2015

REFERENCE DOCUMENT

Including the Annual Financial Report

Technip

take it further®

CONTENTS

2015

REFERENCE DOCUMENT

45
COUNTRIES

€12,208 M
REVENUE

34,000
PEOPLE

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The original French version of this Reference Document was filed with the French Financial Market Authority (AMF) on March 16, 2016 in accordance with Article 212-13 of the General Regulations of the AMF. This Reference Document may be relied upon in relation to a financial transaction provided it is accompanied by a transaction notice approved by the AMF. This document was prepared by the issuer and its signatories are liable for its content.

Copies of this Reference Document are available for free from Technip, at 89, avenue de la Grande Armée – 75116 Paris (France), and on Technip's website (www.technip.com) and the AMF's website (www.amf-france.org).

www.technip.com

FOREWORD

When used in this Reference Document, the terms "Technip" and "Group" refer collectively to Technip, the Group's parent company, and to all of Technip's directly and indirectly consolidated subsidiaries located in France and outside France.

In this Reference Document, the terms "Company" and "issuer" refer exclusively to Technip, the Group's parent company.

In accordance with Article 28 of European Commission Regulation No. 809/2004 of April 29, 2004, the following information is incorporated by reference in this Document:

- the 2014 consolidated financial statements and statutory financial statements, as well as the Statutory Auditors' reports for the financial year ended December 31, 2014, included in Sections 20.1 and 20.2 of the 2014 Reference Document, dated March 11, 2015 and filed with the French Financial Market Authority (AMF) under No. D.15-0125;
- the key financial information, the Company's and the Group's Management Reports and all of the financial information for the financial year ended December 31, 2014, included in Section 3, as well as the sections mentioned in the Reconciliation Tables in Annex H of the 2014 Reference Document, dated March 11, 2015, and filed with the AMF under No. D.15-0125;
- the 2013 consolidated financial statements and statutory financial statements, as well as the Statutory Auditors' reports for the financial year ended December 31, 2013, included in Sections 20.1 and 20.2 of the 2013 Reference Document, dated March 19, 2014 and filed with the AMF under No. D.14-0169;
- the key financial information, the Company's and the Group's Management Reports and all of the financial information for the financial year ended December 31, 2013, included in Section 3 as well as the sections mentioned in the Reconciliation Tables in Annex H of the 2013 Reference Document, dated March 19, 2014 and filed with the AMF under No. D.14-0169.

This Reference Document contains all of the information from the Management Report of the Board of Directors as set forth in the Reconciliation Table which is included in Section 8.6 of this Reference Document.

The Glossary containing the definitions of the main technical terms can be found in page 315 of this Reference Document.

#1 DESCRIPTION OF THE GROUP AND ITS ACTIVITIES

1.1. KEY FIGURES

GRI G4-9

The table below shows selected adjusted financial data for the Group for the two years ended December 31, 2015 and 2014.

The Consolidated Financial Statements, prepared in accordance with International Financial Accounting Standards (IFRS), and the reconciliation to the adjusted basis are included in Section 6.1 Note 3 (c) of this Reference Document.

Extract of the Adjusted Statement of Income for 2015 and 2014

	12 months	
In millions of Euro	2015 Adjusted	2014 Adjusted
Revenues	12,208.7	10,724.5
Operating Income/(Loss) from Recurring Activities	782.2	806.4
Operating Income/(Loss) from Recurring Activities after Income/(Loss) of Equity Affiliates	802.4	824.6
Operating Income/(Loss)	332.6	751.0
NET INCOME/(LOSS) FOR THE YEAR	**56.2**	**442.4**
Attributable to:		
Shareholders of the Parent Company	45.1	436.6
Non-Controlling Interests	11.1	5.8

Other Financial Information Derived from the Adjusted Statement of Income for 2015 and 2014

	12 months	
In millions of Euro	2015 Adjusted	2014 Adjusted
Revenues	12,208.7	10,724.5
Gross Margin	1,481.7	1,514.2
(in % of Revenues)	*12.1%*	*14.1%*
Operating Income/(Loss) from Recurring Activities	**782.2**	**806.4**
(in % of Revenues)	*6.4%*	*7.5%*
Operating Income/(Loss) from Recurring Activities after Income/(Loss) of Equity Affiliates	**802.4**	**824.6**
(in % of Revenues)	*6.6%*	*7.7%*
Operating Income/(Loss)	**332.6**	**751.0**
(in % of Revenues)	*2.7%*	*7.0%*
NET INCOME/(LOSS) FOR THE YEAR	**56.2**	**442.4**
Amortization and Depreciation for the Year	(346.3)	(283.3)
Earnings per Share *(in Euro)*	0.39	3.89
Diluted Earnings per Share *(in Euro)*	0.39	3.65

Extract of the Adjusted Statement of Financial Position as of December 31, 2015 and 2014

	December 31	
In millions of Euro	2015 Adjusted	2014 Adjusted
Non-Current Assets	6,989.7	6,805.2
including Intangible Assets	3,582.6	3,496.5
Current Assets	8,519.9	7,791.6
including Cash and Cash Equivalents	4,501.4	3,738.3
TOTAL ASSETS	**15,536.0**	**14,600.0**
Equity attributable to Shareholders of the Parent Company	4,536.4	4,363.4
Non-Controlling Interests	8.5	11.8
Current Liabilities	8,907.1	7,386.2
Non-Current Liabilities	2,084.0	2,838.6
TOTAL EQUITY AND LIABILITIES	**15,536.0**	**14,600.0**
Other information:		
Capital Expenditures over the Year	294.9	375.6
Net Cash Position(*)	1,938.3	1,125.3

(*) Net cash position corresponds to total cash and cash equivalents, reduced by current and non-current financial debt.

Extract of the Adjusted Statement of Cash Flows for 2015 and 2014

	12 months	
In millions of Euro	**2015 Adjusted**	2014 Adjusted
Cash and Cash Equivalents including Bank Overdrafts as of January 1	**3,737.4**	**3,203.0**
Net Cash Generated from Operating Activities	1,043.3	867.5
Net Cash Used in Investing Activities	(303.4)	(385.1)
Net Cash Used in Financing Activities	(113.8)	(159.4)
Net effects of Foreign Exchange Rate Changes	137.8	211.4
CASH AND CASH EQUIVALENTS INCLUDING BANK OVERDRAFTS AS OF DECEMBER 31	**4,501.3**	**3,737.4**

Information by Business Segment Adjusted for 2015 and 2014

Subsea	12 months	
In millions of Euro	**2015 Adjusted**	2014 Adjusted
Revenues	5,876.0	4,880.4
Gross Margin	1,118.3	898.6
OPERATING INCOME/(LOSS) FROM RECURRING ACTIVITIES AFTER INCOME/(LOSS) OF EQUITY AFFILIATES	**851.1**	**635.1**
(in % of Revenues)	*14.5%*	*13.0%*
EBITDA (*)	1,117.8	882.4
(in % of Revenues)	19.0%	18.1%
Other information:		
Backlog	7,309.4	9,727.8
Order Intake	3,105.8	6,837.3

(*) Operating income from recurring activities after income/(loss) of equity affiliates before depreciation and amortization.

Onshore/Offshore	12 months	
In millions of Euro	**2015 Adjusted**	2014 Adjusted
Revenues	6,332.7	5,844.1
Gross Margin	363.4	615.6
OPERATING INCOME/(LOSS) FROM RECURRING ACTIVITIES AFTER INCOME/(LOSS) OF EQUITY AFFILIATES	**33.9**	**276.2**
(in % of Revenues)	*0.5%*	*4.7%*
EBITDA (*)	72.1	312.2
(in % of Revenues)	1.1%	5.3%
Other information:		
Backlog	9,660.8	11,208.4
Order Intake	4,459.3	8,458.5

(*) Operating income from recurring activities after income/(loss) of equity affiliates before depreciation and amortization.

Corporate	12 months	
In millions of Euro	**2015 Adjusted**	2014 Adjusted
Revenues	-	-
Gross Margin	-	-
OPERATING INCOME/(LOSS) FROM RECURRING ACTIVITIES AFTER INCOME/(LOSS) OF EQUITY AFFILIATES	**(82.6)**	**(86.7)**
(in % of Revenues)	*NA*	*NA*

1.2. HISTORY

1958-1960s

Technip was founded on April 21, 1958. Technip's first significant orders were refinery and natural gas contracts with Total. Building on its initial success in France, Technip began to develop on an international level. Technip also played a pioneering role within the gas industry.

By the late 1960s, Technip had expanded its expertise to include petrochemicals, chemicals and fertilizers.

1970s

In the early 1970s, Technip further developed as an international engineering group through the creation of Technipetrol in Rome (Italy) and Tecplant in Barcelona (Spain).

In 1971, Coflexip, a company specialized in designing and manufacturing flexible pipes used for the subsea extraction of hydrocarbon, was created.

