corruption, illegal acts, gross negligence, or willful misconduct, including such conduct that requires the Company to materially restate its quarterly or annual financial or operating results.

In such events, the Compensation Committee may: (a) cancel any outstanding award granted, in whole or in part, whether or not vested or deferred, (b) require the executive to repay to the Company any gain realized or payment received upon the exercise or payment of the award valued as of the date of exercise or payment, and/or (c) reduce or offset future incentive compensation. The Compensation Committee expects to approve any necessary revisions to this policy to comply with Section 954 of the Dodd-Frank Act when the SEC approves final rules implementing the requirement.

Pension Entitlements

U.S. Regime – Savings Plans

Our U.S.-based employees, including our Chief Executive Officer, are eligible to participate in a tax-qualified savings and investment plan (the ''U.S. Qualified Savings Plan''). This plan provides an opportunity for employees to save for retirement on both a pre-tax and after-tax basis. Employees can contribute between 2% and 75% of base pay and eligible incentives through pre-tax and after-tax contributions up to the maximum amount set by the IRS. For non-bargaining unit employees, we match 100% up to the first 5% of each employee's contributions. Participants are 100% vested in their contributions and the employer matching contributions.

In addition, a 4% non-elective contribution is made for all non-union participants employed by FMC Technologies who were not covered under a U.S. defined benefit pension plan. Eligible participants become vested in their non-elective contributions after three years of service with the Company.

Our Chief Executive Officer is also eligible to participate in a pre-tax non-qualified defined contribution plan (the ''U.S. Non-Qualified Savings Plan''), which provides our executives and other eligible employees with the opportunity to participate in a tax advantaged savings plan comparable to the U.S. Qualified Savings Plan. The investment options offered to participants in the U.S. Non-Qualified Savings Plan are similar to those offered in our U.S. Qualified Savings Plan. Participants may elect to defer up to 90% of their base pay and/or annual cash incentive bonus into the U.S. Non-Qualified Savings Plan. We contribute 5% of the employee's contributions to the U.S. Non-Qualified Savings Plan. Participants are 100% vested in their contributions and the employer contributions. For those participants in the U.S. Non-Qualified Savings Plan eligible to receive the non-elective contribution, we will contribute an additional 4% of the employee's contributions to the U.S. Non-Qualified Savings Plan (the 4% will decrease to 2% beginning in 2018). Similar to the U.S. Qualified Savings Plan, eligible participants in the U.S. Non-Qualified Savings Plan become vested in their non-elective contributions after three years of service with the Company. In addition, for these eligible participants, we will make a contribution on annual compensation that exceeds the maximum compensation limit required by the U.S. Internal Revenue Code of 1986, as amended, for our U.S. Qualified Savings Plan. Eligible employees to our contributions to the U.S. Non-Qualified Savings Plan receive the same contribution as a percentage of eligible earnings from the Company regardless of compensation level. All vested funds must be distributed upon an employee's termination or retirement from the Company.

French Supplemental Retirement Plan – Article 83 of the French Tax Code Regime

Our Executive Chairman participates in the supplementary retirement plan for executives with fixed contributions of 8% of the annual gross compensation up to a statutory limit capped at eight times the annual French social security (*Sécurité sociale*) limit. The statutory limit was approximately €39,228 for 2017, and we contributed €25,106 to our Executive Chairman in 2017.

French Supplemental Retirement Plan – Article 39 of the French Tax Code Regime

Our Executive Chairman participated in a retirement scheme at Technip, which provided a gross annual retirement pension to certain executives known as an ''Article 39'' pension. In December 2016, the Article 39 pension was terminated and our Executive Chairman's retirement benefits were converted to a lump sum amount payable in two equal installments in 2017 and 2018 of $2,218,512.

Payments to Past Directors – Audited Information

The Company made no payments to past directors for the period under review. No payments were made to Tore Halvorsen before his resignation in 2017 in respect of his directorship, although he received salary payments as an employee of FMC Technologies.

Payments for Loss of Office – Audited Information

The Company made no payments for loss of office to any directors for the period under review.

Statement of Directors' Shareholding and Share Interests

Summary of Share Ownership and Retention Requirements – Audited Information

The Compensation Committee oversees the Company's directors' share ownership and retention policy to ensure a continuing alignment of executive and shareholder interests.

a. Share Ownership Requirement

Executive directors are required to own shares in an amount equal to a multiple of their base pay. Each of our Executive Chairman and Chief Executive Officer are required to own shares in an amount equal to six times their base salary. Qualifying shares include Ordinary Shares, time-based RSU awards, and performance-based RSUs where the performance period is final and approved. Unexercised stock options, performance-based RSUs where the performance period is not final, and shares held in Company retirement plans are not included in the ownership calculation. Each executive director has five years to satisfy an ownership multiple, pro-rated 20% each year, from the effective date of appointment.

b. Share Retention Requirements

Each executive director is required to retain, for a period of at least one year after the vesting date, shares equivalent to at least one-half of the net after-tax number of shares deposited in his or her account for RSUs. The purpose of this additional requirement is to impose a holding period during which our executive directors must retain ownership of a significant portion of vested equity compensation.

We believe that the combination of the share ownership and share retention requirements more closely aligns the interests of our executive directors with the long-term interest of our shareholders. We regularly evaluate and monitor compliance with our share ownership and retention policy, and the Board will review compliance on at least an annual basis. All executive directors met their pro rata ownership and retention requirements under the Company's policy in 2017.

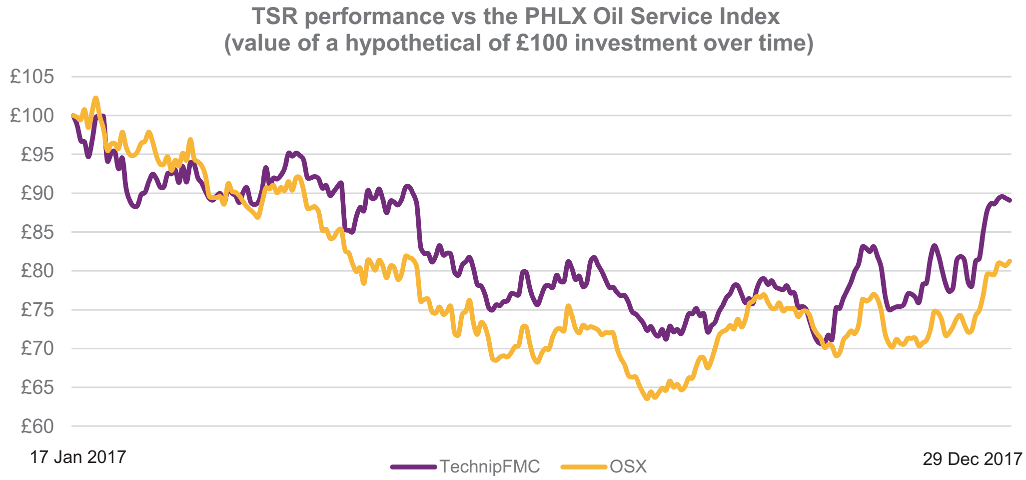
The table below sets forth the beneficial interests in the share capital of the Company held by each of the executive directors and their connected persons for the period ending December 31, 2017:

Name	Share ownership requirements (% of salary)	Number of shares required to hold[1]	Number of shares owned outright (including connected persons)	Vested but unexercised share options	Unvested and exercised share option	RSUs	RSUs subject to performance conditions	Weighted average exercise price of vested options	Weighted average period to vest of RSUs
Chief Executive Officer	600	45,992	348,881	0	224,835	119,496	196,093	N/A	23 months
Executive Chairman	600	39,244	477,000	307,030	450,000	81,001	377,502	€ 38.28	26 months

[1] Number of shares required to hold based on share price as of December 31, 2017 of $31.31. The executive directors have 5 years from appointment to meet full ownership requirements. As of December 31, 2017, the executive directors were required to hold 20% of full ownership requirement. Unexercised stock options and RSUs subject to performance conditions where the performance period is not final are not used to meet ownership requirements.

Performance graph and table for the Chief Executive Officer

The following graph and table show TSR performance against PHLX Oil Service Sector Index (''OSX'') and total incentives for the Chief Executive Officer over the last year.



Source: Thomson Reuters Datastream. Data provided from first date of trading. The PHLX OSX has been chosen as it is a modified market weighted index composed of companies involved in the oil services.

Summary of Chief Executive Officer pay	2017
Total single figure of remuneration	**$10,946,682**
Bonus pay-out as a % of maximum	**75%**
LTIP pay-out as a % of maximum	**0**[1]

[1] Given that awards granted under the LTIP are subject to a three-year vesting period and 2017 was the first year of this vesting period, the pay-out under the LTIP as a percentage for the maximum is nil for 2017.

Percentage of Change in Remuneration of the Chief Executive Officer

The Chief Executive Officer was appointed effective January 11, 2017. Before January 16, 2017, which was the consummation of the Merger, the Company had no operations so there is no meaningful comparison that can be used. The actual salary, taxable benefits and bonus earned by the Chief Executive Officer for the period ended December 31, 2017 is disclosed in the remuneration report.

Relative Importance of Spend on Pay

The table below sets out data for 2017 only.[1]

Relative spend information	2017
Remuneration for all employees of the group	**$2,787,800,000**
Distributions to shareholders	**$60,587,138**

[1] The only figures available to the Company at the date of this report are for 2017. We are therefore unable to compare the spend on pay in 2017 with previous years.

B. Remuneration for Non-Executive Directors

Our non-executive director compensation program consists of cash consideration and restricted stock unit awards. Compensation for our non-executive directors was developed by the Compensation Committee with the assistance of Willis Towers Watson and approved by the Board to reflect the practices of both U.S. and European companies as determined by references to the Company's peer groups. The Board's goal in designing non-executive directors' compensation is to provide a competitive package that enables the Company to attract and retain highly skilled individuals with relevant experience, while recognizing the historic practices of the Company's predecessor organizations and the expectations of our diverse shareholder base. Our non-executive directors' compensation is also designed to reward the time and talent required to serve on the Board of a company of our size, complexity, and geographical spread, acknowledging the significant international travel required to discharge their duties to the Company. The Board seeks to provide sufficient flexibility in the form of compensation delivered to meet the needs of individuals who are located in different countries, while ensuring that a substantial portion of directors' compensation is linked to the long-term success of the Company.

Under the terms of our Incentive Plan non-executive directors may earn up to $500,000 per year in the form of cash and grant date fair value of equity awards. However, the Incentive Plan grants the Board the authority to set and modify the terms of the directors' compensation plan to pay less than that amount.

The table below sets out the single figure of each of the Company's non-executive directors' earned remuneration for the year ended December 31, 2017.

Name	Fees Earned or Paid in Cash ($)(1)	Taxable Benefits	Stock Awards ($)(2)	All Other Remuneration ($)(3)	Total ($)
Arnaud Caudoux	0(4)	—	0	—	0(4)
Pascal Colombani	120,000	—	174,980	—	294,980
Marie-Ange Debon	132,500	—	174,980	—	307,480
Eleazar de Carvalho Filho	125,000	—	174,980	—	299,980
Claire S. Farley	107,500	—	174,980	—	282,480
Didier Houssin	120,000	—	174,980	—	294,980
Peter Mellbye	130,000	—	174,980	—	304,980
John O'Leary	112,500	—	174,980	—	287,480
Richard A. Pattarozzi	170,000	—	174,980	10,000	354,980
Kay G. Priestly	112,500	—	174,980	—	287,480
Joseph Rinaldi	125,000	—	174,980	—	299,980
James M. Ringler	140,000	—	174,980	10,000	324,980

1 Includes the amount of the director's annual retainer, fees paid for attendance at committee meetings and additional fees paid to the chair of each Board committee and to the lead independent director.

2 RSU grants were made on February 28, 2017, valued at $32.32 per share, the closing price on the NYSE of the Company's Ordinary Shares on February 28, 2017, reflecting an aggregate grant date fair value, which was computed in accordance with the SEC proxy disclosure rules and Financial Accounting Standards Board Accounting Standards Codification Topic 718, for all of the Company's non-executive directors of $2,099,760. The aggregate number of outstanding RSUs held by each of the Company's non-executive directors on December 31, 2017 was 5,414. Dividend equivalents will accumulate on the RSUs to the extent the Company pays dividends on its Ordinary Shares and are payable only if and when RSUs vest.

3 Amounts in this column reflect charitable contributions made by the Company in the name of directors pursuant to the matching charitable contribution program available to all employees and directors. The numbers shown reflect the matching charitable contribution amounts that were paid by the Company during the 2017 plan year, as follows: Richard Pattarozzi, $10,000; and James M. Ringler, $10,000.

4 Mr. Caudoux waived his cash remuneration and stock award because of the policies of his employer, Bpifrance.

Statement of Directors' Shareholding and Share Interests

Summary of Share Ownership Requirements

To further align the interests of non-executive directors with the interests of the Company's shareholders, each non-executive director is expected to acquire and retain the Company's Ordinary Shares and/or RSUs having a value equal to at least five times the amount of each director's retainer. A director has five years from his or her initial appointment date as a director to meet this requirement. The ownership requirement is pro-rated over the five-year period. Each of the Company's non-executive directors met his/her pro-rata ownership requirements for 2017.

The annual RSU grant vests after one year of service but is settled in Ordinary Shares only when the director leaves the Board. The RSUs are forfeited if a director ceases service on the Board prior to the vesting date of the RSUs, except in the event of death or disability. Unvested RSUs will be settled and are payable in Ordinary Shares upon the death or disability of a director or in the event of a change in control of the Company. Dividend equivalents will accumulate on the RSUs to the extent the Company pays dividends on its Ordinary Shares and are payable only if and when RSUs vest.

The table below details the shareholdings of non-executives as of December 31, 2017:

Non-executive director	Number of shares held outright	Interest in shares	Total Number of shares held
Arnaud Caudoux	0	0	0
Pascal Colombani	820	5,414	6,234
Marie-Ange Debon	830	5,414	6,244
Eleazar de Carvalho Filho	24,205	5,414	29,619
Claire S. Farley	54,509	5,414	59,923
Didier Houssin	800	5,414	6,214
Peter Mellbye	10,993	5,414	16,407
John O'Leary	1,600	5,414	7,014
Richard A. Pattarozzi	93,667	5,414	99,080
Kay G. Priestly	9,161	5,414	14,575
Joseph Rinaldi	800	5,414	6,214
James M. Ringler	169,458	5,414	174,871

C. Statement of Implementation of the Directors' Remuneration Policy for the Year Ending December 31, 2018

Compensation for directors is recommended annually by the Compensation Committee with the assistance of Willis Towers Watson and approved by the Board.

The Directors' Remuneration Policy will be implemented with effect from the 2018 Annual Meeting as follows:

Salary and Benefits for the Year Ending December 31, 2018 – Executive Directors

	2017 base salary	2018 base salary	% increase
Chief Executive Officer	$1,116,667	$1,230,000	**10%**
Executive Chairman	$1,023,929	$1,023,929	**0%**

Bonus Arrangements for Year Ending December 31, 2018 – Executive Directors

The bonus opportunity and operation for 2018 will be in line with the Directors' Remuneration Policy. The measures and weightings for each executive director for the year will be as follows:

BPI	**75%**
TechnipFMC EBITDA$	25%
TechnipFMC EBITDA % revenue	25%
TechnipFMC Working Capital Days	25%
API	**25%**
TOTAL	**100%**

Long-term Incentive Plan Grants for Year Ending December 31, 2018 – Executive Directors

The grant of any of these awards is always subject to the discretion of the Compensation Committee. Awards to the Chief Executive Officer in 2018 will be in line with the Directors Remuneration Policy and will be at a level consistent with awards in 2017. It is intended that no awards will be made to the Executive Chairman in 2018.

For the incentive awards to be granted subject to performance conditions, representing 60% of the total awards, the metrics are set out below:

	Target – 100% vesting	Maximum – 200% vesting
ROIC (50%) Performance period: 2018-2020	7%	8%
TSR (50%) Performance period: 2018-2020	50th percentile	75th percentile

Performance is assessed on a straight-line interpolation between points.

TSR performance will be assessed against a performance peer group. If absolute TSR is less than 0%, achievement cannot be above 100%.

Fees for Year Ending December 31, 2018 – Non-Executive Directors

Our non-executive director compensation program consists of cash consideration and restricted stock unit awards.

The following table describes the components of our non-executive director compensation program.

Compensation Element	Compensation 2017	Compensation 2018	% increase
Annual Retainer	$100,000 paid in cash	$100,000 paid in cash	**0%**
Annual Equity Grant	$175,000 in RSUs that vest after one year	$175,000 in RSUs that vest after one year	**0%**
Annual Chair Fee	$20,000 for Audit Committee	$20,000 for Audit Committee	**0%**
	$15,000 for Compensation Committee	$15,000 for Compensation Committee	**0%**
	$10,000 for Nominating and Governance Committee	$10,000 for Nominating and Governance Committee	**0%**
	$10,000 for Strategy Committee	$10,000 for Strategy Committee	**0%**
Meeting Fee	$2,500 per committee meeting	$2,500 per committee meeting	**0%**
Stock Ownership Requirement	Five times annual retainer	Five times annual retainer	**0%**

Our Executive Chairman and Chief Executive Officer are employees and do not receive any additional compensation for their service as a director. Each non-executive director receives reimbursement for reasonable incidental expenses incurred in connection with the attendance at Board and committee meetings.

D. Activities of the Compensation Committee in 2017

The Chair of the Compensation Committee is James M. Ringler. The other members of the Compensation Committee are John O'Leary, Richard A. Pattarozzi, and Joseph Rinaldi, all of whom are non-executive directors that the Company considers to be independent. The Compensation Committee's terms of reference (Charter of the Compensation Committee of the Board) are available on the Company's website at www.technipfmc.com under the heading "*Who we are > Governance*".

The Compensation Committee's responsibilities are:

- reviewing, evaluating, and approving the agreements, plans, policies, and programs of the Company to compensate its independent directors, the Executive Chairman, the Chief Executive Officer, and other officers, as applicable;
- consistent with equity plans approved by the Company's shareholders, reviewing, evaluating, and approving all awards by the Company of equity securities or equity derivatives to executive officers of the Company and approving the number of equity securities or equity derivatives to be allocated to all other employees at the discretion of the Chief Executive Officer;
- reviewing the compensation disclosure to be included in the Proxy Statement for the Company's 2018 Annual Meeting, as well as the description of the Company's directors' remuneration policy and the annual remuneration report, which form part of the Company's annual report;
- producing the Compensation Committee Report to be included in the Company's proxy statement;
- reviewing, evaluating, and approving the directors' remuneration policy and the directors' remuneration report;

- otherwise discharging the Board's responsibilities related to compensation of the Company's executive officers and directors; and
- performing such other functions as the Board may assign to the Compensation Committee from time to time.

The Compensation Committee has the sole authority to retain and terminate a compensation consultant to assist with its responsibilities, as well as the sole authority to approve the consultant’s fees, which are then paid by the Company (within any budgetary constraints imposed by the Board). Our executive directors do not discuss compensation matters with the Compensation Committee’s consultant, except as needed to respond to questions from the consultant.

In 2017, in connection with the Merger, the Compensation Committee retained Willis Towers Watson as its principal compensation consultant to review the legacy executive compensation programs and help design and assess the Company’s compensation approach. Willis Towers Watson provided information and advice to the Compensation Committee on executive and director compensation and related governance matters, which included:

- evaluation of levels of executive officer and director compensation as compared to general market compensation data and peer group data;
- evaluation of proposed compensation programs or changes to existing program designs;
- provision of information on current executive compensation trends; and
- updates regarding applicable legislative and governance activity.

In addition, Willis Towers Watson provided retirement, and health and group benefits consulting services, and risk broking services to management in 2017. These services were provided under long-standing arrangements of which the Compensation Committee was aware prior to commissioning the 2017 executive compensation services. In 2017, Willis Towers Watson was paid approximately $243,000 in fees related to executive compensation services and $2,876,000 related to non-executive compensation services.

Compensation Committee Members

All members of the Compensation Committee are independent. The Compensation Committee met five times in 2017 and all members were present for each meeting.

The Compensation Committee's Activities during the Year Ended December 31, 2017

Meeting	Regular items discussed	Ad hoc items
February 20, 2017	• Review and discuss proposed executive compensation strategy structure. • Review and approve proposed 2017 compensation peer group(s). Review and approve design of 2017 short-term incentive plan for executives and 2017 long-term incentive plan. • Review and approve recommendation for 2017 non-executive director compensation program.	• Review Compensation Committee charter. • Review and approve the 2017 Compensation Committee's calendar.
April 24, 2017	• Discuss and approve performance metrics. • Review and approve executive officer stock ownership guidelines. • Review change in control agreements.	• Discuss engagement of Compensation Committee's consultant. • Discuss investor outreach consultant.
July 24, 2017	• Review summary of non-executive awards for 2017. • Review and approve performance adjustment of legacy performance stock units and stock option plans. • Review and approve change in control agreements. • Review and approve performance objectives for executive directors.	• Discuss engagement of Compensation Committee's consultant.
October 23, 2017	• Review Company performance under non-equity incentive plan and long-term incentive plan. • Update on share ownership guidelines. • Report on planned changes to the U.S. defined benefit pension plan.	• Discuss engagement of Compensation Committee's consultant.
December 4, 2017	• Review executive directors' 2017 performance against individual objectives. • General review of executive compensation practices and related regulatory trends in the U.S. and Europe.	• Annual review of the Compensation Committee charter and recommend any proposed changes.

E. Statement of Voting at Annual Shareholders' Meeting

As the Merger became effective on January 16, 2017, this section is not applicable to the Company for the year ended December 31, 2017.

DIRECTORS' REMUNERATION POLICY

This section of the report sets out the remuneration policy for executive and non-executive directors which shareholders are asked to approve at the 2018 Annual Meeting.

I. Future Policy Table for Executive Directors

The table and accompanying notes below describe each component of the Company's executive directors' remuneration package.

Base Salary	
Purpose and link to strategy	To attract and retain exceptionally talented individuals who deliver superior operational performance in the Company's businesses and create an environment that fosters the innovation necessary for continued growth of the Company's revenue, earnings and shareholder returns.
Operation	Normally reviewed annually or following a change in responsibilities with changes usually taking effect from March 1. The Compensation Committee considers the following parameters when setting and reviewing base salary levels: • pay increases for other employees across the Company; • economic conditions and governance trends; • the individual's performance, skills and responsibilities; • base salaries of companies of a similar size and international scope; and • market pay levels. Salaries are normally paid in the currency of the executive director's home country.
Maximum payment	Salary increases will ordinarily be in line with increases awarded to other employees in the Company. The Compensation Committee reserves the discretion to increase salary levels in appropriate circumstances such as where the nature or scope of the executive director's role or responsibilities changes or in order to be competitive at the median level of peer companies. Salary adjustments may also reflect wider market conditions in the geography in which the executive director is based.
Performance assessment	Overall performance of the executive director is considered by the Compensation Committee when setting salaries annually.
Provisions to recover sums paid or the withholding of payments	Not applicable.
Pension and Other Retirements Benefits	
Purpose and link to strategy	Provides competitive post-retirement benefits.
Operation	Provision of market competitive retirement benefits that may vary based on the location. The Chief Executive Officer currently participates in the Company's U.S. Qualified Savings Plan and U.S. Non-Qualified Savings Plan. The Executive Chairman participates in a French defined contribution plan. Further detail on current pension provisions for executive directors is disclosed in the annual report on remuneration.

Maximum payment	Retirement or pension benefits vary by geography and this makes it difficult to provide a maximum payment level. Based on the single figure valuation approach, for the 2017 financial year, the executive directors' pension benefits were equal to 11% of the Chief Executive Officer’s salary and 3% of the Executive Chairman’s salary. However, it is recognized that this value may fluctuate yearly. The Executive Chairman is also entitled to a lump sum payment in settlement of his ‘‘Article 39’’ pension payable in two equal installments in 2017 and 2018 of $2,218,512.
Performance assessment	None.
Provisions to recover sums paid or the withholding of payments	Not applicable.
Annual performance bonus	
Purpose and link to strategy	Incentivizes achievement of the Company’s annual financial and strategic targets. Provides focus on key financial metrics and the individual’s contributions to the Company’s performance.
Operation	• Performance measures and stretching targets are set annually in advance by the Compensation Committee by reference to the annual operating plan. • The majority of the bonus will be based on financial performance. However, operational, strategic and individual targets may also be used. • 75% of the bonus is based on a BPI comprising financial metrics, and 25% of the bonus is based on an API comprising personal targets. • The award is usually paid out in cash after the end of the financial year. • The Compensation Committee has discretion to amend the level of payment if it is not deemed to reflect appropriately the individual’s contribution or the overall business performance. Any discretionary adjustments will be detailed in the following year’s annual report on remuneration. • The Compensation Committee retains the discretion to make other bonus payments on an exceptional basis when it considers this to be appropriate in the context of Company and executive performance, and when it is considered to be in the best interests of our shareholders. Where such bonuses are paid, we would seek to restrict the value to the limit in this policy. Further details of the annual bonus for 2017 and 2018 are set out in the annual report on remuneration.

Maximum payment	• The maximum annual bonus target for 2018 is currently set at 270% of base salary for the Chief Executive Officer and at 240% of base salary for the Executive Chair. This equates to 200% of target value. • For threshold performance, the bonus pays out from 0% of base salary. • For "on-target" performance up to 100% of base salary may be earned. • For maximum performance up to 200% of base salary may be earned. The Compensation Committee retains the discretion to increase the bonus target in circumstances it deems appropriate, such as for a change in market levels.
Performance assessment	• Performance measures and stretching targets are set annually by the Compensation Committee by reference to the annual operating plan and renewed throughout the year by the Compensation Committee and the Nominating and Corporate Governance Committee. • The Compensation Committee has discretion to vary the weighting of these measures over the life of this remuneration policy. Further details are set out in the annual report on remuneration.
Provisions to recover sums paid or the withholding of payments	Clawback provisions apply as described on page 63 of the annual report on remuneration.
Long-term incentive schemes	
Purpose and link to strategy	Incentivizes executives to deliver superior long-term returns to shareholders.
Operation	Long-term incentives are granted under the TechnipFMC plc Incentive Award Plan (the "Incentive Plan"). This is an omnibus arrangement whereby a variety of award types may be granted, including: performance stock units, restricted stock units, stock options, cash settled awards and share appreciation rights. For 2018, it is currently intended that award grants comprise: • Performance Stock Units ("PSUs"): an award of shares subject to performance conditions assessed over a period of 3 years. • Restricted Stock Units ("RSUs"): an award of shares that vest 3 years from grant. • Stock options: an award of stock options that vest 3 years from grant and has a ten-year term. The type and weighting of awards granted each year is determined annually by the Compensation Committee at its discretion. A minimum of 60% will be performance based. However, it is the current intention of the Compensation Committee for the weighting for the Chief Executive Officer based on the fair value at the grant date to be, for 2018: • 60% Performance Stock Units; • 20% Stock Options and; • 20% Restricted Stock Units. The Compensation Committee has discretion to vary the weighting of the performance measures over the life of this remuneration policy. Executive directors will be eligible for any dividends paid and accumulated on RSUs and PSUs during the performance or vesting period. No dividend equivalents will be payable on Stock Options.

Maximum payment	• The maximum grant date fair value of long-term incentive awards granted to the Chief Executive Officer will be $15 million per annum. Under the terms of the Incentive Plan no more than 2,000,000 shares may be granted to any one individual in any calendar year. • PSUs pay out at 25% of maximum for achievement of threshold performance. • The Compensation Committee retains the discretion to adjust the actual value of awards granted under the Plan in circumstances it deems appropriate but in no way should the total exceed $15 million.

Performance Assessment (applicable to performance based RSUs only)	• Long-term incentive awards except PSUs are not subject to achievement of performance targets other than vesting periods. This is in line with market practice in the US.
	• For PSUs, the vesting of awards is linked to a range of performance measures that may include, but are not limited to:
	  • a growth measure (for example, net sales, EPS);
	  • a measure of efficiency (for example, operating margin, operating cash conversion, ROIC); and
	  • a measure of the Company's relative performance in relation to its peers (for example, relative total shareholder return).
	• Measures and targets will be determined by the Compensation Committee annually at its discretion prior to grant and will be set out in the annual report on remuneration.
	• The Compensation Committee has discretion to amend the performance conditions in exceptional circumstances if it considers it appropriate to do so. Any such amendments would be disclosed and explained in the following year's annual report on remuneration.

Provisions to recover sums paid or the withholding of payments	• Clawback provisions apply as described on page 63 of the annual report on remuneration.
All Employee Share Scheme	
Purpose and link to strategy	To enable executive directors to participate in share purchase schemes applicable to all-employees on the same basis as other employees.
Operation	Whilst the Company does not currently operate all employee share purchase schemes were it to obtain shareholder approval to do so during the term of the remuneration policy executive directors would be eligible to participate in such a plan on the same terms as other eligible employees not inconsistent with this policy. Such employee share purchase schemes would allow the executive directors to purchase up to $25,000 in value of shares each year at a discount (which could take the form of a matching share), not to exceed 20%.
Maximum payment	Up to $25,000 in value of the shares at a discount of up to 20%
Performance assessment	None
Provisions to recover sums paid or the withholding of payments	None

Benefits and Perquisites	
Purpose and link to strategy	To provide market competitive benefits and to facilitate the performance of executive directors in their duties.
Operation	Executive directors are eligible to receive benefits, that may include, but are not limited to: financial planning, personal tax assistance, use of company cars and club memberships (primarily business related), medical, vision and dental benefits, sickness, death and dismemberment benefits, work related travel and security expenses for the director and spouse and matching charity contributions. Benefits may vary by location. The Compensation Committee has discretion to offer additional allowances or benefits to executive directors, if considered appropriate and reasonable. These may include relocation expenses, housing allowance and school fees where an executive director has to relocate from his/her home location as part of his/her duties.
Maximum payment	The actual value of benefits and perquisites varies year on year depending on the cost to the business and individual director's circumstances. The benefits package is set at a level that the Compensation Committee considers: • provides an appropriate level of benefits depending on the role and individual circumstances; and • in line with comparable benefits in companies of a similar size and complexity in the market.
Performance assessment	None.
Provisions to recover sums paid or the withholding of payments	Not applicable.

Legacy obligations

The Compensation Committee reserves the right to make any remuneration payments that are outside of this remuneration policy if they were agreed to prior to this remuneration policy being enacted. The Compensation Committee also reserves the right to make any remuneration payments that were agreed to prior to the relevant individual becoming an executive director of the Company. Payments include share based and cash based incentives and/or salary, benefits, pension and other payments.

Performance target selection

The performance targets for the annual bonus and long-term incentive plan are set each year prior to the grant date, taking into account: market practice at peer companies; practice within the wider group; and our strategic and financial business plan over the short and long-term.

The measures we select are chosen due to their link and importance to the strategy and our Key Performance Indicators. We select measures intended to provide a balance between growth, efficiency and relative outperformance.

Non-Qualified Deferred Compensation

Our U.S.-based executives, including our Chief Executive Officer, are eligible to participate in the U.S. Non-Qualified Savings Plan, which provides executives and other eligible employees with the opportunity to participate in a tax advantaged savings plan comparable to the U.S. Qualified Savings Plan. The investment options offered to participants in the U.S. Non-Qualified Savings Plan are similar to those offered in our U.S. Qualified Savings Plan. Participants may elect to defer up to 90% of their base pay and/or annual cash incentive bonus into the U.S. Non-Qualified Savings Plan. The Company contributes 5% of the employee’s contributions to the U.S. Non-Qualified Savings Plan. Participants are 100% vested in their contributions and the employer contributions. For those participants in the U.S. Non-Qualified Savings Plan eligible to receive the non-elective contribution, we will contribute an additional 4% of the employee’s contributions to the U.S. Non-Qualified Savings Plan (the 4% will decrease to 2% beginning in 2018). Similar to the U.S. Qualified Savings Plan, eligible participants in the U.S. Non-Qualified Savings Plan become vested in their non-elective contributions after three years of service with the Company. In addition, for these eligible participants, we will make a contribution on annual compensation that exceeds the maximum compensation limit required by the U.S. Internal Revenue Code of 1986, as amended, for our U.S. Qualified Savings Plan. The intent of our contributions to the U.S. Non-Qualified Savings Plan is so that eligible employees receive the same contribution as a percentage of eligible earnings from the company regardless of compensation level. All vested funds must be distributed upon an employee's termination or retirement from the Company.

II. Approach to Recruitment Remuneration

- The Compensation Committee's approach to recruitment remuneration is to pay no more than is necessary to attract appropriate candidates to the role.
- The Compensation Committee will seek to structure pay for any new director in line with the remuneration policy. The Compensation Committee does not envisage paying above the levels set out in the policy for a new executive's ongoing package.
- Where it is necessary to ''buy out'' an individual's awards from a previous employer, the Compensation Committee will seek to match the expected value of the awards and to grant awards that vest over a time frame similar to those given up, with a commensurate reduction in quantum where the new awards will be subject to performance conditions that are not as stretching as those on the awards given up. Where recruitment payments or awards are intended to replace pay forfeited by the individual, the value of such awards will not be limited to those limits set out in the remuneration policy, but will be determined by the Compensation Committee at its discretion.
- The Compensation Committee may agree to relocation expenses and other associated expenses when negotiating the employment conditions.
- For an internal promotion, any outstanding incentive awards or bonuses may be permitted to continue, or be adjusted to reflect the new position.
- The Compensation Committee reserves the right to make payments of fees and base salary (or annual retainer) and make benefit or annual cash bonus provisions or payments in respect of any other component of remuneration (including the terms and conditions attaching thereto) outside of the scope of the general remuneration policy (and its caps) for directors to meet individual circumstances of recruitment or in connection with any merger and acquisition activity.

III. Service Agreement

Our Executive Chairman is the only executive director with a service agreement. Prior to the Merger, Technip had an arrangement with Mr. Pilenko that established certain terms of employment pursuant to French laws. In connection with the Merger, the Company agreed to continue and adopt the pre-Merger terms of employment, including those mandated by French law, in order to ensure continuity during the post-Merger period until the Company's post-Merger Compensation Committee could review all executive employment arrangements. As such, the Company entered into a service agreement with Mr. Pilenko to reflect his pre-Merger employment and compensation arrangements, which entitles him to a base salary of €900,000 and participation in short- and long-term incentives. In addition, we agreed to continue to provide Mr. Pilenko with the following benefits: (i) the continuation of supplementary health coverage for him and his spouse subject to such coverage being available at reasonable cost; (ii) the reimbursement of the cost of up to 12 intercontinental flights per year for his spouse at the same class of ticket he is allowed for business trips; (iii) car service for his business trips; (iv) the reimbursement of reasonable expenses relating to preparing and filing his tax returns in France, the United Kingdom, and the United States; (v) all existing or future supplementary retirement plans for executives working in France; (vi) 25 days paid holiday each year; and (vii) reimbursement of various expenses related to immigration.

Once our post-Merger Compensation Committee reviewed all executive employment arrangements, Mr. Pilenko's service agreement was updated to reflect the ability to earn an annual cash incentive, which we offer to all of our executive officers. In addition, should Mr. Pilenko's employment be terminated by us other than for cause (i.e., gross misconduct, gross negligence, conviction of an arrestable offense, conduct bringing him or us into disrepute, or being prohibited from being a director) prior to our 2019 annual general meeting, he will receive a lump sum payment equal to the salary he would have received through the date of the 2019 annual general meeting. Upon termination of his employment other than for cause, he will also be eligible for (i) a lump sum payment equal to his annual base salary and target annual cash incentive, subject to his signing a release of claims, (ii) monthly payments of his base salary and one-twelfth of his target annual cash incentive payable over 12 months as payment for a non-compete, (iii) payment for all accrued but unused vacation days, and (iv) subject to his continued compliance with his non-compete, continuation of his supplementary health and tax preparation reimbursement benefits for two years following his termination. If Mr. Pilenko's employment is terminated for cause, he would not be entitled to any additional payments or benefits upon termination. Upon termination for any reason other than cause, all stock options granted under legacy Technip plans, performance stock unit awards, and other awards granted prior to the Merger will continue on their existing terms and will not be forfeited.

Both the executive and non-executive directors have entered into letters of appointment.

Our Chief Executive Officer and non-executive directors have not entered into service agreements. Our Chief Executive Officer has severance and change in control protections as detailed in relation to potential loss of office payments are set out in Section V below.

IV. Illustrations of Application of Directors' Remuneration Policy

The charts below illustrate the potential value of total compensation under the remuneration policy at threshold, on-target and maximum levels of performance, categorized by fixed pay, annual incentives and long-term incentives.

For the purposes of this chart, and in line with the definitions used for ''variable'' pay in U.K. legislation, the value of RSUs has been included in the fixed pay column, along with salary, taxable benefits and retirement benefits.

The table below sets out the elements and approach to calculation for the above charts:

Performance	Fixed pay	Annual variable pay	Long-term variable pay
Threshold performance / Minimum pay-out	Base pay for 2018: (Chief Executive Officer: $1,200,000, Executive Chairman: $1,023,929). Taxable benefits as per the single figure of remuneration: (Chief Executive Officer: $114,603, Executive Chairman: $125,403). Retirement benefits as per the single figure of remuneration: (Chief Executive Officer: $125,003, Executive Chairman: $28,563). Face value of restricted stock awards at grant: (Chief Executive Officer: $7,317,853, Executive Chairman: $5,820,342).	n/a	n/a

Performance	Fixed pay	Annual variable pay	Long-term variable pay
On-target / "expected" performance	Fixed Pay (see above)	On-target bonus (100% of target). For 2018: 135% of salary for the Chief Executive Officer and 120% of salary for the Executive Chairman.	Performance Stock Units at 100% of target. For 2018: face value of $9,705,195 for the Chief Executive Officer and $0 for the Executive Chairman.
Maximum performance	Fixed Pay (see above)	Maximum bonus (200% of target). For 2018: 270% of salary for the Chief Executive Officer and 240% of salary for the Executive Chairman.	Performance Stock Units at 200% of target. For 2018: face value of $15,930,419 for the Chief Executive Officer and $0 for the Executive Chairman.

V. Policy on Payment for Loss of Office

The Compensation Committee will seek to ensure that all payments for loss of office are reasonable and in the long-term interests of shareholders and the business. The Compensation Committee will generally take into account the circumstance of the loss of office and performance of the director.

