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Free translation of the original « *Rapport des Commissaires à la fusion sur la rémunération des apports devant être effectués par la société TECHNIP SA au profit de la société TECHNIPFMC LIMITED* » issued by the merger appraisers, dated october 5, 2016

## **TECHNIP SA**

A company with limited liability (*société anonyme*) with a share capital of  
€93,281,878.63  
89, avenue de la Grande Armée  
75116 Paris  
Paris Trade and Companies Register number 589 803 261

## **TECHNIPFMC LIMITED**

Private limited company with a share capital of £50.001  
C/O Legalinx Limited, 1 Fetter Lane  
London EC4A 1BR  
Companies House number 9909709

**Merger Appraiser's Report on the value of the  
contributions to be made by  
TECHNIP SA in favor of TECHNIPFMC LIMITED**

*Order of the Presiding Judge of the Paris Commercial Court dated July 26, 2016*

**Merger Appraiser's Report on the value of the  
contributions to be made by  
TECHNIP SA in favor of TECHNIPFMC LIMITED**

Dear Shareholders:

Pursuant to the mission entrusted to us by order of the Presiding Judge of the Commercial Court of Paris dated July 26, 2016 relating to the merger by absorption (*fusion par absorption*) of TECHNIP SA by TECHNIPFMC LIMITED, an English law company, we have prepared this report on the value of the contributions contemplated by Article L. 236-10 of the French Commercial Code (*Code de commerce*). It being specified that our assessment of the remuneration for the contributions is the subject of a separate report.

The net assets contributed by TECHNIP SA to TECHNIPFMC LIMITED was determined in the Common Draft Terms of Cross-Border Merger, dated October 4, 2016, which was signed by the representatives of the relevant companies. It is our responsibility to express a conclusion on the fact that the value of the contributions is not overvalued. To this end, we have carried out our review in accordance with the professional standards of the French National Company of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) that apply to this mission. These professional standards require the implementation of procedures intended to assess the value of the contributions, to ensure that such value is not overvalued and to verify that it corresponds to, at a minimum, the nominal value of shares to be issued by the absorbing company plus the amount of the merger premium.

Our mission is brought to a close with the submission of this report. Therefore, it is not our responsibility to update this report to take into account facts and circumstances occurring after the date of the report. Our reports are contemplated by the provisions of the Commercial Code relating to the mission of merger appraisers and are intended for the persons referred to by French law. They respond to the requirements of these regulations, but not to the requirements of American or English regulations. In particular, the reports grant no rights to the shareholders of FMC TECHNOLOGIES, INC., a U.S. Delaware corporation, who benefit from applicable U.S. law. Regarding TECHNIPFMC LIMITED, this report does not consider the company's accounting requirements for contributions under English law. Our work is not intended to respond to the requirements of these regulations, even though our reports will be made available to the parties that are involved in the transaction.

Furthermore, these reports do not dispense with the reading of the information already publicly available or that will be made available relating to the Transaction<sup>1</sup>.

At no time did we find ourselves in a situation of conflict, prohibition or revocation contemplated by law.

Please find below our observations and conclusions presented in accordance with the following outline:

- 1. Presentation of the transaction and description of the contribution**
- 2. Procedures and assessment of the value of the contributions**
- 3. Summary – Key points**
- 4. Conclusion**

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<sup>1</sup> In particular, the Form S-4 as submitted on September 19, 2016, Information Document and the EU Prospectus.

## **1. Presentation of the transaction and description of the contribution**

### **1.1 Context of the transaction**

Pursuant to a joint statement dated May 19, 2016, the TECHNIP and FMC TECHNOLOGIES, INC. groups announced their proposed combination, which is intended to create a world leader in the oil and gas industry services for Subsea, Surface and Onshore/Offshore segments (the “Transaction”).

In the context of an oil sector that has been rattled by a significant drop in oil prices, this combination is intended to propose a wide and flexible service offering on these markets, by consolidating the two groups’ complementary know-how, technology and capacities, all while reducing costs. This transaction capitalizes on the proven success of the existing alliance between the two groups through the joint-venture, FORSYS SUBSEA, which they created in 2015.

Listed in New York and Paris, the new company called TECHNIPFMC would have approximately 49,000 employees in 45 countries.

The terms and conditions of this combination, which is described as a merger of equals, were formalized in a Memorandum of Understanding, dated May 18, 2016, and then in a framework agreement (*Business Combination Agreement*, hereinafter the “BCA”) on June 14, 2016.