Over the course of this decade, Technip also established Technip-Geoproduction (a hydrocarbon field equipment expert) and merged with COCEI (an engineering company specialized in various non-oil industrial sectors such as bottling factories and cement production plant and equipment) providing Technip with sector diversification.

1980s

The early 1980s saw significant developments in the Middle East, with agreements to build gas-processing plants (in Iraq, Qatar and Saudi Arabia). Technip further strengthened its local presence in the Middle East and in Asia with the creation of Technip Abu Dhabi in the United Arab Emirates and TPG Malaysia in Kuala Lumpur.

Technip confirmed its entry into the cement industry through its launch of the initial phase of the Astrakhan gas complex (former USSR) and the acquisition of Creusot Loire Entreprise (CLE).

In the mid-1980s, Technip further established its reputation by raising the Ekofisk platforms in the North Sea – groundbreaking development for technology. In cooperation with Areva (formerly known as SGN), Technip helped expand La Hague, France's nuclear fuel reprocessing plant. In 1986, Coflexip strengthened its footing in Vitória (Brazil) with the opening of a flexible pipe manufacturing plant.

1990s

In 1990, Coflexip founded Duco Ltd to manufacture umbilical pipes at a plant in Newcastle (United Kingdom).

In the early 1990s, EPC turnkey contracts became a major part of Technip's business. The Group continued its expansion through the acquisition of Spie-Batignolles' industrial engineering operations (Speichim and EGI) and Lentep (Saint Petersburg, Russia). Coflexip also acquired Perry Tritech Inc., a radio-guided subsea robot manufacturer.

In 1993, Coflexip was listed on the New York Stock Exchange (NYSE) and in 1994, Technip was listed on the Paris Stock Exchange.

In the 1990s, turnkey construction began at the Leuna refinery (Germany) and the Bonny Island natural gas plant (Nigeria). Technip delivered breakthroughs in the global upstream oil sector with: (i) the construction of the world's largest floating production unit in the N'Kossa field (Republic of the Congo) and (ii) the first TGP 500 platform in the Harding field (the North Sea).

In the mid-1990s, pursuant to another period of rapid expansion, Technip: (i) founded Technip Tianchen (China), (ii) acquired a majority stake in upstream oil specialist CBS Engineering (Houston, Texas), and (iii) joined with SGN to establish the chemical engineering company Krebs-Speichim. Over the course of a few years only, Technip strengthened its global positioning through the acquisition of KTI/MDEU and the establishment of Technip Germany, Technip USA and Technip Benelux, thereby increasing its workforce by more than one-third to 10,000 employees. Technip then stood as the industry's leader in Europe.

Meanwhile, Coflexip acquired Stena Offshore, specializing in the installation of reeled pipes and expanded its business with the creation of an umbilical manufacturing unit operated by Duco, Inc. (Houston, Texas).

2000s

In April 2000, Technip made a strategic move by becoming Coflexip's largest shareholder.

Coflexip acquired Aker Maritime's Deep Sea division. In 2001, Technip launched a takeover bid for Coflexip. The two companies merged into Technip-Coflexip and became Europe's leading operator in the engineering, technology and oil and gas service sectors and fifth largest worldwide. In 2001, Technip was listed on the New York Stock Exchange (NYSE).

Once it had incorporated its acquisitions, Technip underwent a structural reorganization and tailored its asset base to changes in its markets.

Technip continued to consolidate its leadership in the oil and gas industry through the acquisition of complementary technologies and technological expertise and by reinforcing its global presence.

Technip strengthened its construction and manufacturing activities.

In early 2007, Technip sold its 100% holdings in Perry Slingsby Systems Ltd and Perry Slingsby Systems Inc. to Triton Group Holdings. Meanwhile, Technip acquired Citex (Rouen, France), a wholly-owned subsidiary of Technip specializing in chemical engineering. That same year, Technip Offshore (Nigeria) Ltd, a wholly-owned subsidiary of Technip, acquired a 39% stake in Crestech Engineering Ltd, a Nigerian company with approximately 100 employees.

Technip grew organically by increasing its flexible pipe production and plant capacity in Vitória (Brazil) and at the Le Trait plant (France).

Later in 2007, Technip voluntarily delisted from the New York Stock Exchange (NYSE) and deregistered from the U.S. Securities and Exchange Commission (SEC). Technip, however, maintained its American Depositary Receipts (ADR) program, through American Depositary Shares (ADS) that are traded over-the-counter (OTC).

Regardless of 2008's economic recession, Technip seized opportunities as they arose to develop its operations. The Company acquired Eurodim, an engineering and consulting company, and formed a joint venture with Areva – the TSU Project – to develop major mining projects. Technip's Onshore activity acquired EPG Holding BV, an engineering expert, well-positioned in the oil and gas and petrochemical sectors.

Technip assisted clients who were developing innovative renewable energy projects, such as Hywind, the world's first full-scale offshore floating wind turbine, and a non-exclusive partnership with Geogreen. This partnership allows Technip and Geogreen to offer integrated solutions to their clients for the entire CO_2 capture, transport and storage chain.

Technip expanded its Angoflex umbilical manufacturing plant in Lobito (Angola) as part of a unique center of local assets serving the West African deepwater market.

In September 2009, Technip was added to the CAC 40, the primary index of Euronext Paris, where Technip's shares are listed. This positions Technip among a select group of leading companies, giving it the opportunity to strengthen its visibility, especially in financial markets.

2010-2014

Since 2010, Technip has continued to establish its position as a worldwide leader, with projects in its initial market, while accompanying clients into new frontiers where Technip's R&D efforts are providing clients with innovative technologies and solutions.

By way of example, in recognition of Technip's pioneering technology and deepwater expertise, Technip was awarded the contract to design an emergency response system to contain oil in the event of a potential future deepwater well incident in the Gulf of Mexico, on behalf of the Marine Well Containment Company (MWCC).

In December 2011, Technip acquired Global Industries, Ltd. with its complementary subsea know-how, assets and experience notably including two newly-built leading-edge S-Lay vessels, as well as strong positions in the Gulf of Mexico (both in US and Mexican waters), Asia Pacific and the Middle East. This broadened Technip's capabilities, expanded by approximately 30% its addressable market in deep-to-shore projects and strengthened its leadership in the fast-growing subsea market.

Also in 2011, Technip acquired Cybernétix S.A., a French listed company and a world leader in robotics for complex systems in hostile environments. Founded in 1985, Cybernétix has over 150 highly competent engineers and technicians to fulfill business needs in the fields of mechanics, electronics, automation, vision and data processing.

Technip achieved another world first when it was awarded Floating Liquefied Natural Gas (FLNG) FEED contracts from three different clients (Shell, Petronas and Petrobras).

2012 was also a year of growth for Technip with the acquisition of Stone & Webster process technologies from the Shaw Group, which included its associated oil & gas engineering capabilities. Due to this transaction, Technip became a world-class leader in upstream technology.

In September 2012, Genesis Oil and Gas Consultants Ltd, a subsidiary of Technip, acquired Suporte Consultoria e Projetos Ltda, a Brazilian pipeline and structural engineering company based in Rio de Janeiro (Brazil). This transaction strengthened Genesis's positions in one of the fastest growing oil and gas markets in the world.

In October 2012, Technip and Heerema Marine Contractors (Heerema) entered into a worldwide alliance agreement, pursuant to which the two groups agreed to combine their capabilities to respond jointly to calls for tender on major projects in the ultra-deepwater market.

In November 2012, Technip expanded its global reach in the Asia Pacific region through the inauguration of a new flexible pipe manufacturing plant in Malaysia. AsiaFlex is the Technip's third flexible pipe plant.

Throughout 2013, Technip's business segments won contracts around the globe, acquired new leading-edge vessels and strengthened their market position through the establishment of joint ventures and alliances.

In March, Technip and two Rostec subsidiaries entered into agreements to form joint ventures for subsea pipe laying, oil refinery, petrochemical and gas chemical production projects in Russia, including the facilities required for offshore oil field operations.

During May, Technip officially named its new state-of-the-art pipelay vessel, *Deep Energy,* the fastest and one of the largest and most capable pipelay vessels ever built in the industry.

At the start of summer, Technip inaugurated its Innovation and Technology Center at Rueil-Malmaison (France) that brings together more than 50 managers and specialists of subsea technologies to further boost innovation.

Adding to its reputation as a pioneer, in August 2013, Technip was awarded a contract by Shell Offshore Inc. to develop subsea infrastructure and to lay the world's deepest gas pipeline at the Stones field, located in the US Gulf of Mexico.

The joint venture formed by Technip (50%) and DOF (50%) was awarded by Petróleo Brasileiro S.A. (Petrobras) with eight contracts, to cover the construction of four new flexible pipelay vessels (PLSVs) and operate in Brazilian waters. Two of the PLSVs will be produced in Brazil with their delivery scheduled for 2016-2017 and their operations will run for eight years, with an option to renew for an additional eight-year period.