The Compensation Committee reserves the right to:

- pay legal fees, financial planning or outplacement costs;
- pay an annual bonus for the year of cessation;
- retain or accelerate vesting of outstanding long-term incentive awards; and
- continue taxable benefits and retirement benefits during the period.

It is our policy to offer severance benefits to our executive directors because we believe that severance benefits provide important financial protection to directors in the event of involuntary job loss, are consistent with the practices of peer companies and are appropriate for the retention of executive talent. Under our executive severance plan, if our Chief Executive Officer is terminated without cause, he is entitled to receive 18 months of severance pay (limited to base pay and target annual cash incentive bonus), his pro-rated target annual cash bonus through the date of termination, the continuation of medical and dental benefits for 15 months at the employee premium rate, outplacement assistance, and financial planning and tax preparation assistance for the last calendar year of employment. The availability of these severance benefits is conditioned on the Chief Executive Officer's compliance with non-disclosure, non-compete, and non-solicitation covenants.

In the event of a termination without cause, termination for good reason, or voluntary retirement, any performance-based incentive payments are subject to our actual attainment of performance goals. The terms of our executive severance plan are consistent with the market practice of large public companies surveyed by Willis Towers Watson. Change in control severance benefits, as described below, and severance benefits are exclusive of one another, and in no circumstance would any executive director receive benefits under both a change in control and the executive severance plan.

Only the Chief Executive officer participates in the executive severance plan. The Executive Chairman's severance is governed by his service agreement. It is intended that any new executive director would be retained on similar loss of office terms to the current executives.

Non-executive directors may be terminated early by either the Company or the non-executive director giving one month's written notice. Non-executive directors are not entitled to any severance compensation on termination. However, all vested share awards will be settled at the discretion of the Compensation Committee and the Compensation Committee retains the right to accelerate vesting for any outstanding share awards.

VI. Potential Payments upon Change in Control

It is the Company's policy to operate change in control benefits to ensure that directors have an incentive to continue to work in the Company's best interest during the period of time when a change in control transaction is taking place and in order to ensure continuity of management. The benefits payable upon a change in control are comparable to benefits offered to director positions at peer companies.

The Company has entered into an executive severance agreement with our Chief Executive Officer. Pursuant to this agreement, in the event of termination following a qualifying change in control and a qualifying adverse change in employment circumstances, the Chief Executive Officer will be entitled to the following benefits:

- full vesting of any share awards;
- three times his annual base pay and annual target bonus;
- a pro-rated payment equal to the amount of his annual target bonus for the year which he is terminated;
- accrued but unpaid base pay and unused paid time off;
- elimination of ownership and retention guidelines;
- awards granted under the Company's Incentive Plan and other incentive arrangements adopted by the Company's will be treated pursuant to the terms of the applicable plan;
- an amount equal to the total monthly premium payable for his coverage (and if applicable spouse and dependent coverage) under the Company's health, dental, vision, prescription drug life, accidental death and dismemberment insurance and long-term disability insurance coverage for 36 months;
- reimbursement for the costs of all outplacement services obtained by him within 18 months of the termination date (limited to the lesser of 15% of his base pay on termination and $50,000); and
- reimbursement for legal fees and other litigation costs incurred in good faith by the Chief Executive Officer as a result of the Company's refusal to provide severance benefits under the executive severance agreement, contesting the validity, enforceability or interpretation of the agreement or as a result of any conflict between the parties pertaining to the agreement.

The severance payment is required to be paid in a single lump sum payment no later than 30 days after the date of termination. Additionally, should our Chief Executive Officer incur a qualifying termination prior to January 16, 2019, then his severance benefits will not be less than those he would have received pursuant to the legacy change in control severance agreement he had with FMC Technologies.

A ''qualifying termination'' includes: (a) an involuntary termination of the Chief Executive Officer's employment by the Company and our subsidiaries for reasons other than ''cause,'' disability or death within 24 months of the change in control; (b) a voluntary termination by the Chief Executive Officer for ''good reason'' within 24 months of the change in control; or (c) a breach by the Company or any successor of any provision in the executive severance agreement.

Under the executive severance agreements, an executive will be considered terminated for ''cause'' for:

- willful and continued failure to substantially perform the executive officer's employment duties in any material respect (other than any such failure resulting from physical or mental incapacity or occurring after an executive officer has provided notification to the Company of a voluntary termination for a ''good reason'') after proper written demand has been provided to the executive officer and the executive officer fails to resume substantial performance of the executive officer's duties on a continuous basis within 30 days of receipt of such demand;
- willfully engaging in conduct which is demonstrably and materially injurious to the Company or an affiliate; or
- conviction for, or pleading guilty or not contesting, a felony charge under federal or state law.

It is intended that any new executive director would be retained on similar loss of office terms to the current executive directors. Non-executive directors are not entitled to any compensation on termination and have a one-month notice period. However, all share awards will automatically be accelerated on a change of control of the Company.

VII. Future Policy Table for Non-Executive Directors

<table>
<tr><th colspan="3">Directors fees</th></tr>
<tr><td>Purpose and link to strategy</td><td colspan="2">Non-executive directors’ compensation is designed to reward the time and talent required to serve on the board of a company of our size, complexity, and geographical spread, acknowledging the significant international travel required to discharge their duties to the Company. The Board seeks to provide sufficient flexibility in the form of compensation delivered to meet the needs of individuals who are located in different countries, while ensuring that a substantial portion of directors’ compensation is linked to the long-term success of the Company.</td></tr>
<tr><td rowspan="10">Operation and maximum payment</td><td colspan="2">Our Incentive Plan allows the non-executive members of our Board to receive up to $500,000 annually in cash and grant date fair value of equity. The Incentive Plan, however, grants the Board the authority to pay less than the amount provided under the Incentive Plan.

Non-executive directors are compensated in both cash and restricted stock units which reflects practice amongst peer companies. Fees are reviewed periodically against market levels.

The table below sets out the policy for 2018:</td></tr>
<tr><td>Compensation Element</td><td>Compensation</td></tr>
<tr><td>Annual Retainer</td><td>$100,000 paid in cash</td></tr>
<tr><td>Annual Equity Grant</td><td>$175,000 in RSUs that vest after one year (Non-executive directors will be eligible for any dividends paid and accumulated on RSUs during the vesting period.)</td></tr>
<tr><td>Annual Chair Fee</td><td>$20,000 for Audit Committee
$15,000 for Compensation Committee
$10,000 for Nominating and Governance Committee
$10,000 for Strategy Committee</td></tr>
<tr><td>Annual Lead Director Fee</td><td>$50,000</td></tr>
<tr><td>Committee Meeting Fee</td><td>$2,500 per committee meeting</td></tr>
<tr><td>Share Ownership Requirement</td><td>Five times annual retainer (over 5 years)</td></tr>
<tr><td colspan="2">The Compensation Committee retains the discretion to increase the value of compensation or alter the weighting of share awards and cash at its discretion, should this be considered appropriate. Where any discretion is exercised, the basis of this exercise should be disclosed in the next remuneration report.</td></tr>
<tr style="display:none"><td colspan="2"></td></tr>
<tr><td>Performance assessment</td><td colspan="2">None, although overall performance of the non-executive director is considered by the Compensation Committee when setting fee levels.</td></tr>
<tr><td>Provisions to recover sums paid or the withholding of payments</td><td colspan="2">Not applicable.</td></tr>
</table>

Other benefits
Each non-executive director receives reimbursement for reasonable incidental expenses incurred in connection with the attendance at Board and committee meetings. In addition, directors are eligible to participate in the matching charitable contribution program on the same terms as employees. Pursuant to this program, the Company matches 100% of the charitable contributions of our employees and directors up to an aggregate of $10,000 in any year, although the Company exercises discretion to approve matching contributions in excess of that amount from time to time. Directors who are not the Company's employees do not participate in any employee benefit plans other than the Company's matching program for charitable contributions. The Company has not made a charitable contribution to any charitable organization in which a director serves as an employee or an immediate family member of the director serves as an executive officer that exceeds in any single year the greater of $1 million or 2% of such charitable organization's consolidated gross revenues.
Share Ownership Requirements
To further align the interests of non-executive directors with the interests of the Company's shareholders, each non-executive director is expected to acquire and retain the Company's Ordinary Shares and/or RSUs having a value equal to at least five times the amount of each director's annual cash retainer. A director has five years from his or her initial appointment date as a director to meet this requirement. The ownership requirement is pro-rated over the five-year period. Each of the Company's non-executive directors met their pro-rata ownership requirements for 2017. The annual RSU grant vests after one year of service but is settled in Ordinary Shares only when the director leaves the Board. The RSUs are forfeited if a director ceases service on the Board prior to the vesting date of the RSUs, except in the event of death or disability. Unvested RSUs will be settled and are payable in Ordinary Shares upon the death or disability of a director or in the event of a change in control of the Company.
Other provisions
The directors' appointment letters provide for a one-month notice period, unless the director is terminated for cause in which case the Company is not required to give notice. All of our non-executive directors will be subject to annual re-election from 2019 onwards. No compensation payable if required to stand down.

VIII. Differences between Remuneration Policy for Executive Directors and Other Employees

The Remuneration Policy for the executive directors is designed with regard to the employee remuneration policy across the Company. However, there are some differences in the structure of the remuneration policy for the executive directors and other senior employees, which the Compensation Committee believes are necessary to reflect the different levels of responsibility and market practices.

IX. Statement of consideration of employment conditions elsewhere in Company

During our first year, compensation continuity was important to ensure focus on integration and synergies. In addition, the Company undertook during its first year to harmonize pay policies in to a single benefits plan in each of our locations. As such, the Compensation Committee did not undertake a comparison with pay throughout the organization. In 2018, following further pay practice integration, the Compensation Committee will benchmark director compensation against employee compensation.

X. Statement of consideration of shareholder views

Directors' remuneration was presented to shareholders in the European prospectus dated January 13, 2017 made available to the public in the context of the admission to trading on the regulated market of Euronext Paris of all the Ordinary Shares of the Company prior to completion of the Merger.

Throughout 2017, the Board conducted outreach to, and met with, shareholders accounting for a substantial portion of our share ownership base. Specifically, regarding our compensation program, many of our shareholders expressed their support, while others provided constructive feedback on the program. Shareholder feedback on our executive compensation program focused primarily on the following four themes: (i) development of the compensation program; (ii) annual and long-term incentive plans and how the metrics and targets tie to Company objectives regarding performance and merger integration; (iii) compensation disclosures, including the Company's commitment to transparency, and (iv) the tenure and transition of executive director roles. This feedback was shared with the Compensation Committee and the Board.

The Compensation Committee intends to consult key shareholders on a regular basis and to respond their queries relating to director remuneration.

On behalf of the Board

James M. Ringler
Director and Compensation Committee Chairman
April 26, 2018

Independent auditors' report to the members of TechnipFMC plc

Report on the audit of the financial statements

Opinion

In our opinion:

- TechnipFMC plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of the group's loss and cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements, included within the U.K. Annual Report and IFRS Financial Statements (the "Annual Report"), which comprise: the Consolidated Statement of Financial Position and Company Statement of Financial Position as at 31 December 2017; the Consolidated Statement of Income and Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated Statement of Changes in Shareholders' Equity and Company Statement of Changes in Shareholders' Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company.

Other than those disclosed in note 32 to the financial statements, we have provided no non-audit services to the group or the parent company in the period from 1 January 2017 to 31 December 2017.

Our audit approach

Context

TechnipFMC plc is a global provider of oil and gas projects, technologies, systems, and services. On 16 January 2017, TechnipFMC plc announced the completion of the merger of Technip SA and FMC Technologies Inc. Following the merger, the combined group provides its services across three distinct segments: subsea, onshore/offshore, and surface projects. Our audit was planned to take into account the impact of market conditions on the results and activities of the group.

Overview

· Overall group materiality: $100.0 million, being 0.66% of total revenues. · Overall parent company materiality: $70 million, being 0.39% of total assets.
· We conducted full scope audits on 7 components and the audit of specified balances and classes of transactions on a further 23 components. The scope of work at each component was determined by its contribution to the group's overall financial performance and its risk profile. · We engaged our network firms in Brazil, France, Indonesia, Italy, Malaysia, Norway, United Arab Emirates and the US to perform the audit procedures in those respective locations. · The group audit engagement team visited Australia, Brazil, France and the US. · The components where audit work was performed accounted for approximately 81% of group revenue.
· Appropriateness of revenue recognition on percentage of completion construction contracts (group) · Purchase price allocation arising on acquisition of FMC Technologies Inc (group) · Carrying value of goodwill - subsea operating segment (group)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We gained an understanding of the legal and regulatory framework applicable to the group and the industry in which it operates, and considered the risk of acts by the group which were contrary to applicable laws and regulations, including fraud. We designed audit procedures at group and significant component level to respond to the risk, recognizing that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the group and parent company financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation and equivalent local laws and regulations applicable to significant component teams. Our tests included, but were not limited to, review of the financial statement disclosures to underlying supporting documentation, enquiries of management, review of significant component auditors' work and review of internal audit reports in so far as they related to the financial statements. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit. There are no key audit matters specific to the parent company.

Key audit matter	***How our audit addressed the key audit matter***
Appropriateness of revenue recognition on lump sum construction contracts The group has a significant number of material lump sum construction contracts in progress at the year end. Contract revenue is recognised over the term of the contract with reference to the percentage stage of completion at each reporting date. The judgement involved in assessing the percentage of completion calculation can be complex and requires an accurate forecast of total contract costs. Additional complexity arises through assessing the revenue recognition for any variation orders and contract contingencies. Due to the level of management judgement involved, this could be an area open to manipulation.	Where controls were in place for the full year, we tested key internal financial controls, including the review and approval of project margin calculation and review of technical contingencies. For a sample of contracts we obtained the percentage of completion calculations, agreed key contractual terms back to signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue taken in the year based on the percentage of completion. We discussed the sample of contracts selected with project managers and other members of senior management to understand the status of the contract, any changes from previous years, the key assumptions underpinning the revenue and costs, and the existence of any claims or litigation. For costs incurred to date, we tested a sample to appropriate supporting documentation. To test the forecast cost to complete, we obtained the breakdown of forecasted costs and tested elements of the forecast by obtaining executed purchase orders and agreements, comparing estimated costs to other similar projects and corroborating management's judgements and assumptions to appropriate supporting documentation. We assessed the competency and objectivity of the project engineers and performed look-back tests to assess the accuracy of forecasts in previous reporting periods. For a sample of variation orders, we obtained the signed contract amendments. We assessed the adequacy of contingency provisions against contract specific risks and management's assessment of the potential for liquidated damages on projects with delays. Overall, we are satisfied that the group's accounting policies for construction contract revenue recognition is reasonable and have been appropriately applied.
Purchase Price Allocation arising on acquisition of FMC Technologies Inc The merger of Technip SA and FMC Technologies Inc ("FMC") completed on 16 January 2017. Technip SA was deemed the accounting acquirer. The total purchase consideration for the acquisition was $8.2 billion. Net identifiable assets acquired were valued at $3.0 billion and goodwill of $5.2 billion was recognised. The group was required to complete an acquisition accounting exercise in accordance with IFRS 3. This comprised determining the fair value of the consideration payable and allocation of the consideration across the various identifiable assets and liabilities acquired, intangible assets and any resultant goodwill. Management used	We performed audit procedures over the material balances in the FMC balance sheet at the date of acquisition. With support from our valuation experts, we obtained an understanding of the methodology applied in allocating the purchase price across intangible assets and goodwill. This included discussions with management's third party experts to understand and assess the scope of the experts' work. We also considered whether management had identified all potential intangible assets. In conjunction with our valuation experts, we assessed the key assumptions in the valuation models, including the discount rate, by comparing them against our own internal data and recent public announcements from other comparable companies, and tested the calculations made by management and their experts.

third party experts to assist them in this exercise to value certain intangible and tangible assets and liabilities acquired. This was an area of focus due to the material values associated with the acquisition and the nature of the judgements and assumptions management was required to make in determining the associated fair value of the assets acquired.	We compared the forecasts used within the intangible asset valuation model to the FMC approved budgets at the time of the acquisition. We understood the basis for the fair value adjustments attributed to the assets and liabilities acquired, and tested these adjustments to supporting documentation. We tested the disclosures in the financial statements and checked for compliance with IFRS 3 'Business Combinations.' Based on our work performed, we consider the fair value adjustments on the assets and liabilities, and the valuation of intangible assets and goodwill acquired, to be appropriate.
Carrying value of goodwill - Subsea Operating Segment The carrying value of goodwill as at 31 December 2017 is $10.3 billion. The goodwill balance relates to a number of acquisitions, the most significant of which resulting from the merger of Technip SA and FMC Technologies Inc during 2017. Following the merger, management performed a reorganisation of the business and reassessed the underlying Cash Generating Units ('CGU's'). Management undertook an impairment assessment in accordance with the published accounting policy. The low oil and gas price environment, and the impact this has had on order intake and the group's results, may have indicated that goodwill is impaired. We identified that the market downturn was most noticeably felt within the Subsea segment. Management's impairment assessment involved applying significant judgements and the use of estimates to determine whether the carrying value of goodwill is appropriate.	We obtained managements' impairment model and tested the mathematical accuracy of the model and confirmed the CGU's identified following the acquisition are the lowest level at which management monitors goodwill. We performed audit procedures over the assumptions used in respect of forecast growth rates and discount rates. We involved our valuation specialists to corroborate the appropriateness of the discount rate used by forming an independent view of the rate using third party source data to calculate a range of acceptable rates and comparing this to the rate used in the analysis. We agreed the underlying cash flow forecasts used in the models to approved budgets and forecasts. We evaluated the budgets and forecasts used within the model against current trading conditions and corroborated the reasonableness of key assumptions with external third party data and historical results of the Company. We performed sensitivity analysis by stress testing the valuation models to determine the degree to which the assumptions would need to move before an impairment would be triggered. Based on our work performed we conclude that the carrying value of goodwill at the year-end is appropriate. We agree with management that reasonably possible changes in assumptions would result in an impairment loss in the Subsea cash generating unit and that the sensitivity disclosures included in note 10 in the financial statements comply with the requirements of IAS 36.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographical structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

The group financial statements are a consolidation of a large number of components which make up the group's operating businesses within the three business unit segments: subsea, onshore/offshore and surface projects. In establishing the overall approach to the group audit, we determined the type of work that needed to be performed at the components either by us, as the group engagement team, or component auditors from other PwC network firms operating under our instruction.

The group's components vary significantly in size and we identified 7 components that, in our view, required a full scope audit due to their relative size or risk characteristics. Where component audits were performed by teams other than the group engagement team, members of the group engagement team were involved in their work throughout the audit. We maintained regular communication and conducted formal interim and year-end conference calls with all full and specified procedure component teams. Additionally, senior members of the group engagement team, including the group engagement leader, performed site visits to the Australia, Brazil, France, UK and US components.

Of the 30 components in scope, we deemed two to be financially significant to the group: Technip France SA and Yamal LNG. Senior members of the group engagement team, including the group engagement leader, visited management of both these components in France.

Together these full and specific scope components audits gave appropriate coverage of all material balances at a group level. On a consolidated basis, these provided coverage of 81% of revenue.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	***Parent company financial statements***
Overall materiality	$100 million	$70 million
Rationale for benchmark applied	We considered the following benchmarks when approaching the calculation of overall materiality - total revenues, total assets, adjusted pre-tax income and EBITDA. We concluded that the most appropriate benchmark was total revenue given profitability measures continue to be depressed as a result of the pricing environment in the global oil and gas industry and not reflective of the scale of the operations of the enlarged group following the merger of Technip and FMC Technologies. Revenue is a key measure used by shareholders in assessing the performance of the group. Using auditor judgement, we determined an overall materiality level of $100 million to be a reasonable amount, which equates to 0.66% of total revenue.	We considered a benchmark of total assets when approaching the calculation of overall materiality for the parent company. We concluded that this was the most appropriate benchmark given the principal activity of the parent company is a holding company carrying the investment in subsidiaries. Using auditor judgement, we determined an overall materiality level of $70 million to be a reasonable amount, which equates to 0.39% of total assets.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between $10 million and $80 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $5 million (group audit) and $5 million (Parent company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	***Outcome***
We are required to report if we have anything material to add or draw attention to in respect of the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the group's and the parent company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006, (CA06) and ISAs (UK) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. *(CA06)*

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. *(CA06)*

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. *(CA06)*

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 45, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the audit committee, we were appointed by the directors of TechnipFMC Plc on 11 January 2017 to audit the financial statements for the year ended 31 December 2017 and subsequent financial periods. This is therefore our first year of uninterrupted engagement.

Other matter

Parent company financial statements - prior year unaudited

We have reported separately on the parent company financial statements of TechnipFMC plc for the year ended 31 December 2017.

The financial statements for the year ended 31 December 2016, forming the corresponding figures of the financial statements for the year ended 31 December 2017, are unaudited.

Richard Spilsbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
26 April 2018

CONSOLIDATED FINANCIAL STATEMENTS
TECHNIPFMC PLC
AS OF DECEMBER 31, 2017
Company No. 09909709

1. Consolidated Statement of Income

In millions of U.S. dollars	Note	2017	2016
Revenue:	4A		
Service revenue		12,210.5	9,128.7
Product revenue		2,651.8	70.9
Lease and other income		194.6	—
Total revenue		15,056.9	9,199.6
Cost and expenses:	4D		
Cost of service revenue		(9,977.9)	(7,585.9)
Cost of product revenue		(2,403.2)	(44.3)
Cost of lease and other revenue		(136.6)	—
Selling, general and administrative expense		(1,052.6)	(572.1)
Research and development expense		(212.9)	(105.4)
Impairment, Restructuring and other expense		(312.2)	(347.6)
Merger transaction and integration costs		(56.2)	(140.4)
Total costs and expenses		(14,151.6)	(8,795.7)
Other income	4B	964.8	663.7
Other expense	4C	(995.9)	(708.7)
Income from equity affiliates		0.5	112.9
Income before net interest expense and income taxes		**874.7**	**471.8**
Financial income	5A	173.2	87.1
Financial expense	5B	(506.2)	(137.5)
Income before income taxes		**541.7**	**421.4**
Provision for income taxes	6	586.1	144.6
NET (LOSS) INCOME		**(44.4)**	**276.8**
Net (income) loss attributable to non-controlling interests	11	(20.9)	34.5
Net (loss) income attributable to TechnipFMC plc		(65.3)	311.3
Earnings per share attributable to TechnipFMC plc	8		
Basic		(0.14)	2.61
Diluted		(0.14)	2.59
Weighted average shares outstanding			
Basic		466.7	119.4
Diluted		466.7	125.1

2. Consolidated Statement of Other Comprehensive Income

In millions of U.S. dollars	2017	2016
Net (loss) income	**(44.4)**	**276.8**
Other comprehensive income (loss), net of tax:		
Other comprehensive income (loss) to be reclassified to statement of income in subsequent years:	393.9	120.9
Exchange differences on translating entities operating in foreign currency	257.1	(44.0)
Cash flow hedging	179.4	224.6
Income tax effect	(42.6)	(59.7)
Other comprehensive income (loss) not being reclassified to statement of income in subsequent years:	36.4	(1.6)
Actuarial gains (losses) on defined benefit plans	43.4	(2.5)
Income tax effect	(7.0)	0.9
Other comprehensive income (loss), net of tax	**430.3**	**119.3**
TOTAL COMPREHENSIVE INCOME (LOSS)	**385.9**	**396.1**
Total comprehensive loss (income) attributable to noncontrolling interests	33.2	(20.9)
Total comprehensive income attributable to TechnipFMC plc	352.7	417.1

3. Consolidated Statement of Financial Position

Assets

In millions of U.S. dollars	Note	December 31, 2017	December 31, 2016
Property, plant and equipment, net	9	4,071.0	2,620.1
Goodwill	10	8,957.3	3,718.3
Other intangible assets, net	10	1,333.8	255.4
Investments in equity affiliates	11	181.0	177.8
Other financial assets	12	329.6	250.2
Deferred income taxes	6	451.1	591.0
Derivative financial instruments	26	94.9	190.8
Total non-current assets		**15,418.7**	**7,803.6**
Inventories, net	14	987.6	334.7
Construction contracts - amounts in assets	15	1,136.3	485.8
Advances paid to suppliers		391.3	711.5
Derivative financial instruments	26	78.3	47.2
Trade receivables, net	16	2,103.6	2,024.5
Income taxes receivable	6	337.0	265.0
Other current assets	17	1,205.9	799.1
Cash and cash equivalents	18	6,737.4	6,269.3
Total current assets		**12,977.4**	**10,937.1**
TOTAL ASSETS		**28,396.1**	**18,740.7**

Equity and Liabilities

In millions of U.S. dollars	Note	December 31, 2017	December 31, 2016
Ordinary shares, $1.00 par value and €0.7625 par value in 2017 and 2016 respectively, 525.0 shares and 119.2 shares authorized in 2017 and 2016, respectively; 465.1 shares and 119.2 shares issued in 2017 and 2016, respectively		465.1	114.7
Ordinary shares held in employee benefit trust		(4.8)	—
Treasury shares, at cost		—	(44.5)
Capital in excess of par value of ordinary shares		—	2,694.7
Retained earnings, Net income (loss) and Other reserves		13,344.0	3,328.8
Accumulated other comprehensive income (loss)		(599.3)	(1,029.2)
Total TechnipFMC plc shareholders' equity		**13,205.0**	**5,064.5**
Non-controlling interests		21.5	(11.7)
Total shareholders' equity	20	**13,226.5**	**5,052.8**
Long-term debt, less current portion	21	2,656.1	1,658.5
Accrued pension and other post-retirement benefits, less current portion	23	291.8	160.0
Non-current provisions	22	74.3	131.2
Derivative financial instruments	26	68.1	227.7
Deferred income taxes	6	430.6	153.7
Other non-current liabilities	25	369.2	170.6
Total non-current liabilities		**3,890.1**	**2,501.7**
Short-term debt and current portion of long-term	21	1,527.7	894.4
Current provisions	22	712.2	684.7
Accounts payable, trade	24	3,959.1	3,883.2
Construction contracts - amounts in liabilities	15	2,678.7	3,363.9
Derivative financial instruments	26	69.0	183.0
Advance payments		143.6	411.1
Accrued payroll		400.7	307.7
Income taxes payable	6	320.3	317.5
Other current liabilities	25	1,468.2	1,140.7
Total current liabilities		**11,279.5**	**11,186.2**
Total liabilities		**15,169.6**	**13,687.9**
TOTAL EQUITY AND LIABILITIES		**28,396.1**	**18,740.7**

The financial statements were approved by the Board of Directors and signed on its behalf by

Douglas J. Pferdehirt
Director and Chief Executive Officer
April 26, 2018

4. Consolidated Statement of Cash Flows

In millions of U.S. dollars	Note	2017	2016
Net (loss) income		(44.4)	276.8
Adjustments to reconcile net (loss) income to cash provided (required) by operating activities:			
Depreciation		379.4	283.2
Amortization		244.5	17.5
Impairments		157.4	38.1
Employee benefit plan and share-based compensation costs		22.4	28.7
Unrealized loss on derivative instruments and foreign exchange		(101.7)	(6.3)
Deferred income tax provision (benefit)		182.5	(208.0)
(Income) loss from equity affiliates, net of dividends received		17.2	(49.4)
Other		(6.1)	124.2
Changes in operating assets and liabilities, net of effects of acquisitions			
Trade receivables, net and construction contracts – assets		573.6	(268.7)
Inventories, net		130.9	172.7
Accounts payable, trade		(615.5)	163.3
Advance payments and construction contracts – liabilities		(1,139.7)	(159.2)
Settlements of mandatorily redeemable financial liability		(156.5)	—
Income taxes payable (receivable), net		(85.2)	71.7
Other assets and liabilities, net		524.8	9.2
Cash provided by operating activities		**83.6**	**493.8**
Capital expenditures		(255.7)	(312.9)
Cash acquired in merger of FMC Technologies and Technip	2	1,479.2	—
Acquisition Costs of Consolidated Companies, net of Cash Acquired	2	—	3,480.7
Cash divested from deconsolidation		—	(89.1)
Proceeds from sale of assets		10.8	39.2
Other		(12.7)	(7.4)
Cash provided by investing activities		**1,221.6**	**3,110.5**
Increase in short-term debt		27.4	18.4
Decrease in short-term debt		(133.8)	(9.8)
Increase in commercial paper		234.9	—
Proceeds from issuance of long-term debt		33.3	644.5
Repayments of long-term debt		(896.8)	(891.2)
Purchase of treasury stock		(57.1)	(186.8)
Dividends paid	20(C)	(60.6)	(111.5)
Payments related to taxes withheld on share-based compensation		(46.6)	—
Other		(0.1)	1.8
Cash required by financing activities		**(899.4)**	**(534.6)**
Effect of changes in foreign exchange rates on cash and cash equivalents		62.3	21.6
INCREASE IN CASH AND CASH EQUIVALENTS		**468.1**	**3,091.3**
Cash and cash equivalents, beginning of year		6,269.3	3,178.0
Cash and cash equivalents, end of year		6,737.4	6,269.3

Interest paid in 2017 amounted to $118.4 million compared to $105.5 million in 2016.

Interest received in 2017 amounted to $68.1 million compared to $65.3 million in 2016.

Income taxes paid in 2017 amounted to $424.7 million compared to $261.3 million in 2016.

5. Consolidated Statement of Changes in Shareholders' Equity

In millions of U.S. dollars	Share capital	Ordinary shares held in treasury and employee benefit trust	Share premium	Merger reserve	Retained earnings, Net income and Other reserves	Accumulated other comprehensive income	Non-controlling interests	Total shareholders equity
Balance as of December 31, 2015	**114.5**	**(81.1)**	**2,722.9**	**—**	**3,317.4**	**(1,134.9)**	**9.2**	**4,948.0**
Net income/(loss)	—	—	—	—	311.3	—	(34.5)	276.8
Other comprehensive income	—	—	—	—	—	82.4	13.6	96.0
Net capital transactions	0.2	—	(28.2)	—	(6.9)	—	—	(34.9)
Treasury shares	—	36.6	—	—	(31.1)	—	—	5.5
Share-based compensation	—	—	—	—	22.0	—	—	22.0
Dividends	—	—	—	—	(262.6)	—	—	(262.6)
Other	—	—	—	—	(21.3)	23.3	—	2.0
Balance as of December 31, 2016	**114.7**	**(44.5)**	**2,694.7**	**—**	**3,328.8**	**(1,029.2)**	**(11.7)**	**5,052.8**
Net (loss)/income	—	—	—	—	(65.3)	—	20.9	(44.4)
Other comprehensive (loss)/income	(18.4)	—	(317.6)	—	—	429.9	0.4	94.3
Issuance of ordinary shares due to the Merger of FMC Technologies and Technip[1]	370.3	—	(2,377.1)	10,177.5	—	—	—	8,170.7
Capital reorganization[1]	—	—	10,177.5	(10,177.5)	—	—	—	—
Capital reduction[1]			(10,177.5)		10,177.5			
Dividends paid	—	—	—	—	(60.6)	—	—	(60.6)
Cancellation of treasury shares due to the Merger of FMC Technologies and Technip	—	44.5	—	—	(23.3)	—	—	21.2
Shares bought back on open market and cancelled	(2.1)	—	—	—	(56.7)	—	—	(58.8)
Issuance of ordinary stock	0.6	—	—	—	—	—	—	0.6
Net sales of ordinary shares for employee benefit trust	—	1.8	—	—	—	—	—	1.8
Share-based compensation	—	—	—	—	44.4	—	—	44.4
Other	—	(6.6)	—	—	(24.1)	—	11.9	4.5
BALANCE AS OF DECEMBER 31, 2017	**465.1**	**(4.8)**	**—**	**—**	**13,347.0**	**(599.3)**	**21.5**	**13,226.5**

[1] Refer to note 20 (A) for further information on capital reorganization and reduction

6. Notes to the Consolidated Financial Statements

Note 1 Accounting Principles

TechnipFMC plc is a global leader in subsea, onshore/offshore, and surface projects. With its proprietary technologies and production systems, integrated expertise, and comprehensive solutions, TechnipFMC plc is transforming its clients' project economics. Details of its activities during the year are provided in the Strategic Report. TechnipFMC plc is a public limited company by shares, incorporated and domiciled in England and Wales (United Kingdom) and listed on the New York Stock Exchange (''NYSE'') and on Euronext Paris.

A. Accounting Framework

In accordance with the European Union's regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements of TechnipFMC plc (''the Group'') as of December 31, 2016 and for the two years then ended were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and IFRS as endorsed by the European Union. The IFRS as endorsed by the European Union are available on the website of the European Union (http://ec.europa.eu).

The consolidated financial statements are expressed in millions of U.S. dollars and all values are rounded to the nearest thousand, unless specified otherwise.

Merger completion of FMC Technologies and Technip

On January 17, 2017, TechnipFMC plc (NYSE and Euronext: FTI) announced that it is operating as a unified, combined company following completion of the merger of FMC Technologies and Technip. The merger creates a global leader in oil and gas projects, technologies, systems, and services.

Description of the Merger of FMC Technologies and TechnipFMC plc

The Merger has created a larger and more diversified company that is better equipped to respond to economic and industry developments and better positioned to develop and build on its offerings in the subsea, surface, and onshore/offshore markets as compared to the former companies on a standalone basis. More importantly, the Merger will bring about the ability of the combined company to (i) standardize its product and service offerings to customers, (ii) reduce costs to customers, and (iii) provide integrated product offerings to the oil and gas industry with the aim of innovating the markets in which the combined company operates.

TechnipFMC plc is since then traded on the New York Stock Exchange and on the Euronext Paris Stock Exchange under the symbol FTI. Under the terms of the merger agreement, FMC Technologies shareholders received one share of the combined company for each existing share of FMC Technologies, and TechnipFMC plc shareholders received two shares of the combined company for each existing share of TechnipFMC plc. As of December 31, 2016, the merger was not accounted for in the consolidated financial statements of TechnipFMC plc.

Description of FMC Technologies as accounting acquiree

FMC Technologies is a global provider of technology solutions for the energy industry. FMC Technologies designs, manufactures and services technologically sophisticated systems and products, including subsea production and processing systems, surface wellhead production systems, high pressure fluid control equipment, measurement solutions and marine loading systems for the energy industry. Subsea systems produced by FMC Technologies are used in the offshore production of crude oil and natural gas and are placed on the seafloor to control the flow of crude oil and natural gas from the reservoir to a host processing facility. Additionally, FMC Technologies provides a full range of drilling, completion and production wellhead systems for both standard and custom-engineered applications. Surface wellhead production systems, or trees, are used to control and regulate the flow of crude oil and natural gas from the well and are used in both onshore and offshore applications.

The accounting policies applied in the consolidated financial statements for the twelve-month period ended December 31, 2017 are in conformity with those we applied and detailed in the Annual Report as of December 31, 2016 with the exceptions of changes of presentation adopted by TechnipFMC plc to align the Group's financial performance with the U.S. GAAP financial statements presentation and better reflect our financial performance:

- Reclassification of foreign exchange gains and expenses from Financial income and expenses to Other income and expenses for a net loss of $(28.1) million as of December 31, 2016.

- Reclassification of a redeemable financial liability from Financial instruments to Other current liabilities and Other non-current liabilities for $33.7 million and $142.3 as of December 31, 2016 respectively.

In these consolidated financial statements, we are reporting the results of our operations for twelve months ended December 31, 2017, which consist of the combined results of operations of Technip and FMC Technologies. Due to the Merger, FMC Technologies' results of operations have been included in our financial statements for periods subsequent to the consummation of the Merger on January 16, 2017.

Since TechnipFMC plc is the successor company to Technip, we are presenting the results of Technip's operations for twelve months ended December 31, 2016 and as of December 31, 2016. Refer to Note 2 for further information related to the merger of FMC Technologies and Technip.

Standards, Amendments and Interpretations Effective in 2017

The adoption of new standards, amendments and interpretations that had mandatory application for periods starting after January 1, 2017, had no significant impact on our financial situation and performance.

Standards, Amendments and Interpretations to Existing Standards that are Issued, not yet Effective and have not been Early Adopted as of December 31, 2017

IFRS 9 ''FINANCIAL INSTRUMENTS''

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost; fair value through other comprehensive income; and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income, not recycling. An expected credit losses model replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there are no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright-line hedge effectiveness tests. To qualify for hedge accounting, it requires an economic relationship between the hedged item and hedging instrument, and for the 'hedged ratio' to be the same as the one that management actually uses for risk management purposes. Contemporaneous documentation is still required, but it is different from that currently prepared under IAS 39. There is an accounting policy choice to continue to account for all hedges under IAS 39. Our financial results for reporting periods after January 1, 2018 will be presented under the new guidance, while financial results for prior periods will continue to be reported in accordance with the prior guidance and our historical accounting policy. We are currently evaluating the impact of the new guidance on our financial statements, but the process is not sufficiently complete to provide a reasonable estimate of the impact.

IFRS 15 ''REVENUE FROM CONTRACTS WITH CUSTOMERS''

Applicable by the IASB as of January 1, 2018, this new standard sets general accounting principles relating to revenue recognition. IFRS 15 supersedes the current standards on revenue recognition, particularly IAS 18 ''Revenue'', IAS 11 ''Construction Contracts'' and the corresponding interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.

The new standard requires companies to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time based on when control of goods and services transfer to a customer. As a result, we expect changes in the presentation of our financial statements, including: (1) timing of revenue recognition, and (2) changes in classification between revenue and costs.

We have performed a detailed review of our contract portfolio representative of our different businesses and compared historical accounting policies and practices to the new standard. Over the course of 2017, we have formed an implementation work team, conducted training for the relevant staff regarding a detailed overview of the key changes within the new standard. We have engaged external resources to assist us in our efforts of establishing new policies, procedures, and controls, establishing appropriate presentation and disclosure changes.

We adopted new revenue recognition guidance using the modified retrospective transition method effective for the quarter ending March 31, 2018, applying the guidance to contracts with customers that were not substantially complete as of January 1, 2018. Our financial results for reporting periods after January 1, 2018 will be presented under the new guidance, while financial results for prior periods will continue to be reported in accordance with the prior guidance and our historical accounting policy. We have evaluated the impact of the new guidance on a substantial portion our contracts with customers, including identification of differences that will result from the new requirements. Based on the analysis performed to date, we do not anticipate any significant changes in our revenue recognition and do not believe that the guidance surrounding identification of contracts and performance obligations or measurement of variable consideration will have a material impact on the revenue recognition for these arrangements. We expect our disclosures related to revenue recognition will expand to address new quantitative and qualitative requirements regarding the nature, amount and timing of revenue from contracts with customers and additional information related to contract assets and liabilities.

