

TECHNIP

Société anonyme with a share capital of 93,281,878.63 euros
Registered office: 89, avenue de La Grande Armée – 75116 Paris
589 803 261 R.C.S. PARIS.
(the “**Company**”)

REPORT OF THE BOARD OF DIRECTORS TO THE GENERAL MEETINGS OF HOLDERS OF BONDS, CONVERTIBLE BONDS INTO NEW OR EXISTING SHARES AND CONVERTIBLE CASH SETTLED BONDS

General meetings of holders of (i) bonds; (ii) convertible bonds into new or existing shares and (iii) cash-settled convertible bonds issued by the Company pursuant to the following bond issues (the “**Bonds**”):

Issuance	ISIN Number
€200 million, coupon 5%, due July 2020	FR0010828095
€150 million, coupon 3.4%, due June 2022	FR0011273887
€75 million, coupon 4%, due June 2027	FR0011273432
€100 million, coupon 4%, due June 2032	FR0011270487
€100 million, coupon 3.75%, due October 2033	FR0011575448
€130 million, coupon 3.15%, due October 2023	FR0011574540
€125 million, coupon 3.15%, due October 2023	FR0011593300
OCEANES €497.6 million, due 1 January 2017	FR0011163864
€450 million Non-Dilutive Cash-Settled Convertible Bonds coupon 0.875%, due January 2021	XS1351586588

Ladies, Gentlemen,

We have convened you to the general meetings as Bondholders, pursuant to the provisions of articles L. 228-58, L. 228-65 et L. 236-13 of the French commercial code (and in respect of the cash-settled convertible bonds in accordance with the relevant provisions of the terms and conditions of such bonds) in order to introduce the contemplated cross-border merger by way of absorption of the Company with and into TechnipFMC Limited, an English law company (“**TechnipFMC**”).

The following agenda is submitted to the Bondholders general meetings:

- Review and approval of the Cross-Border Merger (as this term is defined below), pursuant to the terms and conditions laid out in the common draft of cross-border merger terms entered into by the Company and TechnipFMC on 4 October 2016 (the “CBMTs”); and
- Power of attorney to fulfil all of the required formalities.

The text of the resolutions submitted to the Bondholders’ general meetings is attached hereto as Schedule 1.

1. INFORMATION RELATING TO THE COMPANIES INVOLVED IN THE CONTEMPLATED CROSS-BORDER MERGER

1.1. The Company

The Company is a *société anonyme* incorporated under the laws of France with a share capital of €93,281,878.63, having its registered office located at 89, avenue de la Grande Armée, 75116 Paris, France and registered with the Paris Trade and Companies Register under number 589 803 261.

The Company is a holding company which had 5 employees as at 30 June 2016 and realised in 2015 a turnover of €189.9 million.

The Company’s group operates in the energy sector and is one of the world leaders in engineering and management of oil and gas project. The Company is active particularly in three core businesses: (i) infrastructures and subsea pipelines (Subsea), (ii) offshore platform (Offshore) and (iii) shore facilities mainly transformation (Onshore).

The Company’s shares are listed on the regulated market Euronext Paris and on the U.S. over-the-counter market (OTC) as American Depositary Receipt.

1.2. TechnipFMC

TechnipFMC is a private limited company by shares incorporated under the laws of England and Wales having its registered office located at C/O Legalinx Limited, 1 Fetter Lane, London EC4A 1BR, United Kingdom, and with company number 9909709.

At the latest when the Cross-Border Merger is completed, (i) TechnipFMC's registered office will be transferred at 1 St Pauls Churchyard, London, EC4M 8AP, United Kingdom, and (ii) TechnipFMC will become a public limited company.

TechnipFMC does not currently have any employee.

On December 24, 2015, TechnipFMC registered a French permanent establishment located 3, boulevard de Sébastopol, 75001 Paris, with the Paris Trade and Companies Register under number 817 453 079.

In accordance with section 31 of the UK Companies Act of 2006, TechnipFMC's corporate purpose is unlimited. TechnipFMC has no activity at the date of this report.

2. **BACKGROUND TO AND REASONS FOR THE CONTEMPLATED TRANSACTION**

2.1. Business combination agreement between the Company and FMC Technologies, Inc.

On 18 May 2016, the Company, TechnipFMC and FMC Technologies, Inc., a company incorporated under the laws of the State of Delaware, having its headquarters located at 5875 N. Sam Houston Parkway W., Houston, Texas 77086, U.S.A., ("**FMCTI**"), have entered into a memorandum of understanding ("**MOU**") relating to a combination project between the Company and FMCTI (the "**Transaction**"). This MOU provided for the execution of a Business Combination Agreement subject to completion of the relevant employee information or consultation procedures. Following the completion of the employee consultation procedures on 14 June 2016, FMCTI, the Company and TechnipFMC entered into the Business Combination Agreement ("**BCA**").