In September, Technip and Shell Cansolv entered into an agreement to leverage their respective expertise in marketing and end-to-end solution for Carbon Capture and Sequestration projects. This agreement enables both Technip and Shell Cansolv to offer a complete chain of engineering, procurement and construction (EPC) services. This plays an important role in helping Technip's clients reduce emissions and meet current energy challenges.

In December 2013, Technip and China Offshore Oil Engineering Co. Ltd. (COOEC), the largest offshore engineering and construction company in China, entered into a five-year joint venture agreement to combine their know-how, technical resources, complementary assets as well as commercial and financial capabilities, to target deepwater engineering, procurement, construction and installation (EPCI) in Subsea Umbilicals, Risers and Flowlines (SURF) projects taking place in China at a water depth greater than 200 meters.

End of 2013, Technip leveraged its 50 years of experience by developing a new expertise focused on Project Management Consultancy services (PMC) and named it Technip PMC.

2014 was a year of record backlog for Technip with a strong order intake including major awards such as Yamal LNG in Russia and Kaombo in West Africa. The Group continued to maintain a balanced and diversified portfolio, adapted to its client.

Technip's Subsea segment began the year 2014 with the signature of two ground-breaking contracts for ultra-deep-sea water fields which are at the forefront of the subsea sector. The Group endeavors to maintain its technological excellence and continually improve its high degree of reliability, while generating value for the energy industry. These two contracts are for the supply of flexible pipes for the Sapinhoá Norte field and I5 for the Lula field (former Tupi field), located in the Santos Basin pre-salt area of Brazil for Petrobras.

Technip reinforced its position in the subsea business in the Middle East with a substantial contract awarded by Dubai Petroleum Establishment covering the engineering, procurement, construction and installation of the Jalilah B field development project.

In April, the Technip-Heerema strategic alliance was awarded a major contract of 3.5 billion US dollars by Total E&P Angola for the engineering, procurement, construction, installation and pre-commissioning for the SURF (subsea umbilicals, risers and flowlines) part of the Kaombo project. This project is the largest subsea contract ever awarded to Technip and strengthens its position in the ultra-deepwater market. Also part of the Kaombo project, Technip was awarded a large lump sum contract by Total E&P Angola for the engineering, procurement and fabrication of umbilicals. This contract is an excellent example of the Group's ability to deliver large and complex umbilical projects and Technip's unique position of manufacturing umbilicals locally in Angola.

During 2014, Technip took actions to streamline its business. In April, firstly the Group signed an agreement to sell its Technip TPS (TPS) subsidiary, which specializes in engineering and construction for the industry. Secondly, Technip divested a majority stake in Seamec Limited, the global Indian leader in the supply of diving support vessels and diving services. This transaction formed part of Technip's strategy to focus on its core expertise.

In May, Technip confirmed that, with its partners, it had finalized the award of a very major contract by JSC Yamal LNG for a liquefied natural gas (LNG) facility with a capacity of 16.5 million tons per year (Mt/y). This award follows on over a year of early detailed design and procurement activities for the three liquefaction trains of 5.5 Mt/y.

In July, Technip leveraged its unique subsea vertical integration to win a contract with Total E&P UK for the Edradour Subsea Development. The scope of work includes the fabrication and installation of production pipelines. Technip's operating center in Oslo, Norway, executes the project for which the pipelines are manufactured at the Evanton, Scotland spoolbase and umbilicals are manufactured at Newcastle, UK upgraded facility and both will be installed by the Group's state-of-the-art vessel, the *Deep Energy*.

Also in the summer, a joint venture between Technip and Fluor was awarded a substantial engineering, procurement and construction management contract with Petronas for the world-scale integrated Refinery and Petrochemical Integrated Development (RAPID) project located in Johor, Malaysia. This project aimed to answer the growing need for differentiated and specialty chemicals and to meet future demand for petroleum and commodity petrochemical products in the Asia Pacific region.

In September, a substantial EPIC contract was entered into with BP Trinidad and Tobago LLC for the offshore development of the Juniper project, to be located off the South East coast of Trinidad. Leveraging Technip's unique combination of complementary assets, technologies and capabilities, this project offers comprehensive platform and subsea design as well as detailed engineering solutions. Technip was engaged early with the client to design a cost-effective project execution plan with integrated solutions through to development.

In November, the Group announced a €68 million investment over four years to modernize its flexible pipe manufacturing plant, Flexi France, in Le Trait, France as part of Technip's technological innovation and differentiation strategy. Further strengthening Technip's expertise and industrial capabilities at the site will reinforce its global position in the production of flexible pipes for the development of increasingly complex offshore oil and gas fields. This modernization plan focuses on the installation of new-generation machines and site optimization to fit 12-meter diameter reels, on which flexible pipes are spooled. Technip's investment will also create a new area dedicated to testing the world's most sophisticated flexible pipes, building on its decades of accumulated R&D and product know-how.

Also in November, Technip entered into another contract in the United States when it was chosen to supply its proprietary ethylene technology and process design package (PDP) for a world-class grassroots ethane cracker for the ASCENT (Appalachian Shale Cracker Enterprise) petrochemical complex.

Another win in the Americas in November was a contract to supply high technological flexible pipes for the Tupi BV Iracema North pre-salt field for Petrobras in Brazil, *i.e.* 114 kilometers of highly technological flexible pipes, including gas lift, gas injection and gas export lines, for sour use application, at water depths of up to 2,500 meters and high pressures to inject gas in the reservoir for service life up to 30 years. This award confirms the flexible pipe as a reliable and optimized solution for the challenging pre-salt applications and Technip's technological leadership in this business.

In December, in line with the Group's strategy to broaden its range of services worldwide, Technip announced that it had entered into an agreement with Air Liquide Global E&C Solutions Germany to purchase all of its Zimmer® polymer technology business. The new polymers business will further diversify and strengthen Technip's portfolio of downstream technologies for the petrochemicals industries and reinforce relationships with clients and partners worldwide, benefiting from the Zimmer recognized expertise.

Technip's business in 2015 is described in Section 5.1.1 of this Reference Document.

1.3. PRESENTATION OF THE GROUP, ITS BUSINESS ENVIRONMENT AND PROJECT STRATEGY

GRI G4-4, G4-8

1.3.1. General Presentation of the Group

Technip, a world leader in project management, engineering and construction for the energy sector, offers a comprehensive portfolio of innovative solutions and technologies. In 2015, Technip had adjusted revenues of €12.2 billion.

As of February 29, 2016, Technip employs a workforce of approximately 34,000 people, from 116 nationalities. The Group operates on five continents, in 45 countries.

As of February 29, 2016, its production facilities (for flexible pipes and umbilicals), manufacturing yard, logistics bases and spoolbases are located in Angola, Brazil, Finland, France, Indonesia, Malaysia, Norway, the United Kingdom and the United States. The Group's fleet includes 24 vessels specialized in subsea rigid and flexible pipelines, subsea construction and diving support, out of which five vessels are under construction.

Technip possesses integrated capacity and recognized expertise in subsea infrastructures (Subsea), onshore facilities (Onshore) and offshore platforms (Offshore). The Group is active in two segments of the global oil and gas industry, which are described as follows:

Subsea

In 2015, the Subsea segment had adjusted revenues of €5,876 million, representing 48% of Group adjusted revenues. With respect to hydrocarbon field development, Technip's subsea operations include the design, manufacture and installation of rigid and flexible subsea pipelines as well as umbilicals. Technip is a key operator in this market due to its investments in Research and Development. Technip offers a wide range of innovative subsea pipe technologies and solutions, and relies on leading industrial plants and operational facilities. Technip has four flexible pipe manufacturing plants, four umbilical production units, five reeled rigid pipe spoolbases as well as a constantly evolving fleet of vessels specialized for pipeline installation and subsea construction, which is strategically deployed around the world, across the major markets.

Onshore/Offshore

In 2015, the Onshore/Offshore segment had adjusted revenues of €6,333 million, representing 52% of Group adjusted revenues.

The Onshore business combines the studies, engineering procurement, construction and project management of the entire range of onshore facilities used by the oil and gas industry (refining, gas treatment and liquefaction, petrochemicals including ethylene, polymers and fertilizers, hydrogen and onshore pipelines), as well as various other activities such as mining and metals, the industrial sector, biofuels and renewable energies.

Technip is active in increasingly ambitious, large-scale, complex and challenging projects involving extreme climatic conditions, non-conventional resources and subject to increasingly higher environmental and regulatory performance standards.

Technip relies on a unique technological know-how for process design and engineering, either through the integration of technologies from leading alliance partners or by relying upon Technip's own technologies.

Technip is strongly committed to integrating and developing advanced technologies and reinforcing its project execution capabilities in each of its Onshore activities.