IFRS 16 ''LEASES''

Released on January 13, 2016, the new standard IFRS 16 on lease accounting will be mandatorily applicable for the financial years starting January 1, 2019 and should supersede the current IAS 17 and its related interpretations.

We are currently assessing the potential impacts of these three latest standards on its consolidated financial statements.

IFRIC 23 ''Uncertainty over Income Tax Treatments''.

On June 7, 2017, the IASB issued IFRIC 23 ''Uncertainty over Income Tax Treatments''. This interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12. This interpretation is effective for annual periods beginning on or after January 1, 2019, with early application permitted. The Company does not expect that the adoption of this interpretation will have a material impact to its consolidated financial statements.

Standards Effective after December 31, 2017

TechnipFMC plc financial statements as of December 31, 2017 do not include the possible impact of standards published as of December 31, 2017 but which application is mandatory as from financial years subsequent to 2017.

B. Consolidation Principles

In accordance with IFRS 10 ''Consolidated Financial Statements'', are consolidated all the companies (including special purpose entities) for which the Group has all the following:

- the power over the company subject to the investment;
- an exposure or rights to the company's variable returns; and
- the ability to use its power over the entity to affect these returns.

The power to direct the activities of the entity usually exists when holding more than 50 % of voting rights in the entity and these rights are substantive.

As per IFRS 11 ''Joint Arrangements'', joint arrangements classified as joint operations should be recognized to the extent of the Group's assets and its liabilities, including its share of any assets held jointly or liabilities incurred jointly.

The equity method is used for joint ventures and for investments over which the Group exercises a significant influence on operational and financial policies. Unless otherwise indicated, such influence is deemed to exist for investments in companies in which the Group's ownership is between 20% and 50%.

Companies in which the Group's ownership is less than 20% or that do not represent material investments (such as dormant companies) are recorded under the ''Other Financial Assets (Non-Current)'' or ''Available-for-Sale Financial Assets'' line items and only impact net income through dividends received or in case of impairment loss. Where no active market exists and where no other valuation method can be used, these financial assets are maintained at historical cost, less any accumulated impairment losses.

The list of the Group's consolidated companies is provided in Note 2-B – Scope of consolidation as of December 31, 2017, and 2016.

The main affiliates of the Group close their accounts as of December 31 and all consolidated companies apply the Group accounting standards.

All intercompany balances and transactions, as well as internal income and expenses, are fully eliminated.

Subsidiaries are consolidated as of the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date control ceases.

C. Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with IFRS and IFRS Interpretations Committee adopted by the European Union (''EU'') and the Companies Act 2006.

TechnipFMC plc financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through the income statement.

The distinction between current assets and liabilities, and non-current assets and liabilities is based on the operating cycle of contracts. If related to contracts, assets and liabilities are classified as ''current''; if not related to contracts, assets and liabilities are classified as ''current'' if their maturity is less than 12 months or ''non-current'' if their maturity exceeds 12 months.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material, are disclosed in the paragraphs below.

TechnipFMC plc significant accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

a) Use of Estimates

Preparation of the consolidated financial statements requires the use of estimates and assumptions to be made that may affect the assessment and disclosure of assets and liabilities at the date of the financial statements, as well as the income and the reported expenses regarding this financial year. Estimates may be revised if the circumstances and the assumptions on which they were based change, if new information becomes available, or as a result of greater experience. Consequently, the actual result from these operations may differ from these estimates.

The main assessments and accounting assumptions made in the financial statements of the Group relate to construction contracts, the valuation of Group exposure to litigation with third parties, the valuation of goodwill and the assessment of recoverable goodwill, the valuation of income tax assets resulting from tax losses carried forward (the latter is measured in compliance with accounting principles shown in Note 1-C (r) – Deferred income tax) as well as the valuation of defined benefit plans described in Note 1-C (q). Regarding construction contracts, the Group policy is described in Note 1-C (b) – Long-term contracts. In terms of legal proceedings and claims, the Group regularly establishes lists and performs analyses of significant ongoing litigations, so as to record the adequate provisions when necessary. Possible uncertainties related to ongoing litigations are described in Note 30 – Contingent liabilities and Note 30 – Litigation and Other Matters.

Goodwill, measured pursuant to principles described in Note 1-C (d) – Business Combinations, is tested for impairment at least annually and whenever a trigger event is identified. TechnipFMC plc also performs sensitivity analyses on key assumptions used for impairment tests, in order to make sure that no reasonable change of an assumption on which the Group has based its CGUs' recoverable value jeopardizes the conclusions of these impairment tests.

b) Long-term Contracts

Long-term contracts are accounted for in accordance with IAS 11 (''Construction Contracts'') where they include construction and delivery of a complex physical asset, or in accordance with IAS 18 (''Revenue'') in all other cases.

Costs incurred on contracts include the following:

- the purchase of material, the subcontracting cost of engineering, the cost of markets, and all other costs directly linked to the contract;
- labour costs, related social charges and operating expenses that are directly connected. Selling costs of contracts, research and development costs and the potential charge of ''overabsorption'' are excluded from those evaluations; and
- other costs, if any, which could be reinvoiced to the client when specified in the contract clauses. Costs on construction contracts do not include financial expenses.

Revenue on contracts at completion includes:

- the initial selling price;
- every additional amendment, variation order and modification (together ''changes'') to the initial contract if it is probable that these changes could be reliably measured and that they are accepted by the client.

Revenue on ongoing contracts is measured on the basis of costs incurred and of margin recognized at the percentage of completion. Margin is recognized only when the visibility of the riskiest stages of the contract is deemed sufficient and when estimates of costs and revenue is considered to be reliable.

The percentage of completion is calculated according to the nature and the specific risk of each contract in order to reflect the effective completion of the project. This percentage of completion can be based on technical milestones defined for the main deliverables under the contracts or based on the ratio between costs incurred to date and estimated total costs at completion.

As soon as the estimate of the final outcome of a contract indicates a loss, a provision is recorded for the entire loss.

The gross margin of a long-term contract at completion is based on an analysis of total costs and income at completion, which are reviewed periodically and regularly throughout the life of the contract.

In accordance with IAS 11, construction contracts are presented in the statement of financial position as follows: for each construction contract, the accumulated costs incurred, as well as the gross margin recognized at the contract's percentage of completion (plus accruals for foreseeable losses if needed), after deduction of the payments received from the clients, are shown on the asset side under the ''Construction Contracts – Amounts in Assets'' line item if the balance of those combined components is a debit; if the balance is a credit, these are shown on the liability side under the ''Construction Contracts – Amounts in Liabilities'' line item.

A construction contract is considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset or temporary delivery, even if conditional. Upon completion of the contract:

- the balance of ''Construction Contracts – Amounts in Assets'', which at that time amounts to the total sale price of the contract, less accumulated payments received under this contract at the delivery date, is invoiced to the customer and recorded as current receivables on contracts (see Note 16 – Trade receivables);
- if necessary, a liability may be accrued and recorded in ''Other Current Payables'' in the statement of financial position in order to cover pending expenses to get the acceptance certificate from the client.

As per IAS 18, other long-term contracts are recorded as follows in the statement of financial position: invoicing in advance of revenue to be recognized is recorded as advances received in ''Other Current Liabilities'' (see Note 25 – Other current and non-current liabilities); invoicing that trails revenue to be recognized is recorded in ''Trade Receivables'' (see Note 16 – Trade receivables).

Costs incurred before contract signing (''bid costs''), when they can be directly linked to a future construction contract where the signature is almost certain, are recorded in ''Construction Contracts – Amounts in Assets'' (see Note 15 – Construction contracts), and then included in costs of ongoing contracts when the contract is obtained. From a practical point of view, costs effectively capitalized correspond to the bid costs incurred during the quarter of the contract's award. Bid costs are directly recorded into consolidated income statement on the line ''Selling Costs'' when a contract is not secured.

c) Foreign Currency Transactions

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into the functional currency at the exchange rate applicable on the transaction date.

At the closing date, monetary assets and liabilities stated in foreign currencies are translated into the functional currency at the exchange rate prevailing on that date. Resulting exchange gains or losses are directly recorded in the income statement, except exchange gains or losses on cash accounts eligible for future cash flow hedging and for hedging on net foreign currency investments.

TRANSLATION OF FINANCIAL STATEMENTS OF SUBSIDIARIES IN FOREIGN CURRENCY

The income statements of foreign subsidiaries are translated into USD at the average exchange rate prevailing during the year. Statements of financial position are translated at the exchange rate at the closing date. Differences arising in the translation of financial statements of foreign subsidiaries are recorded in other comprehensive income as foreign currency translation reserve. The functional currency of the foreign subsidiaries is most commonly the local currency.

DERIVATIVES AND HEDGING PROCESSING

Every derivative financial instrument held by the Group is aimed at hedging future inflows or outflows against exchange rate fluctuations during the period of contract performance. Derivative instruments and in particular forward exchange transactions are aimed at hedging future inflows or outflows against exchange rate fluctuations in relation with awarded commercial contracts.

Foreign currency treasury accounts designated for a contract and used to finance its future expenses in foreign currencies may qualify as a foreign currency cash flow hedge.

An economic hedging may occasionally be obtained by offsetting cash inflows and outflows on a single contract (“natural hedging”).

When implementing hedging transactions, each Group’s subsidiary enters into forward exchange contracts with banks or with Technip Eurocash SNC, the company that performs centralized treasury management for the Group. However, only instruments that involve a third party outside of the Group are designated as hedging instruments.

A derivative instrument qualifies for hedge accounting (fair value hedge or cash flow hedge) when there is a formal designation and documentation of the hedging relationship, and of the effectiveness of the hedge throughout the life of the contract. A fair value hedge aims at reducing risks incurred by changes in the market value of some assets, liabilities or firm commitments. A cash flow hedge aims at reducing risks incurred by variations in the value of future cash flows that may impact net income.

In order for a currency derivative to be eligible for hedge accounting treatment, the following conditions have to be met:

- its hedging role must be clearly defined and documented at the date of inception; and
- its efficiency should be proved at the date of inception and/or as long as it remains efficient. If the efficiency test results in a score between 80 and 125%, changes in fair value or in cash flows of the covered element must be almost entirely offset by the changes in fair value or in cash flows of the derivative instrument.

All derivative instruments are recorded and disclosed in the statement of financial position at fair value:

- derivative instruments considered as hedging are classified as current assets and liabilities, as they follow the operating cycle; and
- derivative instruments not considered as hedging are also classified as current assets and liabilities.

Changes in fair value are recognized as follows:

- regarding cash flow hedges, the portion of the gain or loss corresponding to the effectiveness of the hedging instrument is recorded directly in other comprehensive income, and the ineffective portion of the gain or loss on the hedging instrument is recorded in the income statement. The exchange gain or loss on derivative cash flow hedging instruments, which is deferred in equity, is reclassified in the net income of the year(s) in which the specified hedged transaction affects the income statement;
- the changes in fair value of derivative financial instruments that qualify as fair value hedge are recorded as financial income or expenses. The ineffective portion of the gain or loss is immediately recorded in the income statement. The carrying amount of a hedged item is adjusted by the gain or loss on this hedged item which may be allocated to the hedged risk and is recorded in the income statement; and

the changes in fair value of derivative financial instruments that do not qualify as hedging in accounting standards are directly recorded in the income statement.

The fair value of derivative financial instruments is estimated on the basis of valuations provided by bank counterparties or financial models commonly used in financial markets, using market data as of the statement of financial position date.

So as to determine this fair value, the Group uses the following hierarchy for determining and disclosing the fair value of financial instruments depending on the valuation methods:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs which have a significant effect on the recorded fair value and that are not based on observable market data.

Due to their short maturities, the fair value of cash, cash equivalents, trade receivables and trade payables is considered as being equivalent to carrying value.

BID CONTRACTS IN FOREIGN CURRENCY

To hedge its exposure to exchange rate fluctuations during the bid-period of construction contracts, TechnipFMC plc occasionally enters into insurance contracts under which foreign currencies are exchanged at a specified rate and at a specified future date only if the new contract is awarded. The premium the Group pays to enter into such an insurance contract is charged to the income statement when paid. If the commercial bid is not successful, the insurance contract is automatically terminated without any additional cash settlements or penalties.

In some cases, TechnipFMC plc may enter into foreign currency options for some proposals during the bid-period. These options cannot be eligible for hedging.

d) Business Combinations

Assets, liabilities and contingent liabilities acquired within business combinations are recorded and valued at their fair value using the acquisition method. Identifiable assets are depreciated over their estimated useful lives.

The goodwill, of which measurement results in difference between the fair value consideration and the estimation of identifiable assets, liabilities and contingent liabilities at their fair value, is posted on the ''Goodwill'' line item when significant, under the ''Intangible Assets'' category.

Adjustments recorded for a business combination on the provisional values of assets, liabilities and contingent liabilities are recognized as a retrospective change in goodwill when occurring within a 12-month period after the acquisition date and resulting from facts or circumstances that existed as of the acquisition date. After this measurement period ends, any change in valuation of assets, liabilities and contingent liabilities is accounted for in profit and loss statement, with no impact on goodwill.

e) Segment Information

INFORMATION BY BUSINESS SEGMENT

Management's determination of our reporting segments was made on the basis of our strategic priorities within each segment and the differences in the products and services we provide, which corresponds to the manner in which our Chief Executive Officer, as our chief operating decision maker, reviews and evaluates operating performance to make decisions about resources to be allocated to the segment.

Upon completion of the Merger, we reorganized our reporting structure and aligned our segments and the underlying businesses to execute the strategy of TechnipFMC plc. As a result, we report the results of operations in the following segments: Subsea, Onshore/Offshore and Surface Technologies.

Our reportable segments are:

- *Subsea*—manufactures and designs products and systems, performs engineering, procurement and project management and provides services used by oil and gas companies involved in deepwater exploration and production of crude oil and natural gas.
- *Onshore/Offshore*—designs and builds onshore facilities related to the production, treatment and transportation of oil and gas; and designs, manufactures and installs fixed and floating platforms for the production and processing of oil and gas reserves for companies in the oil and gas industry.
- *Surface Technologies*—designs and manufactures systems and provides services used by oil and gas companies involved in land and offshore exploration and production of crude oil and natural gas; designs, manufactures and supplies technologically advanced high pressure valves and fittings for oilfield service companies; and also provides flowback and well testing services for exploration companies in the oil and gas industry.

The item related to segment result hereby disclosed in the business segment information is the ''Income (loss) before income tax''. As a result, the segment result does not include the provision for income taxes.

INFORMATION BY COUNTRY

From a geographical standpoint, operating activities and performances of TechnipFMC plc are reported on the basis of the following countries:

- Russia;
- United States;
- Angola;
- Norway;
- Brazil;
- Australia.

The items related to segment result disclosed by TechnipFMC plc in its geographical segment information are the ''Revenue'' and the ''Property, Plant and Equipment''.

Geographical areas are defined according to the following criteria: specific risks associated with activities performed in a given area, similarity of economic and political framework, regulation of exchange control, and underlying monetary risks.

The geographical breakdown is based on the contract delivery within the specific country.

f) Income (Loss) from Discontinued Operations

In compliance with IFRS 5, the result incurred by discontinued operations through sales or disposals is recorded under this line item. Discontinued operations consist of a whole line of business or geographical area.

g) Earnings per Share

As per IAS 33 ''Earnings per Share'', Earnings Per Share (EPS) are based on the average number of outstanding shares over the year, after deducting treasury shares.

Diluted earnings per share amounts are calculated by dividing the net profit of the year, restated if need be for the after-tax financial cost of dilutive financial instruments, by the sum of the weighted average number of outstanding shares, the weighted average number of share subscription options not yet exercised, the weighted average number of performance shares granted calculated using the share purchase method, and the weighted average number of shares of the convertible bonds and, if applicable, the effects of any other dilutive instrument.

In accordance with the share purchase method, only dilutive instruments are used in calculating EPS. Dilutive instruments are those for which the option exercise price plus the future IFRS 2 expense not yet recognized is lower than the average share price during the EPS calculation period.

h) Goodwill

Goodwill is measured at the acquisition date as the total of the fair value of consideration transferred, plus the proportionate amount of any non-controlling interest, plus the fair value of any previously held equity interest in the acquiree, if any, less the net recognized amount (generally at fair value) of the identifiable assets acquired and liabilities assumed.

Goodwill is allocated to groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose and in all cases is at the operating segment level, which represents the lowest level at which goodwill is monitored for internal management purposes.

Goodwill is tested for impairment annually, as of October 31or whenever changes in circumstances indicate that the carrying amount may not be recoverable, at the level of the groups of cash-generating units (''GCGU'') which correspond to the operating segments representing the lowest level at which goodwill is monitored for internal management purposes. Whenever the cash-generating units comprising the operating segments are tested for impairment at the same time as goodwill, the cash generating units are tested first and any impairment of the assets is recorded prior to the testing of goodwill. The recoverable amounts of the GCGUs are determined based on their value in use. The value in use of each GCGU is determined by estimating future cash flows.

In the framework of the determination of the recoverable amount of assets, the estimates, judgments and assumptions applied for the value in use calculations relate primarily to growth rates in revenues, costs, estimates of future expected changes in operating margins cash expenditures. To arrive at our future cash flows, we use estimates of economic and market assumptions. Discount rates are reviewed annually.

i) Property, Plant and Equipment (Tangible Assets)

In compliance with IAS 16 ''Property, Plant and Equipment'', an asset is recognized only if the cost can be measured reliably and if future economic benefits are expected from its use.

Property, plant and equipment could be initially recognized at cost or at their fair value in case of business combinations.

As per IAS 16, TechnipFMC plc uses different depreciation periods for each of the significant components of a single property, plant and equipment asset where the useful life of the component differs from that of the main asset. Following are the useful lives most commonly applied by the Group:

- Buildings 10 to 50 years
- Vessels 10 to 30 years
- Machinery and Equipment 3 to 20 years
- Office Fixtures and Furniture 5 to 10 years
- Vehicles 3 to 7 years
- IT Equipment 3 to 5 years

If the residual value of an asset is material and can be measured, it is taken into account in calculating its depreciable amount.

On a regular basis, the Group reviews the useful lives of its assets. That review is based on the effective use of the assets.

As per IAS 16, dry-dock expenses are capitalized as a separate component of the principal asset. They are depreciated over a period of three to five years.

Depreciation costs are recorded in the income statement as a function of the fixed assets' use, split between the following line items: cost of sales, research and development costs, selling costs or general administrative costs.

In accordance with IAS 36, the carrying value of property, plant and equipment is reviewed for impairment whenever internal or external events indicate that there may be impairment, in which case, an impairment loss is recognized. As an example, indications of impairment loss used for vessels and analyzed together are mainly the asset workload scheduling, the change in its daily invoicing rate, its age as well as the frequency of its dry-docking.

In application of IAS 23, borrowing costs related to assets under construction are capitalized as part of the value of the asset.

j) Intangible Assets

RESEARCH AND DEVELOPMENT COSTS GENERATED INTERNALLY

Research costs are expensed when incurred. In compliance with IAS 38, development costs are capitalized if all of the following criteria are met:

- the projects are clearly identified;
- the Group is able to reliably measure expenditures incurred by each project during its development;

- the Group is able to demonstrate the technical and industrial feasibility of the project;
- the Group has the financial and technical resources available to achieve the project;
- the Group can demonstrate its intention to complete, to use or to commercialize products resulting from the project;
- and
- the Group is able to demonstrate the existence of a market for the output of the intangible asset, or, if it is used internally, the usefulness of the intangible asset.

Since not all of the IAS 38 conditions were met for the disclosed year on ongoing development projects, no development expenses were capitalized, except some expenses related to IT projects developed internally.

OTHER INTANGIBLE ASSETS

Patents are amortized over their useful life, generally on a straight-line basis over ten years. Costs related to software rights are capitalized, as are those related to creating proprietary IT tools, such as the E-procurement platform, or Group management applications which are amortized over their useful life, generally five years.

In accordance with IAS 36, the carrying value of intangible assets is reviewed for impairment whenever internal or external events indicate that there may be impairment, in which case, an impairment loss is recognized.

k) Other Financial Assets

Other financial assets are initially recognized at fair value. In the latter case, impairment is recorded if the recoverable value is lower than the carrying value. The estimated recoverable value is computed by type of financial asset based on the future profitability or the market value of the company considered, as well as its net equity if needed.

Security Deposits and Others

This item essentially includes guarantee security deposits and escrow accounts related to litigation or arbitration.

Available-for-Sale Financial Assets

Investments in listed companies which are not consolidated are recorded in this line item.

Quoted investments: They are initially and subsequently measured at fair value. Variations in fair value are booked directly in other comprehensive income and unrealized gains or losses are recycled in the income statement upon disposal of the investment. An impairment loss is recorded through the income statement when the loss is sustained or significant.

Unquoted investments: On initial recognition, non-consolidated investments are recognized at their acquisition cost including directly attributable transaction costs. At the closing date, these investments are measured at their fair value. As investments under this category relate to unlisted securities, fair value is determined on the basis of discounted cash flows or failing that, based on the Group’s share in the Company’s equity.

l) Inventories

Inventories are recognized at the lower of cost and net realizable value with cost being principally determined on a weighted-average cost basis.

Write-down of inventories are recorded when the net realizable value of inventories is lower than their net book value.

m) Advances Paid to Suppliers

Advance payments made to suppliers under long-term contracts are shown under the ‘‘Advances to Suppliers’’ line item, on the asset side of the statement of financial position.

n) Trade Receivables

Trade receivables are measured at amortized cost. A provision for doubtful accounts is recorded when the Group assesses the recoverable value is lower than the amortized costs.

Trade receivables only relate to contracts accounted for as per IAS 18 (see Note 1-C (b) – Long-term contracts) and delivered contracts.

o) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in bank and in hand, as well as securities fulfilling the following criteria: a maturity of usually less than three months, highly liquid, a fixed exchange value and an insignificant risk of loss of value. Securities are measured at their market value at year-end. Any change in fair value is recorded in the income statement.

p) Stock-based employee compensation

The measurement of stock-based compensation expense on restricted stock awards is based on the market price at the grant date and the number of shares awarded. We used the Cox Ross Rubinstein binomial model to measure the fair value of stock options granted prior to December 31, 2016 and Black-Scholes options pricing model to measure the fair value of stock options granted on or after January 1, 2017. The stock-based compensation expense for each award is recognized ratably over the applicable service period, after taking into account estimated forfeitures, or the period beginning at the start of the service period and ending when an employee becomes eligible for retirement.

q) Provisions (current and non-current)

Provisions are recognized within other current and other non-current liabilities if and only if the following criteria are simultaneously met:

- the Group has an ongoing obligation (legal or constructive) as a result of a past event;
- the settlement of the obligation will likely require an outflow of resources embodying economic benefits without expected counterpart; and
- the amount of the obligation can be reliably estimated: provisions are measured according to the risk assessment or the exposed charge, based upon best-known elements.

CURRENT PROVISIONS

Contingencies related to contracts: these provisions relate to claims and litigations on contracts.

Restructuring: once a restructuring plan has been decided and the interested parties have been informed, the plan is scheduled and valued. Restructuring provisions are fully recognized in compliance with IAS 37.

NON-CURRENT PROVISIONS

Pensions and other long-term benefits: the Group is committed to various employee benefit plans. Those obligations are settled either at the date of employee departures or at subsequent date in accordance with the laws and practices of each country in which it operates. Depending on affiliates, the main defined benefit plans can be:

- end-of-career benefits, to be paid at the retirement date;
- deferred compensation, to be paid when an employee leaves the Company;
- retirement benefits to be paid in the form of a pension.

In compliance with IAS 19 revised in 2011, the Group has assessed its obligations in respect of employee pension plans and other long-term benefits such as ''jubilee benefits'', post-retirement medical benefits, special termination benefits and cash incentive plans. The plan assets are recorded at fair value. Evaluations were coordinated so that liabilities could be measured using recognized and uniform actuarial methods, and were performed by an independent actuary.

The obligations of providing benefits under defined benefit plans are determined by independent actuaries using the projected unit credit actuarial valuation method as per IAS 19. The actuarial assumptions used to determine the obligations may vary depending on the country. The actuarial estimation is based on usual parameters such as future wage and salary increases, life expectancy, staff turnover rate and inflation rate.

The defined benefit liability equals the present value of the defined benefit obligation after deducting the plan assets. Present value of the defined benefit obligation is determined using present value of future cash disbursements based on interest rates of corporate bonds, in the currency used for benefit payment, and whose term is equal to the average expected life of the defined benefit plan.

According to amended IAS 19, the actuarial gains and losses resulting from adjustments related to experience and changes in actuarial assumptions are now recorded in other comprehensive income (see Note 23 – Pensions and other long-term employee benefit plans).

r) Deferred Income Tax

Deferred income taxes are recognized in accordance with IAS 12, using the liability method (use of the last forecast tax rate passed or almost passed into law at the closing date), on all temporary differences at the closing date, between the tax bases of assets and liabilities and their carrying amounts for each Group's company.

Deferred income taxes are reviewed at each closing date to take into account the effect of any changes in tax law and in the prospects of recovery.

Deferred income tax assets are recognized for all deductible temporary differences, unused tax credits carry-forwards and unused tax losses carry-forwards, to the extent that it is probable that taxable profit will be available.

To properly estimate the existence of future taxable income on which deferred tax assets could be allocated, the following items are taken into account:

- existence of temporary differences which will cause taxation in the future;
- forecasts of taxable results;
- analysis of the past taxable results; and
- existence of significant and non-recurring income and expenses, included in the past tax results, which should not repeat in the future.

Deferred income tax liabilities are recognized for all taxable temporary differences, except restrictively enumerated circumstances, in accordance with the provisions of IAS 12.

Tax assets and liabilities are not discounted.

s) Financial Debts (Current and Non-Current)

Current and non-current financial debts include bond loans and other borrowings. Issuance fees and redemption premium on convertible bonds are included in the cost of debt on the liability side of the statement of financial position, as an adjustment to the nominal amount of the debt. The difference between the initial debt and redemption at maturity is amortized at the effective interest rate.

The convertible bonds with an option for conversion and/or exchangeable for new or existing shares (OCEANE) are recognized in two distinct components:

- a debt component is recognized at amortized cost, which was determined using the market interest rate for a non- convertible bond with similar features. The carrying amount is recognized net of its proportionate share of the debt issuance costs; and
- a conversion option component is recognized in equity for an amount equal to the difference between the issuing price of the OCEANE convertible bond and the value of the debt component. The carrying amount is recognized net of its proportionate share of the debt issuance costs and corresponding deferred taxes. This value is not remeasured but will be adjusted for all conversion of bonds.

t) Assets and Liabilities Held for Sale

The Group considers every non-current asset as an asset held for sale if it is very likely that its book value will be recovered principally by a sale transaction rather than by its continued use. Assets and liabilities classified as held for sale are measured at the lower of either the carrying amount or the fair value less selling costs. The fair value of our assets and liabilities held for sale was determined using a market approach that took into consideration the expected sales price as of December 31, 2017.

Note 2 Scope of Consolidation

(A) Main Variations

Year ended December 31, 2017 – Significant changes

Description of the Merger of FMC Technologies and Technip

On June 14, 2016, FMC Technologies and Technip entered into a definitive business combination agreement providing for the business combination among FMC Technologies, FMC Technologies SIS Limited, a private limited company incorporated under the laws of England and Wales and a wholly-owned subsidiary of FMC Technologies, and Technip. On August 4, 2016, the legal name of FMC Technologies SIS Limited was changed to TechnipFMC Limited, and on January 11, 2017, was subsequently re-registered as TechnipFMC plc, a public limited company incorporated under the laws of England and Wales.

On January 16, 2017, the business combination was completed. Pursuant to the terms of the definitive business combination agreement, Technip merged with and into TechnipFMC, with TechnipFMC continuing as the surviving company (the ''Technip Merger''), and each ordinary share of Technip (the ''Technip Shares''), other than Technip Shares owned by Technip or its wholly-owned subsidiaries, were exchanged for 2.0 ordinary shares of TechnipFMC, subject to the terms of the definitive business combination agreement. Immediately following the Technip Merger, a wholly-owned indirect subsidiary of TechnipFMC (''Merger Sub'') merged with and into FMC Technologies, with FMC Technologies continuing as the surviving company and as a wholly-owned indirect subsidiary of TechnipFMC (the ''FMCTI Merger''), and each share of common stock of FMC Technologies (the ''FMCTI Shares''), other than FMCTI Shares owned by FMC Technologies, TechnipFMC, Merger Sub or their wholly-owned subsidiaries, were exchanged for 1.0 ordinary share of TechnipFMC, subject to the terms of the definitive business combination agreement.

After careful consideration of all of the company-specific facts, the merger-related facts and the Business Combination Agreement, Technip and FMC Technologies determined that the factors were neutral to or supportive of the conclusion that Technip is considered under the acquisition method of accounting, as the accounting acquirer and acquired a 100% interest in FMC Technologies. The factors that most notably support the determination are (i) the relative voting interest of Technip and FMC Technologies in the combined company whereby the Technip stockholders will have majority voting interest of approximately 51%, (ii) the minority voting interest and (iii) the relative size of FMC Technologies's and Technip's revenues, total assets, workforce and global footprint.

The merger of FMC Technologies and Technip (the ''Merger'') has created a larger and more diversified company that is better equipped to respond to economic and industry developments and better positioned to develop and build on its offerings in the subsea, surface, and onshore/offshore markets as compared to the former companies on a standalone basis. More importantly, the Merger has brought about the ability of the combined company to (i) standardize its product and service offerings to customers, (ii) reduce costs to customers, and (iii) provide integrated product offerings to the oil and gas industry with the aim to innovate the markets in which the combined company operates.

We incurred $56.2 million in merger transaction and integration costs for the twelve months ended December 31, 2017 and $140.4 million for the twelve months ended December 31, 2016.

Description of FMC Technologies as Accounting Acquiree

FMC Technologies is a global provider of technology solutions for the energy industry. FMC Technologies designs, manufactures and services technologically sophisticated systems and products, including subsea production and processing systems, surface wellhead production systems, high pressure fluid control equipment, measurement solutions and marine loading systems for the energy industry. Subsea systems produced by FMC Technologies are used in the offshore production of crude oil and natural gas and are placed on the seafloor to control the flow of crude oil and natural gas from the reservoir to a host processing facility. Additionally, FMC Technologies provides a full range of drilling, completion and production wellhead systems for both standard and custom-engineered applications. Surface wellhead production systems, or trees, are used to control and regulate the flow of crude oil and natural gas from the well and are used in both onshore and offshore applications.

Consideration transferred

The acquisition-date fair value of the consideration transferred consisted of the following:

(In millions of U.S. dollars and shares)	
Total FMC Technologies, Inc. shares subject to exchange as of January 16, 2017	228.9
FMC Technologies, Inc. exchange ratio (1)	0.5
Shares of TechnipFMC plc issued	114.5
Value per share of Technip as of January 16, 2017 (2)	71.4
Total purchase consideration	**8,170.7**

(1) As the calculation is deemed to reflect a share capital increase of the accounting acquirer, the FMC Technologies exchange ratio (1 share of TechnipFMC plc for 1 share of FMC Technologies as provided in the business combination agreement) is adjusted by dividing the FMC Technologies exchange ratio by the Technip exchange ratio (2 shares of TechnipFMC plc for 1 share of Technip as provided in the business combination agreement), i.e., 1 ⁄ 2 = 0.5 in order to reflect the number of shares of Technip that FMC Technologies stockholders would have received if Technip was to have issued its own shares.

(2) Closing price of Technip's ordinary shares on Euronext Paris on January 16, 2017 in Euro converted at the Euro to U.S. dollar exchange rate of $1.0594 on January 16, 2017.

Assets acquired and liabilities assumed

The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date.

(In millions of U.S. dollars)	
Assets:	
Cash	1,479.2
Accounts receivable	1,247.4
Inventory	764.8
Income taxes receivable	139.2
Other current assets	282.2
Property, plant and equipment	1,623.3
Intangible assets	1,390.3
Other long-term assets	167.3
Total identifiable assets acquired	7,093.7
Liabilities:	
Short-term and current portion of long-term debt	1,263.7
Accounts payable, trade	386.0
Advance payments	454.0
Income taxes payable	92.1
Other current liabilities	529.5
Long-term debt, less current portion	830.0
Accrued pension and other post-retirement benefits, less current portion	195.5
Deferred income taxes	199.7
Other long-term liabilities	161.0
Total liabilities assumed	4,111.5
Net identifiable assets acquired	2,982.2
Goodwill	5,188.5
Total purchase consideration	**8,170.7**

Segment allocation of goodwill

The final allocation of goodwill to the reporting segments based on the final valuation is as follows:

(In millions of U.S. dollars)	Allocated Goodwill
Subsea	2,547.4
Onshore/Offshore	1,635.5
Surface Technologies	1,005.6
Total	**5,188.5**

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the expected revenue and cost synergies of the combined company, which are further described above. Goodwill recognized as a result of the acquisition is not deductible for tax purposes.

Acquired identifiable intangible assets

The identifiable intangible assets acquired include the following:

(In millions of U.S. dollars, except estimated useful lives)	Fair Value	Estimated Useful Lives
Acquired technology	240.0	10
Backlog	175.0	2
Customer relationships	285.0	10
Tradenames	635.0	20
Software	55.3	Various
Total identifiable intangible assets acquired	**1,390.3**	

FMC Technologies' results of operations have been included in our financial statements for periods subsequent to the consummation of the Merger on January 16, 2017. FMC Technologies contributed revenue and a net loss of $3,441.1 million and $256.7 million, respectively, for the period from January 17, 2017 through December 31, 2017.

Pro forma impact of the merger (unaudited)

The following unaudited supplemental pro forma results present consolidated information as if the Merger had been completed as of January 1, 2017. The pro forma results do not include any potential synergies, cost savings or other expected benefits of the Merger. Accordingly, the pro forma results should not be considered indicative of the results that would have occurred if the Merger had been consummated as of January 1, 2017, nor are they indicative of future results.

(In millions of U.S. dollars)	Twelve Months Ended December 31, 2017 Pro forma
Revenue	15,169.8
Net income attributable to TechnipFMC plc	(149.2)

Year ended December 31, 2016 – Significant changes

On March 31, 2016, we sold the totality of its fully owned subsidiaries Technip Germany Holding GmbH and Technip Germany GmbH to Atop Beteiligungs GmbH. A net loss of $23.9 million was recorded on the consolidated accounts as of December 31, 2016 as regards this disposal.

On October 28, 2016, we acquired 20% of Serimax Holdings, a world leader in offshore & onshore welding solutions, from Vallourec Tubes. This acquisition follows the agreement signed on January 11, 2016 between TechnipFMC plc and Serimax in order to achieve a strategic partnership in the domain of pipeline welding, combine expertise and deploy the Serimax welding technology at TechnipFMC plc' spoolbases and S-lay vessels. Serimax is accounted for as an equity affiliate in the consolidated financial statements of TechnipFMC plc.

In the fourth quarter of 2016, we obtained voting control interests in legal onshore/offshore contract entities which own and account for the design, engineering and construction of the Yamal LNG plant. Prior to the amendments of the contractual terms that provided us with voting interest control, we accounted for these entities under the equity method of accounting based on our previously held interests in each of these entities. Since nearly all substantive processes to perform and execute the obligations of the underlying contract are conducted by TechnipFMC and the noncontrolling interest holders, we accounted for these entities as an acquisition upon our obtaining control and recognized a net gain of $4.4 million during 2016. As of December 31, 2016, total assets, liabilities and equity related to these entities were consolidated onto our balance sheet and our results of operations for the year ended December 31, 2017 reflect the consolidated results of operations related to these entities. Refer to Note 8 for further information regarding the acquisition and consolidation of these entities.

As a consequence of these main variations in the consolidation scope, a total amount of $3.5 billion of cash, net of acquisition costs, was acquired and therefore disclosed in our consolidated statement of cash flows.

(B) Scope of Consolidation

The Group's subsidiaries, joint venture undertakings and equity affiliates at 31 December 2017 are listed below. All subsidiaries are fully consolidated in the financial statements. Ownership interests noted in the table reflect holdings of ordinary shares.

All consolidated companies close their accounts as of December 31 except Technip India which closes their statutory accounts as of March 31. However, the entity performs an interim account closing as of December 31 for the purpose of Group consolidation.

Directly owned subsidiaries of the Company as of December 31, 2017

Company Name	Address	Share Class	Group interest held in %
BRAZIL			
Technip Cleplan Empreendimentos E Projetos Industriais Ltda.	Rua Dom Marcos Barbosa, nº 2, sala 202 (parte) 20211-178 Rio de Janeiro	Equity interest	58.29[2]
CHINA			
Technip Chemical Engineering (Tianjin) Co., Ltd.	10th Floor - Yunhai Mansion 200031 Shanghai	Equity interest	100
FRANCE			
Technip Corporate Services SAS	89, avenue de la Grande Armée 75116 Paris	Ordinary shares	78[3]
Technip Eurocash SNC	89, avenue de la Grande Armée 75116 Paris	Equity interest	96[4]
Technip France SA	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	78[5]
Compagnie Francaise De Realisations Industrielles, Cofri SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Cybernetix SAS	Technopôle de Château-Gombert 13382 Marseille Cedex 13	Ordinary shares	100
Seal Engineering SAS	19, Avenue Feuchères 30000 Nîmes	Ordinary shares	100
Technip Ingenierie Defense SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Technip Offshore International SAS	89, avenue de la Grande Armée 75116 Paris	Ordinary shares	100
Technipnet SAS	ZAC Danton 92400 Courbevoie	Ordinary shares	100

2 Subsidiary fully and indirectly owned by TechnipFMC, plc.

3 Subsidiary and indirectly owned by TechnipFMC, plc.

4 Subsidiary and indirectly owned by TechnipFMC, plc.

5 Subsidiary and indirectly owned by TechnipFMC, plc.

Company Name	Address	Share Class	Group interest held in %
ITALY			
Technip Italy S.P.A.	68, Viale Castello della Magliana 00148 Rome	Ordinary shares	100
TPL - Tecnologie Progetti Lavori S.P.A. In Liquidazione	68, Viale Castello della Magliana 00148 Rome	Ordinary shares	100
MALAYSIA			
Technip Far East Sdn Bhd	Suite 13.03, 13th Floor 207 Jalan Tun Razak Kuala Lumpur 50400	Ordinary shares	100
NETHERLANDS			
Technip Holding Benelux B.V.	Afrikaweg 30 Zoetermeer 2713 AW	Ordinary shares	100
NEW-CALEDONIA – FRENCH OVERSEAS TERRITORY			
Technip Nouvelle-Caledonie	Koné village - Lot 35 A 98860 Koné	Ordinary shares	100
PANAMA			
Technip Overseas S.A.	2nd Floor, Swiss Bank Bldg East 53 RD Street Marbella	Ordinary shares	100
RUSSIAN FEDERATION			
Technip Rus LLC	266 Litera O, Ligovskiy prospect. 5th - 8th floor 196084 Moscow	Ordinary shares	99.98
SPAIN			
Technip Iberia, S.A.	Building n° 8 - Floor 4th Plaça de la Pau s/n World Trade Center - Almeda Park - Cornellà de Llobregat 08940 Barcelone	Ordinary shares	99.99[6]
SWITZERLAND			
Engineering Re AG	Basteiplatz 7 8001 Zurich	Ordinary shares	100
UNITED KINGDOM			
TechnipFMC Holdings Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares A Ordinary shares B	88.12[7]
Technip Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
VENEZUELA			
Inversiones Dinsa, C.A.	Avenida Principal de La Urbina, calle 1 con calle 2 Centro Empresarial INECOM, piso 1, oficina 1-1 La Urbina, Minicipio Sucre 1070 Caracas	Ordinary shares	100
Technip Bolivar, C.A. en liquidation	Avenida Guyana Torre Colon, Piso 2, Oficina 1, Altavista Sur, Puerto Ordaz, Estado Bolivar	Ordinary shares	99.94[8]

6 Subsidiary fully and indirectly owned by TechnipFMC, plc.
7 Subsidiary fully and indirectly owned by TechnipFMC, plc.
8 Subsidiary fully and indirectly owned by TechnipFMC, plc.