The Transaction would be carried out solely through an exchange of shares in two quasi-concurrent steps:

1. TECHNIP SA would be absorbed by an English law company created for this purpose, TECHNIPFMC LIMITED (hereinafter “TECHNIPFMC”), as a result of which TECHNIP SA’s shareholders would receive TECHNIPFMC shares in consideration for the absorption of TECHNIP SA by way of a cross-border merger governed by Directive 2005/56/EC and the national laws transposing such directive (the “Merger”).

Immediately thereafter, and in an inter-conditional manner,

2. FMC TECHNOLOGIES, INC. will absorb, by way of a reverse triangular merger, a new Delaware law company formed specifically for this purpose and wholly owned by TECHNIPFMC. Pursuant to this transaction, in exchange for their shares, FMC TECHNOLOGIES, INC.’S shareholders will receive TECHNIPFMC shares and FMC TECHNOLOGIES, INC. would become a subsidiary of TECHNIPFMC.

According to the terms of the Transaction, it should be noted that the exchange ratio was determined through a comparison of the relative values of the shares of TECHNIP SA and FMC TECHNOLOGIES, INC.

Thus, pursuant to these agreements, (i) TECHNIP SA's shareholders would receive two shares of TECHNIPFMC for each TECHNIP SA share they hold, and (ii) FMC TECHNOLOGIES, INC.'s shareholders would receive one TECHNIPFMC share for each FMC TECHNOLOGIES, INC. share they hold.

Upon the completion of the Transaction, the former shareholders of TECHNIP SA and FMC TECHNOLOGIES, INC. will respectively hold approximately 50.9% and 49.1%<sup>2</sup> of TECHNIPFMC's capital on a fully diluted basis and with respect to the respective TECHNIP SA and FMC TECHNOLOGIES, INC. capitalizations on the date of the Transaction.

TECHNIPFMC, whose capital could ultimately be solely comprised of ordinary shares, will request the concurrent listing of all of its shares on the New York Stock Exchange and on the regulated market of Euronext Paris. TECHNIPFMC will remain an English law company, and the new group will have operating headquarters in Paris (France) and Houston (USA).

## **1.2 Presentation of the companies involved in the Transaction**

### **1.2.1 TECHNIP SA, absorbed company**

#### a) Share capital

TECHNIP SA is a French law company with limited liability (*société anonyme*) whose registered office is located at 89, avenue de la Grande Armée (75116 Paris – France). TECHNIP SA is registered with the Paris Trade and Companies Register under number 589 803 261.

At August 31, 2016, TECHNIP's share capital amounted to €93,281,878.63, divided into 122,336,890 shares of a nominal value of 0.7625€ per share, which were fully paid-up and of the same category. TECHNIP's shares are listed for trading on Compartment A of the regulated market of Euronext Paris under ISIN FR0000131708. As of such date, 1,563,389 shares were held in treasury.

Pursuant to Article 12 of the company's bylaws, double voting rights are bestowed on all shares that are fully paid up and that can be shown to have been registered in the name of the same shareholder for at least two years. Registered shares benefiting from

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<sup>2</sup> These rates are given for illustrative purposes on the basis of respective capitalizations at May 18, 2016 and will depend on the number of outstanding shares of TECHNIP and FMC TECHNOLOGIES, INC. on the effective date.

double voting rights that are converted into bearer form for any reason whatsoever shall lose such double voting rights. This special right can be eliminated by a decision of an extraordinary general meeting of the shareholders after approval by the special meeting of the beneficiary shareholders. At August 31, 2016, 12,274,470 shares carried double voting rights, representing approximately 10.03% of TECHNIP SA's share capital and approximately 18.24% of its voting rights. It is reminded that the shareholders Bpifrance Participations SA and IFP Energies nouvelles, which hold approximately 73% of the shares with double voting rights, have confirmed<sup>3</sup> in writing their intention to vote in favour of (i) the transaction in an upcoming shareholder's general meeting and (ii) a resolution presented to an upcoming double voting right shareholders' special meeting eliminating double voting rights.

b) Share grant plan and subscription and purchase options benefiting managers and employees of the company

TECHNIP SA has granted its managers and employees free share plans as well as share subscription and purchase options representing a potential maximum issuance 3,607,780 additional shares<sup>4</sup> at August 31, 2016.