The Offshore business in Technip combines the studies, engineering, procurement, construction and project management of the entire range of fixed and floating offshore oil and gas facilities, including many world firsts (FLNGs being the most recent facility). In order to support its clients' activities, Technip is strongly dedicated to innovation and covers the entire Offshore engineering value chain, from preliminary studies (conceptual and pre-FEED) to detail design, but also provides services for brownfield projects, aimed at enhancing and improving producing facilities.

As of December 31, 2015, the Group's list of clients includes international oil companies, such as BP, Chevron, ConocoPhillips, ExxonMobil, Shell and Total and a large number of national companies, such as CNOOC, PDVSA, Pemex, Petrobras, Petronas, Qatar Petroleum, Saudi Aramco and Statoil as well as large independent companies such as Anadarko and Tullow Oil. Technip's five main clients represented 44.4% of adjusted revenues in 2015 compared to 33.7% in 2014. The revenues generated from Technip's top 10 clients represented 62.7% of the Group's total revenues in 2015 compared to 49.6% in 2014.

In 2015, the top five projects represented 28.2% of adjusted revenues compared to 19.2% in 2014. In 2015, the top 10 projects generated 39.2% of adjusted revenues compared to 29.2% in 2014.

1.3.2. Group Business Environment

A. Market Environment

In 2015, the fall in oil prices which started in June 2014 when oil barrel prices recorded levels of USD115, continued. The oil barrel cost slid further from USD60 at year-end 2014, to USD37 at year-end 2015. This slide was a direct consequence of an oversupply, mainly resulting from a surge in US production and lack of production regulation from OPEC. In addition, the short term demand fundamentals remain weak, resulting from China's and other emerging countries' GDP growth slow-down. 2015 experienced delays in final investment decisions for some fields development. Thus, the short term outlook has deteriorated for the exploration and production industry. For the first year since 2009, investments have been significantly reduced year over year.

In 2015, investment by oil companies in the upstream sector experienced a significant reduction. According to the September 2015 Barclays study "Barclays Upstream Spending Survey" which surveyed more than 175 oil companies worldwide, investment by oil companies in the upstream sector have reduced by 20%.

The downstream sector capital expenditures has also experienced a reduction in 2015 compared to 2014, although some pockets of resilience remain, notably in the Middle East for refining. North America was the most dynamic region due to low gas prices and large price differences compared to European and Asian gas prices.

In both the medium-term and long-term, Technip's growth drivers remain robust, supported by an increase in global demand for oil and gas. International Energy Agency (IEA) estimated that gas will be the fastest growing fossil fuel in the coming years (notably used for power generation) and that global oil demand will reach 103.5 Mb/d in 2040 compared to 90.5 Mb/d in 2014. In addition oil and gas companies will have to restart their investments offset the natural depletion of their production, thus contributing to give opportunities to Technip in the future. However, a competition emerges between non-conventional oil and gas resources, and Offshore/Subsea resources (*e.g.,* deepwater developments and Floating LNG solutions).

B. Geographic Areas where the Group is Present

Technip is a global player in the oil and gas industry with significant revenues and backlog in most regions of the world, which were split as follows in 2015:

- Europe, Russia and Central Asia: 37% of Technip's adjusted revenues and 50% of its backlog;
- Africa: 15% and 18%, respectively;
- Middle East: 8% and 4%, respectively;
- Asia Pacific: 17% and 10%, respectively; and
- Americas (including Brazil): 23% and 18%, respectively.

1.3.3. Description of the Project Strategy

Projects are increasingly ambitious, complex and performed in all the more pioneering fields.

In this environment, Technip must focus its management and financial resources on its specialty sectors, develop teams and assets adapted to these challenges and prepare for the future by strengthening its technological assets and expertise.

Within this strategic framework, Technip's operational organization has evolved and its current focus is to continue to develop its geographic presence and optimize Project execution capabilities.

Technip's Regions and Business Units are responsible for sales and marketing activities, as well as for Project execution and results.

This decentralized structure contributes to the Group's development while also permitting the Group's management to make decisions relating to major Projects that exceed specific thresholds, with decisions below these thresholds made by the Regions or the Business Units, as applicable.

To manage inherent business risk, Technip's approach is to monitor the composition of its Project portfolio from the pre-qualification phase up until invitations to tender. The Group carries out a detailed risk-analysis at every stage of its Projects. Such an analysis contributes to the diversification of the order composition, contractual forms and geographic areas. This analysis also allows the Group to strike a balance in its Project portfolio across business segments and technologies and to develop strategies on Projects focusing on risk-sharing partnerships.

A. A Balanced Management of the Backlog

Diversification in Contractual Forms

Depending on the nature of the risks highlighted during the Early Tendering ("ET") and/or Authorization To Tender ("ATT") processes, Technip offers its clients "cost plus fee" contracts rather than lump-sum contracts and/or proposes to exclude certain services, such as equipment procurement and/or construction, particularly where design studies are not sufficiently developed at the proposal stage; or enters into contracts which may be converted into progressive lump sum turnkey contracts, instead of lump sum turnkey contracts.

In its management risk approach, Technip also strives to obtain firm commitments from its suppliers prior to submitting proposals to clients.

Geographic Backlog Diversification

The Group strives to diversify the list of countries in which it performs contracts to avoid or mitigate the potential effects of an event or particular situation including an excessive concentration of Projects in a region or in a specific country, which may render the execution of such Projects more difficult, longer and/or more expensive.

Backlog Balance by Business Segment

The Group strives to maintain a balance in its backlog by business segment between the Subsea segment on the one hand, and the Onshore/Offshore segment on the other, to limit its exposure to the cycles in each of these business segments.

Association Strategy

To mitigate its risks on a specific Project, Technip may decide to submit a bid in association with one or more companies through various forms such as a joint venture (which can result in the creation of a company or not) or a consortium.

The type of association is carefully reviewed at the proposal stage by taking into account all relevant parameters, including the client's requirements and needs, respective expertise of each member of the association, interfaces and specificities of the regulatory context of the country in which the Project is executed. In general, partners of such associations are jointly and severally liable to the client.

B. Internal Process for Review of Potential Transactions

Due to the high cost associated with preparing a proposal, Technip only bids on Projects that have been scrutinized through a selection process. Each Project is evaluated on its own merits without exception and this includes a consideration of market share and/or asset utilization.

To achieve an optimized "Risk/Reward" profile satisfying the Group's criteria, all transactions are reviewed at the level of the Group, Region or Business Unit to properly assess all risks that may arise. The decision to pursue a Project, submit an offer, accept a letter of intent or sign a contract is systematically subject to prior approval at the appropriate delegation threshold. The delegation threshold is defined by the Group's internal procedures by business segment and by Region, on the one hand, and by Business Unit, on the other.

Before a decision is made to submit a proposal, Technip first reviews each specific prospect through an ET process. At the end of this process, the Management of the Group, a Region, or a Business Unit, as applicable, decides whether or not Technip should submit a proposal.

Where a decision has been made to submit a proposal, Technip enters the proposal formulation process, during which all terms and conditions of the transaction are analyzed. These aspects are reviewed during an ATT meeting at the conclusion of which the Management of the Group, a Region, or a Business Unit, as applicable, will decide the terms and conditions under which the proposal will be submitted or, in very few cases, that a proposal will not be submitted.

Once a proposal is made by Technip and agreed by the client, the analysis and risk assessment performed during the ATT process is updated during an Authorization To Commit ("ATC") meeting. Technip cannot accept any letters of intent and cannot enter into any contracts prior to receiving approval from the Management of the Group, a Region, or a Business Unit, as applicable, during an ATC meeting.

C. Contractual Schemes

"Cost Plus Fee" Contracts

Contrary to lump sum contracts, under which Technip bears the full risk of any overrun of the initial budget, cost plus fee contracts allow Technip to avoid bearing a risk on the final cost. Under this type of contract, Technip is paid for its services on an hourly rate and it is also paid for procurement and construction activities based on actual costs, plus an added pre-determined profit margin.

EPCM Contracts

For specific types of Projects where Technip cannot take risks with respect to the supply of equipment and construction activities, particularly where design studies are not clearly defined at the time of the submission of a proposal, EPCM contracts will be preferred. Under an EPCM contract, Technip is limited to providing services (*e.g.,* engineering, procurement and construction services, as well as assistance during the construction phase). All risks associated with procurement and construction activities are thus transferred to the client. Cost plus fee arrangements are also preferred for major contracts. In addition, these types of contracts often provide for a bonus/malus scheme related to the investment cost and the overall project time schedule.

Progressive Turnkey Contracts

Given the current uncertain market conditions, Technip has introduced a new contractual scheme to reduce its risks and costs for itself and its clients. With progressive turnkey contracts, remuneration is made on a cost plus fee basis during the design and procurement phases until an appropriate time, after which Technip may propose a conversion of the remuneration into a lump-sum price after having taken into account all latest developments of the Project. This type of contract allows Technip to mitigate risks related to the design phase and to increasing costs and allows clients to better evaluate their provisions for risks.