Indirectly owned subsidiaries of the Company as of December 31, 2017

Company Name	Address	Share Class	Group interest held in %
ALGERIA			
FMC Technologies Algeria SARL	Zone industrielle Ilot 17 1 BP 1438 Amirouche Hassi-Messaoud	Equity interest	100
ANGOLA			
Angoflex Industrial Limitada	Rua Rei Katyavala, N.°43-45, Edificio Avenca Plaza, 8°. Andar 5364 Luanda	Equity interest	70
Technip Angola-Engenharia, Limitada	Rua Rei Katyavala, N.°43-45, Edificio Avenca Plaza, 8°. Andar 5364 Luanda	Equity interest	60
ARGENTINA			
FMC Technologies Argentina S.R.L.	Manzana 3 - Lote 19 Parque Industrial Neuquen Neuquén CP 8300	Equity interest	100
AUSTRALIA			
FMC Technologies Australia Limited	Level II, 225 St. Georges Terrace 6000 Perth	Ordinary shares	100
Genesis Oil & Gas Consultants Pty Ltd	Technip Oceania Pty Ltd 1120 Hay St, West Perth WA 6005	Ordinary shares	100
Technip Oceania Pty Ltd	1120 Hay St, West Perth WA 6005	Ordinary shares	100
BAHAMAS			
Amc Angola Offshore Ltd	Trident Corporate Services Ltd, Provident House East Hill Street, Nassau P.O. Box N-3944	Ordinary shares	100
BELARUS			
Technip Bel	Pobediteley avenue, 17, room 1009 220004, Minsk	Ordinary shares	100
BRAZIL			
Cybernetix Produtos E Serviços Do Brasil Ltda.	Rua Dom Marcos Barbosa, nº 2, sala 402 20211-178 Rio de Janeiro	Equity interest	100
Flexibras Tubos Flexiveis Ltda	Avenida Jurema Barroso, 35 29010-380 Vitoria	Equity interest	100
FMC Technologies do Brasil Ltda	Rodovia Presidente Dutra 2660 Pavuna - RJ - Brazil CEP 21535-900	Equity interest	100
Forsys Subsea Engenharia e Serviços Offshore Ltda.	Rua Dom Marcos Barbosa, nº 2, salas 403 e 404 20211-178 Rio de Janeiro	Equity interest	100
Genesis Oil & Gas Brasil Engenharia Ltda.	Rua Dom Marcos Barbosa, nº 2, sala 303 20211-178 Rio de Janeiro	Equity interest	99.99
Technip Operadora Portuaria S/A	Praça Lopes Trovão, s/nº Parte 23900-000 - Centro - Angra dos Reis	Ordinary shares	99.99
TPAR - Terminal Portuario De Angra Dos Reis S/A	Praça Lopes Trovão, s/nº 23900-490 - Centro - Angra dos Reis	Ordinary shares	99.99
Technip Brasil - Engenharia, Instalacoes E Apoio Maritimo Ltda.	Rua Dom Marcos Barbosa, nº 2, salas 202 (parte), 203, 302, 303, 304, 503 e 603 20211-178 Rio de Janeiro	Equity interest	100
Technip Serviços Offshore, Engenharia e Navegação Ltda.	Rua Dom Marcos Barbosa, nº 2, salas 204, 403, 404, 504 e 604 (parte) 20211-178 Rio de Janeiro	Equity interest	100

Company Name	Address	Share Class	Group interest held in %
BRUNEI DARUSSALAM			
Technip Engineering (B) Sendirian Berhad	B6, Second Floor, Block B Shakirin Complex, Kampong Kiulap BE1518 Bandar Seri Begawan	Ordinary shares	93.10
CAMEROON			
FMC Technologies Cameroon SARL	Zone Portuaire/Place de l'Udeac BP 12804 Bonanjo Douala	Equity interest	99
CANADA			
FMC Technologies Canada Ltd.	4300 Bankers Hall West T2P5C5 Calgary	Ordinary shares	100
Genesis Oil & Gas Consultants (Canada) Limited	c/o McInnes Cooper - 5th Floor, 10 Fort William Place P.O. Box 5939, St John's, NL A1C 5X4 Newfoundland and Labrador	Ordinary shares	100
Technip Canada Limited	P.O. Box 5939 5th floor, 10 Fort William Place NL A1C 5X4 St John's	Ordinary shares	100
CHILE			
FMC Technologies Chile Limitada	Callao 2910, Office 704 Las Condes, Santiago	Equity interest	100
CHINA			
FMC Technologies (Shanghai) Co., Ltd	Room 3004-3005 - 689 Guangdong Road 200001 Shanghai	Equity interest	100
FMC Technologies (Shenzhen) Co., Ltd.	Room H, 12/F, Times Plaza, 1 Taizi Road, Shekou 518607 Shenzhen	Equity interest	100
Shanghai Technip Trading Company	10th Floor - Yunhai Mansion 200031 Shanghai	Equity interest	100
Technip Engineering Consultant (Shanghai) Co., Ltd	10th Floor - Yunhai Mansion 200031 Shanghai	Equity interest	100
CYPRUS			
Subtec Marine Limited	3 Chrysantho Mylona, P.C.3030 Limassol	Ordinary shares	100
EGYPT			
FMC Technologies Egypt LLC	1 Road 293 New Maadi Cairo	Ordinary shares	100
FINLAND			
Technip Offshore Finland Oy	Reposaaren maantie 170 FI-28880 PORI	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
FRANCE			
Angoflex SAS	ZAC Danton 92400 Courbevoie	Ordinary shares	100
Clecel SAS	5 place de la Pyramide 92088 La Défense Cedex	Ordinary shares	100
Consorcio Intep SNC	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Equity interest	90
Cyxplus SAS	Technopôle de Château-Gombert 13382 Marseille Cedex 13	Ordinary shares	100
Flexi France SAS	Rue Jean Huré 76580 Le Trait	Ordinary shares	100
FMC Technologies Overseas, SA	Route des Clérimois 89100 Sens	Ordinary shares	100
FMC Technologies SA	Route des Clérimois 89100 Sens	Ordinay shares	100
Forsys Subsea SAS	43-45 boulevard Franklin Roosevelt 92500 Rueil-Malmaison	Ordinary shares	100
Middle East Projects International (Technip Mepi)	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Safrel SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
SCI les Bessons	Technopôle de Château-Gombert 13382 Marseille Cedex 13	Equity interest	100
Technip Marine SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Technip Normandie SAS	PAT LA VATINE 14 rue Linus Carl Pauling 76130 Mont-Saint-Aignan	Ordinary shares	100
Technip N-Power SAS	89, avenue de la Grande Armée 75116 Paris	Ordinary shares	100
GABON			
FMC Technologies Gabon S.A.R.L.	B.P. 277 Port-Gentil	Equity interest	100
GERMANY			
F.A. Sening GmbH	Regentstraße 1 25474 Ellerbek	Ordinary shares	100
Smith Meter GmbH	Regentstraße 1, 25474 Ellerbek	Ordinary shares	100
Technip Zimmer GmbH	Friesstrasse 20 60388 Frankfurt am Main	Ordinary shares	100
Technip Offshore Wind Germany - GmbH	Theodorstrasse 90 D-40472 Dusseldorf	Ordinary shares	100
GHANA			
FMC Technologies (Ghana) Limited	Commercial Port Gate 2 Takoradi P.O. Box CT 42, Cantonments, Accra	Ordinary shares	100
GNPC-Technip Engineering Services Limited	6th Floor, One Airport Square 00233 Accra	Ordinary shares	70
GREECE			
Technipetrol Hellas S.A.	42, Pavlou Mpakogianni Str. 144 52 Metamorfosis, Athens	Ordinary shares	99

Company Name	Address	Share Class	Group interest held in %
GUYANA			
TechnipFMC Guyana, Inc.	2 Avenue of the Republic, Georgetown	Ordinary shares	100
HONG KONG			
FMC Technologies Energy (Hong Kong) Limited	Suite 1106-8, 11/F., Tai Yau Building Hong Kong	Ordinary shares	100
FMC Technologies Energy Holdings (Shanghai) Ltd.	Suite 1106-8, 11/F., Tai Yau Building, No. 181 Johnston Road, Wanchai Hong Kong	Ordinary shares	100
INDIA			
FMC Technologies India Private Limited	Plot No.27(Part) Survey No. 124, Road No 12, Commerzone, Raheja IT Park, Opp. Institute of Preventive Medicine, Industrial Park, IDA Nacharam, Hyderabad, Telangana 500 076	Ordinary shares	100
Technip Global Business Services Private Limited	9th Floor, World Trade Tower (WTT) Tower-B C-1, Sector 16, Noida - 201301, U.P 201301 Noida	Ordinary shares	99.99
Technip India Limited	B-22, Okhla Phase, 1 Industrial Area 110020 New Delhi	Ordinary shares	100
INDONESIA			
PT FMC Technologies Subsea Indonesia	Sovereign Plaza 11th Floor, JI. TB Simatupang Kav. 36 Jakarta 12430	Ordinary shares	100
PT Global Industries Asia Pacific	Metropolitan Tower, 15th Florr, JL. R. A. Kartini Kav. 14 (T.B Simatupang), Cilandak Jakarta Selatan 12430	Ordinary shares	99.99
PT FMC Santana Petroleum Equipment Indonesia	Jalan Cakung Cilincing Raya KM 2.5 Semper, Jakarta 14130	Ordinary shares	60
IRAQ			
F.M.C Petroleum Services Ltd.	Erbil - English Village - N°161	Ordinary shares	100
Advanced Oil Services LLC	Al Mansour – District 609 – Alley 23, Building 70 – Office 15, Baghdad	Equity interest	100
ISLE OF MAN			
Subtec Asia Ltd	Burleigh Manor, Peel Road Douglas IM1 5EP	Ordinary shares	100
ITALY			
Consorzio Technip Italy Procurement Services - TIPS	68, Viale Castello della Magliana 00148 Rome	Equity interest	100
FMC Technologies S.r.l. a socio unico	6, Via Giardinetto 43044 Collechio Parma	Equity interest	100
Technip Italy Direzione Lavori S.P.A.	68, Viale Castello della Magliana 00148 Rome	Ordinary shares	100
TP - HQC S.R.L.	68, Viale Castello della Magliana 00148 Rome	Equity interest	51

Company Name	Address	Share Class	Group interest held in %
JERSEY			
CSO Oil & Gas Technology (West Africa) Ltd	2nd Floor, sir Walter Raleigh House 48-50 The Esplanade, St Helier Jersey JE4 8NX	Ordinary shares	100
Stena Offshore (Jersey) Ltd	26 New Street St Helier - Jersey JE2 3RA	Ordinary shares	100
KAZAKHSTAN			
FMC Technologies Kazakhstan LLP	43/5 building, industrial zone 3 Birlik residential area, 130006 Kyzyltobe village, Munaily district Mangistau region	Equity interest	100
LUXEMBOURG			
FMC Technologies Energy SCS	8-10 avenue de la Gare 1610 Luxembourg	999 Limited Units 1 Unlimited Unit	100 100
FMC Technologies Global Rental Tools S.a r.l	8-10 avenue de la Gare 1610 Luxembourg	Ordinary shares	100
FMC Technologies S.a.r.l.	8-10 avenue de la Gare 1610 Luxembourg	Ordinary shares	100
FMC Technologies Tool Holdings S.ar.l	8-10 avenue de la Gare 1610 Luxembourg	Ordinary shares	100
MALAYSIA			
FMC Petroleum Equipment (Malaysia) Sdn. Bhd.	Suite 7E, Level 7, Menara Ansar, 65 Jalan Trus Johor Bahru 80000 Johor	Ordinary shares	100
FMC Technologies Global Supply SDN. BHD.	11 Jalan NIP 1/1A Taman Industri Nusajaya 1 Gelang Patah Johor 81550	Ordinary shares	100
FMC Wellhead Equipment Sdn. Bhd.	Suite 7E, Level 7, Menara Ansar, 65 Jalan Trus Johor Bahru 80000 Johor	Ordinary shares	100
Genesis Oil & Gas Consultants Malaysia Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak Kuala Lumpur 50400	Ordinary shares	100
Global Asia Pacific Industries Sdn. Bhd.	c/o AD-Consult Sdn Bhd Suite 13.03 13th Fl, Menara Tan & Tan, 207 Jalan Tun Razak Kuala Lumpur 50400	Ordinary shares	100
Kanfa South East Asia Sdn Bhd in Malaysia	Suite 13.03, 13th Floor Menara Tan & Tan 207, Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	100
Asiaflex Products Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak Kuala Lumpur 50400	Ordinary shares	55
Flexiasia Sdn Bhd	Suite 13.03, 13th Floor 207 Jalan Tun Razak Kuala Lumpur 50400	Ordinary shares	55

Company Name	Address	Share Class	Group interest held in %
MAURITIUS			
Coflexip Stena Offshore (Mauritius) Ltd.	33, Edith Cavell Street 11324 Port Louis	Ordinary shares	100
GIL Mauritius Holdings Ltd	33, Edith Cavell Street 11324 Port Louis	Ordinary shares	100
Global Construction Mauritius Services Ltd	33, Edith Cavell Street 11324 Port Louis	Ordinary shares	100
Global Vessels Mauritius, Ltd.	33, Edith Cavell Street 11324 Port Louis	Ordinary shares	100
MEXICO			
FMC Technologies de Mexico S.A. de C.V.	FMC Technologies de Mexico, S.A. de C.V. Laurel Lote 41, Manzana 19, Col. Bruno Pagliai Veracruz, Veracruz C.P. 91697	Ordinary shares	100
FMC Technologies Servicios Corporativos, S.A.de C.V.	FMC Technologies de Mexico, S.A. de C.V. Laurel Lote 41, Manzana 19, Col. Bruno Pagliai Veracruz, Veracruz C.P. 91697	Ordinary shares	100
Global Industries Mexico Holdings S. de R.L. de C.V.	Calle 31x42 No. 120 Colonia Tacubaya Ciudad del Carmen 24180	Ordinary shares	100
Global Industries Offshore Services, S. de R.L. de C.V.	Calle 31x42 No. 120 Colonia Tacubaya Ciudad del Carmen 24180	Ordinary shares	100
Global Industries Services, S. de R.L. de C.V.	Calle 31x42 No. 120 Colonia Tacubaya Ciudad del Carmen 24180	Ordinary shares	100
Global Offshore Mexico, S. de R.L. de C.V.	Calle 31x42 No. 120 Colonia Tacubaya Ciudad del Carmen 24180	Ordinary shares	100
Global Vessels Mexico, S. de R.L. de C.V.	Vasco de Quiroga 3000 Edificio Calakmul piso 6 Colonia Santa Fe 01210	Ordinay shares	99
Technip De Mexico S. De R.L. De C.V.	Priv Andres Guarjardo 320 Parque Industrial Apodaca Apodaca, Nuevo Leon 66600	Ordinary shares	100
MOZAMBIQUE			
Technip Mozambique Lda	Avenida da Marginal, n°11, 2° andar, Prédio Global Alliance Maputo 1100	Equity interest	100
FMC Technologies Mozambique Lda	Distrito Urbano 1, Av. Zedquias Manganhela no 257, 5 Andar (5th floor), Maputo Cidade	Equity interest	99.99
MYANMAR			
Technip Myanmar Co. Ltd	No. 30(A), Inya Road Yadanarinya Condo, 7th floor, A+B 11201 Yangon	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
NETHERLANDS			
FMC Separation Systems B.V.	Delta 101 Amsterdam 6825 MN Arnhem	Ordinary shares	100
FMC Technologies B.V.	Zuidplein 126, WTC, Tower H, 15é Amsterdam 1077XV	Ordinary shares	100
FMC Technologies Global B.V.	Zuidplein 126, Tower H, 15th Fl. 1077 XV Amsterdam	Ordinary shares	100
FMC Technologies Brazil Finance B.V.	Zuidplein 126, Tower H, 15th Fl. 1077 XV Amsterdam	Ordinary shares	100
FMC Technologies International Services B.V.	Zuidplein 126, Tower H, 15th Fl. 1077 XV Amsterdam	Ordinary shares	100
FMC Technologies Surface Wellhead B.V.	Industrieweg 31 7761 PV Schoonebeek	Ordinary shares	100
TSLP B.V.	Afrikaweg 30 Zoetermeer 2713 AW	Ordinary shares	100
Technip Benelux B.V.	Afrikaweg 30 Zoetermeer 2713 AW	Ordinary shares	100
Technip EPG B.V.	Barbizonlaan 50 Capelle aan den Ijssel 2908 ME	Ordinary shares	100
Technip Offshore Contracting B.V.	Luna ArenA, Herikerbergweg 238 P.O. Box 23393 - 1100 DW Amsterdam Zuidoost 1101 CM	Ordinary shares	100
Technip Offshore N.V.	Luna ArenA, Herikerbergweg 238 P.O. Box 23393 - 1100 DW Amsterdam Zuidoost 1101 CM	Ordinary shares	100
Technip Oil & Gas B.V.	Afrikaweg 30 Zoetermeer 2713 AW	Ordinary shares	100
Technip Ships (Netherlands) B.V.	Afrikaweg 30 Zoetermeer 2713 AW	Ordinary shares	100
TechnipFMC International Holdings B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares Preferred shares	100 100
NIGERIA			
FMC Technologies Nigeria Limited	22A Gerrard Road Ikoyi Lagos	Ordinary shares	100
Technip Offshore (Nigeria) Ltd	Ivie House, No 4/6 Ajose Adeogun Street Victoria Island Ebani House (Marina Side), 62 Marina PO Box 2442 Marina Lagos	Ordinary shares	100
Global Pipelines Plus Nigeria Ltd.	c/o Templars 4th Floor, The Octagon, 13A AK Marinho Drive Victoria Island, Lagos	Ordinary shares	99.99
Neptune Maritime Nigeria Ltd.	Neptune Base, Rumuolumeni PMB 017 (Trans Amadi) Port Harcourt	Ordinay shares	66.91

Company Name	Address	Share Class	Group interest held in %
NORWAY			
Anchor Contracting AS	Bryggegata 9 0250 Oslo	Ordinary shares	51
FMC Kongsberg Subsea AS	Kirkegårdsveien 45 3616 KONGSBERG	Ordinary shares	100
FMC Technologies Norway AS	Kirkegårdsveien 45 3616 KONGSBERG	Ordinary shares	100
Floating Storage Concept AS	Vollsveien 17A 1327 Lysaker	Ordinary shares	51
Forsys Subsea AS	Philip Pedersens vei 7 1366 LYSAKER	Ordinary shares	100
Inocean AS	Bryggegata 3 0250 Oslo	Ordinary shares	51
Inocean Engineering AS	Bryggegata 9 0250 Oslo	Ordinary shares	51
Inocean Marotec AS	Bryggegata 9 0250 Oslo	Ordinary shares	90.3
Kanfa AS	Nye Vakas vei 80 1395 Hvalstad	Ordinary shares	100
Marine Offshore AS	Vollsveien 17A 1327 Lysaker	Ordinary shares	51
North Ocean III KS	Philip Pedersens vei 7 1366 LYSAKER	Ordinary shares	100
Technip - FMC IEPCI DA	1366 Lysaker 0219 Baerum	Equity interest	100
Technip Ships Norge AS	Philip Pedersens vei 7 1366 LYSAKER	Ordinary shares	100
Genesis Oil And Gas Consultants Norway AS	Verksgata 1 A, 7th Floor 4013 Stanvanger	Ordinary shares	100
Kanfa Ingenium Process AS	Philip Pedersens vei 7 1366 LYSAKER	Ordinary shares	100
Technip Chartering Norge AS	Philip Pedersens vei 7 1366 LYSAKER	Ordinary shares	100
Technip Norge AS	Philip Pedersens vei 7 1366 LYSAKER	Ordinary shares	100
Technip-Coflexip Norge AS	Philip Pedersens vei 7 1366 LYSAKER	Ordinary shares	100
POLAND			
FMC Technologies Sp.z.o.o.	al. Gen. Tadeusza Bora-Komorowskiego 25b Buma Quattro Complex Buidling B 31476 Krakow	Ordinary shares	100
Inocean Poland Sp Z.o.o	ul. Dubois 20 71-610 Szczecin	Ordinary shares	51
Technip Polska Sp. Z o.o.	Ul. Promyka 13/4 01-604 Varsovie	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
PORTUGAL			
Angoltech, SGPS, LDA.	Rua Castilho, 39-15°, Sao Mamede 1250-068 Lisboa	Equity interest	100
Lusotechnip Engenharia, Sociedade Unipessoal Lda.	5th Floor, "Tower Ocidente" Rua Galileu Galilei 2 (Centro Commercial Colombo) 1500-392 Lisbon	Equity Interest	100
RUSSIAN FEDERATION			
FMC Eurasia LLC	RF, 119180 Moscow, st. B. Yakimanka, 31, office 401	Ordinary shares	100
Rus Technip LLC	Room 23, office II A, 40-1, Narodnojo Opolcheniya ul. 123298 Moscow	Ordinary shares	51
ZAO FMC Overseas	Russia, 103473, Moscow, 3rd Samotechny Per., 11, 6th floor	Ordinary shares	100
SAUDI ARABIA			
FMC Technologies Saudi Arabia Limited	3076 – Industrial City 2 Unit No. 1 Road 88 Al Dammam 64326 – 7393	Ordinary shares	80
Technip Saudi Arabia Limited	Dhahran Center Building - 5th Floor, Suite #501 31952 Al-Khobar	Ordinary shares	76
TPL Arabia	Dhahran Center Building - 5th Floor, Suite #501 31952 Al-Khobar	Ordinary shares	90
SINGAPORE			
Coflexip Singapore Pte Ltd	149 Gul Circle 629605 Singapore	Ordinary shares	100
FMC Technologies Global Services Pte. Ltd.	149 Gul Circle 629605 Singapore	Ordinary shares	100
FMC Technologies Singapore Pte. Ltd.	149 Gul Circle 629605 Singapore	Ordinary shares	100
Forsys Subsea Pte Ltd	149 Gul Circle 629605 Singapore	Ordinary shares	100
Technip Singapore Pte Ltd	1 Harbour Front Place #03-01 Harbour Front Tower One 098633 Singapore	Ordinary shares	100
TP-NPV Singapore Pte Ltd	41, Science Park Road #03-24/28 The Gemini - Singapore Science Park II 117610 Singapore	Ordinary shares	100
SOUTH AFRICA			
FMC Technologies (Pty.) Ltd.	Koper Street Brackenfell 7560	Ordinary shares	100
Technip South Africa (Pty.) Ltd	34 Monkor Road - Randpark Ridge Randburg 2194	Ordinary shares	100
SPAIN			
Global Industries Offshore Spain, S.L.	Arturo Soria 263B 28003 Madrid	Ordinary shares	100
SWEDEN			
Inocean Sweden AB	Inocean AB Gårdatorget 1 SE-412 50 Gothenburg	Ordinary shares	51

Company Name	Address	Share Class	Group interest held in %
SWITZERLAND			
FMC Technologies AG	Bahnofstrasse 10 6300 Zurich	Ordinary shares	100
FMC Kongsberg International AG	Bahnofstrasse 10 6300 Zurich	Ordinary shares	100
Technipetrol AG	Neugasse 14 CH-6300 Zoug	Ordinary shares	100
THAILAND			
Global Industries Offshore (Thailand), Ltd.	18th Floor, Sathorn Thani, Building 2 No. 95/92, North Sathorn Road 10500 Kwaeng Silom, Khet Bangkok	Ordinary shares	100
Technip Engineering (Thailand) Co. Ltd	20th Floor - Suntowers Building A 123 Vibhavadee - Rangsit Road CHATUCHAK, BANGKOK 10900	Ordinary shares	100
TUNISIA			
FMC Technologies Service SARL	6, rue Ibn Hazm - Cité des Jardins Le Bélvédère 1002 Tunis	Equity interest	100
UNITED ARAB EMIRATES			
Multi Phase Meters FZE	Jebel Ali Emaar Business Park Building 2, Office 419, P.O. Box 262274, Dubaï	Ordinary shares	100
Technip Middle East FZCO	Office LB 15310 - Jebel Ali Free Zone P.O. BOX 17864 Dubaï	Ordinary shares	100
UNITED KINGDOM			
AABB Limited	70 Great Bridgewater Street Manchester M15ES	48,880 Ordinary (equity) of 1p each 4,937,630 Ordinary deferred of 10p each	100 100
Coflexip (UK) Ltd	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Energy Projects Development Limited	One St Paul's Churchyard London EC4M 8AP	Preferred shares 2 Ordinary share 1	100 100
Forsys Subsea Limited	One St Paul's Churchyard London EC4M 8AP	Share A Share B	100 100
Genesis Oil & Gas Consultants Ltd	One St Paul's Churchyard London EC4M 8AP	Share A Share B	100 100
Genesis Oil And Gas Ltd	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Control Systems International (UK) Limited	70 Great Bridgewater Street Manchester M15ES	Ordinary shares	100
Crosby Services International Ltd.	3-5 Melville Street, Edinburgh, EH3 7PE	Ordinary shares	100
FMC Kongsberg Services Limited	70 Great Bridgewater Street Manchester M15ES	Ordinary shares	100
FMC Technologies Global Business Services Ltd.	70 Great Bridgewater Street Manchester M15ES	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
FMC Technologies Limited	70 Great Bridgewater Street Manchester M15ES	Ordinary shares	100
FMC Technologies Pension Plan Ltd	Atlantic Business Centre, Atlantic Street, Altrincham Manchester, WA14 5NQ	Ordinary shares	100
FMC/KOS West Africa Limited	70 Great Bridgewater Street Manchester M15ES	Ordinary shares	100
Spoolbase Uk Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Subsea I & C Services Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Subsea Integrity Group Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Subsea Maritime Services Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Subsea Offshore Services Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Schilling Robotics Limited	70 Great Bridgewater Street Manchester M15ES	Ordinary shares	100
Technip E&C Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Technip Services Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Technip Maritime UK Limited	One St Paul's Churchyard London EC4M 8AP	Redeemable ordinary shares Ordinary shares	100 100
Technip Offshore Holdings Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Technip Offshore Manning Services Ltd	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Technip Offshore Wind Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Technip PMC Services Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Technip Ships One Ltd	One St Paul's Churchyard London EC4M 8AP	Ordinary ships	100
Technip-Coflexip UK Holdings Ltd	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
TechnipFMC International Finance Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
TechnipFMC International UK Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Technip UK Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
TechnipFMC Umbilicals Ltd	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
West Africa Subsea Services Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
UNITED STATES			
Control Systems International, Inc.	112 SW 7th Street, Suite 3C 66603 Topeka	Ordinary shares	100
Direct Drive Systems, Inc.	1209 Orange Street 19801 Willmington	Ordinary shares	100
Deepwater Technologies Inc.	1209 Orange Street 19801 Willmington	Ordinary shares	75
FMC Subsea Service, Inc.	1209 Orange Street 19801 Willmington	Ordinary shares	100
FMC Technologies Energy LLC	1209 Orange Street 19801 Willmington	Membership interest	100
FMC Technologies Measurement Solutions, Inc.	1209 Orange Street 19801 Willmington	Ordinary shares	100
FMC Technologies Overseas Ltd.	1209 Orange Street 19801 Willmington	Ordinary shares	100
FMC Technologies Separation Systems, Inc.	350 N. St. Paul Street 75201 Dallas	Ordinary shares	100
FMC Technologies, Inc.	1209 Orange Street 19801 Willmington	Ordinary shares	100
FMX, LLC	1999 Bryan Street, Suite 900 TX 75201 Dallas	Membership interest	100
FMC Technologies Surface Integrated Services, Inc.	7700 E Arapahoe Road, Suite 220 Centennial 80112-1268	Ordinary shares	100
Schilling Robotics, LLC	201 Cousteau Place 95618-5412 Davis	Membership interest	100
Subtec Middle East Ltd	1209 Orange Street 19801 Willmington	Ordinary shares	100
Technip Energy & Chemicals International, Inc.	3867 Plaza Tower Dr. 70816 Baton Rouge	Ordinary shares	100
Badger Technologies, LLC	3867 Plaza Tower Dr. 70816 Baton Rouge	Membership interest	100
Technip Process Technology, Inc.	3867 Plaza Tower Dr. 70816 Baton Rouge	Ordinary shares	100
Badger Technology Holdings, LLC	3867 Plaza Tower Dr. 70816 Baton Rouge	Membership interest	100
Forsys Subsea, LLC	1999 Bryan Street, Suite 900 TX 75201 Dallas	Ordinary share	100
Technip E&C, Inc.	3867 Plaza Tower Dr. 70816 Baton Rouge	Ordinary shares	100
Technip S&W Abu Dhabi, Inc.	1209 Orange Street 19801 Willmington	Ordinary shares	100
Technip Stone & Webster Process Technology, Inc	1209 Orange Street 19801 Willmington	Ordinary shares	100
Technip USA, Inc.	1209 Orange Street 19801 Willmington	Ordinary shares	100
TechnipFMC Umbilicals, Inc.	1209 Orange Street 19801 Willmington	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
TechnipFMC US Holdings Inc.	1209 Orange Street 19801 Willmington	Ordinary shares	100
Technip S&W International, INC	3867 Plaza Tower Dr. 70816 Baton Rouge	Ordinary shares	100
The Red Adair Company, LLC	3867 Plaza Tower Dr. 70816 Baton Rouge	Membership interest	100
VENEZUELA			
Technip Velam, S.A.	Av. Principal con Calle 1 y Calle 2 Centro Empresarial Inecom Piso 1 - La Urbina 1060 Caracas	Ordinary shares	100
FMC Wellhead de Venezuela, S.A.	Av. 62 # 147-35, Zona Industrial, Maracaibo, Zulia State, 4001	Ordinary shares	100
VIETNAM			
FMC Technologies (Vietnam) Co., Ltd.	No. 29, Le Duan Street Ben Nghe Ward, Distric 1 Ho Chi Minh City	Equity interest	100
Technip Vietnam Co., Ltd.	Centec Tower Building 72-74 Nguyen Thi Minh Khai Street and 143-145B Hai Ba Trung Street, Ward 6, District 3, Hochiminh City	Equity interest	100

Joint ventures of the Company as of December 31, 2017

Company Name	Address	Group interest held in %
FRANCE		
South Tambey LNG	5 place de la Pyramide 92088 La Défense Cedex	50
SPF-TKP Omifpro SNC	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	50
TP JGC Coral France	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	50
Yamal Services	89, avenue de la Grande Armée 75116 Paris	50
Yamgaz	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	50
ITALY		
Imso - Consorzio Isole Minori Sicilia Occidentale In Liquidazione	31, Via Petrarca 90144 Palerme	50
MALAYSIA		
Technip MHB Hull Engineering	Suite 13.03, 13th Floor 207 Jalan Tun Razak Kuala Lumpur 50400	50
MOZAMBIQUE		
TP JGC Coral Mozambique	Avenida da Marginal, n°11, 2° andar, Prédio Global Alliance Maputo 1100	50
NETHERLANDS		
Etileno XXI Holding B.V.	Kleine Houtweg 33 Haarlem 2012 CB	50
Technip Odebrecht PLSV B.V.	Afrikaweg 30 Zoetermeer 2713 AW	50
Technip Odebrecht PLSV C.V.	Afrikaweg 30 Zoetermeer 2713 AW	49.5
NORWAY		
Dofcon Brasil AS	Thormohlens Gate 53 C 5006 Bergen	50
Technip-DeepOcean PRS JV DA	Killingøy 5515 Haugesund	50
PORTUGAL		
TSKJ - Serviços De Engenharia, Lda.	Avenida Arriaga, numero trinta Terceiro andar - H Freguesia da Sé, Concelho do Funchal 9000-064 Funchal	25
SAUDI ARABIA		
Global Al Rushaid Offshore Ltd	Prince Hamood Sreet, Al Rushaid Groups Co. Building PO Box 2099 Al Khobar	50
UNITED ARAB EMIRATES		
Technip Heerema Middle East Fzco	LB 17331, Jebel Ali Free Zone Dubaï	50
Yemgas Fzco	Office # LB15312 Jebel Ali Free Zone - Dubai	33.33

Company Name	Address	Group interest held in %
UNITED KINGDOM		
T7 Subsea Limited	One St Paul's Churchyard London EC4M 8AP	50
UNITED STATES		
Badger Licensing LLC	2711 Centerville Road Suite 400 19808 Wilmington	50
FMC Technologies Offshore, LLC	Corporation Trust Center 1209 Orange Street 19801 Willmington	50
Spars International Inc.	CT Corporation System 1999 Bryan Street, Suite 900 TX 75201 Dallas	50

Associated undertakings of the Company as of December 31, 2017

Company Name	Address	Share Class	Group interest held in %
BOSNIA AND HERZEGOVINA			
Petrolinvest, D.D. Sarajevo	Tvornicka 3 71000 Sarajevo	Ordinary shres	33.01
BRAZIL			
Fstp Brasil Ltda.	Rua da Candelária, 65, sala 1615 20091-906 Rio de Janeiro	Equity interest	25
GLBL Brasil Oleodutos E Serviços Ltda.	Rua Dom Marcos Barbosa, nº 2, sala 602 20211-178 Rio de Janeiro	Equity interest	27.29
CHINA			
HQC - TP Co. Ltd	n° 7 Yinghuayuan Dongjie, Chaoyang District Pechino	Equity interest	49
COLOMBIA			
Tipiel, S.A.	Calle 38 # 8-62 Piso 3 Santafe De Bogota D.C.	Ordinary shares	45.10
FINLAND			
Creowave Oy	Yrttipellontie 10 H 90230 Oulu	Ordinary shares	24.9
FRANCE			
Oceanide	Port de Brégaillon 83502 La Seyne sur Mer	Ordinary shares	23.10
Serimax Holdings SAS	346 rue de la Belle Etoile 95700 Roissy en France	Ordinary shares	20
GHANA			
Technip Ghana Limited	6th Floor, One Airport Square 00233 Accra	Ordinary shares	49
INDONESIA			
PT Technip Engineering Indonesia	Metropolitan Tower, 15th Florr, JL. R. A. Kartini Kav. 14 (T.B Simatupang), Cilandak Jakarta Selatan 12430	Ordinary shares	49
PT Technip Indonesia	Metropolitan Tower, 15th Florr, JL. R. A. Kartini Kav. 14 (T.B Simatupang), Cilandak Jakarta Selatan 12430	Ordinary shares	49
MALAYSIA			
Technip Consultant (M) Sdn. Bhd	Suite 13.03, 13th Floor 207 Jalan Tun Razak Kuala Lumpur 50400	Ordinay shares	25
Technip Geoproduction (M) Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak Kuala Lumpur 50400	Ordinay shares	31
NETHERLANDS			
Etileno XXI Services B.V.	Prins Bernhardplein 200 Amsterdam 1097 JB	Ordinary shares	40

Company Name	Address	Share Class	Group interest held in %
THAILAND			
Technip (Thailand) Ltd	20th Floor - Suntowers Building A 123 Vibhavadee - Rangsit Road Chatuchak, Bangkok 10900	Ordinary shares	49
UNITED ARAB EMIRATES			
Ctep Free Zone Company	Jebel Ali Free Zone - Lob 10 Office 007 P.O. Box 261645 Dubaï	Ordinary shares	40
SINGAPORE			
FSTP Pte Ltd	50 Gul road 629351 Singapore	Ordinary shares	25

Note 3 Segment Information

The table below shows information on TechnipFMC plc's reportable business and geographical segments in accordance with IFRS 8 (see Note 1-C (e) – Segment information).

