FMC Technologies Pension Plan

Statement of Investment principles

Introduction

This Statement of Investment Principles (the "SIP") has been prepared by FMC Technologies Pension Plan Limited, (the "Trustee") of the FMC Technologies Pension Plan (the "Plan") to comply with the requirements of the Pensions Acts 1995, as amended, the Pensions Act 2004, as amended (together, the "Acts"), the Occupational Pension Schemes (Investment) Regulations 2005, as amended, and it also has regard to the Governments Voluntary Code of Conduct for Institutional Investment in the UK.

The Trustee has sought advice from its Investment Consultant, van Biema Value Partners, LLC ("van Biema" or the "Fiduciary Investment Manager") on the content of this document and consulted with FMC Technologies Ltd (the "Principal Employer").

The Trustee does not expect to revise this Statement frequently as it covers broad principles. However, the Trustee will review this document at least every three years, or without delay following any significant change in investment policy, or where the Trustee considers a review is needed.

This SIP is effective from 21 December 2020.

Objectives

The Trustee is required to invest the Plan's assets in the best interests of members. The Trustee's overall objective is to invest the Plan's assets in such a way that, together with contributions, sufficient money is available to meet the liability to provide benefits to the members of the Plan into the future.

A medium term objective is investing the Plan's assets to achieve returns in excess of the growth in the present value of the liabilities calculated on a technical provisions basis, whilst limiting the risks of large adverse changes in the level of cover for technical provisions.

The long-term objective is to fully secure all benefits through an annuity buyout, ideally within 15 years.

Strategy

The Trustee believes, that having regard to the long-term liabilities of the Plan, an investment strategy based predominantly on investments in return seeking assets (predominantly UK and overseas quoted equities and credit), together with an allocation to liability matching investments, is an appropriate strategy for the current time which is most likely to enable the Plan to be able to meet all of its liabilities for pension-related benefits, without imposing an unsustainable contribution burden on the Principal Employer. The Trustee also believes that fundamental value driven active management can deliver excess return over passive equity investing over the long term. The investment strategy of the Plan will reflect this belief as appropriate and in balance with the overall objectives of the Plan.

The broad target strategic asset allocation as at 21 December 2020 is shown below:

Asset Class	Proposed Minimum Allocation	Proposed Maximum Allocation
Global Equity	20%	75%
Emerging Market Equity	5%	25%
Hedge Funds	15%	35%
Private Equity	–	20%
Private Credit	–	15%
Public Credit	5%	25%
Liability Matching Assets	5%	50%
Cash	–	5%

The Trustee's policy is that sufficient investments in liquid or readily realisable assets are held to meet cashflow requirements in the majority of foreseeable circumstances so that realisation of investment assets will not disrupt the Plan's overall investment policy where possible.

Where it is considered appropriate, investment managers may be permitted to invest in derivatives in so far as they facilitate efficient portfolio management, or contribute to a reduction in risk. The Trustee has also appointed a derivatives overlay manager to facilitate hedging of currency and geographic exposures as well as rebalancing. To facilitate hedging of exposures to interest rate fluctuations and inflation the Trustee may also appoint a second derivatives overlay manager.

The Trustee has given instructions to the investment managers to prohibit investment in shares or bonds or loans of, TechnipFMC or its subsidiaries or associated companies, except in respect of indirect investment in pooled or tracker funds, and to restrict any employer related investments to levels permitted by the Acts.

The Trustee expects the return on assets to be consistent with the investment objectives and investment strategy outlined above.

The Trustee's objectives are to maintain funds above the level required to meet the Statutory Funding Objective (the "SFO"), whereby there are sufficient and appropriate assets to meet obligations to the beneficiaries as they fall due. In particular, the Trustee has taken into account the funding requirements detailed in the Occupational Pension Schemes (Scheme Funding) Regulations 2005.