Lump Sum Turnkey Projects

Under lump sum turnkey contracts, Technip takes full responsibility with regards to the execution of a Project (*i.e.* design and engineering activities, supply of equipment and materials, and construction works) with respect to:

(i) technical aspects (including on any portion subcontracted to suppliers and to construction companies);

(ii) completion deadlines; and

(iii) financial aspects.

In this regard, Technip takes full responsibility with respect to any budget overruns, as initially agreed for the performance of the Project at the time the contract was entered into, with the exception of those resulting from specific events that give a contractual right to renegotiate the price and/or completion deadlines.

Technip remains a major actor in lump sum turnkey contracts, which remains the prevailing standard in certain parts of the world such as in the Middle East and in other regions where the Group considers the construction costs manageable.

D. Types of Associations

To mitigate risks associated with mega projects or projects presenting technological challenges or risks associated with construction, Technip may decide to submit a bid in association with one or more companies through a joint venture or a consortium.

A joint venture or a consortium is generally formed for the sole purpose of a specific Project and is dissolved when all respective obligations and liabilities of the client and the members of the joint venture or consortium (as applicable) are duly satisfied.

Joint Ventures

A joint venture is a temporary association of companies (which may or may not be incorporated) under which its members perform their respective scope of work, generally as an integrated team, and share the risks and rewards according to a predetermined prorate rule.

Consortium

A consortium is also a temporary association of companies, but differs from a joint venture in that each member is solely and individually responsible for the performance of its scope of work and, in general, individually bears all of the risks associated with such performance.

A consortium is preferred where the split of work between the members is clearly identified and in particular when Technip decides to team up with a construction company or a shipyard.

1.4. DESCRIPTION OF THE GROUP'S ACTIVITIES

GRI G4-4

Technip is active in the two following business segments: Subsea, and Onshore/Offshore (see Section 5.1.3 of this Reference Document for a breakdown of revenues by geographic region). Further information in relation to the Group's reliance upon patents or licenses, contracts (whether industrial, commercial or financial) or new manufacturing processes is reported in Section 2.1 of this Reference Document.

Technip is a world leader in project management, engineering and construction for the oil and gas industry.

Onshore facilities (refining, petrochemicals and gas treatment), offshore platforms and floating units (Spar, TLP, Semi Submersible and FLNG) and subsea construction (installation of seabed infrastructures) are the main markets of the Group.

Technip is a key integrated player on the Subsea business segment thanks to its portfolio of state-of-the art subsea pipe technologies (notably flexible since the 1970s) and industrial and operational assets. The Group has four flexible pipe manufacturing plants (taking into account the startup of Açu in Brazil in 2014), four umbilical production units, five reeled rigid pipe spoolbases and a constantly evolving fleet of vessels that is strategically deployed to serve the world's major markets.

Technip is a major player in the Onshore/Offshore business segment. Indeed, Technip holds technological know-how whether proprietary or not, covering the full spectrum of onshore installation from gas treatment to petrochemical. Moreover, Technip has an outstanding track-record covering all Onshore activities, from design to commissioning of multiples units: LNG, gas treatment plant, refineries, hydrogen, ethylene, fertilizer and petrochemical plant. Finally, Technip has been a pioneer to push boundaries further in terms of safety, capacity and complexity for hydrocarbon treatment projects: LNG and ethylene production units.

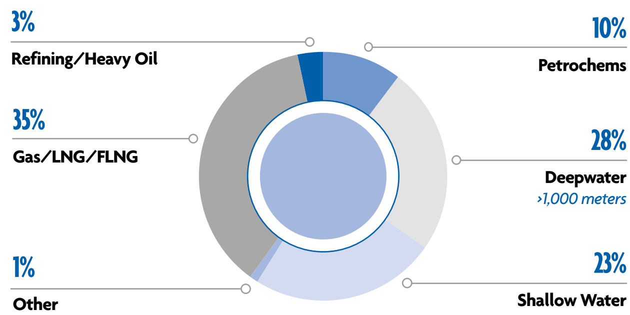
Technip services offering goes from early conceptual studies to EPC(I) for projects in shallow water (conventional sub-structures and self-installing platforms such as the TPG 500) and for deepwater facilities (including Spar, semi-submersible, TLP, FPSO and FLNG units). The Group is also a world leader in float-over installation of topsides. The Heidelberg Spar is the 17th delivered by Technip (out of 20 worldwide) and thus demonstrates the Group's leadership for this kind of floating platform and ability to tackle ultra-deepwater developments.

Building upon its experience in major LNG, FPSO and subsea infrastructure projects, Technip has developed the first Floating Liquefied Natural Gas (FLNG) plant and is uniquely positioned to manage all aspects of the design and delivery of new generation FLNG vessels as shown by the award of ground-breaking contracts in this field, notably the 15-year framework agreement awarded by Shell to Technip, leader of a consortium, for the design, construction and installation of multiple FLNG facilities.

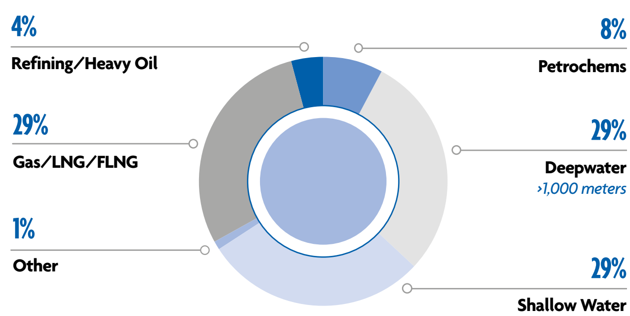
Technip Adjusted Revenues by Business Segment

In millions of Euro	2015	2014
Subsea	5,876.0	4,880.4
Onshore/Offshore	6,332.7	5,844.1
TOTAL	**12,208.7**	**10,724.5**

Technip Backlog as of December 31, 2015



Technip Backlog as of December 31, 2014



1.4.1. Subsea

Subsea Market Environment

The Subsea market includes the manufacturing of products for the development of oil and gas fields, the conception and the installation of subsea pipelines and other subsea structures (mainly rigid pipelines, flexible pipelines and umbilicals).

In the short term, the subsea activity is suffering from the delay and postponement of awards due to the drop in the oil price challenging the economics of some projects. However, in July 2015, the survey by Wood Mackenzie anticipated the deepwater market to be a growth driver for capital expenditure over the next five years, predominantly supported by field developments in historically deepwater regions. Discovery of new areas in deepwater should also be a growth driver for capital expenditure, mainly in East Africa and Mediterranean sea.

Subsea Strategy

In a challenging market, Technip was able to deliver profitable projects for its clients even in a low oil price environment.

Thereafter, its strategy is based in the following priorities:

- pursue R&D investments with its clients and partners to focus on those that trigger strong project development cost reductions
- ensure the right teams are identified to elaborate subsea developments from reservoir to surface, which Genesis is notably qualified to do;
- capitalize on combined competencies coming from Technip's alliances and partnerships such as Technip – FMC Technologies Alliance;
- leverage on supplier relationships not only to benefit from current price deflation but also to implement more simplification and standardization.

Subsea Competition

Technip competes against subsea construction contractors and manufacturers of flexible pipes and umbilicals.

Its main competitors in subsea construction include Subsea7, Emas, Allseas, Heerema, McDermott, Saipem and SapuraKencana.

With respect to flexible pipes, Technip's main competitors are NKT-Flexibles and Wellstream, respectively part of National Oilwell Varco and the General Electric Group. With respect to umbilicals, Technip's main competitors are Aker Solutions, Nexans, Oceaneering and Prysmian.

Subsea at Technip

The Group provides integrated design, engineering, manufacturing and installation services for infrastructures and subsea pipe systems used in oil and gas production and transportation.

The Group is considered as one of the world leaders in the Subsea construction sector. Due to its engineers and technicians, Technip is internationally recognized for its technological expertise. Its focus on developing technologies allows the Group to offer its own technologies both as products and for installation processes.

In 2015, the Subsea segment generated adjusted revenues of €5,876 million, representing 48% of the Group's adjusted consolidated revenues (see Section 5.1.5 of this Reference Document for a description of the Subsea segment's adjusted operating income).

Services for Subsea Oil Fields

An alternative to using platforms with surface wells for offshore hydrocarbon production is placing wellheads on the seabed and connecting them to processing and removal platforms with rigid or flexible pipes. Wellheads and subsea collection systems are remotely controlled through umbilicals that send data, steer the subsea wellheads and send service fluids from a platform or a production vessel. Technip's services include the turnkey delivery of these subsea systems, particularly, offshore work (pipelay and subsea construction) and the manufacture of critical equipment such as umbilicals and flexible pipes. Technip can also handle the supply of other subsea equipment and the procurement of rigid pipes that the Group acquires from third parties on an international bid. As markets move towards greater sea depths, there is a growing need of new resources and approaches. Due to its technological innovations, Technip can serve customers defining and opening new ultra-deep sea fields.