(A) Information by Business Segment

	2017				
In millions of U.S. dollars	Subsea	Onshore/ Offshore	Surface Technologies	Corporate and Non-Allocable	Total
Revenue	5,877.4	7,904.5	1,274.6	0.4	15,056.9
Financial income	—	—	—	173.2	173.2
Financial expenses	—	—	—	(506.2)	(506.2)
(Loss) income before income tax	(97.7)	459.7	810.1	(630.4)	541.7
Provision for income taxes	—	—	—	586.1	586.1
NET RESULT (LOSS)	**—**	**—**	**—**	**—**	**(44.4)**
Segment assets	12,846.9	4,623.0	2,514.3	—	19,984.2
Investments in equity affiliates	197.6	(18.2)	—	1.6	181.0
Unallocated assets	—	—	—	8,230.9	8,230.9
TOTAL ASSETS	**13,044.5**	**4,604.8**	**2,514.3**	**8,232.5**	**28,396.1**
Other segment information					
Capital expenditures	179.1	16.2	35.4	25.0	255.7
Depreciation and amortization	(514.5)	(41.1)	(65.1)	(3.2)	(623.9)
Impairment of assets	(130.2)	—	(10.2)	(17.0)	(157.4)

	2016				
In millions of U.S. dollars	Subsea	Onshore/ Offshore	Surface Technologies	Corporate and Non-Allocable	Total
Revenue	5,850.5	3,349.1	—	—	9,199.6
Financial income	—	—	—	87.1	87.1
Financial expenses	—	—	—	(137.5)	(137.5)
Income (loss) before income tax	801.4	308.3	—	(688.3)	421.4
Provision for income taxes	—	—	—	144.6	144.6
NET INCOME (LOSS)	**—**	**—**	**—**	**—**	**276.8**
Segment assets	9,175.5	8,789.7	—	(254.4)	17,710.8
Investments in equity affiliates	113.8	52.3	—	11.7	177.8
Unallocated assets	—	—	—	852.1	852.1
TOTAL ASSETS	**9,289.3**	**8,842.0**	**—**	**609.4**	**18,740.7**
Other segment information					
Capital expenditures	286.8	26.9	—	(0.8)	312.9
Depreciation and amortization	(266.1)	(35.4)	—	0.8	(300.7)
Impairment of assets	—	—	—	(38.1)	(38.1)

In 2017, the Company had one customer that individually represented more than 10% of total Company revenue. The loss of one or more of our significant customers could have a material adverse effect. A total amount of $4.4 billion was invoiced to this client within the Onshore/Offshore segment. In 2016, two clients represented each more than 10% of Group consolidated revenue.

(B) Information by Countries

In millions of U.S. dollars	2017							
	Russia	United States	Angola	Norway	Brazil	Australia	All other countries	Total
Revenue (1)	4,894.0	1,535.0	1,016.0	971.0	911.0	954.0	4,775.9	15,056.9
Property, Plant and Equipment (2)	1.1	887.9	46.7	321.4	408.3	3.7	2,401.9	4,071.0

(1) Includes revenue earned in UK: $0.5 million.

(2) Includes Property, Plant and Equipment in UK: $ 1,161.1 million.

In millions of U.S. dollars	2016							
	Russia	United States	Angola	Norway	Brazil	Australia	All other countries	Total
Revenue (1)	283.0	1,034.0	935.0	574.0	1,007.0	777.0	4,589.6	9,199.6
Property, Plant and Equipment (2)	0.2	44.1	56.6	121.9	319.5	0.8	2,077.0	2,620.1

(1) Includes revenue earned in UK: $0.8 million.

(2) Includes Property, Plant and Equipment in UK: $ 1,078.2 million.

Note 4 Revenue, Other Income and Expense Items

(A) Breakdown of Revenue

Revenue breaks down as follows:

In millions of U.S. dollars	2017	2016
Service revenue	12,210.5	9,128.7
Product revenue	2,651.8	70.9
Lease and other revenue	194.6	—
TOTAL REVENUE	**15,056.9**	**9,199.6**

(B) Other Income

Other operating income break down as follows:

In millions of U.S. dollars	2017	2016
Foreign currency translation gains	930.3	643.5
Reinsurance income	12.3	11.8
Other	22.2	8.4
TOTAL OTHER INCOME	**964.8**	**663.7**

(C) Other Expenses

Other operating expenses break down as follows:

In millions of U.S. dollars	2017	2016
Net loss from disposal of property, plant and equipment	(12.9)	(3.0)
Net loss from disposal of intangible assets	(0.4)	(1.8)
Foreign currency translation losses	(960.4)	(671.6)
Reinsurance costs	(2.3)	(26.2)
Other	(19.9)	(6.1)
TOTAL OTHER EXPENSES	**(995.9)**	**(708.7)**

(D) Breakdown of Expenses by Nature

Total operating expenses break down by nature as following:

In millions of U.S. dollars	2017	2016
Wages and salaries	(2,787.8)	(1,819.1)
Social security costs	(511.9)	(336.3)
Other pension costs	(67.7)	(68.5)
Operating leases	(359.2)	(311.2)
Depreciation and amortization	(623.9)	(300.7)
Impairment	(157.4)	(38.2)
Merger and transaction costs	(56.2)	(140.4)
Purchases, external charges and other expenses	(9,587.5)	(5,781.3)
TOTAL COSTS AND OTHER EXPENSES	**(14,151.6)**	**(8,795.7)**

Note 5 Financial Income and Expenses

Net financial result as of December 31, 2017 amounted to a loss of $333.0 million compared to $50.4 million as of December 31, 2016. It breaks down as follows:

(A) Financial Income

In millions of U.S. dollars	**2017**	**2016**
Interest income from treasury management (1)	135.7	85.3
Financial income related to long-term employee benefit plans	31.2	1.8
Net proceeds from disposal of financial assets	6.3	—
Total financial income	**173.2**	**87.1**

(1) Mainly results from interest income from short-term security deposits.

(B) Financial Expenses

In millions of U.S. dollars	**2017**	**2016**
Interest expenses on bonds and private placements	(57.0)	(75.4)
Fees related to credit facilities	(0.5)	(2.1)
Financial expenses related to long-term employee benefit plans	(43.7)	(6.0)
Interest expenses on bank borrowings and overdrafts	(75.8)	(42.3)
Redeemable financial liability fair value measurement	(293.7)	—
Other	(35.5)	(11.7)
Total financial expenses	**(506.2)**	**(137.5)**
NET FINANCIAL INCOME (EXPENSES)	**(333.0)**	**(50.4)**

Note 6 Income Tax

(A) Income Tax Expense

As a result of the Merger described in Note 2, TechnipFMC plc is a public limited company incorporated under the laws of England and Wales. Therefore, our earnings are subject to the United Kingdom statutory rate of 19.3% beginning on the effective date of the Merger. Previously, our earnings were subject to the French statutory rate of 34.4%

The income tax expense booked in the statement of income for an amount of $586.1 million in 2017 and $144.7 million in 2016 is explained as follows:

In millions of U.S. dollars	**2017**	**2016**
Current income tax credit (expense)	(403.6)	(352.7)
Deferred income tax credit (expense)	(182.5)	208.0
INCOME TAX CREDIT (EXPENSE) AS RECOGNIZED IN STATEMENT OF INCOME	**(586.1)**	**(144.7)**
Deferred income tax related to items booked directly to opening equity	24.2	81.7
Deferred income tax related to items booked to equity during the year	(49.6)	(57.5)
INCOME TAX CREDIT (EXPENSE) AS REPORTED IN EQUITY	**(25.4)**	**24.2**

(B) Income Tax Reconciliation

The reconciliation between the tax calculated using the standard tax rate applicable to TechnipFMC plc and the amount of tax effectively recognized in the accounts is detailed as follows:

In millions of U.S. dollars	**2017**	**2016**
Net (loss) income	(44.4)	276.8
Income tax credit (expense)	(586.1)	(144.7)
Income before tax	541.7	421.5
At TechnipFMC plc statutory income tax rate of 19.3% in 2017 and 34.43% in 2016	(104.3)	(145.1)
Differences between TechnipFMC plc and foreign income tax rates	(190.9)	50.5
U.S. Transition tax	(116.6)	—
Net change in unrecognized tax benefits	(29.6)	—
Deferred tax asset not recognized on tax loss of the year	(148.0)	(72.2)
Other non-deductible expenses	—	42.9
Adjustments on prior year taxes	30.0	(13.2)
Deferred tax relating to changes in tax rates	(9.2)	4.2
Other	(17.5)	(11.8)
Effective income tax credit (expense)	(586.1)	(144.7)
Tax rate	*108.2%*	34.3%
INCOME TAX CREDIT (EXPENSE) AS REPORTED IN THE CONSOLIDATED STATEMENT OF INCOME	**(586.1)**	**(144.7)**

The tax rate used for the purpose of the tax proof was 19.3% in 2017 and 34.43% in 2016.

In 2017, this rate corresponded to the statutory rate of the parent company in the United Kingdom.

In 2016, this rate corresponded to the global tax rate applicable to French entities.

U.S. Tax Cuts and Jobs Act (TCJA) and Other Jurisdictional Tax Reform. Included in the 2017 provision for income taxes are taxes related to the deemed repatriation to the United States of foreign earnings. The Tax Cuts and Jobs Act (TCJA), signed into U.S. law on December 22, 2017, made significant changes to the U.S. federal income taxation of non-U.S. corporate subsidiaries that are controlled by one or more U.S. shareholders. As part of these changes, the TCJA required a onetime deemed repatriation of all accumulated non-U.S. earnings.

The TCJA generally requires that, for the last taxable year of a non-U.S. corporation beginning before January 1, 2018, all U.S. shareholders of such corporation that is at least 10-percent U.S.-owned must include in income their pro rata share of the corporation's accumulated post-1986 deferred foreign income that was not previously subject to U.S. tax. Accordingly, the Company recorded income tax expense of approximately $148.7 million in 2017 associated with the deemed repatriation of approximately $2.9 billion of non-U.S. earnings that were not previously subject to U.S. tax. The company has recorded no current tax payable associated with the deemed repatriation.

Also included in the 2017 provision for income taxes is the result of the revaluation of deferred tax attributes as a result of changes in corporate tax rates as part of jurisdictional tax reform. The tax expense from the revaluation of U.S. deferred tax attributes is $18.9 million. The tax benefit from the revaluation of deferred tax attributes in other foreign jurisdictions is $9.7 million.

The carrying value of the deferred tax asset associated with the carryforward of the U.S. foreign tax credits is of zero as of December 31, 2017.

As a result of the deemed repatriation, U.S. income tax has been provided on all undistributed earnings of non-U.S. subsidiaries of the Company's U.S. affiliates as of December 31, 2017. The cumulative balance of these undistributed earnings was approximately $2.9 billion as of December 31, 2017.

We are currently evaluating provisions of United States tax reform enacted in December 2017. In the fourth quarter of 2017, we recorded a provision to income taxes for our preliminary assessment of the impact of tax reform. As we do not have all the necessary information to analyze all income tax effects of tax reform, this is a provisional amount which we believe represents a reasonable estimate of the accounting implications of this tax reform. We will continue to evaluate tax reform and adjust the provisional amounts as additional information is obtained. The ultimate impact of tax reform may differ from our provisional amounts due to changes in our interpretations and assumptions, as well as additional regulatory guidance that may be issued. We expect to complete our detailed analysis no later than the fourth quarter of 2018. In addition to the Tax Act, the effective tax rate was also negatively impacted by an unfavorable change in the forecasted country mix of earnings and charges due to additional losses generated for which no tax benefit is expected to be realized.

The 2017 effective tax rate was also negatively impacted by an unfavorable change in the forecasted country mix of earnings and losses generated for which no tax benefit is expected to be realized.

(C) Deferred Income Tax

Significant components of deferred tax assets and liabilities are as follows:

In millions of U.S. dollars	As of January 1, 2017	Recognized in Statement of Income	Recognized in OCI and Equity	As of December 31, 2017
Accrued expenses	51.8	94.7	—	146.5
Net operating loss carryforwards	55.9	34.3	—	90.2
Inventories	—	13.4	—	13.4
Research and development credit	—	7.5	—	7.5
Foreign exchange	—	(21.5)	—	(21.5)
Provisions for pensions and other long-term employee benefits	56.3	37.1	(7.0)	86.4
Contingencies related to contracts	197.6	(86.3)	—	111.3
Other contingencies	66.3	(32.8)	—	33.5
Fair value losses/gains	108.1	(53.1)	(42.6)	12.4
Other	28.9	(32.3)	—	(3.4)
Total deferred income tax assets	**564.9**	**(39.0)**	**(49.6)**	**476.3**
Revenue in excess of billings on contracts accounted for under the percentage of completion method	—	41.2	—	41.2
U.S. tax on foreign subsidiaries' undistributed earnings not indefinitely reinvested	—	4.9	—	4.9
Property, plant and equipment, goodwill and other assets	106.1	297.2	—	403.3
Margin recognition on construction contracts	(0.2)	6.6	—	6.4
Total deferred income tax liabilities	**105.9**	**349.9**	**—**	**455.8**
DEFERRED INCOME TAX ASSETS (LIABILITIES), NET	**459.0**	**(388.9)**	**(49.6)**	**20.5**

In millions of U.S. dollars	As of January 1, 2016	Recognized in Statement of Income	Recognized in OCI and Equity	As of December 31, 2016
Accrued expenses	15.9	35.9	—	51.8
Net operating loss carryforwards	72.3	(16.4)	—	55.9
Inventories	—	—	—	—
Research and development credit	—	—	—	—
Foreign exchange	—	—	—	—
Provisions for pensions and other long-term employee benefits	83.3	(27.9)	0.9	56.3
Contingencies related to contracts	162.7	34.9	—	197.6
Other contingencies	(11.0)	77.3	—	66.3
Fair value losses/gains	91.4	75.1	(58.4)	108.1
Other	27.3	1.6	—	28.9
Total deferred income tax assets	**441.9**	**180.5**	**(57.5)**	**564.9**
Revenue in excess of billings on contracts accounted for under the percentage of completion method	—	—	—	—
U.S. tax on foreign subsidiaries' undistributed earnings not indefinitely reinvested	—	—	—	—
Property, plant and equipment, goodwill and other assets	128.6	(22.5)	—	106.1
Margin recognition on construction contracts	31.2	(31.4)	—	(.2)
Total deferred income tax liabilities	**159.8**	**(53.9)**	**—**	**105.9**
DEFERRED INCOME TAX ASSETS (LIABILITIES), NET	**282.1**	**234.4**	**(57.5)**	**459.0**

To disclose the details of deferred tax assets and liabilities by nature of temporary differences, it was necessary to split up deferred tax assets and liabilities for each subsidiary (each subsidiary reports in its statement of financial position a net amount of deferred tax liabilities and assets).

As of December 31, 2017, the net deferred tax asset of $20.5 million is broken down into a deferred tax asset of $451.1 million and a deferred tax liability of $430.6 million as recorded in the statement of financial position.

(D) Tax Loss Carry-Forwards and Tax Credits

The majority of the tax loss carry-forwards not yet recognized as source of deferred tax assets came from a Brazilian entity for $315.6 million, a Saudi entity for $196.8 million, a Mexican entity for $127.0 million, a U.K. entity for $121.0 million, and a Finnish entity for $57.7 million. Except where there is a statutory carryforward loss time limit (i.e. Finland and Mexico), all of these tax loss carryforwards extend indefinitely.

Note 7 Income (Loss) from Discontinued Operations

According to IFRS 5, income (loss) from operations discontinued during the financial year is reported in this note. In 2017 and 2016, no activity was closed or sold.

Note 8 Earnings per Share

Diluted earnings per share are computed in accordance with Note 1-C (g) – Earnings per share. Reconciliation between earnings per share before dilution and diluted earnings per share is as follows:

In millions of U.S. dollars	**2017**	**2016**
Net income attributable to shareholders of TechnipFMC plc	(65.3)	311.3
After-tax interest expense related to dilutive shares	—	12.9
NET INCOME ATTRIBUTABLE TO TECHNIPFMC PLC ADJUSTED FOR DILUTIVE EFFECTS	**(65.3)**	**324.2**
In millions of shares		
Weighted average number of shares outstanding	**466.7**	**119.4**
Dilutive effect of performance shares	—	0.5
Dilutive effect of convertible bonds	—	5.2
TOTAL SHARES AND DILUTIVE SECURITIES	**466.7**	**125.1**
In U.S. dollars		
Basic earnings per share attributable to TechnipFMC plc	(0.14)	2.61
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO TECHNIPFMC PLC	**(0.14)**	**2.59**

The Group granted performance shares and share subscription options subject to performance conditions, and in addition issued two convertible bonds on November 17, 2010 and December 15, 2011, which resulted in a dilution of earnings per share in 2016 (see Note 21 (a) – Convertible bonds).

In 2017, the average annual share price amounted to $29.24 and the closing price to $31.31. As the Group net result was a loss as of December 31, 2017, share subscriptions options, performance shares and convertible bonds had an anti-dilutive effect; as a consequence, potential shares linked to those instruments were not taken into account in the diluted weighted average number of shares or in the calculation of diluted earnings (loss) per share.

In 2016, the average annual share price amounted to $57.05 and the closing price to $71.48. As a result, only one share subscription option plans that was out of the money was anti-dilutive: the 2015 (Part 1) plan for 151 shares.

Note 9 Property, Plant and Equipment (Tangible Assets)

The following tables illustrate the costs, the accumulated depreciation and impairment losses by type of tangible assets:

In millions of U.S. dollars	**Land**	**Buildings**	**Vessels**	**Machinery and Equipment**	**Office Fixtures and Furniture**	**Assets under Construction**	**Other**	**Total**
Net book value as of December 31, 2015	**16.8**	**146.1**	**1,602.2**	**604.0**	**82.6**	**168.3**	**183.3**	**2,803.3**
Costs	17.9	351.4	2,092.8	1,087.8	292.3	310.5	376.2	4,528.9
Accumulated depreciation	—	(200.2)	(509.1)	(603.8)	(223.4)	—	(155.3)	(1,691.8)

In millions of U.S. dollars	Land	Buildings	Vessels	Machinery and Equipment	Office Fixtures and Furniture	Assets under Construction	Other	Total
Accumulated impairment	(0.6)	(13.8)	(171.1)	(31.2)	(0.3)	—	—	(217.0)
Net book value as of December 31, 2016	**17.3**	**137.4**	**1,412.6**	**452.8**	**68.6**	**310.5**	**220.9**	**2,620.1**
Costs	157.2	983.2	2,417.1	1,939.8	361.6	136.7	397.9	6,393.5
Accumulated depreciation	(2.4)	(223.1)	(588.7)	(692.4)	(263.5)	—	(187.0)	(1,957.1)
Accumulated impairment	(1.2)	(23.4)	(292.5)	(47.6)	(0.5)	—	(0.2)	(365.4)
NET BOOK VALUE AS OF DECEMBER 31, 2017	**153.6**	**736.7**	**1,535.9**	**1,199.8**	**97.6**	**136.7**	**210.7**	**4,071.0**

In connection with management's annual test for impairment of goodwill as of October 31, 2017, property, plant and equipment was also tested for impairment at that date. In estimating property, plant and equipment value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit). For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, an impairment loss is recognized. An impairment loss is recognized as an expense immediately as part of operating income in the consolidated statements of operations.

Management concluded that the recoverable amount of certain of the Company's vessels in the Subsea segment was lower than their carrying amount due to a downward revision of cash flow projections primarily resulting from the challenging market conditions. Cash flows were discounted at a rate of 15% pre-tax. Accordingly, the Company recognized a total impairment charge on vessels of $120 million.

Changes in net property, plant and equipment break down as follows:

In millions of U.S. dollars	Land	Buildings	Vessels	Machinery and Equipment	Office Fixtures and Furniture	Assets under Construction	Other	Total
Net Book Value as of December 31, 2015	**16.8**	**146.1**	**1,602.2**	**604.0**	**82.6**	**168.3**	**183.3**	**2,803.3**
Additions – acquisitions – internal developments	0.4	5.8	41.1	20.9	14.0	210.3	11.6	304.1
Disposals – write-off	—	(6.2)	(7.0)	9.6	(0.7)	—	(33.5)	(37.8)
Depreciation expense for the year	—	(15.2)	(113.7)	(95.1)	(28.9)	—	(30.3)	(283.2)
Impairment	—	(8.7)	(17.8)	(11.6)	—	—	—	(38.1)
Net foreign exchange differences	—	(6.5)	(127.9)	(9.5)	(0.8)	(34.2)	22.6	(156.3)
Other	0.1	22.1	35.7	(65.5)	2.4	(33.9)	67.2	28.1
Net book value as of December 31, 2016	**17.3**	**137.4**	**1,412.6**	**452.8**	**68.6**	**310.5**	**220.9**	**2,620.1**
Additions	0.5	16.4	41.0	102.1	22.4	51.1	9.6	243.1
Acquisitions through business combinations	136.8	593.6	—	777.7	35.6	79.6	—	1,623.3
Disposals – write-off	—	(2.1)	(1.6)	(25.2)	(1.7)	—	(1.9)	(32.5)
Depreciation expense for the Year	(2.5)	(38.5)	(114.6)	(160.3)	(35.0)	—	(28.5)	(379.4)
Impairment	(0.6)	(9.6)	(120.8)	(16.4)	(0.2)	—	(0.2)	(147.8)
Net foreign exchange differences	2.3	13.4	79.1	28.8	4.5	17.7	4.4	150.2
Other	(0.2)	26.1	240.2	40.3	3.4	(322.2)	6.4	(6.0)

In millions of U.S. dollars	Land	Buildings	Vessels	Machinery and Equipment	Office Fixtures and Furniture	Assets under Construction	Other	Total
NET BOOK VALUE AS OF DECEMBER 31, 2017	**153.6**	**736.7**	**1,535.9**	**1,199.8**	**97.6**	**136.7**	**210.7**	**4,071.0**

No pledged fixed assets as of December 31, 2016 and December 31, 2017.

No assets are subject to a finance lease as of December 31, 2016. As of December 31, 2017, the carrying amount of capitalized leases is $330.0 million including $50.8 million related to land, $268.5 million related to buildings and $10.7 million related to office and equipment.

The total future minimum lease payments related to finance leases as follows:

In millions of U.S. dollars	2018	2019 to 2022 2022	2023 and beyond	Total
Future minimum lease payments related to finance leases	8.4	338.8	11.4	358.6

The present value of the future minimum lease payments was 328.6 and none for the years ended December 31, 2017 and 2016, respectively.

Note 10 Goodwill and other intangible Assets

Costs, accumulated amortization and impairment losses by type of intangible assets are as follows:

In millions of U.S. dollars	Goodwill	Acquired Technology	Backlog	Customer Relationships	Tradenames	Licenses, Patents and Trademarks	Software	Other	Total
Net book value as of December 31, 2015	**3,786.5**	**—**	**—**	**—**	**—**	**53.3**	**58.2**	**2.3**	**3,900.3**
Costs	3,718.3	—	—	—	—	167.4	156.5	168.8	4,211.0
Accumulated amortization	—	—	—	—	—	(121.0)	(107.4)	(8.8)	(237.2)
Net book value as of December 31, 2016	**3,718.3**	**—**	**—**	**—**	**—**	**46.4**	**49.1**	**160.0**	**3,973.8**
Costs	8,957.3	240.0	175.0	285.0	635.0	174.2	237.9	83.4	10,787.8
Accumulated amortization	—	(25.0)	(118.0)	(29.0)	(32.0)	(125.3)	(145.4)	(21.9)	(496.6)
Accumulated impairment	—	—	—	—	—	—	(0.1)	—	(0.1)
NET BOOK VALUE AS OF DECEMBER 31, 2017	**8,957.3**	**215.0**	**57.0**	**256.0**	**603.0**	**48.9**	**92.4**	**61.5**	**10,291.1**

(A) Changes in Net Intangible Assets

Changes in net intangible assets break down as follows:

In millions of U.S. dollars	Goodwill	Acquired Technology	Backlog	Customer Relationships	Tradenames	Licenses, Patents and Trademarks	Software	Other	Total
Net book value as of December 31, 2015	**3,786.5**	**—**	**—**	**—**	**—**	**53.3**	**58.2**	**2.2**	**3,900.2**
Additions – acquisitions – internal developments (2)	—	—	—	—	—	2.8	7.2	161.0	171.0
Disposals – write-off	—	—	—	—	—	(0.9)	(1.1)	—	(2.0)
Amortization charge for the year	—	—	—	—	—	(3.0)	(13.8)	(0.7)	(17.5)
Impairment	—	—	—	—	—	—	—	—	—
Net foreign exchange differences (1)	(68.2)	—	—	—	—	(0.5)	(1.3)	(6.4)	(76.4)
Other	—	—	—	—	—	(5.3)	(0.1)	3.9	(1.5)

In millions of U.S. dollars	Goodwill	Acquired Technology	Backlog	Customer Relationships	Tradenames	Licenses, Patents and Trademarks	Software	Other	Total
Net book value as of December 31, 2016	**3,718.3**	**—**	**—**	**—**	**—**	**46.4**	**49.1**	**160.0**	**3,973.8**
Additions – acquisitions – internal developments (2)	—	—	—	—	—	—	—	(81.7)	(81.7)
Acquisitions due to the merger of FMC Technologies and Technip	5,188.5	240.0	175.0	285.0	635.0	—	55.3	—	6,578.8
Additions – other business combinations	3.8	—	—	—	—	4.7	6.9	0.3	15.7
Disposals – write-off	—	—	—	—	—	—	(3.5)	(0.7)	(4.2)
Amortization Charge for the Year	—	(25.0)	(118.0)	(29.0)	(32.0)	(3.5)	(25.6)	(11.4)	(244.5)
Impairment	—	—	—	—	—	—	(0.1)	—	(0.1)
Net foreign exchange differences (1)	45.6	—	—	—	—	1.3	5.7	(0.1)	52.5
Other	1.1	—	—	—	—	—	4.6	(4.9)	0.8
NET BOOK VALUE AS OF DECEMBER 31, 2017	**8,957.3**	**215.0**	**57.0**	**256.0**	**603.0**	**48.9**	**92.4**	**61.5**	**10,291.1**

(1) Goodwill is partially denominated in Euro.

(2) There is no variation of the intangible assets payables between December 31, 2015, and December 31, 2016. A non-cash intangible asset of initially $152.8 million was recognized as part of an asset acquisition achieved as of December 31, 2016, which did not constitute a business as per IFRS 3 ''Business Combination''. This non-cash intangible asset was adjusted to $71.1 as of December 31, 2017.

(B) Goodwill

The following table illustrates the detail of goodwill by business segment:

In millions of U.S. dollars	As of December 31, 2017	As of December 31, 2016
Subsea	5,490.1	2,931.1
Onshore/Offshore	2,461.6	787.2
Surface Technologies	1,005.6	—
TOTAL GOODWILL	**8,957.3**	**3,718.3**

Impairment tests were performed on the goodwill, using the method described in Note 1-C (a) – Use of estimates.

By using the discounted cash flow method, the impairment tests performed by the Group were based on the most likely assumptions with respect to activity and result.

Assumptions made in 2017 relied on the business plans covering years 2018 to 2021 for each Group of Cash-Generating Units (GCGU). Our business projections assume a continued deepwater market recovery with increased investments subsea field developments. Beyond 2021, the growth rate taken into account was 3%.

	Subsea	Onshore/Offshore	Surface Technologies
GCGU weighted average pre-tax discount rate used in 2017 (in %)	15.0%	13.7%	19.0%

Assumptions made in 2016 relied on the business plans covering years 2017 to 2020 for each GCGU (Onshore/Offshore and Subsea). Beyond 2020, the growth rate taken into account was 2.25%. Cash flows were discounted at a rate of 12% pre-tax.

The results of the goodwill impairment test of 2016 and 2017 for each GCGU did not result in an impairment of goodwill as the value in use exceeded the carrying value of the GCGU.

Management has performed the impairment assessment, and consider that reasonable possible changes in the Subsea forecasts would result in the carrying amount exceeding the recoverable amount. The impairment test resulted in there being $528 million in excess of the carrying amount of the CGU.

A sensitivity analysis has been performed which indicates that a 0.8% reduction in revenue growth, a 0.9% reduction in the long term growth rate and a 1% increase in the discount rate results in the carrying value being equal to the recoverable value.

The lower headroom in Subsea is primarily due to challenging market conditions in the North Sea. The sensitivity analysis did not identify any potential impairments other than those mentioned above for Subsea.

Note 11 Investments in Equity Affiliates

Financial information (at 100%) of the Joint Ventures are as follows:

In millions of U.S. dollars	As of December 31, 2017	As of December 31, 2016
Data at 100%		
Non-current assets	2,146.8	2,176.2
Current assets	825.1	618.6
Total assets	**2,971.9**	**2,794.8**
Total equity	649.5	642.5
Non-current liabilities	1,335.9	1,355.2
Current liabilities	986.5	797.1
Total equity and liabilities	**2,971.9**	**2,794.8**
Revenue	716.8	568.6
Net income (loss)	(7.2)	53.2
Other comprehensive income	(155.4)	(158.3)
Comprehensive income for the year	2.9	21.1
Cash and cash equivalents	462.9	273.3
Depreciation and amortization	(92.7)	(57.5)

Changes in investments in equity affiliates break down as follows:

In millions of U.S. dollars	2017	2016
Carrying amount of investments as of January 1	**177.8**	**151.8**
Additions – capital increase	—	7.3
Change in consolidation scope	15.1	(40.1)
Share of income (loss) of equity affiliates	0.5	112.9
Distributed dividends	(17.6)	(69.6)
Other comprehensive income	4.8	11.0
Net foreign exchange differences and other	0.4	4.5
CARRYING AMOUNT OF INVESTMENTS AS OF DECEMBER 31	181.0	177.8

As stated in Note 2, in the fourth quarter of 2016, we obtained the voting control interests of legal Onshore/Offshore entities that own and account for the design, engineering and construction of the Yamal LNG plant . As a consequence, some joint arrangements were therefore amended and re-qualified as entities fully consolidated as of December 31, 2016.

Note 12 Other Financial Assets

As of December 31, 2017 and 2016, impairment tests performed on the net book value of other financial assets (non-current) did not result in any recognition of impairment loss on investments and related receivables.

The breakdown by nature of other financial assets, net is presented below:

	As of December 31, 2017		As of December 31, 2016	
In millions of U.S. dollars	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Available-for-sale financial assets (non-quoted)	21.3	12.4	15.1	14.1
Impairment	(8.9)	—	(1.0)	—
Net value of Available-for-sale financial assets (non-quoted)	**12.4**	**12.4**	**14.1**	**14.1**
Available-for-sale financial assets (quoted)	149.9	27.6	131.7	27.9
Impairment	(122.3)	—	(103.8)	—
Net value of Available-for-sale financial assets (quoted)	**27.6**	**27.6**	**27.9**	**27.9**
Loans	140.0	131.9	154.3	154.3
Impairment	(8.1)	—	—	—
Net value of loans	**131.9**	**131.9**	**154.3**	**154.3**
Security deposits and other	256.0	158.2	154.0	53.9
Impairment	(98.3)	—	(100.1)	—
Net value of security deposits and other	**157.7**	**157.7**	**53.9**	**53.9**
TOTAL OTHER FINANCIAL ASSETS, NET	**329.6**	**329.6**	**250.2**	**250.2**

Note 13 Available-for-Sale Financial Assets

The Company's available-for-sale financial assets as of December 31, 2017 amounts to $37.5 million and comprises long-term securities related to Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) for $27.6 million as described hereafter and short-term securities for $9.9 million (see Note 17 Other current assets).

In 2010, the Group acquired an 8% stake in MHB for $153.3 million (i.e. 128,000,000 shares – EUR/USD exchange rate as of December 31, 2010). TechnipFMC plc's stake in MHB increased by 0.35% in 2011 for $9.3 million (i.e. 5,555,000 supplementary shares – EUR/USD exchange rate as of December 31, 2011), then additionally 0.15% in 2012 for $4.3 million (i.e. 2,445,000 supplementary shares – EUR/USD exchange rate as of December 31, 2012), totaling 136 million shares. This company is listed in Malaysia (Bursa Malaysia Securities Berhad).

As of December 31, 2017, the MHB available-for-sale financial assets amount to $27.6 million. In the financial year ended 2017, an impairment was booked in the statement of income for $(3.8) million. A net exchange rate impact has been generated for $3.5 million. As of December 31, 2016, the MHB available-for-sale financial assets amounted to $27.9 million. In the financial year ended 2016, an impairment was booked in the statement of income for $(2.8) million.

The short-term available-for-sale financial assets as recorded under Other current assets for $9.9 million as of December 31, 2017 and nil as of December 31, 2016 consist in treasury bills with a maturity of more than 3 months, but less than 12 months.

	As of December 31, 2017		As of December 31, 2016	
In millions of U.S. dollars	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Available-for-sale financial assets – non-current	27.6	27.6	27.9	27.9
Available-for-sale financial assets – current	9.9	9.9	—	—
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**37.5**	**37.5**	**27.9**	**27.9**

Note 14 Inventories

The breakdown of inventories is as follows:

In millions of U.S. dollars	As of December 31, 2017	As of December 31, 2016
Raw materials	300.3	272.9
Work in progress	130.2	36.1
Finished goods	627.9	64.6
Write-downs	(70.8)	(38.9)
TOTAL INVENTORIES, NET	**987.6**	**334.7**

As of December 31, 2017, inventories meant to be used in the next 12 months amounted to $987.6 million.

Note 15 Construction Contracts

The breakdown of construction contracts is as follows:

In millions of U.S. dollars	As of December 31, 2017	As of December 31, 2016
Construction contracts – amounts in assets	1,136.3	485.8
Construction contracts – amounts in liabilities	(2,678.7)	(3,363.9)
TOTAL CONSTRUCTION CONTRACTS, NET	**(1,542.4)**	**(2,878.1)**
Costs and margins recognized at the percentage of completion	41,734.1	25,175.7
Payments received from clients	(43,101.9)	(27,916.9)
Accruals for losses at completion	(174.6)	(136.9)

In millions of U.S. dollars	As of December 31, 2017	As of December 31, 2016
TOTAL CONSTRUCTION CONTRACTS, NET	**(1,542.4)**	**(2,878.1)**

Advances received from customers relating to contracts in progress amounts of down payments amounted to $1,182 million.

Note 16 Trade Receivables

Given the nature of Group operations, the Group's clients are mainly major oil and gas, petrochemical or oil-related companies.

This line item represents receivables from completed contracts, invoices to be issued on long-term contracts other than construction contracts and miscellaneous invoices (e.g. trading, procurement services).

In millions of U.S. dollars	As of December 31, 2017	As of December 31, 2016
Trade receivables	1,602.5	1,468.7
Contracts – to be invoiced	501.1	555.0
Doubtful accounts	117.4	86.4
Provisions for doubtful accounts	(117.4)	(85.6)
TOTAL TRADE RECEIVABLES, NET	**2,103.6**	**2,024.5**

Trade receivables maturities are linked to the operating cycle of contracts. As of December 31, 2017, the portion of trade receivables that had a maturity of less than 12 months amounted to $2,063.1 million.

Each customer's financial situation is periodically reviewed. Provisions for doubtful receivables, which have to-date been considered sufficient at the Group level, are recorded for all potential uncollectible receivables, and are as follows:

In millions of U.S. dollars	2017	2016
Provisions for doubtful accounts as of January 1	(85.6)	(48.2)
Increase	(15.5)	(58.4)
Used provision reversals	6.5	8.5
Unused provision reversals	6.0	6.9
Effects of foreign exchange and other	(28.8)	5.6
PROVISIONS FOR DOUBTFUL ACCOUNTS AS OF DECEMBER 31	**(117.4)**	**(85.6)**

Note 17 Other Current Assets

Other current receivables break down as follows:

In millions of U.S. dollars	As of December 31, 2017	As of December 31, 2016
Value added tax receivables	532.5	319.4
Other tax receivables	155.8	124.9
Prepaid expenses	136.2	106.3
Held-to-maturity investments	60.0	—
Available-for-sale financial assets	9.9	—
Other	311.5	248.5
TOTAL OTHER CURRENT ASSETS, NET	**1,205.9**	**799.1**

As of December 31, 2017, the portion of other current assets with a maturity of less than 12 months amounted to $1,202.3 million.

Note 18 Cash and Cash Equivalents

Cash and cash equivalents break down as follows:

In millions of U.S. dollars	As of December 31, 2017	As of December 31, 2016
Cash at bank and in hand	2,826.7	2,697.5
Cash equivalents	3,910.7	3,571.8
TOTAL CASH AND CASH EQUIVALENTS	**6,737.4**	**6,269.3**
US dollar	4,254.0	3,578.6
Euro	1,056.0	1,307.8
Brazilian real	163.0	346.1
Pound sterling	146.0	278.1
Japanese yen	53.0	116.0
Norwegian krone	104.0	91.6
Australian dollar	127.0	71.3
Malaysian ringgit	339.0	63.2
Other	495.4	416.6
TOTAL CASH AND CASH EQUIVALENTS BY CURRENCY	**6,737.4**	**6,269.3**
Fixed term deposits	2,977.6	3,220.5
Other	933.1	351.3
TOTAL CASH EQUIVALENTS BY NATURE	**3,910.7**	**3,571.8**

During the financial year ended December 31, 2017, total cash and cash equivalents positions were impacted by the main changes in consolidation scope which are described in Note 2(A) – Scope of consolidation.

A substantial portion of cash and securities are recorded or invested in either Euro or US dollar which are frequently used by the Group within the framework of its commercial relationships. Cash and securities in other currencies correspond either to deposits retained by subsidiaries located in countries where such currencies are the national currencies in order to ensure their own liquidity, or to amounts received from customers prior to the payment of expenses in these same currencies or the payment of dividends. Short-term deposits are classified as cash equivalents along with the other securities.

Note 19 Assets and Liabilities Held for Sale

As of December 31, 2017, assets and liabilities held for sale were recognized for a total amount of $50.2 million and $13.7 million respectively. As of December 31, 2016, a total amount of $2.2 million of assets was accounted for as assets held for sale.

Note 20 Shareholders' Equity

(A) Changes in TechnipFMC plc's ordinary shares and treasury shares

As of December 31, 2017, TechnipFMC plc share capital was 50,001 non-voting redeemable shares and 465,112,769 ordinary shares. The changes can be analyzed as follows:

In millions of shares	Ordinary Shares	Ordinary Shares held in Employee Benefit Trust	Treasury Shares
Share Capital as of December 31, 2015	**119.0**	**—**	**0.8**
Stock awards	0.2	—	(0.4)
Dividend payment in shares	3.2	—	—
Treasury stock purchases	—	—	3.2
Net stock purchased for (sold from) pursuant to liquidity contract	—	—	(0.1)
Treasury stock cancellations	(3.2)	—	(3.2)
Share Capital as of December 31, 2016	**119.2**	**—**	**0.3**

In millions of shares	Ordinary Shares	Ordinary Shares held in Employee Benefit Trust	Treasury Shares
Net capital increase due to the Merger of FMC Technologies and Technip	347.4	—	—
Stock awards	0.6	—	—
Treasury stock cancellation due to the Merger of FMC Technologies and Technip	—	—	(0.3)
Treasury stock purchases	—	—	2.1
Treasury stock cancellations	(2.1)	—	(2.1)
Net stock purchased for (sold from) employee benefit trust	—	0.1	—
SHARE CAPITAL AS OF DECEMBER 31, 2017	**465.1**	**0.1**	**—**

Under English law, we will only be able to declare dividends, make distributions or repurchase shares (other than out of the proceeds of a new issuance of shares for that purpose) out of "distributable profits." Distributable profits are a company's accumulated, realized profits, to the extent that they have not been previously utilized by distribution or capitalization, less its accumulated, realized losses, to the extent that they have not been previously written off in a reduction or reorganization of capital duly made. In addition, as a public limited company organized under the laws of England and Wales, we may only make a distribution if the amount of our net assets is not less than the aggregate of our called-up share capital and non-distributable reserves and if, to the extent that, the distribution does not reduce the amount of those assets to less that that aggregate.