The Transaction, as provided for in the BCA, is being implemented as a merger of equals pursuant to which (i) the Company will merge with and into TechnipFMC in a cross-border merger within the meaning of the Directive 2005/56/EC of the European Parliament, with TechnipFMC becoming the parent company of the new group (the “**Cross-Border Merger**”) pursuant to the terms of the CBMTs and (ii) FMCTI will become a subsidiary of TechnipFMC pursuant to a reverse triangular merger governed by Delaware law.

The BCA and the CBMTs are available on the Company’s website (<http://www.technip.com>).

2.2. Reasons for the Transaction

The Transaction aims to unite two complementary leaders and their talents and to benefit from the proven success of the existing joint-venture between both companies (Forsys Subsea). The Transaction will thus create a unique leader in Subsea, Surface, Offshore and Onshore, by developing a broadened and flexible offering across each relevant market from concept to project delivery and beyond. The new group, with a global footprint, will enjoy first-class engineering capabilities, flexibilities, technologies and competences, which will allow it to position itself at the top of its sector.

The Transaction will be a growth accelerator which will promote, through a vast range of solutions, innovative systems and solutions, improve the completion of projects, cost savings and will foster our clients’ success.

2.3. The Board of directors’ decision

The Company’s Board of directors decided that the Cross-Border Merger and the other transactions contemplated by the BCA are consistent with and will further the business objectives and goals of the Company, and is in the best interests of the Company, its shareholders, its employees and other stakeholders. Therefore, it has approved the execution of the BCA and the CBMTs and all transactions contemplated therein, including the Cross-Border Merger.

3. **MAIN TERMS AND CONDITIONS OF THE TRANSACTION**

The combination of the Company and FMCTI would be realized only by exchange of securities. The Company’s shareholders would be entitled to receive,

in the Cross-Border Merger, two (2) shares of TechnipFMC for each share held in the Company.

Immediately after the completion of the Cross-Border Merger, TechnipFMC US Merger Sub LLC, a Delaware *limited liability company*, transformed into a Delaware corporation before the completion of the Cross-Border Merger and at the relevant time, a wholly-owned indirect subsidiary of FMCTI, will be merged with and into FMCTI, with FMCTI surviving as an indirect wholly-owned subsidiary of TechnipFMC. The shareholders of FMCTI will be entitled to receive, in the reverse triangular merger between TechnipFMC US Merger Sub LLC et FMCTI, one (1) share TechnipFMC for each share held in FMCTI. Following these share exchanges, the shareholders of the Company and those of FMCTI would hold respectively 50.9% and 49.1% of the share capital of TechnipFMC on a fully diluted basis, based on the respective capitalisations of the Company and FMCTI as of the execution of the MOU.

4. MAIN TERMS AND CONDITIONS OF THE CROSS-BORDER MERGER

4.1. Implementation of the Cross-Border Merger

The Cross-Border Merger is being implemented as a « *fusion-absorption* » for the purposes of the applicable French regulations. Therefore, at the date when the Cross-Border Merger is completed, all of the assets and liabilities of the Company will be transferred to TechnipFMC and the Company will be dissolved without going into liquidation.

4.2. Share exchange ratio

The share exchange ratio for the purposes of the Cross-Border Merger is two (2) TechnipFMC shares for each share of the Company in issue, it being specified that no new TechnipFMC share will be allotted and/or issued in exchange for shares held in treasury by the Company or for other shares held by the Company or by any wholly-owned subsidiary (the « **Excluded Technip Shares** »).

4.3. Accounts used to prepare the Cross-Border Merger

The dates of the accounts used to prepare the Cross-Border Merger are, for the Company, the individual accounts as of 31 December 2015, prepared in

accordance with French GAAP, and for TechnipFMC, the individual accounts as of 31 December 2015, prepared in accordance with IFRS.

4.4. Description of assets and liabilities transferred from the Company to TechnipFMC

All of the assets and liabilities (including all property and rights) of the Company shall be legally transferred to TechnipFMC following the completion of the Cross-Border Merger.

These assets and liabilities are designated below (i) on the basis of the Company accounts as of December 31, 2015 and (ii) on the basis of estimations as of the completion date of the Cross-Border Merger, expected in early 2017. These descriptions are not exhaustive as the Cross-Border Merger will result in a transfer by universal succession of title to all the assets and liabilities of the Company to TechnipFMC as of the Cross-Border Merger's completion date.