Implementation

The Trustee has directly appointed Northern Trust as Custodian and Record Currency Management as Overlay Manager

Choosing investments - the Trustee has appointed van Biema as Fiduciary Investment Manager. Consequently, the Trustee has signed a discretionary Investment

Management Agreement (the "IMA") with van Biema. The current portfolio currently holds investments made by the previous investment manager on behalf of the Trustee via sub-agreements with underlying investment managers using a Power of Attorney. Similarly, with each investment manager selected or managed by van Biema, a separate Power of Attorney will be used to facilitate such investment or divestment. All portfolio investments will continue to be held in the Trustee's name.

A copy of this Power of Attorney statement has been provided to each appropriate investment manager and custodian.

The Fiduciary Investment Manager is responsible for monitoring the portfolio investments to ensure compliance with the goals of the Plan. van Biema approaches these duties from two separate functions aimed to ensure compliance from an operational perspective and from an investment perspective. In addition to monitoring portfolio investments to ensure that managers are making sound investments, without taking undue risk, the advisor sets the portfolio's asset allocation, taking into account (a) the return requirements of the Plan, as determined by the funding status, (b) the opportunity sets offered within each asset class, (c) the opportunity sets presented by managers specializing in investing in the various asset classes, and (d) the current and foreseeable risks facing each asset class, as estimated by several factors including fund structures, hedging costs, and geopolitical and macroeconomic factors.

The Trustee will monitor the Fiduciary Investment Manager to ensure that the portfolio is invested according to the provisions of the IMA . The Fiduciary Investment Manager will invest the Plan's assets primarily through third party investment managers and the Overlay Manager. The Fiduciary Investment Manager shall monitor all investments in the portfolio and have investment discretion as described the IMA.

The Fiduciary Investment Manager, investment managers and the providers of any external insurance policies are required to inform the Trustee as soon as practicable of any breach of their agreements which has come to their attention or material change in their internal management procedures or staffing relevant to the Plan's investments. The Fiduciary Investment Manager, investment managers and the providers of external insurance policies are required to supply the Trustee with information the Trustee considers is required to monitor their activity and to facilitate the review of that Fiduciary Investment Manager, investment manager or provider, on either a monthly, quarterly or annual basis.

Alignment

The Trustee aims to invest the Plan's assets with investment managers whose investment goals align well with those of the Trustee. Towards that end, the Trustee invests predominantly with managers investing with long-term investment goals that aim to generate solid returns sufficient to meet the plan's long-term obligations while mitigating against the risk of permanent capital impairment.

The Trustee commonly compensates managers via a two-tier fee structure involving both asset-based and performance-based fees. An asset-based management fee, calculated as a percentage of assets managed over the year, compensates managers for fund and overhead expenses of running the fund. Asset-based fees provide managers with guaranteed base compensation, enabling them to continue operating, including through periods in which overall market pressures may temporarily adversely impact performance. Because these fees are calculated relative to plan assets entrusted to the managers they are impacted by asset levels, decreasing when assets decline due to negative performance and increasing when assets increase due to positive performance. This self-adjusting feature incentivizes managers to protect assets in the shorter term, steering them away from riskier investment strategies. In this way, asset-based fees offer superior alignment than fixed fees would.

Many managers are also paid a performance-based fee calculated as a percentage of positive annual returns. Such contingent compensation serves to align managers' investment goals with the Trustee's goal of growing assets over time. Because compensation from a performance fee can far outweigh asset-based fees, this contingent fee helps to focus managers on delivering strong returns, rather than on other business functions such as marketing or product development aimed at increasing assets under management, and therefore asset-based fees. Performance-based fees are often calculated above a minimum return hurdle and they are subject to high water marks. Whereas investment hurdles can best incentivize managers to seek out investments that are likely to generate returns adequate to meeting the Plan's growth needs, high water marks typically discourage them from taking undue risk to obtain those returns. Importantly, high water marks can serve to incentivize managers to find durable, long-term investments that will protect capital while delivering strong long-term returns appropriate for the Plan's long-term liabilities. Long-term investments are best characterized as ownership interests, rather than trades, so managers seeking such investments are disposed to engaging with company management and other owners in the course of their research and ongoing monitoring. This approach encourages managers to engage with company management to advise them on issues regarding long-term value creation and protection, especially when company management does not appear disposed to doing so independently.