c) Securities that may be converted into ordinary shares

On December 15, 2011, the company issued 5,178,455 OCEANES<sup>5</sup> the redemption date at par of which is January 1, 2017, absent conversion or exchange upon the initiative of a holder at a ratio of one share per OCEANE. The nominal value of each OCEANE is €96.09. At August 31, 2016, 5,178,455 ordinary shares could thus be issued as a result of a conversion of the OCEANES. The OCEANES are listed on the Euronext Paris market.

d) Corporate purpose and activity

According to its bylaws,

*“The Company has the following purpose in all countries:*

- *all engineering studies and services, and construction of complex industrial plants, in particular for hydrocarbons, as well as all fields of industry, notably chemicals and life sciences;*
- *the design, manufacturing, purchase, sale, construction, assembly and installation of materials, products, equipment and systems intended for such installations, in particular fixed or floating platforms and pipelines for the development of oil fields at sea;*

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<sup>3</sup> See. Form S-4 as submitted on September 19 2016, page 257 and 258

<sup>4</sup> 2,216,7489 pursuant to the share subscription and purchase options (including 1,163,687 exercisable as of this date) and 1,391,031 pursuant to the performance share plans.

<sup>5</sup> Bonds convertible and/or exchangeable into new or existing shares.

- *the provision of all services related to these products, equipment and installations;*
- *the development and implementation of all processes and products for practical use in industry of the results of research carried out by the Company or by any other individual or entity;*
- *the registration, acquisition, direct or indirect use, sale or purchase of all brands, processes, patents, and licenses for the use of patents;*
- *the direct or indirect participation by the Company in all operations of the said type, either by way of formation of companies, contributions to existing companies, mergers with them, transfer to companies of all or part of its assets or rights in real and personal property, subscriptions, purchases and sales of securities and corporate interests, partnerships, advances, loans or otherwise;*
- *the investment by all means and in any form, in companies or industrial, commercial, financial and real property enterprises, whether French or foreign, regardless of legal form or organization and, where necessary, the disposal of these investments;*
- *more generally, all transactions of a commercial, financial, industrial or civil nature or in real or personal property, related directly or indirectly to any of the purposes listed above and to any similar or related purposes, both on its own behalf or on behalf of third parties, and more generally all transactions facilitating or related to the realization of these purposes.”*

TECHNIP SA is the holding company of the TECHNIP group, a world leader in project management, engineering and construction for the oil and gas industry. The group is organized along two segments: (i) the Subsea segment includes the design, manufacture and installation of rigid and flexible subsea pipelines and umbilicals for both hydrocarbon field installations and subsea activities, and (ii) the Onshore/Offshore segment, which comprises conceptual studies, engineering, project management up until the commencement of operations of onshore and offshore (fixed or floating) installations that are used, in particular, in the oil and gas industries.

The group's principal customers are international oil companies (BP, Chevron, ConocoPhillips, ExxonMobil, Shell and Total), numerous national oil companies (Petrobras, Petronas, Qatar Petroleum, Saudi Aramco, Statoil, etc.), as well several significant independent oil companies such as Anadarko and Tullow Oil.

The TECHNIP SA group employs close to 32,000 employees and has operations in 45 countries located in five different continents.

TECHNIP SA's financial year ends on 31 December. The company publishes its annual accounts prepared in accordance with French accounting standards and consolidated financial statements prepared in accordance with IFRS as applied within the European Union.

### **1.2.2 TECHNIPFMC LIMITED, absorbing company**

TECHNIPFMC LIMITED (hereinafter "TECHNIPFMC") is an English law private limited company whose registered office is located at 1 Fetter Lane, London EC4A 1BR (United Kingdom). TECHNIPFMC has been registered with the Companies House under number 9909709 since December 9, 2015.

TECHNIPFMC's share capital amounts to 50.001 pounds sterling divided into one ordinary share and 50,000 redeemable preferred shares that do not carry voting rights.

TECHNIPFMC's corporate purpose is not restricted, as permitted by Section 31 of the Companies Act 2006.

TECHNIPFMC also has a branch in France, which is located at 3, boulevard de Sébastopol (75001 Paris), and was registered with the Paris Trade and Companies Register under number 817 453 079 on December 24, 2015.

TECHNIPFMC's first financial year runs from December 9, 2015 to December 31, 2016. Following completion of the Transaction, the company will prepare its consolidated accounts under IFRS and US GAAP and will present them in US dollars.