4.4.1. *Description of the Company's assets*

Based on the accounts of the Company as of December 31, 2015

In millions of Euro	As of December 31, 2015
Intangible Assets	1.2
Financial Assets	5,292.8
Total Fixed Assets	5,294.0
Trade Receivables	172.7
Other Current Receivables	61.6
Marketable Securities	1.3
Cash and Cash Equivalents	2.9
Total Current Assets, Cash and Cash Equivalents	238.5
Accrued Assets	7.3
Redemption Premiums on Bonds	10.9
Unrealised Exchange Losses	6.2
Total Assets	5,556.9

Based on estimations as at the completion date of the Cross-Border Merger:

In millions of Euro	As at the completion date
Intangible Assets	1.2
Financial Assets	5,355.7

Total Fixed Assets	5,356.9
Trade Receivables	243.8
Other Current Receivables	132.8
Marketable Securities	0.9
Cash and Cash Equivalents	0.8
Total Current Assets, Cash and Cash Equivalents	378.3
Accrued Assets	4.3
Redemption Premiums on Bonds	2.6
Unrealised Exchange Losses	10.1
Total Assets	5,752.2

4.4.2. Description of the Company's liabilities

Based on the accounts of the Company as of December 31, 2015:

In millions of Euro	As of December 31, 2015
Issued Capital	90,8
Share Capital Premiums	2.269,4
Reserves	169,6
Retained Earnings	492,3
Net Income	5,2
Total Shareholders' Equity	3.027,3
Provisions for Risks	72,2
Provisions for Charges	6,3
Total Provisions for Risks and Charges	78,5
Bonds	1.927,6
Bank Borrowings and Credit Lines	17,4
Financial Debts towards Group Companies	337,7
Accounts Payables and Other Liabilities	110,8
Total Liabilities	2.393,5
Unrealised Exchange Gains	57,6
Total Equity and Liabilities	5.556,9

Based on estimations as at the completion date of the Cross-Border Merger:

In millions of Euro	As at the completion date
Issued Capital	93.3
Share Capital Premiums	2.409.6
Reserves	169.6
Retained Earnings	254.7
Net Income	30.8
Total Shareholders' Equity	2.958.0
Provisions for Risks	23.5
Provisions for Charges	6.8

Total Provisions for Risks and Charges	30.3
Bonds	1.827,6
Bank Borrowings and Credit Lines	25,1
Financial Debts towards Group Companies	753,9
Accounts Payables and Other Liabilities	137,5
Total Liabilities	2.744,1
Unrealised Exchange Gains	19,8
Total Equity and Liabilities	5.752,2

4.5. Merger premium

The amount of the merger premium is equal to the **excess of**:

- i. the final net asset value; **over**
- ii. the nominal value of the new issued shares of TechnipFMC.

For information purposes only, based on the provisional net asset value and the number of shares of the Company as of 31 August 2016 (122,336,890), excluding Excluded Technip Shares as of the date of 31 August 2016 (1,563,359), (i.e. 120,773,531), TechnipFMC would allot and issue 241,547,062 new TechnipFMC shares on the Cross-Border Merger's completion date, representing a share capital increase of \$241,547,062 and leading to a merger premium of €2,447 million using a €/€ exchange rate of €1/\$1.121

4.6. Completion date of the Cross-Border Merger

Pursuant to article L. 236-31 of the French commercial code and Regulation 16 and 17 of the UK Companies (Cross-Border Mergers) Regulations 2007 (SI 2007/2974) and subject to the satisfaction or (to the extent allowed) waiver, in whole or in part, of certain conditions precedent contemplated in the CBMTs and the BCA, the Cross-Border Merger shall become effective at the time on the date fixed by an order of the High Court of England and Wales. The Cross-Border Merger completion date is expected to happen at the beginning of the year 2017.

For French tax purposes, TechnipFMC and the Company intend to give the Cross-Border Merger a retroactive effect as from 1 January 2017. As a consequence, all transactions conducted by the Company from that date will be considered for French income tax purposes as having been conducted by TechnipFMC and will be reported as such.

4.7. Merger appraisers

In accordance with the combined provisions of articles L. 236-25, L. 236-10 and L. 225-147 of the French commercial code and Regulation 9 (2)(c) of the UK Companies (Cross-Border Mergers) Regulations 2007 (SI 2007/2974), upon the joint request of the Company and TechnipFMC, Mr. Olivier Péronnet, partner of Finexsi, 14 rue de Bassano, 75116 Paris, France, and Mr. Didier Kling, partner of Didier Kling & Associés, 28, avenue Hoche, 75008 Paris, France, have been appointed by a ruling issued by the President of the Paris Commercial Court on 26 July 2016 as merger appraisers for the purposes of preparing a report on the consideration for the Cross-Border Merger and a report on the value of the contributions in-kind effected by the Company to TechnipFMC through the Cross-Border Merger. These reports are available on the Company's website (<http://www.technip.com>).

5. THE BONDS IN RELATION TO THE CROSS-BORDER MERGER

All of the Company's rights and obligations will be transferred to TechnipFMC pursuant to the Cross-Border Merger, which will effect a universal succession of title so that following the completion of the Transaction, the Bondholders will exercise their rights within TechnipFMC.