Following the merger, we capitalized our reserves arising out of the merger by the allotment and issuance by TechnipFMC plc of a bonus share, which was paid up using such reserves, such that the amount of such reserves so applied, less the nominal value of the bonus share, applied as share premium and accrued to our share premium account. We implemented a court-approved reduction of our capital by way of a cancellation of the bonus share and share premium account in the amount of $10,177,554,182, which completed on June 29, 2017, in order to create distributable profits to support the payment of possible future dividends or future share repurchases. Our articles of association permit us by ordinary resolution of the stockholders to declare dividends, provided that the directors have made a recommendation as to its amount. The dividend shall not exceed the amount recommended by the directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify the payment. When recommending or declaring payment of a dividend, the directors are required under English law to comply with their duties, including considering our future financial requirements.

(B) Accumulated other comprehensive income (loss)

Accumulated other comprehensive income (loss) are as follows:

In millions of U.S. dollars	Cash Flow Hedges (IAS 32/39) & IAS 21[(1)]	Gains (Losses) on Defined Benefit Pension Plans (IAS 19R)[(2)]	Foreign Currency Translation	Other	Fair Value Reserves – TechnipFMC plc	Fair Value Reserves – Non-Controlling Interests	Total Fair Value Reserves
Accumulated other comprehensive (loss)/income as of December 31, 2015	**(281.7)**	**(31.5)**	**(821.8)**	**0.1**	**(1,134.9)**	**(14.3)**	**(1,149.2)**
Gross Effect	211.6	(2.5)	(44.6)	-	164.5	13.6	178.1
Tax Effect	(59.7)	0.9	-	-	(58.8)	-	(58.8)
Accumulated other comprehensive (loss)/income as of December 31, 2016	**(129.7)**	**(33.1)**	**(866.4)**	**0.1**	**(1,029.2)**	**(0.7)**	**(1,029.9)**
Gross Effect	179.4	43.4	(79.5)	0.1	143.5	0.4	143.9
Tax Effect	(42.6)	(7.0)	-	-	(49.6)	-	(49.6)
Capital Reorganization	-	-	336.0	-	336.0	-	336.0
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) AS OF DECEMBER 31, 2017	**7.1**	**3.3**	**(609.9)**	**0.2**	**(599.3)**	**(0.3)**	**(599.6)**

(1) Recorded under this heading is the efficient portion of the change in fair value of the financial instruments qualified as cash flow hedging, as well as foreign exchange gains and losses corresponding to the effective portion of non-derivative financial assets or liabilities that are designated as a hedge of a foreign currency risk (see Note 1-C (c) – Foreign currency transactions and financial instruments).

(2) Recorded under this heading the total amount of actuarial gains and losses on Defined Benefit Plans according to the amended IAS 19.

(C) Dividends

On April 26, 2017, we announced that our Board of Directors approved a capital allocation plan that includes the authorization of a share repurchase program of up to $500.0 million of our ordinary shares to be completed by the end of 2018 and planning for a quarterly dividend following third quarter 2017 results. We implemented a court-approved reduction of our capital for $10,177.5 million, which was completed on June 29, 2017, in order to create distributable profits to support the payment of possible future dividends or future share repurchases.

At the Annual General Meeting held on April 28, 2016, Technip's shareholders approved the proposed €2.00 per share dividend for the 2015 financial year and decided to offer shareholders an option to receive the dividend payment in shares. The issue price of the new shares to be issued in consideration for the dividend was set at €42.87. The price was equal to 90% of the average opening prices quoted on the regulated market of Euronext Paris during the 20 trading days preceding the date of the Annual General Meeting, less the amount of the proposed dividend, and rounded upward to the nearest euro cent. On May 24, 2016, Technip announced that the shareholders who have selected the payment of the dividend for financial year 2015 in shares represented 57.3% of Technip's shares.

Dividends declared and paid during the year ended December 31, 2017 were $60.6 million. Dividends paid in 2016 for the year ended December 31, 2015 amounted to €236.6 million. For the purpose of the payment of the dividend in shares, 3,168,156, new shares were then issued for a total amount of €135.8 million. The dividend paid in cash in 2016 for the financial year ended December 31, 2015, amounted to €100.8 million. In line with its stated policy, Technip has fully neutralized the dilution created by the scrip dividend through its share repurchase program.

(D) Share-based Compensation

Incentive compensation and award plan—On January 11, 2017, we adopted the TechnipFMC plc Incentive Award Plan (the ''Plan''). The Plan provides certain incentives and awards to officers, employees, non-employee directors and consultants of TechnipFMC plc and its subsidiaries. The Plan allows our Board of Directors to make various types of awards to non-employee directors and the Compensation Committee (the ''Committee'') of the Board of Directors to make various types of awards to other eligible individuals. Awards may include share options, share appreciation rights, performance share units, restricted share units, restricted shares or other awards authorized under the Plan. All awards are subject to the Plan's provisions, including all share-based grants previously issued by FMC Technologies and Technip prior to consummation of the Merger. Under the Plan, 24.1 million ordinary shares were authorized for awards.

The exercise price for options is determined by the Committee but cannot be less than the fair market value of our ordinary shares at the grant date. Restricted share unit grants generally vest after 3 or 4 years of service.

Under the Plan, our Board of Directors has the authority to grant non-employee directors share options, restricted shares, restricted share units and performance shares. Unless otherwise determined by our Board of Directors, awards to non-employee directors generally vest on the date of our annual stockholder meeting following the date of grant. Restricted share units are settled when a director ceases services to the Board of Directors. At December 31, 2017, outstanding awards to active and retired non-employee directors included 64.9 thousand stock units.

We recognize compensation expense and the corresponding tax benefits for awards under the Plan. The compensation expense for non-vested share units under the Plan is as follows:

In millions of U.S. dollars	Year ended December 31, 2017	Year ended December 31, 2016
Share-based compensation expense	44.4	22.0
Income tax benefits related to share based compensation expense	12.0	5.9

Share-based compensation expense is recognized over the lesser of the stated vesting period (3 or 4 years) or the period until the employee reaches age 62 (the retirement eligible age under the plan).

As of December 31, 2017, the portion of share-based compensation expense related to outstanding awards to be recognized in future periods is as follows:

	As of December 31, 2017
Share-based compensation expense not yet recognized (In millions of U.S. dollars)	77.9
Weighted-average recognition period (in years)	2.2

Restricted share units. A summary of the non-vested restricted share units to employees as of December 31, 2017, and changes during the year is presented below:

Shares in thousands	Shares	Weighted Average Grant
Non-vested at December 31, 2016	—	—
• Assumed in the FMC Technologies transaction	213.1	35.85
• Granted	1,516.9	27.54
• Cancelled/forfeited	(7.7)	35.85
Non-vested at December 31, 2017	**1,722.3**	**28.53**

The following summarizes the values for restricted share unit activity to employees:

	Year Ended December 31, 2017	Year Ended December 31, 2016
Weighted average grant date fair value of restricted share units granted	27.54	—
Vest date fair value of restricted share units vested (in millions)	—	—

Performance Shares. The Board of Directors has granted certain employees, senior executives and Directors or Officers shares subject to achieving satisfactory performances. For performance shares issued prior to December 31, 2016, performance is based on results in terms of total shareholder return, health/safety/environment and operating income from recurring activities. For performance shares issued on or after January 1, 2017, performance is based on results of return on investment or shareholder value.

Shares in thousands	Shares	Weighted Average Grant
Non-vested at December 31, 2016	1,314.6	60.15
• Assumed in the FMC Technologies transaction	1,306.0	—
• Granted	855.2	31.65
• Vested	(642.0)	52.42
• Cancelled/forfeited	(85.0)	25.33
Non-vested at December 31, 2017	**2,748.8**	**25.59**

(1) The Weighted-Average Grant Date Fair Value for the increase in shares due to the merger remains at $0.00 in order to recalculate the new weighted average for the December 31, 2016 non-vested shares (see Note 2).

The following summarizes the values for performance share activity to employees:

	Year Ended December 31, 2017	Year Ended December 31, 2016
Weighted average grant date fair value of performance shares granted	31.65	42.74
Vest date fair value of performance shares vested (in millions)	18.60	26.38

Share Option Awards. The fair value of each option award is estimated as of the date of grant using the Black-Scholes options pricing model to measure the fair value of share options granted on or after January 1, 2017. We used the Cox Ross Rubinstein binomial model to measure the fair value of share options granted prior to

December 31, 2016. Expected volatility is based on normalized historical volatility of our shares over a preceding period commensurate with the expected term of the option. The risk-free rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant. Expected dividend yield was 2.00%.

Share options awarded prior to 2017 were granted subject to performance criteria based upon certain targets, such as total shareholder return, return on capital employed, and operating income from recurring activities. Subsequent share options granted are time based awards vesting over a 3 or 4 year period.

The weighted average assumptions for the option awards granted in the years ended December 31, 2017 and 2016 are as follows:

	Year Ended December 31, 2017	Year Ended December 31, 2016
Expected volatility	35.7%	34.5%
Expected term (in years)	6.5	4.2
Risk-free interest rate	2.1%	—%

During the years ended December 31, 2017 and 2016, we granted 798.4 thousand and 595.1 thousand options, respectively, and the weighted average grant-date fair value of options granted during years ended December 31, 2017 and 2016 was $8.79 and $7.70, respectively.

The following is a summary of option transactions during years ended December 31, 2017 and 2016 (in thousands, except weighted average exercise prices and weighted average remaining life):

Shares in thousands	Shares	Weighted average exercise price	Weighted average remaining life
Balance at December 31, 2015	**2,420.5**	**61.88**	**3.5**
• Granted	595.1	48.33	
• Exercised	(25.5)	57.22	
• Cancelled	(801.3)	52.43	
Balance at December 31, 2016	**2,188.8**	**61.72**	**5.0**
• Adjustment due to FMC Technologies transaction(1)	2,188.8	—	
• Granted	798.4	29.29	
• Exercised	—	—	
• Cancelled	(292.2)	46.92	
Balance at December 31, 2017	**4,883.8**	**36.44**	**4.6**
Exercisable at December 31, 2017	**1,788.8**	**51.86**	**1.6**

(1) The Weighted-Average Grant Date Fair Value for the increase in shares due to the merger remains at $0.00 in order to recalculate the new weighted average for the December 31, 2016 non-vested shares (see Note 2)

The aggregate intrinsic value of stock options outstanding and stock options exercisable as of December 31, 2017 was $12.5 million and nil, respectively.

There were nil, 25.5 thousand and 561.7 thousand options exercised during the years ended December 31, 2017, 2016 and 2015, respectively. Cash received from the option exercises was nil, €1.5 million and €21.3 million during years ended December 31, 2017, 2016 and 2015, respectively. The total intrinsic value of options exercised during the years ended December 31, 2017, 2016 and 2015 was nil, nil and €12.9 million, respectively. To exercise stock options, an employee may choose (1) to pay, either directly or by way of the group savings plan, the stock option strike price to obtain shares, or (2) to sell the shares immediately after having exercised the stock option (in this case, the employee does not pay the strike price but instead receives the intrinsic value of the stock options in cash).

The following summarizes additional information concerning outstanding and exercisable options at December 31, 2017:

	Options Outstanding			Options Exercisable	
Exercise Price Range	Number of options (in thousands)	Weighted average remaining life (in years)	Weighted average exercise price (in $)	Number of options (in thousands)	Weighted average exercise price (in $)
$26.00 - $33.00	3,061.9	6.4	27.33		
$45.00 - $51.00	1,277.0	1.0	49.23	1,244.0	49.33
$55.00 - $57.00	544.9	3.2	56.82	544.9	56.82
TOTAL	**4,883.8**	**4.6**	**36.35**	**1,788.9**	**51.61**

(F) Capital Management

Our ordinary shares are listed on the New York Stock Exchange (''NYSE'') and the regulated market of Euronext Paris (''Euronext Paris''), in each case trading under the ''FTI'' symbol. Prior to the Merger, FMC Technologies common stock was quoted on the NYSE under the FTI symbol and Technip ordinary shares were listed on Euronext Paris. FMC Technologies common stock and Technip ordinary shares were suspended from trading on the NYSE and Euronext Paris, respectively, prior to the open of trading on January 17, 2017. The share prices shown in the table below prior to the Merger reflect FMC Technologies common stock prices under the FTI symbol on the NYSE.

	2017				2016			
Share closing price (in $)	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
High	31.48	28.89	33.64	36.73	36.31	29.67	30.49	29.22
Low	24.96	25.17	26.49	31.22	29.88	24.20	24.42	22.77

Closing share price at December 29, 2017	$31.31
Closing share price at April 16, 2018	$32.36
Number of ordinary shares outstanding and entitled to vote as of April 16, 2018	462,020,601

Dividends declared and paid during the year ended December 31, 2017 were $60.6 million.

Dividends declared and paid by Technip during the year ended December 31, 2016, based on the results of the year ended December 31, 2015, were €236.6 million. The dividends were paid partially in cash and shares. Dividends paid in cash and shares were €100.8 million and €135.8 million, respectively.

As of December 31, 2017, our securities authorized for issuance under equity compensation plans were as follows:

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (in $)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans
Equity compensation plans approved by security holders	4,883.8	36.35	30,284.5(1)
Equity compensation plans not approved by security holders	—	—	—
TOTAL	**4,883.8**	**36.35**	**30,284.5(1)**

(1) The table includes our ordinary shares available for future issuance under the TechnipFMC plc Incentive Award Plan as well as plans approved prior to, and still active on the date of, the Merger. This number includes 3,170.5 thousand shares available for issuance for non-vested share awards that vest after December 31, 2017 under the TechnipFMC plc Incentive Award Plan, and 6,184.5 thousand shares issued under plans approved prior to the merger that vest after December 31, 2017.

We had no unregistered sales of equity securities during the year ended December 31, 2017.

The following table summarizes repurchases of our ordinary shares during the three months ended December 31, 2017.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs (b)
October 1, 2017 – October 31, 2017	732,500	26.53	732,100	17,642,911
November 1, 2017 – November 30, 2017	668,100	27.79	667,740	16,975,171
December 1, 2017 – December 31, 2017	583,580	29.10	583,000	16,392,171
Total	**1,984,180**		**1,982,840**	**16,392,171**

(a) Represents 1,982,840 shares of ordinary shares repurchased and canceled and 1,340 ordinary shares purchased and held in an employee benefit trust established for the FMC Technologies, Inc. Non-Qualified Savings and Investment Plan. In addition to these shares purchased on the open market, we sold 6,680 shares of registered ordinary shares held in this trust, as directed by the beneficiaries during the three months ended December 31, 2017.

(b) In April 2017, we announced a repurchase plan approved by our Board of Directors authorizing up to $500 million to repurchase shares of our issued and outstanding ordinary shares through open market purchases. Following a court-approved reduction of our capital, we implemented our share repurchase program on September 25, 2017.

(G) Non-Controlling Interests

Non-controlling interests amounting to $21.5 million and $(11.7) million as of December 31, 2017 and 2016 respectively, did not represent a material component of the Group consolidated financial statements in the years ended December 31, 2017, and 2016.

Note 21 Debts (Current and Non-Current)

(A) Debts, Breakdown by Nature

Short-term debt and current portion of long-term debt—Short-term debt and current portion of long-term debt consisted of the following:

	As of December 31, 2017		As of December 31, 2016	
In millions of U.S. dollars	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Commercial papers	1,450.4	1,450.4	210.8	210.8
Convertible bonds due 2017	—	—	524.5	524.5
Bank borrowings	48.9	48.9	138.8	138.8
Other	28.4	28.4	20.3	20.3
TOTAL SHORT-TERM DEBT AND CURRENT PORTION OF LONG-TERM DEBT	**1,527.7**	**1,527.7**	**894.4**	**894.4**

Long-term debt—Long-term debt consisted of the following:

	As of December 31, 2017		As of December 31, 2016	
In millions of U.S. dollars	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Commercial paper	1,450.4	1,450.4	210.8	210.8
Synthetic bonds due 2021	499.2	599.0	428.0	663.2
Convertible bonds due 2017	—	—	524.5	524.5
3.45% Senior Notes due 2022	500.0	497.7	—	—
5.00% Notes due 2020	238.9	264.2	209.7	237.7
3.40% Notes due 2022	179.8	199.2	158.0	177.6
3.15% Notes due 2023	155.0	166.6	136.1	152.0
3.15% Notes due 2023	149.6	161.1	131.4	142.5
4.00% Notes due 2027	89.9	99.9	79.0	89.5
4.00% Notes due 2032	115.4	137.5	101.2	122.9
3.75% Notes due 2033	116.0	122.7	101.8	103.4
Bank borrowings	332.5	332.5	452.1	452.1
Finance lease	328.7	328.7	—	—
Other	28.4	28.4	20.3	20.3
Total debt	**4,183.8**	**4,387.9**	**2,552.9**	**2,896.5**
Total short-term debt and current portion of long-term	**(1,527.7)**	**(1,527.7)**	**(894.4)**	**(894.4)**
TOTAL LONG-TERM DEBT, LESS CURRENT PORTION	**2,656.1**	**2,860.2**	**1,658.5**	**2,002.1**

Revolving credit facility—On January 17, 2017, we acceded to a new $2.5 billion senior unsecured revolving credit facility agreement (''facility agreement'') between FMC Technologies and Technip Eurocash SNC (the ''Borrowers'') with JPMorgan Chase Bank, National Association, as agent and an arranger, SG Americas Securities LLC as an arranger, and the lenders party thereto.

The facility agreement provides for the establishment of a multicurrency, revolving credit facility, which includes a $1.5 billion letter of credit subfacility. Subject to certain conditions, the Borrowers may request the aggregate commitments under the facility agreement be increased by an additional $500.0 million. The facility expires in January 2022.

Borrowings under the facility agreement bear interest at the following rates, plus an applicable margin, depending on currency:

- U.S. dollar-denominated loans bear interest, at the Borrowers' option, at a base rate or an adjusted rate linked to the London interbank offered rate (''Adjusted LIBOR'');
- sterling-denominated loans bear interest at Adjusted LIBOR; and
- euro-denominated loans bear interest at the Euro interbank offered rate (''EURIBOR'').

Depending on the credit rating of TechnipFMC plc, the applicable margin for revolving loans varies (i) in the case of Adjusted LIBOR and EURIBOR loans, from 0.820% to 1.300% and (ii) in the case of base rate loans, from 0.000% to 0.300%. The ''base rate'' is the highest of (a) the prime rate announced by JPMorgan, (b) the greater of the Federal Funds Rate and the Overnight Bank Funding Rate plus 0.5% or (c) one-month Adjusted LIBOR plus 1.0%.

The facility agreement contains usual and customary covenants, representations and warranties and events of default for credit facilities of this type, including financial covenants.

Bilateral credit facilities—We have access to four bilateral credit facilities in the aggregate of €340.0 million. The bilateral credit facilities consist of:

- two credit facilities of €80.0 million each expiring in May 2019;
- a credit facility of €80.0 million expiring in June 2019; and
- a credit facility of €100.0 million expiring in May 2021.

Each bilateral credit facility contains usual and customary covenants, representations and warranties and events of default for credit facilities of this type.

Commercial paper—Under our commercial paper program, we have the ability to access $1.5 billion and €1.0 billion of short-term financing through our commercial paper dealers, subject to the limit of unused capacity of our facility agreement. Our commercial paper borrowings were classified as long-term in the condensed consolidated balance sheets as of December 31, 2017 and December 31, 2016. Commercial paper borrowings are issued at market interest rates. As of December 31, 2017, our commercial paper borrowings had a weighted average interest rate of 1.78% on the U.S. dollar denominated borrowings and (0.27)% on the Euro denominated borrowings.

Synthetic bonds—On January 25, 2016, we issued €375.0 million principal amount of 0.875% convertible bonds with a maturity date of January 25, 2021 and a redemption at par of the bonds which have not been converted. On March 3, 2016, we issued additional convertible bonds for a principal amount of €75.0 million issued on the same terms, fully fungible with and assimilated to the bonds issued on January 25, 2016. The issuance of these non-dilutive cash-settled convertible bonds (''Synthetic Bonds''), which are linked to our ordinary shares were backed simultaneously by the purchase of cash-settled equity call options in order to hedge our economic exposure to the potential exercise of the conversion rights embedded in the Synthetic Bonds. Both instruments are accounted for at fair value through profit loss. The Synthetic Bonds are accounted for as an embedded derivative. As the Synthetic Bonds will only be cash settled, they will not result in the issuance of new ordinary shares or the delivery of existing ordinary shares upon conversion. Interest on the Synthetic Bonds is payable semi-annually in arrears on January 25 and July 25 of each year, beginning July 26, 2016. Net proceeds from the Synthetic Bonds were used for general corporate purposes and to finance the purchase of the call options. The Synthetic Bonds are our unsecured obligations. The Synthetic Bonds will rank equally in right of payment with all of our existing and future unsubordinated debt.

The Synthetic Bonds issued on January 25, 2016 were issued at par. The Synthetic Bonds issued on March 3, 2016 were issued at a premium of 112.43802% resulting from an adjustment over the 3-day trading period following the issuance resulting in a share reference price of €48.8355.

A 40.0% conversion premium was applied to the share reference price of €40.7940. The share reference price was computed using the average of the daily volume weighted average price of our ordinary shares on the Euronext Paris market over the 10 consecutive trading days from January 21 to February 3, 2016. The initial conversion price of the bonds was then fixed at €57.1116.

The Synthetic Bonds each have a nominal value of €100.0 thousand with a conversion ratio of 3,464.6193 and a conversion price of €28.8632. Any bondholder may, at its sole option, request the conversion in cash of all or part of the bonds it owns, beginning November 15, 2020 to the 38th business day before the maturity date.

Convertible bonds—On December 15, 2011, we issued 5,178,455 bonds convertible (the ''2011-2017 Convertible Bonds'') into and/or exchangeable for new or existing shares (''OCEANE'') for approximately €497.6 million with a maturity date of January 1, 2017. Net proceeds from the issuance were used to partially restore our cash balance position following the acquisition of Global Industries, Ltd. in December 2011 for a cash consideration of $936.4 million.

At maturity, all outstanding amounts under the 2011-2017 Convertible Bonds were repaid.

Senior Notes—On February 28, 2017, we commenced offers to exchange any and all outstanding notes issued by FMC Technologies for up to $800.0 million aggregate principal amount of new notes issued by TechnipFMC plc and cash. In conjunction with the offers to exchange, FMC Technologies solicited consents to adopt certain proposed amendments to each of the indentures governing the previously issued notes to eliminate certain covenants, restrictive provisions and events of defaults from such indentures.

On March 29, 2017, we settled the offers to exchange and consent solicitations (the ''Exchange Offers'') for (i) any and all 2.00% senior notes due October 1, 2017 (the ''2017 FMC Notes'') issued by FMC Technologies for up to an aggregate principal amount of $300.0 million of new 2.00% senior notes due October 1, 2017 (the ''2017 Senior Notes') issued by TechnipFMC plc and cash, and (ii) any and all 3.45% senior notes due October 1, 2022 (the ''2022 FMC Notes'') issued by FMC Technologies for up to an aggregate principal amount of $500.0 million in new 3.45% senior notes due October 1, 2022 (the ''2022 Senior Notes'') issued by TechnipFMC plc with registration rights and cash. Pursuant to the Exchange Offers, we issued approximately $215.4 million in aggregate principal amount of 2017 Senior Notes and $459.8 million in aggregate principal amount of 2022 Senior Notes (collectively the ''Senior Notes''). Interest on the 2017 Senior Notes is payable on October 1, 2017. Interest on the 2022 Senior Notes is payable semi-annually in arrears on April 1 and October 1 of each year, beginning October 1, 2017.

The terms of the Senior Notes are governed by the indenture, dated as of March 29, 2017 between TechnipFMC plc and U.S. Bank National Association, as trustee (the ''Trustee''), as amended and supplemented by the First Supplemental Indenture between TechnipFMC plc and the Trustee (the ''First Supplemental Indenture'') relating to the issuance of the 2017 Notes and the Second Supplemental Indenture between TechnipFMC plc and the Trustee (the ''Second Supplemental Indenture'') relating to the issuance of the 2022 Notes.

At maturity, all outstanding amounts under the 2017 Senior Notes were repaid.

At any time prior to July 1, 2022, in the case of the 2022 Notes, we may redeem some or all of the Senior Notes at the redemption prices specified in the First Supplemental Indenture and Second Supplemental Indenture, respectively. At any time on or after July 1, 2022, we may redeem the 2022 Notes at the redemption price equal to 100% of the principal amount of the 2022 Notes redeemed. The Senior Notes are our senior unsecured obligations. The Senior Notes will rank equally in right of payment with all of our existing and future unsubordinated debt, and will rank senior in right of payment to all of our future subordinated debt.

Private Placement Notes—On July 27, 2010, we completed the private placement of €200.0 million aggregate principal amount of 5.0% notes due July 2020 (the ''2020 Notes''). Interest on the 2020 Notes is payable annually in arrears on July 27 of each year, beginning July 27, 2011. Net proceeds of the 2020 Notes were used to partially finance the 2004-2011 bond issue, which was repaid at its maturity date on May 26, 2011. The 2020 Notes contain contains usual and customary covenants and events of default for notes of this type. In the event of a change of control resulting in a downgrade in the rating of the notes below BBB-, the 2020 Notes may be redeemed early by any bondholder, at its sole discretion. The 2020 Notes are our unsecured obligations. The 2020 Notes will rank equally in right of payment with all of our existing and future unsubordinated debt.

In June 2012, we completed the private placement of €325.0 million aggregate principal amount of notes. The notes were issued in three tranches with €150.0 million bearing interest at 3.40% and due June 2022 (the ''Tranche A 2022 Notes''), €75.0 million bearing interest of 4.0% and due June 2027 (the ''Tranche B 2027 Notes'') and €100.0 million bearing interest of 4.0% and due June 2032 (the ''Tranche C 2032 Notes'' and, collectively with the ''Tranche A 2022 Notes and the ''Tranche B 2027 Notes'', the ''2012 Private Placement Notes''). Interest on the Tranche A 2022 Notes and the Tranche C 2032 Notes is payable annually in arrears on June 14 of each year beginning June 14, 2013. Interest on the Tranche B 2027 Notes is payable annually in arrears on June 15 of each year, beginning June 15, 2013. Net proceeds of the 2012 Private Placement Notes were used for general corporate purposes. The 2012 Private Placement Notes contain usual and customary covenants and events of default for notes of this type. In the event of a change of control resulting in a downgrade in the rating of the notes below BBB-, the 2012 Private Placement Notes may be redeemed early by any bondholder, at its sole discretion. The 2012 Private Placement Notes are our unsecured obligations. The 2012 Private Placement Notes will rank equally in right of payment with all of our existing and future unsubordinated debt.

In October 2013, we completed the private placement of €355.0 million aggregate principal amount of senior notes. The notes were issued in three tranches with €100.0 million bearing interest at 3.75% and due October 2033 (the ''Tranche A 2033 Notes''), €130.0 million bearing interest of 3.15% and due October 2023 (the ''Tranche B 2023 Notes) and €125.0 million bearing interest of 3.15% and due October 2023 (the ''Tranche C 2023 Notes'' and, collectively with the ''Tranche A 2033 Notes and the ''Tranche B 2023 Notes'', the ''2013 Private Placement Notes''). Interest on the Tranche A 2033 Notes is payable annually in arrears on October 7 each year, beginning October 7, 2014. Interest on the Tranche B 2023 Notes is payable annually in arrears on October 16 of each year beginning October 16, 2014. Interest on the Tranche C 2023 Notes is payable annually in arrears on October 18 of each year, beginning October 18, 2014. Net proceeds of the 2013 Private Placement Notes were used for general corporate purposes. The 2013 Private Placement Notes contain contains usual and customary covenants and events of default for notes of this type. In the event of a change of control resulting in a downgrade in the rating of the notes below BBB-, the 2013 Private Placement Notes may be redeemed early by any bondholder, at its sole discretion. The 2013 Private Placement Notes are our unsecured obligations. The 2013 Private Placement Notes will rank equally in right of payment with all of our existing and future unsubordinated debt.

Term loan—In December 2016, we entered into a £160.0 million term loan agreement to finance the Deep Explorer, a diving support vessel (''DSV''), maturing December 2028. Under the loan agreement, interest accrues at an annual rate of 2.813%. This loan agreement contains usual and customary covenants and events of default for loans of this type.

Foreign committed credit—We have committed credit lines at many of our international subsidiaries for immaterial amounts. We utilize these facilities for asset financing and to provide a more efficient daily source of liquidity. The effective interest rates depend upon the local national market.

(B) Analysis by Type of Interest Rate

Analysis by type of interest rate after yield management is as follows:

In millions of U.S. dollars	**As of December 31, 2017**	**As of December 31, 2016**
Fixed Rate	4,094.8	2,445.4
Floating Rate	89.0	107.5
TOTAL DEBT	**4,183.8**	**2,552.9**

(C) Schedule of Debts

The schedule of debts is as follows:

In millions of U.S. dollars	2018	2019	2020	2021	2022	2023 and beyond	Total
Fixed Rate	1,510.9	29.6	293.9	938.9	719.8	805.8	4,298.9
Floating Rate	19.9	17.3	17.3	15.0	19.4	—	88.9
TOTAL DEBT AS OF DECEMBER 31, 2017	**1,530.8**	**46.9**	**311.2**	**953.9**	**739.2**	**805.8**	**4,387.8**

In millions of U.S. dollars	2017	2018	2019	2020	2021	2022 and beyond	Total
Fixed Rate	875.5	26.2	27.6	265.3	687.4	907.0	2,789.0
Floating Rate	18.8	18.0	18.0	18.0	19.7	15.1	107.5
TOTAL DEBT AS OF DECEMBER 31, 2016	**894.3**	**44.2**	**45.6**	**283.3**	**707.1**	**922.1**	**2,896.5**

(D) Secured Financial Debts excluding finance leases

Secured debts are as follows:

In millions of U.S. dollars	As of December 31, 2017			As of December 31, 2016		
	Guarantee	Without Guarantee	Total	Guarantee	Without Guarantee	Total
Bank Overdrafts, Current Facilities and Other	-	3.4	3.4	—	210.9	210.9
Short Term Part of Long-Term Debts	28.8	1,495.5	1,524.3	26.6	656.9	683.5
Total short-term debt and current portion of long-term	28.8	1,498.9	1,527.7	26.6	867.8	894.4
Total long-term debt, less current portion and finance leases	204.0	2,123.5	2,327.5	213.0	1,445.5	1,658.5
TOTAL DEBT EXCLUDING FINANCE LEASES	**232.8**	**3,622.4**	**3,855.2**	**239.6**	**2,313.3**	**2,552.9**

(E) Changes in Net Debts arising from Financing Activities

Changes in net debts arising from financing activities are as follows:

In millions of U.S. dollars	Loans	Commercial paper	Bank Borrowings	Other	Total
Total debt as of January 1, 2017	**1,869.7**	**210.8**	**452.1**	**20.3**	**2,552.9**
Cash flows from financing activities	(863.5)	234.9	(106.4)	(320.9)	(1,055.8)
Change scope of consolidation	(0.1)	—	—	25.3	25.2
Net foreign exchange differences	190.8	53.8	20.5	9.3	274.4
Change due to the merger	800.2	944.2	—	349.3	2,093.7
Other	46.7	6.7	(33.7)	273.7	293.4
TOTAL DEBT AS OF DECEMBER 31, 2017	**2,043.8**	**1,450.4**	**332.5**	**357.1**	**4,183.8**

Note 22 Provisions (Current and Non-Current)

The principles used to evaluate the amounts and types of provisions for liabilities and charges are described in Note 1-C (q) – Provisions.

(A) Changes in Provisions

Changes in provisions break down as follows:

In millions of U.S. dollars	As of December 31, 2016	Increase	Used Reversals	Unused Reversals	Foreign Exchange Adjustments	Other	As of December 31, 2017
Restructuring	49.8	10.5	(19.6)	—	4.0	(10.9)	33.8
Tax	1.5	—	—	—	—	—	1.5
Litigation	2.4	1.0	(0.2)	—	0.3	0.9	4.4
Provisions for Claims Incurred but not Reported (1)	24.1	0.1	(17.0)	—	2.7	—	9.9
Other Non-Current Provisions	53.4	5.4	(29.8)	(2.3)	3.7	(5.7)	24.7
Total Non-Current Provisions	**131.2**	**17.0**	**(66.6)**	**(2.3)**	**10.7**	**(15.7)**	**74.3**
Contingencies related to Contracts (2)	370.1	52.9	(69.6)	(167.7)	6.2	23.0	214.9
Restructuring	57.0	51.9	(34.7)	(10.5)	3.2	26.1	93.0
Tax	34.9	5.4	(7.3)	(17.1)	(0.8)	—	15.1
Litigation (3)	31.0	41.1	(8.0)	(5.3)	(0.7)	(0.2)	57.9
Provisions for Claims (1)	25.7	12.3	(22.1)	—	3.6	—	19.5
Other Current Provisions	166.0	261.2	(38.0)	(51.6)	(3.2)	(22.6)	311.8
Total Current Provisions	**684.7**	**424.8**	**(179.7)**	**(252.2)**	**8.3**	**26.3**	**712.2**
TOTAL PROVISIONS	**815.9**	**441.8**	**(246.3)**	**(254.5)**	**19.0**	**10.6**	**786.5**

(1) Provisions for Reinsurance are recorded at the level of the Group's captive reinsurance companies.

(2) Provisions recognized on contingencies on contracts are related to claims on contracts.

(3) See Note 30 – Litigation.

(B) Schedule of Provisions

The following table shows the maturity of provisions forecast as of December 31, 2017:

In millions of U.S. dollars	As of 31 December, 2017	2018	2019	2020	2021	2022	2023	2024 and beyond
Restructuring	33.8	—	22.1	3.8	1.8	1.5	1.3	3.3
Tax	1.5	—	1.5	—	—	—	—	—
Litigation	4.4	—	3.3	1.1	—	—	—	—
Provisions for Claims Incurred but not Reported	9.9	—	4.1	3.0	1.7	0.3	0.2	0.6
Other Non-Current Provisions	24.7	—	11.5	8.4	1.2	0.4	—	3.2
Total Non-Current Provisions	**74.3**	**—**	**42.5**	**16.3**	**4.7**	**2.2**	**1.5**	**7.1**
Contingencies related to Contracts (1)	214.9	171.0	32.8	3.7	5.0	1.6	—	0.8
Restructuring	93.0	93.0	—	—	—	—	—	—
Tax	15.1	15.1	—	—	—	—	—	—
Litigation	57.9	57.9	—	—	—	—	—	—
Provisions for Claims	19.5	19.5	—	—	—	—	—	—
Other Current Provisions	311.8	311.8	—	—	—	—	—	—
Total Current Provisions	**712.2**	**668.3**	**32.8**	**3.7**	**5.0**	**1.6**	**—**	**0.8**
TOTAL PROVISIONS	**786.5**	**668.3**	**75.3**	**20.0**	**9.7**	**3.8**	**1.5**	**7.9**

(1) Provisions for contingencies related to contracts which maturity cannot be precisely determined are usually presented in the less than one-year category.

Note 23 Pensions and Other Long-Term Employee Benefit Plans

(A) Description of the Group's Current Benefit Plans

On all the Group, four countries represent quite 90% of the Group obligations: United States of America, the Netherlands, France, and the United Kingdom.

Brazil

A jubilee plan provides a lump sum payment of one month's salary after 10, 15, 20 and 30 years of service.

France

The following plans are offered in France:

- a retirement benefit consisting of a capital payment based on years of service and salary at retirement date;
- a post-retirement medical benefit (this is closed to new entrants to the plan);
- a jubilee plan that provides a lump sum payment after 20, 30, 35 and 40 years of services at all companies (a minimum number of years spent in the Group is required);
- an additional defined contribution pension plan was set up on January 1, 2005 dedicated to a predetermined and uniform class of top managers. A contribution of 8.0% of gross annual salary within the legal limits is paid by the Company;
- a complementary defined benefit pension plan was set up on May 1, 2007 for members of the Group's Executive Committee and then revoked end of 2016. It consisted of a guaranteed retirement wage of 1.8% of income bracket 4 of annual gross compensation per year of service in the Executive Committee (up to a limit of 15 years of service). This plan was liquidated in December 2016. The Group has no further liabilities in respect of this plan.

Germany

The main following plans were offered in Germany:

- two pension plans that offer a pension payable from age 65: (i) a deferred compensation plan and (ii) an early retirement plan (OAPT);
- a jubilee plan that provides a lump sum payment ranging from one to three months of salary when employees reach 25, 40 and 45 years of service.

Following the disposal of Technip Germany GmbH in March 2016, these plans are not anymore accounted for.

Italy

A post-retirement benefit that provides a capital payment according to the wages and years of service in the Company is offered to the employees. Following the change of Italian law in 2007, this defined benefit plan has been changed into a defined contribution plan. Consequently, no future right is generated in respect of IAS 19. The amount remaining in the books relates to the rights generated before the change of plan.

Singapore

Multi-employer benefit plan providing employees of the mercantile marine (the same as United Kingdom's one) with pensions on retirement and protection on death (this plan is also closed for newcomers).

The Netherlands

The Company has a defined benefit pension plan, which was closed to new entrants, with no future accruals and frozen rights as of January 1, 2015. The impacts of this termination are identified in special events (curtailments/settlements).

United Arab Emirates

A retirement benefit plan provides a payment according to the years of service in the Company (21 days of salary per year of service up to five years and 30 days of salary beyond five years) with a limit of 26 years.

United Kingdom

A pension plan offers an annuity payment (this plan is closed for new comers). There is also a multi-employer benefit plan providing employees of the mercantile marine with pensions on retirement and protection on death (this plan is also closed for newcomers).

United States of America

On December 31, 2017, we amended the retirement plans (the ''Plans'') to freeze benefit accruals for all participants of the Plans as of December 31, 2017. After that date, participants in the Plans will no longer accrue any further benefits and participants' benefits under the Plans will be determined based on credited service and eligible earnings as of December 31, 2017.