At the date of this report, TECHNIPFMC is a wholly owned subsidiary of FMC TECHNOLOGIES, INC.

### **1.2.3 FMC TECHNOLOGIES INC, parent company of the absorbing company which is intended to be absorbed by the absorbing company**

FMC TECHNOLOGIES, INC. is a U.S. Delaware law corporation, whose registered office is located at Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle (State of Delaware – United States). FMCTI is registered with the Delaware Secretary of State under number 3315658.

At June 30, 2016, FMC TECHNOLOGIES INC's share capital was \$2,265,180 dollars, divided into 226,518,000 shares, which are listed for trading on the New York Stock Exchange (USA) under ISIN US30249U1016.

FMC TECHNOLOGIES, INC's corporate purpose is to perform any legal act or other activity for which companies may be created and registered under Delaware's General Corporation Law.

The FMC TECHNOLOGIES, INC. group is a world leader in the market for subsea systems and one of the principal providers of equipment, technology and service to the oil and gas industry.

The FMC TECHNOLOGIES, INC. group employs close to 16,500 employees and operates 29 large production sites and service bases in 18 countries.

The group is organized along three segments: (i) *Subsea Technologies* (65% of consolidated group sales), which designs and manufactures equipment and furnishes technology and engineering know-how to oil and gas companies performing deep sea exploration and producing of crude oil and natural gas, (ii) *Surface Technologies* (25% of consolidated group sales), which carries activities similar to Subsea Technologies but for oil and gas companies that manage surface crude oil production and natural gas production projects (on land and offshore), and (iii) *Energy Infrastructure*, which manufactures measuring and transportation equipment, as well as systems used in projects relating to hydrocarbons (exploration, operation and transportation).

The group's main customers are the international oil companies like Shell, BP, the national oil companies like Petrobras or Statoil as well as independent oil companies like Anadarko.

FMC TECHNOLOGIES, INC. financial year ends on 31 December of each year and publishes its consolidated accounts presented in accordance with US GAAP.

FMC TECHNOLOGIES, INC. is not a direct party to this contribution transaction, but is intended to be absorbed by TECHNIPFMC as mentioned above.

#### **1.2.4 Relationships among the companies**

At the date of this report, there are no capital ties between TECHNIP SA (absorbed entity) and TECHNIPFMC (absorbing entity).

Since 2015, TECHNIP SA and FMC TECHNOLOGIES, INC. have conducted a partnership through a 50/50 joint-venture (FORSYS SUBSEA).

TECHNIPFMC is wholly owned by FMC TECHNOLOGIES, INC. After having absorbed TECHNIP SA, TECHNIPFMC is meant to absorb FMC TECHNOLOGIES, INC. by way of merger with one of its subsidiaries, FMC TECHNOLOGIES, INC. being the surviving entity.

Ms. Caroline Maury Devine, a member of the board of directors of TECHNIP SA, was a member of the board of directors of FMC TECHNOLOGIES, INC. until May 18, 2016, when she resigned from said board of directors.

### **1.3 General terms of the of the transaction**

#### **1.3.1 Essential characteristics of the merger**

The terms for the completion of the transaction, which are presented in detail in the draft merger agreement dated October 4, 2016, can be summarized as follows:

Subject to the satisfaction of the conditions precedent described in paragraph 1.3.3 of this report and pursuant to Article L. 236-31 of the Commercial Code and Articles 16 and 17 of The Companies (Cross-Border Mergers) Regulations 2007, TECHNIP SA will contribute and transfer to TECHNIPFMC, who accepts them, all of its assets, rights and liabilities in existence at the completion date. In accordance with the law applying to TECHNIPFMC, the effective date shall be determined by order of the High Court of England and Wales.

On the completion date, TECHNIP SA shall be dissolved without liquidation.

As described in Articles 7.2.1 and 7.2.2 of the draft merger agreement, the merger will become effective on the completion date for accounting purposes and retroactively, at January 1, 2017, for French tax purposes.

#### **1.3.2 Tax regime applying to the transaction**

As described in Article 14.1.2 of the draft merger agreement, for tax purposes, subject to a favorable response to the request for the approval referred to in Articles 210 B, 210 C and 1649 *nonies* of the General Tax Code, the merger is placed under the favorable tax regime contemplated by Article 210 A of the General Tax Code with respect to corporate income tax, and Article 816 of such Code with respect to registration duties.