As a reminder, the OCEANEs will come to maturity on 1 January 2017, i.e. before the expected completion date for the Cross-Border Merger. Upon coming to maturity, the OCEANEs will be repaid at their nominal value, except in case of conversion, exchange or early redemption.

6. APPROVAL OF THE CROSS-BORDER MERGER BY THE BOND HOLDERS

Pursuant to Articles L. 228-65 3° and L. 236-13 of the French commercial code, the Cross-Border Merger will have to be submitted for approval to the general meetings of Bondholders.

It is important to note that, on 4 October 2016, the Board of directors decided, subject to the condition precedent that (a) any of the Bondholders' general meetings does not approve the Cross-Border Merger or (b) the quorum on second notice for any of the Bondholders' general meetings is not met, to (i) disregard (*passer outre*) any such rejection or absence of quorum, (ii) give power to the Chairman of the Board, with the right to subdelegate, to acknowledge such rejection or absence of quorum and to then publish the decision of the Board in accordance with article R. 228-80 and R. 228-79 of the French commercial code and (iii) proceed with the contemplated Transaction and Cross-Border Merger,

subject to the approval of the Cross-Border Merger by the shareholders of the Company and TechnipFMC and the other conditions precedent set forth in the CBMTs.

Subject to the rights they hold from the French commercial code that are summarized below, the Bondholders would maintain their status within TechnipFMC following the completion of the Cross-Border Merger.

Any of the Bondholders' general meetings may nonetheless mandate their representative to oppose the transaction within thirty (30) days from the last publication of the decision of the Board to disregard (*passer outre*) in a Paris Gazette or in the *Bulletin des annonces légales obligatoires*.

In the event such an opposition were to be made, a judge may then reject the opposition or order the Company to redeem the bonds or provide collateral.

Any opposition shall not terminate the implementation of the Cross-Border Merger which may continue, subject to a contrary decision from the Board of directors.

Therefore, the Company's Board of directors kindly asks that you approve the contemplated Cross-Border Merger pursuant to the terms and conditions provided for in the Cross-Border Merger Terms and the BCA.

* * *

The contemplated resolutions presented to you will use the present report's main points. We invite you to approve the resolutions submitted to you.

We will be happy to answer any question you would have and provide you with any further information.

4 October 2016

Executed by: Mr. Thierry Pilenko
As: Chairman of the Board of directors

SCHEDULE 1

TEXT OF THE RESOLUTIONS PRESENTED TO THE BONDHOLDERS GENERAL MEETINGS

(not applicable to the cash-settled convertible bonds)

First resolution (*Approval of the contemplated cross-border merger by absorption of the Company with and into TechnipFMC, an English law company*). – The general meeting of bondholders, deliberating pursuant to the quorum and majority requirements applicable to general meetings of bondholders and having reviewed, amongst others, the report of the Board of directors which is available on Technip’s website (www.technip.com), approves, in accordance with the provisions of articles L.228-65 and L.236-13 of the French commercial code, the contemplated cross-border merger by absorption of the Company with and into TechnipFMC, an English law company, under the conditions set forth in the common draft terms of the cross-border merger dated 4 October 2016 and in the Business Combination Agreement dated 14 June 2016 entered into between the Company, FMC Technologies, Inc. and TechnipFMC.

Second resolution (*Authorization to conclude all required administrative formalities*) - The general meeting of the bondholders, deliberating pursuant to the quorum and majority requirements, grants all powers to the holder of an original or certified copy of these resolutions, to carry out any filings and formalities, required by law.

SCHEDULE 2

TEXT OF THE RESOLUTIONS PRESENTED TO THE GENERAL MEETINGS OF THE HOLDERS OF CASH-SETTLED CONVERTIBLE BONDS

First resolution (*Approval of the contemplated cross-border merger by absorption of the Company with and into the UK company TechnicFMC*) – The general meeting of the bondholders, deliberating pursuant to the quorum and majority requirements for the bondholders meetings, having reviewed, amongst others, the report of the Board of directors which is available on Technip’s website (www.technip.fr), approves, in accordance with the provisions of articles L. 236-13 of the French commercial code and the terms and conditions of the bonds, the contemplated cross-border merger by way of absorption of the Company with and into the UK company TechnicFMC under the conditions set forth in the common draft terms of the cross-border merger dated 4 October 2016 and in the Business Combination Agreement dated 14 June 2016 between the Company, FMC Technologies, Inc. and Technic FMC.

Second resolution (*Authorization to conclude all required administrative formalities*)
- The general meeting of the bondholders, deliberating pursuant to the quorum and majority requirements, grants all powers to the holder of an original or certified copy of these resolutions, to carry out any filings and formalities, required by law.