In addition to the engineering and installation of new systems, Subsea activities also include the maintenance and repair of existing subsea infrastructures and the replacement or removal of subsea equipment.

Technip has one of the world's top-performing fleets of subsea pipelay (rigid and flexible pipe installation) and construction vessels, which is essential to its Subsea activities. This fleet, owned by Technip totally or partially, is composed of 19 vessels (of which five are in long term charter): 14 pipelay and construction vessels, and five support vessels.

Further completing its world class construction vessel fleet, Technip and DOF have entered into time charter agreements for three vessels, and in particular for the new-built *Skandi Africa,* delivered during third quarter 2015. The *Skandi Africa* is a dynamic positioning (DP3) vessel designed for harsh environment, deepwater subsea heavy construction and flexlay operations down to ultra-deep waters of 3,000 m depth. She is one of the most advanced heavy construction vessel in the market, fully equipped with a 900-ton active-heave compensated main crane, 650-ton capacity Tiltable Lay System, large 2,700 m^2 deck area, under-deck storage capacity of 3,500 Te and two work-class ROVs rated for 4,000 m water depth.

In 2014, continuing to demonstrate its long-term commitment to the subsea industry, Technip confirmed its investment in a new-built top class Diving Support Vessel, currently under construction by Vard. This new build DP3 class diving support vessel is purpose-designed for the demanding North Sea Canada market and will be known as the *Deep Explorer.* She will be capable of working throughout the year in extreme weather conditions. At delivery, the *Deep Explorer* will be one of the most advanced DSV in the world, supporting a 24-man diving chamber complex. With a large deck area, working moonpool, offshore cranes and work-class ROVs, the *Deep Explorer* is also capable of a wide variety of diverless construction activities. The vessel is due for delivery end of 2016.

Flexible Pipe Supply

In this segment, Technip performs the engineering and manufacturing of the flexible pipes, relying on:

- its engineering centers in Rio de Janeiro (Brazil), Paris (France), Oslo (Norway), Aberdeen (UK), Kuala Lumpur (Malaysia), Perth (Australia) and Houston (USA); and
- its four manufacturing units in Açu and Vitória (Brazil), in Le Trait (France) and in Tanjung Langsat (Malaysia).

The flexible pipes are delivered alongside the dock of the manufacturing unit and are loaded onto a vessel operated by the client.

In 2014, the One Manufacturing, an initiative aiming to share the same culture and strategy among the Group's four flexible pipe plants, was officially launched. The international and multi-disciplinary team in charge of this mission develops projects with a common goal: produce flexible pipes with the same level of excellence, whether they are manufactured in Brazil, France or Malaysia.

In this framework, the One Manufacturing program aims at sharing best practices and aligning technology and manufacturing processes across the several flexible and umbilical plants.

In 2015, the One Manufacturing program was extended with the integration of the umbilicals plants of the Group.

Umbilical Supply

Technip Umbilicals, a Technip subsidiary, is able to answer to calls for tender issued by different types of clients such as oil companies, EPCI contractors, subsea production system manufacturers, and turnkey projects using its engineering expertise and substantial business experience. In this respect, Technip Umbilicals relies upon the engineering centers in Newcastle (UK) and Houston (USA) and the thermoplastic, steel tube, hybrid (a combination of steel tube, thermoplastic hose and electrical cables) and power cable umbilical manufacturing units in Newcastle (UK), Channel View (USA), Lobito (Angola) and Tanjung Langsat (Malaysia).

Long-Term Charter Vessels

The sector of long-term charter vessels is specific to Brazil where Petrobras charters vessels fitted with flexible and umbilical laying equipment. Between 2012 and 2015, Technip operated four vessels in long-term charter for Petrobras: the *Sunrise 2000,* with the capacity to lay three lines simultaneously, the *Skandi Vitória,* the *Deep Constructor* and the *Skandi Niterói,* all three fitted with both a vertical and horizontal laying system. The *Sunrise 2000* and the *Deep Constructor* were divested, the *Skandi Niterói* is still in long-time charter with Petrobras and the *Skandi Viterói* is supporting Projects of the Group across Western Africa.

In 2014, the joint venture formed by Technip (50%) and Odebrecht Oil & Gas (OOG, 50%) started operating two additional flexible pipeline installation vessels for Petrobras, the *Coral do Atlantico* and the *Estrela do Mar.* The twin vessels are characterized by their high pipelay tension capacity of 550 tons. They are principally employed to install umbilical and flexible flowlines and risers to connect subsea wells to floating production units in waters up to 2,500 meter deep offshore Brazil, including in the pre-salt area.

In addition, the construction of the four new pipelay support vessels (PLSVs), awarded by Petrobras in 2013 to the Technip (50%) and DOF (50%) joint venture, is ongoing, with the first vessel *Skandi Açu* expected to go on hire in June 2016 as per the original plan. The four PLSVs will operate in Brazilian waters installing flexible pipes. *Skandi Olinda, Skandi Recife* will have a 300-ton laying tension capacity and are being built in Brazil with a high national content. *Skandi Açu* and *Skandi Búzios* have a 650-ton laying tension capacity, thus enabling the installation of large diameter flexible pipes in ultra-deepwater environments, such as the Brazilian pre-salt.

Turnkey Projects

Most of the Subsea contracts are turnkey contracts, with Technip performing engineering, procurement and project management for the entire field development. Rigid pipeline installation is performed by the *Deep Blue,* the *Deep Energy,* the *Apache II,* the *Global 1200* and the *Global 1201.* Support is provided by the spoolbases located in Mobile (United States), Dande (Angola), Evanton (United Kingdom) and Orkanger (Norway). Flexible pipes and other subsea infrastructures are installed with offshore construction vessels, diving support vessels and multi-support vessels.

Large-scale EPCI projects currently under execution by Technip include Kaombo, North Moho and TEN in West Africa, as well as Quad 2014 in the United Kingdom or Jangkrik and Bangka in Indonesia.

Early Engagement

As described in Section1.5.3 of this Reference Document, Technip and FMC Technologies, two of the leading players in the subsea industry, signed an exclusive alliance and launched the joint venture Forsys Subsea on March 2015. This joint venture unites the expertise of the industry's most capable subsea professionals to redefine the way deepwater fields are designed, delivered and maintained.

From project concept to delivery and through the complete project life cycle, Forsys Subsea enables Technip clients to become more successful by reducing development and operating costs, accelerating time to first oil and potentially maximizing sustainable peak production.

Since the second quarter of 2015, 320 people are working for Forsys Subsea, with the support from FMC Technologies and Technip teams.

At the same time, Technip and its subsidiary Genesis offer generic solutions for conceptual design, as well as agnostic development solutions for clients preferring this approach. Offering a broad portfolio of solutions to its clients is a differentiator for Technip and grant access to larger markets.

Inspection, Maintenance and Repair (IMR), and Asset Integrity Management

The inspection and maintenance of subsea infrastructure is an increasing market, particularly in mature fields. Due to its long-standing presence in the North Sea, Technip has developed recognized expertise using a high performance fleet of diving vessels.

The development of deepwater fields and the ageing of these installations increase the need for IRM services using ROVs.

The asset integrity management, with the increasing focus on safety of the industry by the Group, is becoming a paramount feature of the market. Technip proposes several technical innovations in this field that improve flow assurance and corrosion resistance. Cybernétix's development of comprehensive solutions for remote operation, monitoring/control or by measures based on the EPICOM model (Engineering, Procurement, Installation, Commissioning, Operation and Maintenance) is perfectly complementary to Technip's own solutions.

The solutions of the joint venture with FMC Technologies, Forsys Subsea, will provide value proposition through Life of Field (LoF) services, global services combining Subsea Production Systems (SPS) and Subsea Umbilicals, Rigids and Flexibles (SURF). These solutions will allow maximization of asset uptime, with real-time equipment surveillance (Condition Performance Monitoring), resulting in lower maintenance costs and higher field uptime (reduction of unplanned maintenance).

It will also allow to maximize fluid production, through integrated production optimization, flow assurance advisory services and complete flow modeling from subsea tree to topside.

1.4.2. Onshore/Offshore

Onshore/Offshore Market Environment

The Offshore market includes various types of projects, from small fixed platforms in shallow water to large floating platforms in deep water. Floating LNG has recently emerged as a new type of project in this market.

The global Offshore oil and gas industry is impacted by oil price slides. The 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 impressive reserves in other regions such as Brazil, Australia and East Africa are increasingly becoming drivers of investment from some clients of Technip.

In the long term, gas will be a major element of the energy mix, requiring new investments in the upstream industry.

Floating LNG opportunities exist in the medium term, particularly in Australia and East Africa.

The Onshore market covers many types of plants, including among others: gas treatment, LNG, refining, and petrochemicals (including ethylene).