#### **1.3.3 Conditions precedent**

In accordance with the provisions of Article 15 of the draft merger agreement, this merger is subject to all of the terms and conditions contemplated by the BCA executed by the parties, and in particular:

- Approval of the merger and the draft merger agreement by the general meeting of TECHNIP's shareholders and approval of the elimination of double voting rights by the double voting right shareholders' special meeting of TECHNIP;
- Approval of the BCA and the transactions contemplated thereby, and in particular the merger of FMC TECHNOLOGIES, by FMC TECHNOLOGIES's shareholders;
- (i) NYSE and Euronext Paris listing approvals for the TECHNIPFMC shares, subject to a formal notice of issue and (ii) the absence of written notice by any governmental or independent authority to either party (or their respective legal representatives) denying the listing of the TECHNIPFMC shares on NYSE or Euronext Paris prior to the petition for the order of the High Court of England and Wales setting the Completion Date;
- The Registration Statement on final Form S-4 shall have been declared effective by the US Securities and Exchange Commission (SEC) and no stop order shall have been issued which affects the validity of the notice of effectiveness. All necessary approvals and consents relating to the Euronext Paris listing prospectus shall have been obtained from the relevant financial market regulator in the European Economic Area;
- Regulatory authorizations shall have been obtained with respect to the Transaction, particularly with respect to European and U.S. merger control and the other relevant authorities;
- The 30-day period for the objection of creditors has expired;
- Issuance of any compliance certificate required under French and UK regulations;
- Definitive completion of all preliminary transactions as described in the BCA;
- Notice that the French *Ministère de l'Economie, de l'Industrie et du Numérique (MINEFI)* has cleared the merger in accordance with articles L. 151-3 and R. 153-1 *et seq.* of the French Monetary and Financial Code, subject, however, to MINEFI's authorization being obtained under terms that do not require TECHNIPFMC, TECHNIP or FMCTI to take measures that are not otherwise required under the relevant provisions of the BCA;
- Confirmation by the United States Committee on Foreign Investment in the United States (CFIUS) that the transactions described in the BCA do not constitute a "covered transaction" and are not subject to a review under Section 721 of the U.S. Defense Production Act of 1950;

FMCTI or TECHNIP may terminate the BCA at any time so long as the mergers are not effective by July 18, 2017 at the latest. Each party has the option of extending this date to up to November 19, 2017 in the circumstances set forth in the BCA.

## **1.4 Description and evaluation of the contributions**

### **1.4.1 Evaluation method**

As indicated in Article 7.2.1 of the draft merger agreement, the parties decided that, from an accounting point of view and in light of IFRS as adopted by the absorbing company, the merger should be viewed as a transaction pursuant to which TECHNIP SA is taking control of TECHNIPFMC. As a result, and in accordance with this view, the contribution values used in the context of the merger are the book values.

The contributions comprise all of TECHNIP SA's assets and liabilities as at the completion date as described in §1.3.1 of this report.

In order to present the net assets contributed by TECHNIP SA, the parties determined the estimated book values of the assets and liabilities as at the completion date of the merger, i.e., anticipated to occur beginning 2017.

In addition, since the exact amount of the book value of the contributed assets and liabilities as of the completion date is unknown on the execution date of the draft merger agreement, the parties agreed that for the purposes of presenting the book value of the net assets being contributed and the preliminary determination of the merger premium, a prudent 10% discount would be applied (see Article 5.4 of the draft merger agreement).

### **1.4.2 Description of the transferred assets and liabilities**

In accordance with the provisions of Article L. 236-3 of the French Commercial Code, TECHNIP SA shall transfer all of its assets and liabilities to TECHNIPFMC as is on the date of completion of the merger.

The contributed assets and the transferred liabilities will include, in particular, and without this description being exhaustive or definitive, the following elements for a preliminary and indicative amount as summarized below:

#### Details of the contributed assets

<b>M€</b>	<b>31/12/2015</b>	<b>At completion date</b>
<i>Intangible assets</i>	1,2	1,2
<i>Financial assets</i>	5 292,8	5 355,7
<b>Total fixed assets</b>	<b>5 294,0</b>	<b>5 356,9</b>
<i>Trade receivables</i>	172,7	243,8
<i>Other current receivables</i>	61,6	132,8
<i>Marketable securities</i>	1,3	0,9
<i>Cash and cash equivalents</i>	2,9	0,8
<b>Total current assets, cash and cash equivalents</b>	<b>238,5</b>	<b>378,3</b>
<b>Accrued assets</b>	<b>7,3</b>	<b>4,3</b>
<b>Reduction premium on bonds</b>	<b>10,9</b>	<b>2,6</b>
<b>Unrealized exchange losses</b>	<b>6,2</b>	<b>10,1</b>
<b>Total Assets</b>	<b>5 556,9</b>	<b>5 752,2</b>