The Trustee, in conjunction with the Fiduciary Investment Manager, evaluates manager performance over long periods of time, placing less emphasis on monthly and quarterly returns. However, the Fiduciary Investment Manager monitors manager performance and portfolio activity throughout the year to ensure that the managers are making sound, long-term investment decisions. This monitoring involves multiple meetings with managers throughout the year, review of manager-produced reports, and regular review of managers' portfolio holdings. Such reviews provide insight into managers' portfolio activity, including portfolio turnover, ensuring alignment with the goals of the Plan. As adherents of a long-term fundamental investment approach, the Trustee and Fiduciary Investment Manager believe that investment strategies aiming to hold investments for longer durations are most appropriate, and they therefore favor managers with more stable portfolios with minimal turnover. In keeping with this emphasis on long-term investing, the Trustee intends to maintain a relatively stable portfolio, minimizing manager turnover. Not only does this minimize the costs and distractions of frequent portfolio changes, it also provides managers with a more stable capital base, enabling them to continue investing for the long term. The Trustee will at times invest with managers with liquidity constraints that require significant advance notice to redeem capital and with restrictions on the frequency of such withdrawals. However, recognizing that the Plan may require liquidity to satisfy its liabilities, the Trustee aims to ensure that the bulk of the portfolio is not invested under overly restrictive liquidity agreements.

Risks

The Trustee recognises a number of risks involved in the investment of the assets of the Plan:

Funding risk and mismatching risk - is addressed through the asset allocation strategy and through ongoing triennial actuarial valuations. The majority of the defined benefit sections' liabilities are linked to price inflation and therefore the Trustee's policy has regard to the nature of investments and in particular to those investments which are expected to broadly keep pace with price inflation over long periods.

Concentration of assets - is addressed through the asset allocation strategy, the appointment of investment managers for certain asset classes and prohibitions restricting the size of any single investment. The Plan's investments at any time therefore comprise a wide range of asset classes and diversification within those asset classes.

Manager risk –The Fiduciary Investment Manager has discretion over the Plan's assets. Individual manager risk is addressed through the guidelines within their mandate and by separate custodial arrangements.

Liquidity risk – This risk relates to a shortfall of liquid assets relative to the Plans immediate liabilities and is managed by regular monitoring of liquidity levels and expected outgo.

Custodian risk - addressed through the agreements with custodians and ongoing monitoring of the custodial arrangements, including verification of the Plan's assets by the Auditor. Specific authorisation instructions are given to Custodians and must be adhered to before any significant transfer of assets.

Due to the nature of these risks, the Trustee considers them in qualitative and quantitative terms. Some aspects of these risks may be modelled explicitly to illustrate the potential impact of the risk and the consequences of the different risks (or variations in the levels of risk) on the Plan's assets and liabilities. The risk analysis provides information to the Trustee to demonstrate the potential interaction between the Plan's funding position and investment strategy and is formally reviewed when determining long term policy, including asset allocation.

In addition, risk is measured in terms of the performance of the assets compared to the liabilities, usually tri- annually.

Should there be a material change in the Plan's circumstances, the Trustee will review whether the current risk profile remains appropriate.

Additional Voluntary Contributions ("AVCs")

The Plan provides a facility for members to pay AVCs to enhance their benefits at retirement. The members are offered a range of funds in which to invest their AVC payments.

The Trustees primary objective in AVC provision is to ensure that the investment strategy gives members options that enable them to adequately deal with the different risks that face them at different times.

In determining the investment strategy for the AVC section, the Trustee has considered the associated investment risks, and acknowledges that there may be a number of factors that cannot be managed by the investment options made available to members. However, the uncertainty inherent in three specific investment risks (inflation risk, capital risk and pension conversion risk) can be managed to some extent by the choice of investments. These risks and the corresponding objectives of the Trustee are considered below.