This significant market is impacted by oil price slides, but is more resilient. Indeed, some transformation markets benefit from these low prices, having market fundamentals connected to other markets (petrochemicals, fertilizers 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 developed economies (such as in Western Europe), with differentiating projects (second generation of bio ethanol plant). The North American Onshore market is experiencing a strong recovery in the wake of the oil and gas shale revolution.

Onshore/Offshore Strategy

Technip is positioned across the value chain, from early conceptual studies to integrated projects and on all types of installations be it on earth, fixed or floating.

Its Onshore/Offshore strategy is based on the following pillars:

- expertise and execution capability on greenfield as brownfield projects or even expansion of existing units;
- geographic diversity;
- broad portfolio of technologies and alliances;
- expertise in complementary techniques as for example helping clients obtain financing for their projects notably via export credit agencies.

Onshore/Offshore Competition

In the Onshore market, Technip faces a large number of competitors, including US companies (Bechtel, CB&I, Fluor, Jacobs and KBR), Japanese companies (Chiyoda, JGC and Toyo), European companies (Petrofac, Saipem, Tecnicas Reunidas, Tecnimont and Amec FW) and Korean companies (GS, Hyundai, Samsung, SK, and Daelim). In addition to these global competitors, in a number of countries or for specific units such as petrochemicals, Technip competes against smaller, specialized and locally-based engineering and construction companies.

The competition in the Offshore market is relatively fragmented and includes various players with different core capabilities. There are offshore construction contractors, such as Aker Solutions, McDermott and Saipem; shipyards, such as Hyundai, Daewoo and Samsung; leasing contractors, such as SBM and Modec; and local yards in Asia Pacific, the Middle East and Africa.

Onshore/Offshore Segment in Technip

In 2015, the Onshore/Offshore business segment had adjusted revenues of €6,332.7 million, representing 52% of the Group's adjusted consolidated revenues (see Section 5.1.5 of this Reference Document for a description of Onshore/Offshore business segment adjusted operating income).

Onshore

Technip's Onshore activity covers all types of onshore facilities related to the production, treatment and transportation of oil and gas, as well as transformation with petrochemicals such as ethylene, polymers and fertilizers.

Technip has strong expertise all across the construction or revamping of onshore facilities, including conceptual and feasibility studies, front-end engineering, detailed engineering, project management consulting, procurement, construction, commissioning, start-up and operations through to final completion.

Technip relies on unique technological know-how for process design and engineering, either through the integration of technologies from best-in-class alliance partners or relying upon Technip's proprietary technologies.

DEVELOPMENT OF ONSHORE FIELDS

Technip designs and builds all types of facilities for the development of onshore oil and gas fields, from wellheads to processing facilities and product export systems. In addition to participating in the development of onshore fields, Technip also renovates existing facilities by modernizing production equipment and control systems, in accordance with applicable environmental standards.

REFINING

Technip is a world leader in oil refining. The Group manages all aspects of projects from the preparation of concept and feasibility studies to the design, construction and start-up of complex refineries or single refinery units. Since its founding in 1958, Technip has been involved in the design and construction of 30 grassroots refineries, and is one of the few contractors in the world to have built six grassroots refineries since 2000. Technip has extensive experience with any type of technology relating to refining and has completed more than 840 individual process units, from 100 major expansion or refurbishment projects implemented in more than 75 countries. Based on decades of cooperation with the most highly renowned technology licensors and catalyst suppliers and due to its strong technological expertise, Technip ensures a completely independent selection of the best technologies to meet specific Project/client targets.

With a strong track record in refinery optimization projects, Technip has gained experience and competence, simultaneously, in all technological fields that impact both present and future development in the oil refining sector.

NATURAL GAS TREATMENT AND LIQUEFACTION

Technip offers a complete range of services to clients who wish to produce, process, fractionate and market the products of natural gas, ranging from feasibility studies up to the construction of entire industrial complexes under a turnkey contract. The majority of business conducted pertains to the liquefaction of methane. In the field of liquefied natural gas (LNG), Technip is a world leader and is among the most experienced engineering contractors having designed and built the first high capacity liquefaction plant in the world in Arzew, Algeria, 50 years ago and many over the last 10 years among which liquefaction trains in Qatar and floating production units. Technip is also well positioned in the Gas-To-Liquids (GTL) market and, in 2006, completed the engineering and construction of Oryx, the first GTL project of significant size in Qatar. In addition, Technip has extensive experience in natural gas processing and has access to corresponding licensed technologies. Technip has unique expertise in extracting sulphur from natural gas, as well as highly efficient extraction of C_2 and C_3 hydrocarbons due to its Cryomax technology.

ETHYLENE

Technip holds proprietary technologies and is a leader in the design, construction and commissioning of ethylene production plants. In 2012, Technip acquired the process technologies of Stone & Webster from the Shaw Group, which contributed to the strengthening of the Group's leadership in the ethylene sector.

PETROCHEMICALS AND FERTILIZERS

Due to its solid experience and to an established cooperation with leading technology providers in the petrochemicals and in the fertilizers sectors, Technip is well recognized in these markets. Technip holds some proprietary technologies and in 2014 acquired Zimmer® polymer technology business from Air Liquide.

HYDROGEN

Technip is a major actor in the design and construction of hydrogen and synthesis gas production units, as well as sulphur recovery units for the refining, petrochemical and chemical industries. Technip holds proprietary technologies and since 1992, it has been participating in a worldwide alliance with Air Products notably, to supply high-purity hydrogen to the refining and other industries. High-purity hydrogen allows conversion of heavy crude oil into low-sulphur fuels that meet the most stringent environmental standards.

Offshore

Technip designs, manufactures and installs worldwide fixed and floating platforms for the production and processing of oil and gas reserves located offshore.

Technip is also renowned worldwide for its first-of-kind execution in this activity, the latest being the FLNGs – Prelude for Shell and LNG1 for Petronas – and the first Spar in the Arctic for Statoil, in the Aasta Hansteen field.

Regarding hulls, Technip offers a portfolio with a complete range of solutions including the TLP (Tension Leg Platform), the Spar and semi-submersible facilities.

Even though Technip has limited capacity in heavy lift *(Global 1200* and *Global 1201),* the Group is nevertheless present in this market through its Unideck™ floatover technology.

FIXED PRODUCTION UNITS

2015 was a year of consolidation for Technip, as its teams continued to work on ongoing projects.

At the start of the year, Statoil announced their Valemon (Norwegian) platform had been put into production, the topside facility of which was designed by Technip. During the course of the year, significant progress was made on all ongoing offshore projects. In Malaysia, the topsides of the central process platform for the Block SK316 gas field development were delivered. In the Middle East, Technip is positioning itself to support future offshore gas development.

FLOATING PRODUCTION UNITS

During 2015, Technip was awarded a topside detailed engineering and procurement services contract by Jurong Shipyard Pte Ltd for the Extended Well Test unit (EWT) FPSO for the giant Libra field operated by Petrobras, Brazil.

Technip strengthened its position within the TLP market in two areas: firstly having the topsides of the Malikai Tension Leg Platform (TLP) being successfully joined onto the hull and secondly together with its consortium partner COOEC (China Offshore Oil Engineering Corporation, a subsidiary of CNOOC, China's National Offshore Oil Corporation), when they were awarded the FEED contract for what would be China's first two TLPs for the Liuhua field (Liuhua 16-2 & Liuhua 11-1) located in the South China Sea.

During 2015, Technip signed an agreement with South Korean shipbuilder Samsung Heavy Industries (SHI) to further develop a new design of a low-motion semisubmersible production platform. The agreement is aimed at establishing a design and delivery model that leverages on the engineering expertise of Technip, together with SHI's experience in constructing semi-submersible platforms.

The agreement covers Technip's Heave and VIM Suppressed (HVS) semisubmersible, a hull form with low overall motion performance able to support top tensioned and steel catenary risers. Under the agreement, SHI will complete the detail design and fabrication packages. The partnership is also aimed at delivering topsides for semi-submersible systems.

FLOATING LIQUEFIED NATURAL GAS (FLNG)

In 2015, Technip made further progress on the world's first two sanctioned FLNG projects: Shell Prelude and Petronas PFLNG1. By year end the Prelude FLNG was in an advanced state of construction whereas the PFLNG1 entered into the commissioning phase.

During the year the Technip Samsung Consortium (TSC) was awarded two contracts by Shell for the Browse FLNG project in Australia, which comprise three FLNGs, operated by Woodside. The first contract awarded to the TSC covered the front-end engineering design (FEED) elements of the Browse FLNG project, taking into account the composition of the gas, local weather conditions and factors specific to each of the three fields. This contract was immediately novated by Shell to Woodside as operator.

The second contract covers the engineering, procurement, construction and installation (EPCI) of the three FLNG units of the Browse project. This contract is subject to the final investment decision from the client at the end of the FEED.