#### Details of the transferred liabilities:

<b>M€</b>	<b>31/12/2015</b>	<b>At completion date</b>
<i>Provisions for risks</i>	72,2	23,5
<i>Provisions for charges</i>	6,3	6,8
<b>Total provisions for risks and charges</b>	<b>78,5</b>	<b>30,3</b>
<i>Bonds</i>	1 927,6	1 827,6
<i>Bank Borrowings and Credit Lines</i>	17,4	25,1
<i>Financial Debts towards Group Companies</i>	337,7	753,9
<i>Accounts Payables and Other Liabilities</i>	110,8	137,5
<b>Total liabilities</b>	<b>2 393,5</b>	<b>2 744,1</b>
<b>Unrealized exchange gain</b>	<b>57,6</b>	<b>19,8</b>
<b>Total Liabilities transferred</b>	<b>2 529,6</b>	<b>2 794,2</b>
<b>TRANSFERRED NET ASSETS</b>	<b>3 027,3</b>	<b>2 958,0</b>

After taking the 10% discount mentioned in §1.4.1 of this report into account, the preliminary value of the transferred net assets amounts to €2,662.20 million.

## **1.5 Remuneration for the contributions**

### **1.5.1 Determination of the preliminary amount of the capital increase and merger premium**

The exchange ratio retained by the parties is two TECHNIPFMC shares per one TECHNIP SA share. Our assessment of the exchange ratio is the subject of a separate report.

On the basis of:

- 122,336,890 TECHNIP SA shares at August 31, 2016 comprising the share capital of the company,
- 1,563,359 treasury shares as at the same date,
- the exchange ratio,

the number of TECHNIPFMC shares to be issued to the shareholders of the absorbed company on the completion date shall amount to 241,547,062 shares for an amount of \$241,547,062.00.

On the basis of an exchange rate of \$1.121 per €1.00, the preliminary amount of the merger premium, determined as the difference between the preliminary value of the transferred net assets in millions of euros and the value, in millions of euros, of the capital increase, amounts to approximately €2,447 million.

It should be noted that the exact number of new shares to be issued by TECHNIPFMC shall be determined on the date that the merger is completed for legal purposes by taking into account the number of shares issued by TECHNIP SA as well as the number of treasury shares on such date.

### **1.5.2 Adjustment of the capital increase and merger premium at the actual time of the completion of the merger**

The difference between the definitive value of the transferred net assets on the completion date of the merger and the preliminary value of such transferred net assets as presented in §1.4.2 of this report will lead to an adjustment of the preliminary amount of the merger premium defined in the draft merger agreement. The parties have agreed that the number of TECHNIPFMC shares to be issued in consideration for the merger will not be affected by the change in the book value of the transferred net assets between the value that was provisionally retained for the purposes of the draft merger agreement and the definitive value as of the date of completion of the merger.

## 2. Procedures and assessment of the value of the contributions

### 2.1 Procedures carried out by the merger appraisers

The purpose of our mission is to inform TECHNIPFMC's shareholders whether or not the contributions made by the absorbed company are overvalued. As a result, our mission is neither an audit nor limited review mission. In addition, our mission does not entail the validation of the tax regime applying to the merger.

Our mission cannot be considered to be a due diligence review carried out for a lender or an acquirer and does not include all of the work that is necessary in the context of such a mission. Therefore, our report cannot be used in such a context.

Our opinion is expressed as of the date of this report, which is the date our mission was brought to a close. We are not responsible for monitoring subsequent events that may occur between the date of this report and the date of the general meetings called to decide upon the merger.