Inflation risk - This describes the risk that investments do not provide a return at least in line with inflation, so that the "purchasing power" of the accumulated value of the contributions is not maintained until retirement. The Trustees objective is to provide an investment option that is expected to provide a long-term rate of return that exceeds inflation. Such an option would consist largely of equity-type investments.

Capital risk - This describes the risk that the monetary value of a members account falls. The Trustees objective is to provide an investment option that offers very low probability of capital impairment. A cash fund is an example of such an option.

Pension conversion risk - This describes the risk that the value of a members account does not reflect changes in the cost of purchasing an annuity at retirement. The Trustees objective is to provide an investment option that broadly matches changes in the cost of annuities. Depending on the type of annuity to be purchased, such an option could include a long-dated fixed interest bond fund or an index-linked bond fund.

The relative importance of inflation, capital and pension conversion risks depends on the length of time to retirement and each members attitude towards risk and expected return. Managing pension conversion and capital risks is more important as members approach retirement, whereas inflation risk is more relevant to younger members. It is recognised that the control of one of the aspects of risk is often at the expense of another. For example, investing in cash funds provides protection against decreases in fund values (capital risk), but will increase the risk of not matching changes in annuity prices (pension conversion risk).

AVC investment options - In order to address the various risks associated with AVCs (discussed above), the Trustee has selected a range of investment options with Aviva (formerly known as Norwich Union). Historical contributions may be invested with Prudential Assurance Company, The Clerical Medical and General Life Assurance Society and Utmost Life and Pensions Ltd.

No single option is expected to be sufficient to manage all of the various risks associated with AVC investment at all times. However, the range of options chosen by the Trustee is designed to be wide enough to enable members to manage the risks identified as they become relevant, according to each members individual criteria and circumstances.

Assets directly held by the Trustee, including policies of assurance such as AVCs, will be regularly reviewed to ensure that they continue to be appropriate. Written advice will be obtained from the Fiduciary Investment Manager when reviewing, buying or selling direct investments.

Socially responsible investment and voting

The Trustee has agreed an Environmental, Social and Governance ("ESG") Policy which reflects their beliefs, approach and outlines how they plan to monitor the investment portfolio. The Trustee considers ESG factors (including climate change) can have a material impact on the performance of investments over the long term. The Trustee expects its underlying investment managers, where appropriate, to integrate ESG considerations into their decision-making process and take them into account as part of their analysis of expected future performance and risks. The Trustee will hold investment managers to account in this regard as part of its periodic monitoring process. In addition, appropriate weight will be given to ESG considerations by the Fiduciary Investment Manager when appointing or replacing investment managers.

The Trustee has delegated responsibility for the exercise of stewardship rights attaching to investments (including voting rights) to the investment managers except for the case of pooled investment arrangements. The Trustee's policy is that the investment managers exercise these rights on a basis consistent with the relevant parts of the Institutional Shareholders' Committee's statement of principles on corporate governance. The Trustee, with the assistance of the Fiduciary Investment Manager, expect investment managers to report on how they have exercised voting rights attached to shares (including across passive equity mandates), and will review the investment managers' corporate governance policies periodically.

In the case of the pooled investment arrangements, the policy on social, environmental, governance and ethical considerations is set by the pooled investment arrangement managers, who also exercise the rights attaching to investments (including voting rights), on behalf of all participants in these funds.

The Trustee does not wish to interfere with the day-to-day investment decisions of its investment managers. However, the Trustee, with support from the Fiduciary Investment Manager, does encourage its investment managers to comply with the principles outlined in the UN's Principles for Responsible Investing and the UK Stewardship Code where this is appropriate for their mandate.

Communications

The Trustee provides members with updates on the portfolio through annual newsletters.

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Signed on behalf of the Trustee

18/12/2020.
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Date