We have other post-retirement benefit plans covering substantially all of our U.S. employees who were hired prior to January 1, 2003. The post-retirement health care plans are contributory; the post-retirement life insurance plans are noncontributory.

(B) Net Benefit Expense Recognized in the Statement of Income

The net benefit expense recognized in the statement of income breaks down as follows:

In millions of U.S. dollars	2017	2016
Current service cost	31.3	10.4
Financial cost	47.3	10.4
Expected return on plan assets	(35.4)	(6.2)
Net actuarial gain (loss) recognized on long-term benefits	0.1	(0.6)
Special events (curtailment/settlement)	(71.7)	(7.8)
Administration costs and taxes	6.4	0.5
NET BENEFIT EXPENSE AS RECORDED IN THE STATEMENT OF INCOME	**(22.0)**	**6.7**

In addition to the defined benefit pension plan expense shown in the above table, defined contribution plan expenses amounted to $19.1 million in 2017 and $3 million in 2016.

Defined contribution plan expenses expected for 2018 amounted to $25.2 million.

(C) Benefit Asset (Liability) Recognized in the Statement of Financial Position

The liability as recorded in the statement of financial position breaks down as follows:

In millions of U.S. dollars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit Obligation	
As of January 1. 2016		**441.7**		**228.3**		**213.4**
Acquisition/divestiture [(1)]		**(49.4)**				**(49.4)**
Expense as recorded in the statement of income		**12.9**		**6.2**		**6.7**
Total current service cost	2.6		—		2.6	
Net financial costs	10.4		6.2		4.2	
Actuarial (losses) of the year	(0.6)		—		(0.6)	
Administrative costs and taxes	0.5		—		0.5	
Other	—		—		—	
Actuarial loss recognized in other comprehensive income		**38.0**		**21.3**		**16.7**
Actuarial loss on Defined Benefit Obligation	38.0		21.3		16.7	
- Experience	*(3.0)*		—		*(3.0)*	
- Financial assumptions	*41.7*		—		*41.7*	
- Demographic assumptions	*(0.7)*		—		*(0.7)*	
Actuarial gain (loss) on plan assets	—		21.3		(21.3)	
Contributions and benefits paid		**(22.8)**		**(8.7)**		**(14.1)**
Contributions by employer	—		0.4		(0.4)	
Contributions by employee	0.1		0.1		—	
Benefits paid by employer	(13.7)		—		(13.7)	
Benefits paid from plan assets	(9.2)		(9.2)		—	
Exchange difference and other		**(18.1)**		**(17.7)**		**(0.4)**
Other		**(2.7)**				**(2.7)**
As of December 31. 2016		**399.6**		**229.4**		**170.2**
Acquisition/divestiture/Business combination [(2)]		**1155.2**		**902.2**		**253.0**
Expense as recorded in the statement of income		**13.4**		**35.4**		**(22.0)**
Total current service cost	(40.4)				(40.4)	
Net financial costs	47.3		35.4		11.9	
Actuarial gains of the year	0.1				0.1	
Administrative costs and taxes	6.4				6.4	
Actuarial loss recognized in other comprehensive income		**45.7**		**93.6**		**(47.9)**
Actuarial loss on Defined Benefit Obligation	45.7		93.6		(47.9)	
- Experience	*5.4*				*5.4*	
- Financial assumptions	*35.4*				*35.4*	
- Demographic assumptions	*(2.3)*				*(2.3)*	
Actuarial gain (loss) on plan assets			93.6		(93.6)	
Change in Irrecoverable Surplus other than Interest	7.2				7.2	
Contributions and benefits paid		**(70.7)**		**(31.6)**		**(39.1)**
Contributions by employer			19.1		(19.1)	
Contributions by employee	1.4		1.4		—	
Benefits paid by employer	(20.0)		(52.1)		32.1	
Benefits paid from plan assets	(52.1)				(52.1)	
Exchange difference and other		**70.9**		**48.5**		**22.4**
Other		**(13.4)**		**(14.4)**		**1.0**
AS OF DECEMBER 31. 2017		**1,600.7**		**1,263.1**		**337.6**

(1) Impact of the disposal of TechnipFMC Germany GmbH in March 2016

(2) Impact of the merger of FMC Technologies and Technip

In 2017, the discounted defined benefit obligation included $1,382.6 million for funded plans and $208.9 million for unfunded plan assets.

Below are the details of the principal categories of plan assets by country in terms of percentage of their total fair value:

2017

In %	Bonds	Shares	Real Estate	Cash	Other	Total
Eurozone	0%	0%	0%	0%	100%	100%
United Kingdom	15%	81%	0%	1%	5%	100%

2016

In %	Bonds	Shares	Real Estate	Cash	Other	Total
Eurozone	0%	0%	0%	0%	100%	100%
United Kingdom	48%	28%	3%	0%	21%	100%

(D) Actuarial Assumptions

	As of December 31. 2017			
	Discount Rate	Future Salary Increase (above Inflation Rate)	Healthcare Cost Increase Rate	Inflation Rate
Eurozone	From 1.30% to 1.90%	From 1.60% to 3.70%	3.00%	1.72%
United Kingdom	From 2.60% to 2.70%	4.20%	NA	2.46%
United States of America	3.60%	NA	NA	NA

	As of December 31. 2016			
	Discount Rate	Future Salary Increase (above Inflation Rate)	Healthcare Cost Increase Rate	Inflation Rate
Eurozone	1.70%	From 1.00% to 3%	3.00%	From 1.60% to 1.85%
United Kingdom	2.55%	0.00%	NA	3.50%

The discount rates as of December 31. 2017 of the Eurozone. United Kingdom and the United States zones (including United Arab Emirates) are determined by holding the benefit flows of services expected from the plans and by using a curve of yield built from a wide basket of bonds of companies of high quality (noted AA). Finally. in the countries where the market bonds of companies of high quality is insufficiently deep. the discount rates are measured in reference to governmental rates.

The references used to determine the discount rates in December 31. 2017 remain unchanged compared to 2016. A 0.25% decrease in the discount rate would increase the defined benefit obligation by approximately 2.7%. A 0.25% increase in the inflation rate would increase the defined benefit obligation by approximately 3.2%.

Note 24 Trade Payables

Trade payables amounted to $3,959.1 million as of December 31, 2017 as compared to $3,883.2 million as of December 31, 2016.

Trade payables maturities are linked to the operating cycle of contracts. As of December 31, 2017, trade payables with a maturity of less than 12 months amounted to $3,892.6 million.

Note 25 Other Liabilities (Current and Non-Current)

Other current liabilities consisted of the following:

In millions of U.S. dollars	As of December 31, 2017	As of December 31, 2016
Accruals on completed contracts	321.3	271.8
Deferred income on contracts	492.2	407.6
Other taxes payable	204.4	143.5
Social security liability	124.1	66.3

In millions of U.S. dollars	**As of December 31, 2017**	**As of December 31, 2016**
Redeemable financial liability	69.7	33.7
Other	256.5	217.8
TOTAL OTHER CURRENT LIABILITIES	**1,468.2**	**1,140.7**

Other non-current liabilities consisted of the following:

In millions of U.S. dollars	**As of December 31, 2017**	**As of December 31, 2016**
Payables on Tangible Assets	13.7	14.1
Payable on intangible assets	0.4	—
Subsidies	6.4	7.0
Financial Liabilities on non-qualified employee retirement plans	35.6	—
Redeemable financial liabilities	242.3	142.3
Other	70.8	7.2
TOTAL OTHER NON-CURRENT LIABILITIES	**369.2**	**170.6**

In the fourth quarter of 2016, we obtained voting control interests in legal onshore/offshore contract entities which own and account for the design, engineering and construction of the Yamal LNG plant. Prior to the amendments of the contractual terms that provided us with voting interest control, we accounted for these entities under the equity method of accounting based on our previously held interests in each of these entities. Since nearly all substantive processes to perform and execute the obligations of the underlying contract are conducted by TechnipFMC and the noncontrolling interest holders, we accounted for these entities as an acquisition upon our obtaining control and recognized a net gain of $4.4 million during 2016. As of December 31, 2016, total assets, liabilities and equity related to these entities were consolidated onto our balance sheet and our results of operations for the year ended December 31, 2017 reflect the consolidated results of operations related to these entities. Refer to Note 11 for further information regarding the acquisition and consolidation of these entities.

In addition to the recognition of an intangible asset related to the acquired asset in the underlying entities, a mandatorily redeemable financial liability of $176.0 million was recognized as of December 31, 2016 to account for the fair value of the non-controlling interests, for which $33.7 million was recorded as other current liabilities. During the year ended December 31, 2017 we revalued the liability to reflect current expectations about the obligation. We recognized a loss of $293.7 million for the twelve months ended December 31, 2017. Changes in the fair value of the financial liability are recorded as interest expense on the condensed consolidated statements of income.

Note 26 Financial Instruments

In compliance with IFRS 7, information disclosed on financial instruments is as follows:

(A) Financial Assets and Liabilities by Category

Financial assets and liabilities break down as follows:

	As of December 31, 2017						
	Analysis by Category of Financial Instruments						
In millions of U.S. dollars	Carrying Amount	At Fair Value through Profit or Loss	Loans and Receivables	Available-for-Sale Financial Assets	Liabilities at Amortized Cost	Derivative Instruments	Fair Value
Available-for-sale financial assets (non quoted)	12.4	12.4					
Other financial assets	289.6		289.6				
Available-for-sale financial assets	37.5			37.5			
Derivative financial instruments	173.2					173.2	
Trade receivables, net	2,103.6		2,103.6				
Other current assets	1,196.0		1,196.0				
Cash and cash equivalents	6,737.4	6,737.4					
TOTAL ASSETS	**10,549.7**	**6,749.8**	**3,589.2**	**37.5**		**173.2**	
Long-term debt, less current portion	2,656.1				2,656.1		
Other non-current liabilities	369.2				369.2		
Short-term debt and current portion of long-term	1,527.7				1,527.7		
Accounts payable, trade	3,959.1				3,959.1		
Derivative financial instruments	137.1					137.1	
Other current liabilities	1,468.2				1,468.2		
TOTAL LIABILITIES	**10,117.4**				**9,980.3**	**137.1**	

	As of December 31, 2016						
	Analysis by Category of Financial Instruments						
In millions of U.S. dollars	Carrying Amount	At Fair Value through Profit or Loss	Loans and Receivables	Available-for-Sale Financial Assets	Liabilities at Amortized Cost	Derivative Instruments	Fair Value
Investments in non-consolidated companies	14.1	14.1					
Other financial assets	208.2		208.2				
Available-for-sale financial assets	27.9			27.9			
Derivative financial instruments	238.0					238.0	
Trade receivables, net	2,024.5		2,024.5				
Other current assets	799.1		799.1				
Cash and cash equivalents	6,269.3		6,269.3				
TOTAL ASSETS	**9,581.1**	**14.1**	**9,301.1**	**27.9**		**238.0**	
Long-term debt, less current portion	1,658.5				1,658.5		
Other non-current liabilities	170.6				170.6		
Short-term debt and current portion of long-term	894.4				894.4		
Accounts payable, trade	3,883.2				3,883.2		
Derivative financial instruments	410.7					410.7	
Other current liabilities	1,140.7				1,140.7		
TOTAL LIABILITIES	**8,158.1**				**7,747.4**	**410.7**	

The following table shows a breakdown of financial assets and liabilities valued at fair value by hierarchy:

	As of December 31, 2017			
In millions of U.S. dollars	Level 1	Level 2	Level 3	Total
Investments:				

In millions of U.S. dollars	As of December 31, 2017 Level 1	Level 2	Level 3	Total
Nonqualified plan:				
Traded securities (1)	26.2			26.2
Money market fund		2.4		2.4
Stable value fund (2)	0.6			0.6
Available-for-sale securities	27.6	9.9		37.5
Derivative financial instruments:				
Synthetic bonds – call option premium		62.2		62.2
Foreign exchange contracts		111.0		111.0
ASSETS	**54.4**	**185.5**		**239.9**
Redeemable financial liability			312.0	312.0
Derivative financial instruments:				
Synthetic bonds – embedded derivatives		62.2		62.2
Foreign exchange contracts		74.9		74.9
LIABILITIES		**137.1**	**312.0**	**449.1**

In millions of U.S. dollars	As of December 31, 2016 Level 1	Level 2	Level 3	Total
Investments:				
Nonqualified plan:				
Traded securities (1)				
Money market fund				
Stable value fund (2)				
Available-for-sale securities	27.9			27.9
Derivative financial instruments:				
Synthetic bonds – call option premium		180.1		180.1
Foreign exchange contracts		57.9		57.9
ASSETS	**27.9**	**238.0**		**265.9**
Redeemable financial liability			176.0	176.0
Derivative financial instruments:				
Synthetic bonds – embedded derivatives		180.1		180.1
Foreign exchange contracts		230.6		230.6
LIABILITIES		**410.7**	**176.0**	**586.7**

(1) Includes equity securities, fixed income and other investments measured at fair value.

(2) Certain investments that are measured at fair value using net asset value per share (or its equivalent) have not been classified in the fair value hierarchy.

During the financial year 2017 and 2016, there were no transfer between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Mandatorily redeemable financial liability—We determined the fair value of the mandatorily redeemable financial liability using a discounted cash flow model. Refer to Note 25 for further information related to this liability. The key assumption used in applying the income approach is the selected discount rates and the expected dividends to be distributed in the future to the noncontrolling interest holders. Expected dividends to be distributed is based on the noncontrolling interests' share of the expected profitability of the underlying contract, the selected discount rate, and the overall timing of completion of the project. A decrease of one percentage point in the discount rate would have increased the liability by $ 6.6 million as of December 31, 2017. The fair value measurement is based upon significant unobservable inputs not observable in the market and is consequently classified as a Level 3 fair value measurement.

Changes in the fair value of our Level 3 mandatorily redeemable financial liability is presented below. Since the liability was created during the three months ended December 31, 2016, no changes in fair value are presented for the prior year.

In millions of U.S. dollars	Twelve Months ended December 31, 2017
Balance at beginning of the year	176.0
Less: Gains (losses) recognized in statement of income	(293.7)
Less: Settlements of mandatorily redeemable financial liability	156.5
Other	(1.2)
Balance at end of the year	312.0

(B) Gains and Losses by Category of Financial Instruments

Gains and losses recorded in the income statement by category of financial instruments break down as follows:

	2017					
		From Subsequent Valuation				
In millions of U.S. dollars	Interest	At Fair Value	Currency Translation	Impairment /Reversal of Impairment	Derecognition	Net Gains/ (Losses)
Categories of financial instruments						
At Fair Value through income	—	—	(0.7)	—	—	—
Available-for-sale financial assets	—	(4.0)	—	(20.2)	—	—
Liabilities at amortized cost	—	(300.0)	—	—	—	—
Financial instruments	(8.2)	—	—	—	—	—
TOTAL NET GAINS (LOSSES)	**(8.2)**	**(304.0)**	**(0.7)**	**(20.2)**	**—**	**—**

	2016					
		From Subsequent Valuation				
In millions of U.S. dollars	Interest	At Fair Value	Currency Translation	Impairment /Reversal of Impairment	Derecognition	Net Gains (Losses)
Categories of Financial Instruments						
At Fair Value through income	—	—	—	—	—	—
Available-for-sale financial assets	—	2.4	—	(2.7)	—	—
Liabilities at amortized cost	—	(4.2)	—	—	—	—
Financial instruments	(45.9)	—	—	—	—	—
TOTAL NET GAINS (LOSSES)	**(45.9)**	**(1.8)**	**—**	**(2.7)**	**—**	**—**

(C) Derivative Financial Instruments

For purposes of mitigating the effect of changes in exchange rates, we hold derivative financial instruments to hedge the risks of certain identifiable and anticipated transactions and recorded assets and liabilities in our consolidated balance sheets. The types of risks hedged are those relating to the variability of future earnings and cash flows caused by movements in foreign currency exchange rates. Our policy is to hold derivatives only for the purpose of hedging risks associated with anticipated foreign currency purchases and sales created in the normal course of business and not for trading purposes where the objective is solely to generate profit.

Generally, we enter into hedging relationships such that changes in the fair values or cash flows of the transactions being hedged are expected to be offset by corresponding changes in the fair value of the derivatives. For derivative instruments that qualify as a cash flow hedge, the effective portion of the gain or loss of the derivative, which does not include the time value component of a forward currency rate, is reported as a component of other comprehensive income (''OCI'') and reclassified into profit and loss in the same year or years during which the hedged transaction affects earnings. For derivative instruments not designated as hedging instruments, any change in the fair value of those instruments are reflected in profit or loss in the year such change occurs.

We hold the following types of derivative instruments:

Foreign exchange rate forward contracts—The purpose of these instruments is to hedge the risk of changes in future cash flows of anticipated purchase or sale commitments denominated in foreign currencies and recorded assets and liabilities in our consolidated balance sheets. At December 31, 2017, we held the following material net positions:

In millions of U.S. dollars	Net Notional Amount Bought (Sold)	USD Equivalent
Australian dollar	150.0	117.2
Brazilian real	783.1	236.7
British pound	139.9	189.1
Canadian dollar	(181.9)	(144.9)
Euro	354.9	425.6
Norwegian krone	(1,857.5)	(226.3)
Singapore dollar	116.2	87.0
U.S. dollar	(647.6)	(647.6)

Foreign exchange rate instruments embedded in purchase and sale contracts—The purpose of these instruments is to match offsetting currency payments and receipts for particular projects, or comply with government restrictions on the currency used to purchase goods in certain countries. At December 31, 2017, our portfolio of these instruments included the following material net positions:

In millions of U.S. dollars	Net Notional Amount Bought (Sold)	USD Equivalent
Norwegian krone	(290.1)	(35.3)
U.S. dollar	32.8	32.8

Fair value amounts for all outstanding derivative instruments have been determined using available market information and commonly accepted valuation methodologies. Accordingly, the estimates presented may not be indicative of the amounts that we would realize in a current market exchange and may not be indicative of the gains or losses we may ultimately incur when these contracts are settled.

The following table presents the location and fair value amounts of derivative instruments reported in the consolidated balance sheets:

	As of December 31, 2017		As of December 31, 2016	
In millions of U.S. dollars	Asset	Liability	Asset	Liability
Derivatives designated as hedging instruments:				
Foreign exchange contracts:				
Current – Derivative financial instruments	65.6	51.0	47.2	183.0
Long-term – Derivative financial instruments	28.0	1.7	10.7	47.6
Total derivatives designated as hedging instruments	**93.6**	**52.7**	**57.9**	**230.6**
Derivatives not designated as hedging instruments:				
Foreign exchange contracts:				
Current – Derivative financial instruments	12.7	18.0	—	—
Long-term – Derivative financial instruments	4.7	4.2	—	—
Total derivatives not designated as hedging instruments	**17.4**	**22.2**	—	—
Long-term – Derivative financial instruments– Synthetic Bonds – Call Option Premium	62.2	—	180.1	—
Long-term – Derivative financial instruments – Synthetic Bonds – Embedded Derivatives	—	62.2	—	180.1
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	**173.2**	**137.1**	**238.0**	**410.7**

We recognized a loss of $ 1.0 million and a loss of $ 8.2 million for the three months ended December 31, 2017 and 2016, respectively, and a gain of $ 25.3 million and a loss of $ 10.3 million for the twelve months ended December 31, 2017 and 2016, respectively, due to hedge ineffectiveness as it was probable that the original forecasted transaction would not occur. Cash flow derivative hedges of forecasted transactions, net of tax, which qualify for hedge accounting, resulted in an accumulated other comprehensive gain of $ 28.0 million and a loss of $ 126.5 million at December 31, 2017, and December 31, 2016, respectively. We expect to transfer an approximate $ 23.0 million gain from accumulated OCI to earnings during the next 12 months when the anticipated transactions actually occur. All anticipated transactions currently being hedged are expected to occur by the second half of 2020.

The following table presents the location of gains (losses) on the consolidated statements of income related to derivative instruments designated as fair value hedges.

Location of fair value hedge gain (loss) recognized in income	Gain (Loss) Recognized in Income	
In millions of U.S. dollars	2017	2016
Other income (expense), net	44.9	32.8

The following tables present the location of gains (losses) on the consolidated statements of other comprehensive income and/or the consolidated statements of income related to derivative instruments designated as cash flow hedges.

	Gain (Loss) Recognized in OCI (Effective Portion)	
In millions of U.S. dollars	2017	2016
Foreign exchange contracts	72.1	(86.1)

Location of cash flow hedge gain (loss) reclassified from accumulated OCI into income	Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	
In millions of U.S. dollars	2017	2016
Foreign exchange contracts:		
Revenue	(39.3)	—
Cost of sales	5.3	—
Selling, general and administrative expense	0.8	—
Research and development expense	—	—
Other income (expense), net	(102.2)	(165.7)
TOTAL	**(135.4)**	**(165.7)**

Location of cash flow hedge gain (loss) recognized in income	Gain (Loss) Recognized in Income (Ineffective Portion and Amount Excluded from Effectiveness Testing)	
In millions of U.S. dollars	2017	2016
Foreign exchange contracts:		
Revenue	9.5	—
Cost of sales	(9.0)	—
Selling, general and administrative expense	0.1	—
Research and development expense	—	—
Other income (expense), net	23.0	(13.2)
TOTAL	**23.6**	**(13.2)**

Location of cash flow hedge gain (loss) recognized in income	Gain (Loss) Recognized in Income on Derivatives (Instruments Not Designated as Hedging Instruments)	
In millions of U.S. dollars	2017	2016
Foreign exchange contracts:		
Revenue	0.9	—
Cost of sales	(0.3)	—
Selling, general and administrative expense	—	—
Research and development expense	—	—
Other income (expense), net	43.0	0.1
TOTAL	**43.6**	**0.1**

(D) Offsetting Financial Assets and Financial Liabilities

We execute derivative contracts with counterparties that consent to a master netting agreement, which permits net settlement of the gross derivative assets against gross derivative liabilities. Each instrument is accounted for individually and assets and liabilities are not offset. As of December 31, 2017 and December 31, 2016, we had no collateralized derivative contracts.

Note 27 Payroll Staff

As of December 31, 2017, TechnipFMC plc had more than 37,000 full-time employees. Please refer to section 4 (D) for additional information on staff costs.

Note 28 Related Parties Disclosures

(A) Transactions with related parties and Equity affiliates

Receivables, payables, revenues and expenses which are included in our consolidated financial statements for all transactions with related parties, defined as entities related to our directors and main shareholders as well as the partners of our consolidated joint ventures, were as follows:

In millions of U.S. dollars	As of December 31, 2017	As of December 31, 2016
Trade receivables	98.4	220.2
Trade payables	(121.8)	(200.0)
TRADE RECEIVABLES (PAYABLES), NET	**(23.4)**	**20.2**
Note receivables	**140.9**	**153.9**

A member of our Board of Directors serves on the board of directors of Anadarko and the table above includes trade receivable balances of $22.3 million from Anadarko at December 31, 2017 as well as $42.5 million from TP JGC Coral France SNC and $13.8 million from Technip Odebrecht PLSV CV, as both companies are equity method affiliates. The trade receivables balance at December 31, 2016 includes $98.8 million and $25.8 million from Dofcon Brasil AS and Technip Odebrecht PLSV CV, respectively, both are equity method affiliates.

The balance in trade payables includes $52.4 million to JGC Corporation and $48.3 million to Chiyoda, both JV partners on our Yamal project, at December 31, 2017. The trade payables balance at December 31, 2016 includes $50.3 million and $64.3 million to JGC Corporation and Chiyoda, respectively, and $46.0 million to Heerema, a joint venture partner of one of our consolidated subsidiaries.

The note receivables balance includes $114.9 million and $104.2 million with Dofcon Brasil AS at December 31, 2017 and 2016, respectively. Dofcon Brasil AS is a VIE and accounted for as an equity method affiliate. These are included in other noncurrent assets on our consolidated balance sheets.

In millions of U.S. dollars	2017	2016
Income	238.1	284.5
Expenses	(141.4)	(105.5)

Revenue in the table above includes $111.3 million from Anadarko and $69.9 million from TP JGC Coral France SNC, an equity method affiliate, during the year ended December 31, 2017. Revenue for the year ended December 31, 2016 included $196.7 million from Yamgaz which was an equity method affiliate during that time.

Expense activity for the year ended December 31, 2017 includes $46.8 million to JGC Corporation and $44.1 million to Chiyoda. Expense activity for the year ended December 31, 2016 includes $71.3 million to Heerema.

(B) Executive compensation

The below table sets forth the single figure of remuneration for the period ended December 31, 2017 for each of the Company's executive directors; the Chief Executive Officer and the Executive Chairman. This comprises the total remuneration received by each executive director since January 1, 2017. Because of the Merger, there is no disclosure in this report of prior-year information.

Name	Salary[1]	Taxable benefits[2]	Annual bonus	Long-term incentive awards	Pension	Total
Chief Executive Officer	1,116,667	114,603	2,272,556	9,057,851	125,003	12,686,680
Executive Chairman[3]	1,023,929	125,403	1,954,680	5,820,342	38,563	8,962,917

Base pay provides a fixed level of compensation to our executive directors that reflects their responsibilities, job characteristics and scope, performance, experience, and skill set and is reviewed annually and subject to adjustment based on individual performance, experience, business conditions, market factors, and comparable market data from the Company's peers.

1 Base pay for the Chief Executive Officer reflects his salary of $1,000,000 for the period January 1 to May 31, 2017 and the increased salary of $1,200,000 effective June 1, 2017. Base pay for the Executive Chairman reflects his salary for 2017.

2 The taxable benefits column line for the Chief Executive Officer includes: (i) personal use of company automobile $8,434; (ii) reimbursed cost of spousal travel $21,083; (iii) financial planning $18,214; (iv) security program $46,942; and (v) Company provided apartment in Paris, France $19,930. Taxable benefits for the Executive Chairman include: (i) reimbursed cost of spousal travel 69,394 (ii) financial planning $56,009

3 The amounts reported as salary, taxable benefits, annual bonus, and pension related for the Executive Chairman were paid in Euros. These amounts were converted to U.S. dollars utilizing an average of the Euro to U.S. dollar exchange rates on the last day of each month during 2017.

Note 29 Commitments and Contingent Liabilities

Commitments associated with leases—We lease office space, manufacturing facilities and various types of manufacturing and data processing equipment. Leases of real estate generally provide for payment of property taxes, insurance and repairs by us. Substantially all of our leases are classified as operating leases. Rent expense under operating leases amounted to $359.2 million and $311.2 million in 2017 and 2016, respectively.

Contingent liabilities associated with guarantees—In the ordinary course of business, we enter into standby letters of credit, performance bonds, surety bonds and other guarantees with financial institutions for the benefit of our customers, vendors and other parties. The majority of these financial instruments expires within five years. Management does not expect any of these financial instruments to result in losses that, if incurred, would have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Guarantees consisted of the following:

In millions of U.S. dollars	As of December 31, 2017
Financial guarantees	933.3
Performance guarantees	3,670.3
Maximum potential undiscounted payments	4,603.6

(1) Financial guarantees represent contracts that contingently require a guarantor to make payments to a guaranteed party based on changes in an underlying agreement that is related to an asset, a liability, or an equity security of the guaranteed party. These tend to be drawn down only if there is a failure to fulfill our financial obligations.

(2) Performance guarantees represent contracts that contingently require a guarantor to make payments to a guaranteed party based on another entity's failure to perform under a nonfinancial obligating agreement. Events that trigger payment are performance related, such as failure to ship a product or provide a service.

Contingent liabilities associated with legal matters—We are involved in various pending or potential legal actions or disputes in the ordinary course of our business. Management is unable to predict the ultimate outcome of these actions because of their inherent uncertainty. However, management believes that the most probable, ultimate resolution of these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Contingent liabilities associated with liquidated damages—Some of our contracts contain provisions that require us to pay liquidated damages if we are responsible for the failure to meet specified contractual milestone dates and the applicable customer asserts a conforming claim under these provisions. These contracts define the conditions under which our customers may make claims against us for liquidated damages. Based upon the evaluation of our performance and other commercial and legal analysis, management believes we have appropriately accrued for probable liquidated damages at December 31, 2017 and 2016, and that the ultimate resolution of such matters will not materially affect our consolidated financial position, results of operations, or cash flows.

Note 30 Litigation and Other Matters

On March 28, 2016, FMC Technologies received an inquiry from the U.S. Department of Justice (''DOJ'') related to the DOJ's investigation of whether certain services Unaoil S.A.M. provided to its clients, including FMC Technologies, violated the U.S. Foreign Corrupt Practices Act (''FCPA''). On March 29, 2016 Technip also received an inquiry from the DOJ related to Unaoil. We are cooperating with the DOJ's inquiry.

The DOJ is also investigating offshore platform projects awarded between 2003 and 2007, performed in Brazil by a joint venture company in which Technip was a minority participant, and certain other projects performed by Technip subsidiaries in Brazil between 2002 and 2013. The DOJ has also inquired about projects in Ghana and Equatorial Guinea that were awarded to Technip subsidiaries in 2008 and 2009, respectively. We are cooperating with the DOJ in its inquiry into potential violations of the FCPA in connection with these projects and with Brazilian authorities in their inquiry concerning the projects in Brazil.

A purported shareholder class action filed in 2017 and amended in January 2018 and captioned Prause v. TechnipFMC, et al., No. 4:17-cv-02368 (S.D. Texas) is pending in the U.S. District Court for the Southern District of Texas against the Company, certain current officers, and a former employee. The suit alleges violations of the federal securities laws in connection with the Company's restatement of its first quarter 2017 financial results and a material weakness in its internal control over financial reporting announced on July 24, 2017. The Company is vigorously contesting the litigation and cannot predict its duration or outcome.

In addition to the above-referenced matter, we are involved in various other pending or potential legal actions or disputes in the ordinary course of our business. Management is unable to predict the ultimate outcome of these actions because of their inherent uncertainty. However, management believes that the most probable, ultimate resolution of these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Note 31 Market Related Exposure

(A) Liquidity Risk

Most of our cash is managed centrally and flowed through centralized bank accounts controlled and maintained by TechnipFMC domestically and in foreign jurisdictions to best meet the liquidity needs of our global operations.

We expect to meet the continuing funding requirements of our global operations with cash generated by such operations and our existing revolving credit facility.

Net (Debt) Cash—Net (debt) cash, is a non-IFRS financial measure reflecting cash and cash equivalents, net of debt. Management uses this non-GAAP financial measure to evaluate our capital structure and financial leverage. We believe net debt, or net cash, is a meaningful financial measure that may assist investors in understanding our financial condition and recognizing underlying trends in our capital structure. Net (debt) cash should not be considered an alternative to, or more meaningful than, cash and cash equivalents as determined in accordance with GAAP or as an indicator of our operating performance or liquidity.

The following table provides a reconciliation of our cash and cash equivalents to net (debt) cash, utilizing details of classifications from our condensed consolidated balance sheets.

In millions of U.S. dollars	As of December 31, 2017	As of December 31, 2016
Cash and cash equivalents	6,737.4	6,269.3
Less: Short-term debt and current portion of long-term debt	1,527.7	894.4
Less: Long-term debt, less current portion	2,656.1	1,658.5
NET CASH	**2,553.6**	**3,716.4**

The gross change in the debt and cash components of our net (debt) cash position was primarily due to the Merger. Refer to Note 2.

Cash Flows—We generated $240.1 million and $493.8 million in cash flows from operating activities during the twelve months ended December 31, 2017 and 2016, respectively. The slight increase in cash provided by operating activities was due to the change in trade receivables, costs in excess of billings, advance payments and billings in excess of costs. Our working capital balances can vary significantly depending on the payment and delivery terms on key contracts in our portfolio of projects.

Investing activities provided $1,221.6 million and $3,110.5 million in cash flows during the twelve months ended December 31, 2017 and 2016, respectively. The decrease in cash provided by investing activities was due to asset acquisition of the legal contract entities which own and account for the design, engineering and construction of the Yamal LNG plant. Refer to Note 2.

Financing activities used $1,055.9 million and $534.6 million in cash flows during the twelve months ended December 31, 2017 and 2016, respectively. The decrease in cash flows from financing activities was due to the payments related to taxes withheld on stock-based compensation and a decrease in our commercial paper position during the twelve months ended December 31, 2017.

Credit Facility—The following is a summary of our revolving credit facility at December 31, 2017:

In millions of U.S. dollars	Amount	Debt Outstanding	Commercial Paper Outstanding	Letters of Credit	Unused Capacity	Maturity
5-YEAR REVOLVING CREDIT FACILITY	**2,500.0**	**—**	**1,450.4**	**—**	**1,049.6**	**2022**

(a) Under our commercial paper program, we have the ability to access up to $1.5 billion and €1.0 billion of financing through our commercial paper dealers. Our available capacity under our revolving credit facility is reduced by any outstanding commercial paper.

Committed credit available under our revolving credit facility provides the ability to issue our commercial paper obligations on a long-term basis. We had $1,450.4 million of commercial paper issued under our facility at December 31, 2017. As we had both the ability and intent to refinance these obligations on a long-term basis, our commercial paper borrowings were classified as long-term debt in the accompanying consolidated balance sheets at December 31, 2017.

As of December 31, 2017, we were in compliance with all restrictive covenants under our revolving credit facility. Refer to Note 21.

(B) Foreign Currency Exchange Rate Risk

We conduct operations around the world in a number of different currencies. Many of our significant foreign subsidiaries have designated the local currency as their functional currency. Our earnings are therefore subject to change due to fluctuations in foreign currency exchange rates when the earnings in foreign currencies are translated into U.S. dollars. We do not hedge this translation impact on earnings. A 10% increase or decrease in the average exchange rates of all foreign currencies at December 31, 2017, would have changed our revenue and income before income taxes attributable to TechnipFMC plc by approximately 6% and 7%, respectively.

When transactions are denominated in currencies other than our subsidiaries' respective functional currencies, we manage these exposures through the use of derivative instruments. We primarily use foreign currency forward contracts to hedge the foreign currency fluctuation associated with firmly committed and forecasted foreign currency denominated payments and receipts. The derivative instruments associated with these anticipated transactions are usually designated and qualify as cash flow hedges, and as such the gains and losses associated with these instruments are recorded in other comprehensive income until such time that the underlying transactions are recognized. Unless these cash flow contracts are deemed to be ineffective or are not designated as cash flow hedges at inception, changes in the derivative fair value will not have an immediate impact on our results of operations since the gains and losses associated with these instruments are recorded in other comprehensive income. When the anticipated transactions occur, these changes in value of derivative instrument positions will be offset against changes in the value of the underlying transaction. When an anticipated transaction in a currency other than the functional currency of an entity is recognized as an asset or liability on the balance sheet, we also hedge the foreign currency fluctuation of these assets and liabilities with derivative instruments after netting our exposures worldwide. These derivative instruments do not qualify as cash flow hedges.

Occasionally, we enter into contracts or other arrangements containing terms and conditions that qualify as embedded derivative instruments and are subject to fluctuations in foreign exchange rates. In those situations, we enter into derivative foreign exchange contracts that hedge the price or cost fluctuations due to movements in the foreign exchange rates. These derivative instruments are not designated as cash flow hedges.

(C) Interest Rate Risk

Analysis of the sensitivity of the situation

We assess effectiveness of forward foreign currency contracts designated as cash flow hedges based on changes in fair value attributable to changes in spot rates. We exclude the impact attributable to changes in the difference between the spot rate and the forward rate for the assessment of hedge effectiveness and recognize the change in fair value of this component immediately in earnings. Considering that the difference between the spot rate and the forward rate is proportional to the differences in the interest rates of the countries of the currencies being traded, we have exposure in the unrealized valuation of our forward foreign currency contracts to relative changes in interest rates between countries in our results of operations. Based on our portfolio as of December 31, 2017, we have material positions with exposure to interest rates in the United States, Canada, Australia, Brazil, the United Kingdom, Singapore, the European Union and Norway.

As of December 31, 2017

TechnipFMC plc's floating rate debt amounted to $89.0 million compared to an aggregate total debt of $4,183.8 million. To ensure liquidity, cash is invested on a short-term basis. Financial products are subject to fluctuations in currency interest rates.

As of December 31, 2017, the net short-term cash position of the Group (cash and cash equivalents, less short-term financial debts) amounted to $5,209.7 million.

As of December 31, 2017, a 1% (100 basis points) increase in interest rates would lower the fair value of the fixed rate synthetic bonds, convertible bonds and private placements by $80.0 million before tax. A 1% (100 basis points) decrease in interest rates would raise the fair value by $86.3 million before tax.

A 1% (100 basis points) increase in interest rates would generate an additional profit of $52.1 million before tax in the net cash position. A 1% (100 basis points) decrease in interest rates would generate a loss of the same amount.

As of December 31, 2016

TechnipFMC plc's floating rate debt amounted to $107.5 million compared to an aggregate total debt of $2,552.9 million. To ensure liquidity, cash is invested on a short-term basis. Financial products are subject to fluctuations in currency interest rates.

As of December 31, 2016, the net short-term cash position of the Group (cash and cash equivalents, less short-term financial debts) amounted to $5,374.9 million.

As of December 31, 2016, a 1% (100 basis points) increase in interest rates would lower the fair value of the fixed rate synthetic bonds, convertible bonds and private placements by $77.8 million before tax. A 1% (100 basis points) decrease in interest rates would raise the fair value by $84.7 million before tax.

A 1% (100 basis points) increase in interest rates would generate an additional profit of $55.4 million before tax in the net cash position. A 1% (100 basis points) decrease in interest rates would generate a loss of the same amount.

(D) Credit Risk

Valuations of derivative assets and liabilities reflect the value of the instruments, including the values associated with counterparty risk. These values must also take into account our credit standing, thus including in the valuation of the derivative instrument the value of the net credit differential between the counterparties to the derivative contract. Our methodology includes the impact of both counterparty and our own credit standing. Adjustments to our derivative assets and liabilities related to credit risk were not material for any period presented.

By their nature, financial instruments involve risk, including credit risk, for non-performance by counterparties. Financial instruments that potentially subject us to credit risk primarily consist of trade receivables and derivative contracts. We manage the credit risk on financial instruments by transacting only with what management believes are financially secure counterparties, requiring credit approvals and credit limits, and monitoring counterparties' financial condition. Our maximum exposure to credit loss in the event of non-performance by the counterparty is limited to the amount drawn and outstanding on the financial instrument. Allowances for losses on trade receivables are established based on collectability assessments. We mitigate credit risk on derivative contracts by executing contracts only with counterparties that consent to a master netting agreement, which permits the net settlement of gross derivative assets against gross derivative liabilities.