We carried out the procedures that we considered necessary in light of the professional standards of the *Compagnie nationale des commissaires aux comptes* that apply to this mission. In particular, in this context, we:

- familiarized ourselves with the objectives of this merger;
- held discussions with the management and department heads responsible for the transaction and the parties' advisors, both in order to understand the context of the transaction and to understand the related economic, accounting, legal and tax conditions under which the transaction is taking place;
- reviewed the memorandum of understanding, dated May 18, 2016 and the BCA dated June 14, 2016;
- reviewed an extract of draft report of TECHNIP SA's board of directors contemplated by the provisions of article L. 236-27 of the Commercial Code which describes the exchange ratio that was selected and the evaluation methods that were used;
- reviewed the draft prospectus submitted to U.S. (Form S-4<sup>6</sup> for the SEC) and French regulators (AMF);
- reviewed the draft merger agreement and its annexes signed on October 4, 2016;

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<sup>6</sup> Form S-4 as submitted on September 19, 2016

- reviewed the legal and accounting information serving as the basis of the transaction;
- reviewed the evaluation factors prepared by the company relating to the appropriateness of the valuation of the contributions at their book value;
- verified the reality of the contributions and assessed the potential impact of factors that could affect the ownership thereof;
- verified that the statutory auditors had certified TECHNIP SA's annual and consolidated financial statements at December 31, 2015 without reservation, and that the interim consolidated accounts at June 30, 2016 had also been the subject of a limited review by such statutory auditors. The report issued in this context does not contain any observations;
- reviewed the process that led to the estimates of the book values of the transferred assets and liabilities as of the completion date;
- verified up until the date of this report that no act or event has occurred that could call into question the value of the contributions.

In order to assess the total value of the contribution and as such the amount of the contributed net assets, we relied upon all of the work that we carried out in the context of our assessment of the appropriateness of the relative values serving to determine the proposed exchange ratio as described in our report relating to the remuneration for the contributions.

In this regard, we notably:

- reviewed TECHNIP SA's and FMC TECHNOLOGIES, INC.'S business plans for the 2016-2020 period. We held discussions with the relevant managers for the purpose of assessing the appropriateness of the guiding assumptions that were retained;
- reviewed publicly available documents, and in particular the fairness options prepared by the financial advisors for the Transaction, and analyzed the work performed in this regard by the parties and their advisors;
- used our work on the exchange ratio which led us to review the estimated fair value of the involved parties, and in particular, that of TECHNIP SA.

We obtained representation letters from the managers of the relevant companies, and in particular TECHNIP SA, which confirmed the significant elements used in carrying out our mission, and in particular:

- the absence of any factor of any kind that may affect the free transfer of TECHNIP SA's assets and liabilities (subject to the rights of the bondholders

pursuant to applicable law or the provisions of certain agreements governing TECHNIP SA un-used credit lines);

- the absence of any event of a nature that would significantly call into question the assessment of the TECHNIP SA evaluation of the transferred assets and liabilities as mentioned in the draft merger agreement.

## **2.2 Assessment of the method for valuing the contributions and its compliance with accounting regulations**

It should be noted that the provisions relating to accounting for and evaluating mergers and similar transactions set out in Articles 710 *et seq.* of ANC regulation number 2014-03 of June 5, 2015 relating to the general accounting plan do not apply to the extent that the company benefiting from the contribution is a foreign, English law company.

As mentioned in §1.2.2 of this report, TECHNIPFMC will prepare its accounts in accordance with IFRS. It has been agreed, following an accounting analysis of the Transaction, to retain the principle of the accounting value as contribution value.

IFRS 3 relating to the accounting treatment of Business Combinations specifies in its §6 and 7 the method for identifying the acquirer. Indeed, this preliminary determination is necessary to the extent that only the assets and liabilities of the company that is actually acquired are recorded at their fair value in the books of the acquirer.

Following the analysis conducted by the parties, TECHNIP SA was considered as the accounting acquirer. As a result, the principle of retaining the book value of the legally transferred assets and liabilities appears justified in this context and does not raise any comment on our part.

## **2.3 Existence of the contributions**

We have verified that the transferred assets and liabilities, as identified and described on a preliminary basis in part 5 of the draft merger agreement and described in §1.4.2 of this report constituted the assets and liabilities of the company and that the merged company had free title to such assets and liabilities. In addition, it was confirmed to us in a representation letter that there are no restrictions on transfer applying to the transferred assets and liabilities (subject to the rights of the bondholders pursuant to applicable law or the provisions of certain agreements governing TECHNIP SA un-used credit lines).

## **2.4 Assessment of the individual value of the contributions**

The preliminary identification of the contributed assets and the assumed liabilities was performed on the basis of TECHNIP SA's annual financial statements at December 31, 2015, TECHNIP SA's accounting position established for the purposes of the interim

consolidated financial statements of the TECHNIP group at June 30, 2016 and TECHNIP SA's projected balance sheet at December 31, 2016.

The annual financial statements as at December 31, 2015 are included as annex 4 to the draft merger agreement. They were not subject to any reservation or observations by the statutory auditors. The consolidated financial statements as at June 30, 2016, which were published in the half year financial report, also were not the subject of any reservation or observation.

It should be noted that:

- the transferred assets include the portfolio of treasury shares;
- the transferred assets include the OCEANEs, which are expected to be redeemed on January 1, 2017. Thus, if the completion date is subsequent to such date, the amount of the bond issuances will be reduced by the OCEANE redemption amount, while new financial indebtedness, in the same amount, will increase the transferred liabilities. As a result, the book value of the transferred financial liabilities will not be affected by the maturity and redemption of the OCEANEs.

The valuation of the transferred assets and liabilities does not raise any observation on our part. However, we note that in the draft merger agreement, the contributed net assets were subject to a preliminary and indicative allocation between the contributed assets and the transferred liabilities.

As a result, we are not in a position to form an opinion on the individual value of the contributions, which, at the date hereof, is necessarily preliminary.

However, it should be noted that at the date hereof, the value of the contributions established on the basis of the estimated and discounted book values was determined in a very prudent manner.

Absent extremely serious events, the identification of the transferred assets and liabilities and the definitive determination of the individual values in accordance with the terms provided for in the draft merger agreement should not have any impact on our assessment of the total value of the contributions.

It should be noted that differences that may arise between (i) the estimated and discounted book value set forth in the draft merger agreement and (ii) the book value that will be definitively established should only affect the merger premium upwards.

Finally, the observations on the individual values are not of a nature to call into question the total value of the contributions.

## 2.5 Assessment of the total value of the contributions

We assessed the total value of the contributions using a direct approach by comparing this total value with the relative values observed in the context of the analyses that we conducted for the purpose of assessing the exchange ratio.

In its multi-criteria valuation approach, which was established with the assistance of its financial advisors, TECHNIP notably used the following criteria (according to the extract of the draft report of the board of directors of TECHNIP SA which was established in accordance with Article L. 236-27 of the French Commercial Code).

- discounted cash flows (DCF);
- stock prices prior to the announcement of the Transaction and historical prices, crosschecked against trading multiples of comparable companies;
- analysis of respective contributions to the combined entity.

The assessment of the global value of the contributions made by TECHNIP SA resulting from the valuation work conducted by TECHNIP on the one hand, and the work we performed on such values largely support the preliminary transferred net asset value which is estimated at €2.662,2 million.

For indicative purposes, based on the number of shares at August 31, 2016 that are likely to be remunerated by shares of TECHNIPFMC - i.e., 120,773,531 (see §1.5.1 of this report), and the trading price of TECHNIP SA on May 18, 2016, the day before the announcement of the Transaction, the market value of the transferred net assets would amount to €5,601.5 million. If we use the trading price on September 30, 2016 the transferred net assets would amount to €6,602.7 million.

Therefore, on the basis of our work covering the valuation of TECHNIP SA, we have not identified any element that is likely to call into question the total value of the contributions.

### **3. Summary – Key Points**

The book value of the contributions transferred by TECHNIP SA has been provisionally determined in the draft merger agreement at an amount of 2,662.2 million Euros.

This figure is set out in the draft merger agreement as a provisional and indicative identification on the basis of TECHNIP SA's balance sheet statement forecast as estimated at the date of completion, anticipated to occur beginning 2017. Therefore, we are not opining on the values of the individual contributions, the definitive value of which will necessarily be determined upon the completion of the merger.

Given the values generated by the multi-criteria valuations conducted in the context of the calculation of the exchange ratio between the two groups, this comment does not call into question the global value of the contributions.

### **4. Conclusion**

On the basis of our work and as of the date of this report, given the comments made above, we are of the opinion that the value retained for the net assets contributed amounting 2,662.2 million Euros in favor of the company TECHNIPFMC is not overvalued.

As indicated in the introduction above, this conclusion is made without prejudice regarding the accounting of the contributions to be applied by this company in accordance with the regulations of England and Wales, and the paying-up of its share capital.

Executed in Paris on October 5, 2016

The Merger Appraisers

Olivier PERONNET

Didier KLING

Statutory Auditors

Members of the Paris Regional Professional Body