The schedule of past due but not impaired trade receivables is the following:

	As of December 31, 2017				
	Not impaired on the Reporting Date and Past Due in the Following Periods				
In millions of U.S. dollars	Less than 3 months	3 to 12 months	Over 1 year	Total	Total Trade Receivables
Trade receivables	419.3	201.7	95.0	716.0	2,103.6

	As of December 31, 2016				
	Not impaired on the Reporting Date and Past Due in the Following Periods				
In millions of U.S. dollars	Less than 3 months	3 to 12 months	Over 1 year	Total	Total Trade Receivables
Trade receivables	375.0	401.6	83.7	860.3	2,024.5

As of December 31, 2017, the main counterparty for cash and cash equivalents represents 16% of total net cash position. The principal counterparty for derivative financial instruments represents 26% of the Group's total derivative financial instruments. The set of counterparties for the Group's operations was limited to bank institutions that were considered as the safest, mostly noted AA and A.

As of December 31, 2016, the main counterparty for cash and cash equivalents represents 14% of total net cash position. The principal counterparty for derivative financial instruments represents 14% of the Group's total derivative financial instruments. The set of counterparties for the Group's operations was limited to bank institutions that were considered as the safest, mostly noted AA and A.

Note 32 Auditors’ remuneration

Fees payable to TechnipFMC plc’s auditors and its associates are as follows.

In millions of U.S. dollars	2017	2016
Fees payable to TechnipFMC plc’s auditors for the audit of its annual financial statements	9.7	5.9
Fees payable to TechnipFMC plc’s auditors and its associates for the audit of its subsidiaries	3.9	4.9
Fees payable to TechnipFMC plc’s auditors for legacy Technip SA PCAOB audits	2.9	—
TOTAL FEES PAYABLE FOR AUDIT SERVICES	**16.5**	**10.8**
Audit related services	1.8	0.3
Legal and tax compliance services	0.6	1.4
Other services	—	1.0
TOTAL FEES PAYABLE FOR OTHER SERVICES	**2.4**	**2.7**

Note 33 Subsequent Events

The Company’s Board of Directors has authorized and declared on April 24, 2018, a quarterly cash dividend of $0.13 per ordinary share.

COMPANY FINANCIAL STATEMENTS
TECHNIPFMC PLC
AS OF DECEMBER 31, 2017
Company No. 09909709

1. Company Statement of Financial Position

Assets

In millions of U.S. dollars	Notes	December 31, 2017	December 31, 2016 (Unaudited)
Property, plant and equipment, net		0.5	—
Intangible assets, net		1.4	1.3
Investments in subsidiaries	3	15,336.5	3,891.7
Loans to related parties	4	2,425.0	1,568.4
Other financial assets		—	23.3
Deferred income taxes	5	18.2	1.1
Total non-current assets		**17,781.6**	**5,485.8**
Derivative financial instruments		62.2	180.1
Trade and other receivables	6	193.4	180.9
Income tax receivable	7	58.7	14.8
Other current assets		17.1	79.6
Cash and cash equivalents	8	22.1	2.2
Total current assets		**353.5**	**457.6**
TOTAL ASSETS		**18,135.1**	**5,943.4**

Equity and Liabilities

In millions of U.S. dollars	Notes	December 31, 2017	December 31, 2016 (Unaudited)
Share capital	9	465.1	96.3
Share premium	9	—	2,377.2
Retained earnings	9	10,774.5	237.7
Other reserves	9	—	179.6
Total shareholders' equity	9	**11,239.6**	**2,890.8**
Non current provisions		12.8	5.6
Long-term debt	10	2,026.8	1,888.0
Derivative financial instruments		48.4	173.1
Deferred income taxes	5	3.4	—
Total non-current liabilities		**2,091.3**	**2,066.6**
Short-term debt towards subsidiaries	11	4,579.0	757.3
Accounts payable, trade		124.0	198.7
Current income tax liabilities	7	62.3	4.1
Other current liabilities		38.9	25.8
Total current liabilities		**4,804.2**	**986.0**
Total liabilities		**6,895.5**	**3,052.6**
TOTAL EQUITY AND LIABILITIES		**18,135.1**	**5,943.4**

At January 1	8	237.7	360.9
Loss for the year	8	(118.0)	(114.6)
Other changes in retained earnings	8	10,654.8	(8.6)
Retained earnings		**10,774.5**	**237.7**

The financial statements were approved by the Board of Directors and signed on its behalf by

Douglas J. Pferdehirt
Director and Chief Executive Officer
April 26, 2018

2. Company Statement of Changes in Shareholders' Equity

In millions of U.S. dollars	Share capital	Share premium	Merger reserve	Retained earnings, net Income and other reserves	Other reserves	Total shareholders equity
Balance as of December 31, 2015 (Unaudited)	**114.5**	**2,722.9**	**—**	**778.7**	**179.6**	**3,616.1**
Net (loss)	—	—	—	(114.6)		(114.6)
Other comprehensive (loss)/income	—	—	—	(0.8)		(0.8)
Net capital transactions	0.2	(28.2)	—	(6.9)		(34.9)
Share-based compensation	—	—	—	22.0		22.0
Dividends	—	—	—	(262.6)		(262.6)
Currency translation adjustment	—	—	—	(9.9)		(9.9)
Other	—	—	—	11.5		11.5
Balance as of December 31, 2016 (Unaudited)	**114.7**	**2,694.7**	**—**	**417.4**	**179.6**	**3,226.8**
Net (loss)	—	—	—	(118.0)		(118.0)
Other comprehensive (loss)/income	(18.4)	(317.6)	—	337.4		1.4
Treasury Shares elimination due to the Merger of FMC and TechnipFMC plc	—	—	—	21.2		21.2
Issuance of ordinary shares due to the Merger of FMC and TechnipFMC plc	370.3	(2,377.1)	10,177.5	—		8,170.7
Capital reorganization	—	10,177.5	(10,177.5)		(179.6)	—
Capital reduction	—	(10,177.5)	—	10,177.5		—
Dividends paid	—	—	—	(60.6)		(60.6)
Issuance of ordinary shares	0.6	—	—	—		0.6
Cancellation of Treasury Shares	(2.1)	—	—	(56.7)		(58.8)
Share-based compensation	—	—	—	44.5		44.5
Currency Translation Adjustment	—	—	—	11.8		11.8
BALANCE AS OF DECEMBER 31, 2017	**465.1**	**—**	**—**	**10,774.5**	**—**	**11,239.6**

Other Comprehensive Income comprises mainly the profit and loss for the year, exchange differences on translating entities operating in foreign currency and the cash flow hedging together with the related deferred tax. The total other comprehensive expense for the year amounts to 275.0 MUSD (2016 income: -125.3 MUSD)

3. Notes to the Company Financial Statements

Note 1 – General Corporate Information

FMC Technologies SIS Limited was formed and incorporated under the United Kingdom Companies Act of 2006 and under the laws of England and Wales on December 9, 2015, and for the purposes of participating in the all-share merger described below.

On June 14, 2016, FMC Technologies, Inc. (''FMC Technologies'') and Technip S.A. (''Technip'') entered into a definitive merger agreement (the ''Merger'') providing for the merger among FMC Technologies, FMC Technologies SIS Limited, a private limited company incorporated under the laws of England and Wales and a wholly-owned subsidiary of FMC Technologies and Technip.

On August 4, 2016, the legal name of FMC Technologies SIS Limited was changed to TechnipFMC Limited, and on January 11, 2017, was subsequently re-registered as TechnipFMC plc (the ''Company'' or ''TechnipFMC''), a public limited company limited by shares. The company is incorporated under the laws of England and Wales. The Company's registered address is One St. Paul's Churchyard, London, EC4M 8AP.

On January 16, 2017, the cross-border Merger was completed. Pursuant to the terms of the Merger, Technip merged with and into TechnipFMC, with TechnipFMC continuing as the surviving company (the "Technip Merger"), and each ordinary share of Technip (the "Technip Shares"), other than Technip Shares owned by Technip or its wholly-owned subsidiaries, were exchanged for 2.0 ordinary shares of TechnipFMC, subject to the terms of the Merger. Immediately following the Technip Merger, a wholly-owned indirect subsidiary of TechnipFMC ("Merger Sub") merged with and into FMC Technologies, with FMC Technologies continuing as the surviving company and as a wholly-owned indirect subsidiary of TechnipFMC, and each share of ordinary stock of FMC Technologies (the "FMCTI Shares"), other than FMCTI Shares owned by FMC Technologies, TechnipFMC, Merger Sub or their wholly-owned subsidiaries, were exchanged for 1.0 ordinary share of TechnipFMC, subject to the terms of the Merger.

As noted above, the Company obtained control of the entire share capital of Technip via a share for share exchange. There were no changes in rights or proportion of control exercised as a result of this transaction. Although the share for share exchange resulted in a change of legal ownership, in substance these financial statements reflect the continuation of Technip (now as a branch), headed by TechnipFMC. The December 31, 2016 equity position reflects the share capital structure of Technip. The current period statement of changes in equity presents the legal change in ownership of the Company, including the share capital of TechnipFMC and the merger reserve arising as a result of the share for share exchange transaction.

Note 2 – Accounting principles

Significant accounting policies

The principles accounting policies, which have been in the preparation of the Company financial statements, are set out below. These policies have been consistently applied to all the years presented.

a) Basis of Preparation

The financial statements for the year ended December 31, 2017 have been prepared in accordance with United Kingdom Accounting Standards – in particular FRS101 – and the companies Act 2006 (The Act). FRS101 sets out a reduced disclosure framework for a qualifying entity as defined in the Standards which addressed the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards (IFRS).

The company is a qualifying entity for the purposes of FRS 101. The application of FRS101 has enabled the Company to take advantage of certain disclosure exemptions that would have been required had the Company adopted IFRS in full. The only such exemptions that the Directors considered to be significant are:

- No detailed disclosures in relation to financial instruments;
- No cash flow statement;

- No disclosure of Related party transactions with subsidiaries
- No statement regarding the potential impact of forthcoming changes in financial reporting standards
- No disclosure of ‘‘key management compensation’’ for key management other than the Directors, and
- No disclosures relating to the Company’s policy on capital management.

The assets and liabilities of Technip have been recognized at their respective historic carrying values in the accounts of Technip, rather than uplifted to fair value, on the basis that, in substance, the Merger represents a capital reorganization of Technip and TechnipFMC therefore represents a continuation of Technip. Accordingly, the comparative information presented in the Company Statement of Financial Position and Statement of Changes in Equity is that of Technip. Prior to the Merger, Technip had a euro functional currency. The comparative information for the year ended 31 December 2016, and information up to the date of the Merger, has been retranslated into the U.S. Dollar presentational currency in accordance with IAS 21. From the date of the Merger, TechnipFMC Plc's functional currency was determined to be U.S. Dollars as this is the primary economic environment in which the post-merger entity operates.

The financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities, which are measured at fair value. Accounting policies have been consistently applied throughout the reporting period. The financial statements of the Company for the year ended December 31, 2017 are presented in U.S. dollars, the presentation and functional currency of the Company, and all values are rounded to the nearest million included to one decimal place.

The directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Therefore, the financial statements have been prepared on a going concern basis.

The directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and not presented a profit and loss account for the Company.

b) Use of Estimates

The preparation of financial statements in conformity with these accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Ultimate results could differ from Company’s estimates.

The main assessments and accounting assumptions made in the financial statements of the Company relate to the valuation of investments. The Company assesses whether there are any indicators of impairment of investments at each reporting date. Investments are tested for impairment when they are indicators that the carrying amount may not be recoverable. Details of impairment recorded during the year and the carrying value of investments are contained in note 3.

c) Investments

Investments are measured initially at cost, including transaction costs, less any provision for impairment.

At each balance sheet date, the Company reviews the carrying amounts of its investments to assess whether there is an indication that those assets may be impaired. If any such indication exists, the Company makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s fair value less costs to sell and its value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in the income statement.

d) Trade Receivables

Trade receivables are measured at amortized cost. A provision for doubtful accounts is recorded when the Group assesses the recoverable value is lower than the amortized costs.

e) Stock-based employee compensation

The measurement of stock-based compensation expense on restricted stock awards is based on the market price at the grant date and the number of shares awarded. The Company used the Cox Ross Rubinstein binomial model to measure the fair value of stock options granted prior to December 31, 2016 and Black-Scholes options pricing model to measure the fair value of stock options granted on or after January 1, 2017. The stock-based compensation expense for each award is recognized ratably over the applicable service period, after taking into account estimated forfeitures, or the period beginning at the start of the service period and ending when an employee becomes eligible for retirement.

f) Long term debt

Non-current financial debt includes bond loans and other borrowings. Issuance fees and redemption premium on convertible bonds are included in the cost of debt on the liability side of the statement of financial position, as an adjustment to the nominal amount of the debt. The difference between the initial debt and redemption at maturity is amortized at the effective interest rate.

Interest bearing loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Borrowing costs are expensed through the income statement.

The convertible bonds with an option for conversion and/or exchangeable for new or existing shares (OCEANE) are recognized in two distinct components:

- a debt component is recognized at amortized cost, which was determined using the market interest rate for a non- convertible bond with similar features. The carrying amount is recognized net of its proportionate share of the debt issuance costs; and
- a conversion option component is recognized in equity for an amount equal to the difference between the issuing price of the OCEANE convertible bond and the value of the debt component. The carrying amount is recognized net of its proportionate share of the debt issuance costs and corresponding deferred taxes. This value is not remeasured but will be adjusted for all conversion of bonds.

g) Foreign Currency Translation

Foreign currency transactions are translated into the functional currency at the exchange rate applicable on the transaction date.

At the balance sheet date, monetary assets and liabilities stated in foreign currencies are translated into the functional currency at the exchange rate prevailing on that date. Resulting exchange gains or losses are directly recorded in the income statement, except exchange gains or losses on cash accounts eligible for future cash flow hedging and for hedging on net foreign currency investments.

TRANSLATION OF FINANCIAL STATEMENTS OF THE COMPANY’S BRANCH IN FOREIGN CURRENCY

The income statements of the Company’s branch are translated into USD at the average exchange rate prevailing during the year. Statements of financial position are translated at the exchange rate at the closing date. Differences arising in the translation of financial statements of the branch are recorded in other comprehensive income as foreign currency translation reserve. The functional currency of the branch is the local currency (euro).

h) Financial instruments

Every derivative financial instrument held by the Company is aimed at hedging future inflows or outflows against exchange rate fluctuations or interest rate changes in relation with bonds and loans to related parties or in relation with contract performance.

The fair value of derivative financial instruments is estimated on the basis of valuations provided by bank counterparties or financial models commonly used in financial markets, using market data as of the statement of financial position date.

For further detail, please report to note 26 Financial Instruments in the Consolidated IFRS Financial Statements.

i) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less and bank overdrafts.

Due to their short maturities, the fair value of cash and cash equivalents are considered as being equivalent to carrying value.

j) Share Capital and Dividend Distribution

Ordinary shares and redeemable shares are classified as equity. The redeemable shares may be redeemed by the Company for nil consideration at any time and are therefore recognized within equity.

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognized when paid.

k) Taxation

Corporate tax is payable on taxable profits at amounts expected to be paid, or recovered, under the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognized to take account of timing differences between the treatment of transactions for financial reporting purposes and their treatment for tax purposes. A deferred tax asset is only recognized when it is regarded as more likely than not there will be a suitable taxable profit from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Note 3 – Investments

Main variances of Investments are described below:

In millions of U.S. dollars	**2017**	**2016 (Unaudited)**
Cost at 1 January	**4,145.7**	**4,219.3**
Additions	2,779.3	32.1
Capital Increase	153.2	42.1
Additions due to the merger of FMC Technologies and Technip	8,170.7	0.0
Disposals – write-off	(144.6)	(147.8)
Net foreign Exchange Difference	571.6	0.0
At December 31,	**15,675.8**	**4,145.7**
Impairment at 1 January	**254.0**	**354.8**
Provided during year	157.0	47.0
Disposals – write-off	(107.0)	(147.8)
Net foreign exchange differences	35.3	0.0
At December 31,	**339.3**	**254.0**

In millions of U.S. dollars	2017	2016 (Unaudited)
Net book value		
At December 31,	**15,336.5**	**3,891.7**

(1) In 2017, acquisitions mainly comprise FMC Technologies Global BV for 2,100 millions of U.S. dollars and TechnipFMC Holdings Ltd for 675 millions of U.S. dollars.

(2) In 2017, TechnipFMC plc French Branch recapitalized TechnipNet for an amount of 153.2 millions of U.S. dollars.

(3) In 2017, TechnipFMC plc French Branch liquidated Front End Re for 140.9 millions of U.S. dollars and Technip International AG for 3.7 millions of U.S. dollars.

(4) Following liquidation of Front End Re and Technip International AG, the impairment of these investments have been reversed for respectively 103.3 millions of U.S. dollars and 3.7 millions of U.S. dollars. This disposal was of a non-core nature to the business of the Company.

The company's direct subsidiaries at 31 December 2017 are listed below. Ownership interests reflect holdings of ordinary shares. Details of other related undertakings are provided in note 2 b) to the Group Financial Statements

Company Name	Address	Share Class	Interest held in %
BRAZIL			
Technip Cleplan Empreendimentos E Projetos Industriais Ltda.	Rua Dom Marcos Barbosa, nº 2, sala 202 (parte) 20211-178 Rio de Janeiro	Equity interest	58.29
CHINA			
Technip Chemical Engineering (Tianjin) Co., Ltd.	10th Floor - Yunhai Mansion 200031 Shanghai	Equity interest	100
FRANCE			
Technip Corporate Services	89, avenue de la Grande Armée 75116 Paris	Ordinary shares	78
Technip Eurocash SNC	89, avenue de la Grande Armée 75116 Paris	Equity interest	96
Technip France	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	78
Compagnie Francaise De Realisations Industrielles, Cofri SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Cybernetix SAS	Technopôle de Château-Gombert 13382 Marseille Cedex 13	Ordinary shares	100
Seal Engineering	19, Avenue Feuchères 30000 Nîmes	Ordinary shares	100
Technip Ingenierie Defense	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Technip Offshore International	89, avenue de la Grande Armée 75116 Paris	Ordinary shares	100
Technipnet	ZAC Danton 92400 Courbevoie	Ordinary shares	100
ITALY			
Technip Italy S.P.A.	68, Viale Castello della Magliana 00148 Rome	Ordinary shares	100
TPL - Tecnologie Progetti Lavori S.P.A. In Liquidazione	68, Viale Castello della Magliana 00148 Rome	Ordinary shares	100
MALAYSIA			
Technip Far East Sdn Bhd	Suite 13.03, 13th Floor 207 Jalan Tun Razak Kuala Lumpur 50400	Ordinary shares	100
MEXICO			
Technip De Mexico S. De R.L. De C.V.	Priv Andres Guarjardo 320 Parque Industrial Apodaca Apodaca, Nuevo Leon 66600	Ordinary shares	50

Company Name	Address	Share Class	Interest held in %
NETHERLANDS			
FMC Technologies Global B.V.	Zuidplein 126, Tower H, 15th Fl. 1077 XV Amsterdam	Ordinary shares	100
Technip Holding Benelux BV	Afrikaweg 30 Zoetermeer 2713 W	Ordinary shares	100
NEW-CALEDONIA – FRENCH OVERSEAS TERRITORY			
Technip Nouvelle-Caledonie	Koné village - Lot 35 A 98860 Koné	Ordinary shares	100
PANAMA			
Technip Overseas S.A.	2nd Floor, Swiss Bank Bldg East 53 RD Street Marbella	Ordinary shares	100
RUSSIAN FEDERATION			
Technip Rus LLC	266 Litera O, Ligovskiy prospect. 5th - 8th floor 196084 Moscow	Ordinary shares	99.98
SPAIN			
Technip Iberia, S.A.	Building n° 8 - Floor 4th Plaça de la Pau s/n World Trade Center - Almeda Park - Cornellà de Llobregat 08940 Barcelone	Ordinary shares	99.99
SWITZERLAND			
Engineering Re AG	Basteiplatz 7 8001 Zurich	Ordinary shares	100
UNITED KINGDOM			
TechnipFMC Holdings Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares A Ordinary shares B	88.12
Technip Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
VENEZUELA			
Inversiones Dinsa, C.A.	Avenida Principal de La Urbina, calle 1 con calle 2 Centro Empresarial INECOM, piso 1, oficina 1-1 La Urbina, Minicipio Sucre 1070 Caracas	Ordinary shares	100
Technip Bolivar, C.A. en liquidation	Avenida Guyana Torre Colon, Piso 2, Oficina 1, Altavista Sur, Puerto Ordaz, Estado Bolivar	Ordinary shares	99.88

Note 4 – Loans to related parties

In millions of U.S. dollars	December 31, 2017	December 31, 2016 (Unaudited)
Loans to related parties	2,425.0	1,568.4

A new loan has been granted by TechnipFMC plc to TechnipFMC Holdings Ltd for 700.0 MUSD in 2017.

Interest on loans to Group companies are charged at market rates.

Note 5 – Deferred Income Tax

The tax rate utilized to compute deferred taxes depends on the location of the underlying transaction. The transactions carried by the UK head office are taxed using the UK tax rate. The transactions carried out by the French permanent establishment are tax effected using the French tax rate.

The earnings of the UK head office are subject to the UK statutory rate of 19.3%. The profits or losses of the French permanent establishment are not taxable in the UK as the election under section 18A CTA 2009 has been validly made.

Deferred tax assets amounts to 18.2 MUSD as of December 31, 2017. It mainly comes from tax loss from TechnipFMC plc (19.0 MUSD) that has been recognized as an asset as it could be used within the UK tax Group.

The deferred tax balance comprises:

In millions of U.S. dollars	Notes	December 31, 2017	December 31, 2016 (Unaudited)
Deferred tax relating to pensions		0.2	0.2
Deferred tax relating to Financial Instruments		(4.8)	0.9
Short term timing differences		(0.6)	—
Tax loss carry forward		19.9	—
Total		**14.8**	**1.1**

The movement in the deferred tax asset is shown below:

In millions of U.S. dollars	Notes	December 31, 2017	December 31, 2016 (Unaudited)
At 1 January		1.1	31.9
Movement relating to pensions		(0.6)	0.4
Credit to Income Statement		14.3	(32.3)
At 31 December		**14.8**	**1.1**

Note 6 – Trade and other receivables

In millions of U.S. dollars	December 31, 2017	December 31, 2016 (Unaudited)
Advances paid to suppliers	4.3	3.0
Trade receivables	158.1	159.3
Receivables from subsidiaries	5.9	0.0
Prepaid expenses	25.0	18.6
Trade and other receivables	**193.4**	**180.9**

Trade receivables correspond exclusively to amounts due from Group Companies. No trade receivable is impaired as of December 31, 2017.

Note 7 – Income tax receivable/ Income tax payable

TechnipFMC is a tax resident of both the United Kingdom (the "UK") and France.

TechnipFMC maintains a permanent establishment in France which carries out the activities that were previously carried out by Technip. For tax purpose, this permanent establishment is the head of the French tax consolidated group. As such, TechnipFMC's French branch is liable for tax at the French statutory rate of 34.43% on French consolidated income

In turn, TechnipFMC's French branch receives from the French affiliates members of the French tax consolidated group the income tax that these affiliates would have paid on a standalone basis if they had not been member of the French tax consolidated group.

The current income tax credit booked by TechnipFMC's French branch is the difference between the income tax due on the consolidated income to the French tax authorities and the income tax received from the affiliates members of the French tax consolidated group.

Note 8 – Cash and cash equivalents

In millions of U.S. dollars	December 31, 2017	December 31, 2016 (Unaudited)
Cash and cash equivalents	22.1	2.2

Note 9 – Shareholders' equity

(A) Changes in TechnipFMC's ordinary shares

As of December 31, 2017, TechnipFMC plc share capital was 50,001 non-voting redeemable shares and 465,112,769 ordinary shares. The changes can be analyzed as follows:

In millions of shares	Ordinary Shares
Share Capital as of December 31, 2015	**119.0**
Stock awards	0.2
Dividend payment in shares	3.2
Treasury stock cancellations	(3.2)
Share Capital as of December 31, 2016	**119.2**
Net capital increase due to the Merger of FMC Technologies and Technip	347.4
Stock awards	0.6
Treasury stock cancellations	(2.1)
SHARE CAPITAL AS OF DECEMBER 31, 2017	**465.1**

Under English law, the Company will only be able to declare dividends, make distributions or repurchase shares (other than out of the proceeds of a new issuance of shares for that purpose) out of "distributable profits." Distributable profits are a company's accumulated, realized profits, to the extent that they have not been previously utilized by distribution or capitalization, less its accumulated, realized losses, to the extent that they have not been previously written off in a reduction or reorganization of capital duly made. In addition, as a public limited company organized under the laws of England and Wales, the Company may only make a distribution if the amount of its net assets is not less than the aggregate of its called-up share capital and non-distributable reserves and if, to the extent that, the distribution does not reduce the amount of those assets to less that that aggregate.

Following the merger, the Company capitalized its reserves arising out of the merger by the allotment and issuance by TechnipFMC plc of a bonus share, which was paid up using such reserves, such that the amount of such reserves so applied, less the nominal value of the bonus share, applied as share premium and accrued to its share premium account. The company implemented a court-approved reduction of its capital by way of a cancellation of the bonus share and share premium account in the amount of $10,177,554,182, which completed on June 29, 2017, in order to create distributable profits to support the payment of possible future dividends or future share repurchases. Its articles of association permit by ordinary resolution of the stockholders to declare dividends, provided that the directors have made a recommendation as to its amount. The dividend shall not exceed the amount recommended by the directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify the payment. When recommending or declaring payment of a dividend, the directors are required under English law to comply with their duties, including considering its future financial requirements.

The additional information required in relation to shareholder's equity is given in note 20 to the Group financial statements

(B) Dividends

Dividends declared and paid during the year ended December 31, 2017 were $60.6 million. Dividends paid by Technip in 2016 for the year ended December 31, 2015 amounted to €236.6 million. For the purpose of the payment of the dividend in shares, 3,168,156, new shares were then issued for a total amount of €135.8 million. The dividend paid in cash in 2016 for the financial year ended December 31, 2015, amounted to €100.8 million. In line with its stated policy, Technip has fully neutralized the dilution created by the scrip dividend through its share repurchase program.

The additional information required in relation to dividends is given in note 20 c) to the Group financial statements

(C) Share-based compensation

Details of share-based payment schemes operated by the Company are provided in note 20 d) to the Group financial statements

Details of the directors' remuneration is provided in the Directors' Remuneration Report in the Group financial statements.''

Note 10 – Long-term debt

Long-term debt can be analyzed as follows:

In millions of U.S. dollars	As of December 31, 2017		As of December 31, 2016 (Unaudited)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Synthetic bonds due 2021	499.2	599.0	428.0	663.2
Convertible bonds due 2017	—	—	524.5	524.5
3.45% Senior Notes due 2022	459.9	458.0	—	—
5.00% Notes due 2020	238.9	264.2	209.7	237.7
3.40% Notes due 2022	179.8	199.2	158.0	177.6
3.15% Notes due 2023	155.0	166.6	136.1	152.0
3.15% Notes due 2023	149.6	161.1	131.4	142.5
4.00% Notes due 2027	89.9	99.9	79.0	89.5
4.00% Notes due 2032	115.4	137.5	101.2	122.9
3.75% Notes due 2033	116.0	122.7	101.8	103.4
Bank borrowings	23.2	23.2	18.3	18.3
TOTAL DEBT	**2026.8**	**2231.4**	**1888.0**	**2231.6**

Revolving credit facility—On January 17, 2017, the Company acceded to a new $2.5 billion senior unsecured revolving credit facility agreement (''facility agreement'') between FMC Technologies. and Technip Eurocash SNC (the ''Borrowers'') with JPMorgan Chase Bank, National Association, as agent and an arranger, SG Americas Securities LLC as an arranger, and the lenders party thereto.

The facility agreement provides for the establishment of a multicurrency, revolving credit facility, which includes a $1.5 billion letter of credit subfacility. Subject to certain conditions, the Borrowers may request the aggregate commitments under the facility agreement be increased by an additional $500.0 million. The facility expires in January 2022.

Borrowings under the facility agreement bear interest at the following rates, plus an applicable margin, depending on currency:

- U.S. dollar-denominated loans bear interest, at the Borrowers' option, at a base rate or an adjusted rate linked to the London interbank offered rate (''Adjusted LIBOR'');
- sterling-denominated loans bear interest at Adjusted LIBOR; and

- euro-denominated loans bear interest at the Euro interbank offered rate (''EURIBOR'').

Depending on the credit rating of TechnipFMC plc, the applicable margin for revolving loans varies (i) in the case of Adjusted LIBOR and EURIBOR loans, from 0.820% to 1.300% and (ii) in the case of base rate loans, from 0.000% to 0.300%. The ''base rate'' is the highest of (a) the prime rate announced by JPMorgan, (b) the greater of the Federal Funds Rate and the Overnight Bank Funding Rate plus 0.5% or (c) one-month Adjusted LIBOR plus 1.0%.

The facility agreement contains usual and customary covenants, representations and warranties and events of default for credit facilities of this type, including financial covenants.

Bilateral credit facilities— the Company has access to four bilateral credit facilities in the aggregate of €340.0 million. The bilateral credit facilities consist of:

- two credit facilities of €80.0 million each expiring in May 2019;
- a credit facility of €80.0 million expiring in June 2019; and
- a credit facility of €100.0 million expiring in May 2021.

Each bilateral credit facility contains usual and customary covenants, representations and warranties and events of default for credit facilities of this type.

Synthetic bonds—On January 25, 2016, the Company issued €375.0 million principal amount of 0.875% convertible bonds with a maturity date of January 25, 2021 and a redemption at par of the bonds which have not been converted. On March 3, 2016, the Company issued additional convertible bonds for a principal amount of €75.0 million issued on the same terms, fully fungible with and assimilated to the bonds issued on January 25, 2016. The issuance of these non-dilutive cash-settled convertible bonds (''Synthetic Bonds''), which are linked to its ordinary shares were backed simultaneously by the purchase of cash-settled equity call options in order to hedge its economic exposure to the potential exercise of the conversion rights embedded in the Synthetic Bonds. As the Synthetic Bonds will only be cash settled, they will not result in the issuance of new ordinary shares or the delivery of existing ordinary shares upon conversion. Interest on the Synthetic Bonds is payable semi-annually in arrears on January 25 and July 25 of each year, beginning July 26, 2016. Net proceeds from the Synthetic Bonds were used for general corporate purposes and to finance the purchase of the call options. The Synthetic Bonds are its unsecured obligations. The Synthetic Bonds will rank equally in right of payment with all of its existing and future unsubordinated debt.

The Synthetic Bonds issued on January 25, 2016 were issued at par. The Synthetic Bonds issued on March 3, 2016 were issued at a premium of 112.43802% resulting from an adjustment over the 3-day trading period following the issuance resulting in a share reference price of €48.8355.

A 40.0% conversion premium was applied to the share reference price of €40.7940. The share reference price was computed using the average of the daily volume weighted average price of its ordinary shares on the Euronext Paris market over the 10 consecutive trading days from January 21 to February 3, 2016. The initial conversion price of the bonds was then fixed at €57.1116.

The Synthetic Bonds each have a nominal value of €100.0 thousand with a conversion ratio of 3,464.6193 and a conversion price of €28.8632. Any bondholder may, at its sole option, request the conversion in cash of all or part of the bonds it owns, beginning November 15, 2020 to the 38th business day before the maturity date.

Convertible bonds—On December 15, 2011, the Company issued 5,178,455 bonds convertible (the ''2011-2017 Convertible Bonds'') into and/or exchangeable for new or existing shares (''OCEANE'') for approximately €497.6 million with a maturity date of January 1, 2017. Net proceeds from the issuance were used to partially restore its cash balance position following the acquisition of Global Industries, Ltd. in December 2011 for a cash consideration of $936.4 million.

At maturity, all outstanding amounts under the 2011-2017 Convertible Bonds were repaid.

Senior Notes—On February 28, 2017, the Company commenced offers to exchange any and all outstanding notes issued by FMC Technologies for up to $800.0 million aggregate principal amount of new notes issued by

TechnipFMC plc and cash. In conjunction with the offers to exchange, FMC Technologies solicited consents to adopt certain proposed amendments to each of the indentures governing the previously issued notes to eliminate certain covenants, restrictive provisions and events of defaults from such indentures.

On March 29, 2017, the Company settled the offers to exchange and consent solicitations (the ''Exchange Offers'') for (i) any and all 2.00% senior notes due October 1, 2017 (the ''2017 FMC Notes'') issued by FMC Technologies for up to an aggregate principal amount of $300.0 million of new 2.00% senior notes due October 1, 2017 (the ''2017 Senior Notes') issued by TechnipFMC plc and cash, and (ii) any and all 3.45% senior notes due October 1, 2022 (the ''2022 FMC Notes'') issued by FMC Technologies for up to an aggregate principal amount of $500.0 million in new 3.45% senior notes due October 1, 2022 (the ''2022 Senior Notes'') issued by TechnipFMC plc with registration rights and cash. Pursuant to the Exchange Offers, the Company issued approximately $215.4 million in aggregate principal amount of 2017 Senior Notes and $459.8 million in aggregate principal amount of 2022 Senior Notes (collectively the ''Senior Notes''). Interest on the 2017 Senior Notes is payable on October 1, 2017. Interest on the 2022 Senior Notes is payable semi-annually in arrears on April 1 and October 1 of each year, beginning October 1, 2017.

The terms of the Senior Notes are governed by the indenture, dated as of March 29, 2017 between TechnipFMC plc and U.S. Bank National Association, as trustee (the ''Trustee''), as amended and supplemented by the First Supplemental Indenture between TechnipFMC plc and the Trustee (the ''First Supplemental Indenture'') relating to the issuance of the 2017 Notes and the Second Supplemental Indenture between TechnipFMC plc and the Trustee (the ''Second Supplemental Indenture'') relating to the issuance of the 2022 Notes.

At maturity, all outstanding amounts under the 2017 Senior Notes were repaid.

At any time prior to July 1, 2022, in the case of the 2022 Notes, the Company may redeem some or all of the Senior Notes at the redemption prices specified in the First Supplemental Indenture and Second Supplemental Indenture, respectively. At any time on or after July 1, 2022, the Company may redeem the 2022 Notes at the redemption price equal to 100% of the principal amount of the 2022 Notes redeemed. The Senior Notes are its senior unsecured obligations. The Senior Notes will rank equally in right of payment with all of its existing and future unsubordinated debt, and will rank senior in right of payment to all of its future subordinated debt.

Private Placement Notes—On July 27, 2010, the Company completed the private placement of €200.0 million aggregate principal amount of 5.0% notes due July 2020 (the ''2020 Notes''). Interest on the 2020 Notes is payable annually in arrears on July 27 of each year, beginning July 27, 2011. Net proceeds of the 2020 Notes were used to partially finance the 2004-2011 bond issue, which was repaid at its maturity date on May 26, 2011. The 2020 Notes contain contains usual and customary covenants and events of default for notes of this type. In the event of a change of control resulting in a downgrade in the rating of the notes below BBB-, the 2020 Notes may be redeemed early by any bondholder, at its sole discretion. The 2020 Notes are its unsecured obligations. The 2020 Notes will rank equally in right of payment with all of its existing and future unsubordinated debt.

In June 2012, the Company completed the private placement of €325.0 million aggregate principal amount of notes. The notes were issued in three tranches with €150.0 million bearing interest at 3.40% and due June 2022 (the ''Tranche A 2022 Notes''), €75.0 million bearing interest of 4.0% and due June 2027 (the ''Tranche B 2027 Notes'') and €100.0 million bearing interest of 4.0% and due June 2032 (the ''Tranche C 2032 Notes'' and, collectively with the ''Tranche A 2022 Notes and the ''Tranche B 2027 Notes'', the ''2012 Private Placement Notes''). Interest on the Tranche A 2022 Notes and the Tranche C 2032 Notes is payable annually in arrears on June 14 of each year beginning June 14, 2013. Interest on the Tranche B 2027 Notes is payable annually in arrears on June 15 of each year, beginning June 15, 2013. Net proceeds of the 2012 Private Placement Notes were used for general corporate purposes. The 2012 Private Placement Notes contain usual and customary covenants and events of default for notes of this type. In the event of a change of control resulting in a downgrade in the rating of the notes below BBB-, the 2012 Private Placement Notes may be redeemed early by any bondholder, at its sole discretion. The 2012 Private Placement Notes are its unsecured obligations. The 2012 Private Placement Notes will rank equally in right of payment with all of its existing and future unsubordinated debt.

In October 2013, the Company completed the private placement of €355.0 million aggregate principal amount of senior notes. The notes were issued in three tranches with €100.0 million bearing interest at 3.75% and due October 2033 (the ''Tranche A 2033 Notes''), €130.0 million bearing interest of 3.15% and due October 2023 (the ''Tranche B 2023 Notes) and €125.0 million bearing interest of 3.15% and due October 2023 (the ''Tranche C 2023 Notes'' and, collectively with the ''Tranche A 2033 Notes and the ''Tranche B 2023 Notes'', the ''2013 Private Placement Notes''). Interest on the Tranche A 2033 Notes is payable annually in arrears on October 7 each year, beginning October 7, 2014. Interest on the Tranche B 2023 Notes is payable annually in arrears on October 16 of each year beginning October 16, 2014. Interest on the Tranche C 2023 Notes is payable annually in arrears on October 18 of each year, beginning October 18, 2014. Net proceeds of the 2013 Private Placement Notes were used for general corporate purposes. The 2013 Private Placement Notes contain contains usual and customary covenants and events of default for notes of this type. In the event of a change of control resulting in a downgrade in the rating of the notes below BBB-, the 2013 Private Placement Notes may be redeemed early by any bondholder, at its sole discretion. The 2013 Private Placement Notes are its unsecured obligations. The 2013 Private Placement Notes will rank equally in right of payment with all of its existing and future unsubordinated debt.

Note 11 – Short-term debt towards subsidiaries

Short term debt towards subsidiaries breakdowns as follows:

In millions of U.S. dollars	December 31, 2017	December 31, 2016 (Unaudited)
Overdraft with Technip Eurocash (Group Cash Pooling)	1,779.0	757.3
Borrowing from TechnipFMC Holdings Ltd	2,800.0	—
Short-term debt towards subsidiaries	**4,579.0**	**757.3**

Interests on loans from Group companies are payable at market rates.

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