1.4.3. Suppliers

GRI G4-12

Projects managed by Technip as well as Technip's businesses require the use of numerous raw materials, parts and equipment. Technip sets up a competitive bid process when purchasing equipment from suppliers, and suppliers are selected based on specific economic and technical qualification criteria. Technip has stable working relationships with its main suppliers and has not had difficulties finding high-quality raw materials to meet the needs of its manufacturing processes. Technip continuously strives to consolidate its procurement sources and to maintain an adequate number of suppliers for strategic equipment and raw materials.

Technip procures its equipment and components for Onshore and Offshore project execution from a large number of international suppliers recognized as leaders in their respective sectors. In 2015, Air Products, Emerson, General Electric, Siemens and Yokogawa were among the Group's main suppliers.

In 2015, with regard to suppliers and main raw materials used in the Subsea segment to manufacture flexible pipes and umbilicals, the Group turned to leading suppliers such as ArcelorMittal, Balmoral, Fugro, Serimax and Tenaris.

In 2015, raw materials' prices were stable overall, with the price of certain materials, such as steel, decreasing. During 2015, there was no shortage of strategic raw materials or equipment for Technip resulting from the impact of market conditions on suppliers.

1.4.4. Investments

In 2015, Technip focused on the execution of its investments which were already underway thereby confirming its intention to remain at the cutting edge of technology. The main investments currently under way are as follows:

- four new flexible pipelay vessels, two 650 tons *(Skandi Açu* and *Skandi Buzios)* and two 300 tons *(Skandi Olinda* and *Skandi Recife),* in partnership with DOF, which accompany the increase in the Group's flexible pipe laying capacity in Brazil. These vessels are under construction in Brazil and Norway and are under long-term chartering arrangements with Petrobras;
- a new diving and construction vessel, the *Deep Explorer,* to be dedicated to the North Sea and Canada. Construction started in Romania and is underway in Norway. The vessel will be a sister ship to the *Skandi Arctic;*
- in the flexibles sector, Technip announced an investment over four years to modernize its flexible pipe manufacturing plant, Flexi France (France). This modernization plan focuses on the installation of new-generation machines and site optimization to fit 12-meter diameter reels, on which flexible pipes are spooled. Increasing the reel capacity from 9.6 to 12 meters in diameter will provide room in some cases for twice as much flexible pipes on each reel;
- modernization and expansion of spoolbase for rigid pipes in Theodore, Mobile (United States) to reinforce welding capabilities and improve productivity.

As of December 31, 2015, the total amount of these gross investments adjusted amounted to €294.9 million. The breakdown by segment is as follows:

- Subsea: €261.4 million; and
- Onshore/Offshore: €33.5 million.

Since 2013, the following investments were completed by Technip:

- a flexible pipelay vessel, the *Deep Orient,* delivered in February 2013, deployed mainly in Asian markets and consolidating Technip's position in the Asia Pacific region;
- a rigid pipelay vessel, the *Deep Energy,* delivered in November 2013, with a top speed of 20 knots per hour, designed to be used in all subsea markets around the world;
- two new 550 tons flexible pipelay vessels, TOP *Coral do Atlantico* and TOP *Estrela do Mar,* delivered in October and December 2014 respectively, in partnership with Odebrecht Oil & Gas, for the installation of umbilicals, flowlines and risers, off the Brazilian coast to connect subsea wells to floating production units in deep water (*i.e.* depths of up to 2,500 meters). They are on long-term charter with oil company Petrobras;
- the building of a new plant specialized in the manufacture of high technological flexible pipes in the new port complex Açu (Brazil) to support the pre-salt development in Brazil and to satisfy the demand for flexible pipes with a high technological level capacity and uses.

In 2015, gross capital expenditure adjusted amounted to €294.9 million compared to €375.6 million in 2014.

Technip also purchased the 50% of DOF in Doftech DA, owner of *Skandi Arctic,* officially renamed *Deep Arctic* on January 6, 2016.

For further information on the funds retained for the principal investments currently in progress, please refer to Section 2.5 of this Reference Document.

1.5. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

1.5.1. Research and Development

Research and Development ("R&D") conducted by Technip is essential to the Group's success for all its operations, as it enables Technip to anticipate the future needs of its clients as well as to improve its competitiveness.

Technip is working on development and engineering programs in all its product lines and in particular in a number of advanced technical fields related to deepwater oil and gas (including large platforms, FPSOs and low-temperature, deepwater liquid natural gas and crude oil transport systems) and downstream technologies for the processing of hydrocarbons.

Technip has a three-phase strategy for acquiring new technologies related to its operations: (i) development through in-house R&D carried out by its teams; (ii) external growth through the acquisition of specialized companies; and (iii) mixed organic and external growth through research partnerships in the research field.

Technip has R&D sites in the Group's main centers across the world: Paris, Marseille, Le Trait, Aberdeen, Newcastle, Rome, Frankfurt, Houston, Claremont, Kuala Lumpur and Rio de Janeiro. As of December 31, 2015, these teams comprised over 400 employees. The R&D sites helped Technip file 38 patents in 2015, 37 patents in 2014 and 51 patents in 2013.

Technip also contracts with external R&D teams to develop strategic technological partnerships that are intended to facilitate its commercial development in certain identified sectors.

In financial years 2015 and 2014, Technip's R&D expenditures amounted to €(86.1) million and €(82.6) million, respectively. Some of Technip's R&D activities and most of engineering operations are focused on specific projects that are led by Technip and this is not taken into account in calculating these figures.

Subsea

The Innovation and Technology Center ("ITC") established in 2013 in Rueil-Malmaison near Paris, remains at the heart of Technip's Subsea technology network, acting as the central hub for the management of Subsea technology development. ITC coordinates and consolidates the efforts of the dedicated R&D centers worldwide, to ensure that Technip's R&D is organized into suitable programs, fully aligned with the strategic market orientations, set as the Group global technology vision. These R&D programs cover the different Technip product lines (flexible, rigid pipeline, umbilical, inspection and monitoring) focusing on ultra-deep water, difficult reservoir conditions, smart pipelines and advanced subsea architectures, installation and operational efficiency as well as subsea asset reliability and integrity management. ITC is in charge of establishing and leading the overall three-year R&D plan, ensuring that an adequate balance is achieved between innovation efforts focusing on expanding Technip's technological solutions portfolio by developing novel "game changing" technologies, and "consolidation/product enhancement" efforts to defend and further extend the performance of Technip's current proprietary products.

Throughout 2015, Technip continued to actively engage with its clients' technology stakeholders, by promoting open innovation. Early engagement with operators is key to promote alternative field development scenarios as well as Technip's new technologies, either recently qualified or in the final stage of development. Such open dialog also helps identifying technology gaps in the portfolios of operators that may be addressed through Technip R&D projects.

A strong focus of Technip R&D program in 2015 was put on reduction of development costs, either to directly lower the cost of products and installation, for example through the qualification of new and more cost effective material or the use of an Unmanned Surface Vessel (USV) in support of our pipelay vessels, or indirectly through developing step changing technologies and solutions aimed at significantly lowering the SURF "installed and operating" system cost for the operators.

This was applied across Technip's product lines with ongoing development of cost effective and innovative technologies related to flexible pipes, "reeled" rigid pipes and umbilical products, as well as advanced monitoring and inspection tools, to maintain a leadership position in the market. The following are examples of key activities in the Group's 2015 Offshore R&D program:

- the qualification of new cost effective material to be used in flexible pipe (new polymer grade for the pressure sheath), rigid pipeline (new lower cost insulation solution) or umbilical (new tape to ease the installation of umbilical);
- the continuing consolidation and optimization of products and installation equipment for use at water depths of 3,000 meters and beyond;
- the development of products meeting the challenges presented by deepwater reservoirs such as corrosive fluids, increased pressure and temperature. This includes in particular the ongoing understanding and management of the flexible pipe annulus environment in these severe conditions to optimise the long term performance of the metallic and polymer materials exposed to it;
- the continuing promotion of Carbon Fibre Armour (CFA) flexible pipes leading to significant weight reduction for UDW risers or large diameter Offshore Oil Off-loading lines. Technip is also progressing on the development of a new generation of CFA to accommodate higher temperature and more generally on the use of composite material within its products lines;
- the extension of the range of active heating technologies. For Electrically Traced Heated Pipe in Pipe (ETH-PiP), a second generation of traced heating cables was qualified to enable longer tieback distances, up to 50km. The last phase of an

extensive testing program started in 2013 and supported by three large operators conclusively demonstrated the capacity of the ETH-PiP to safely resorb large hydrate plug formation. This is an enabling technology with the potential to significantly optimize the subsea architecture for future deep water oil field developments. Building on the expertise gained with the ETH-PiP, Technip is also developing other active heating technologies such as the ETH-Single Pipe (enabling to cover larger pipe diameter) and the ETH-Blanket to perform hydrate remediation on existing blocked pipeline;

- the qualification completion of aluminum-core conductor power cables to enable umbilicals to operate at significantly greater depths than is possible with current copper conductor electrical cables. This also lead to an increased fatigue strength;
- the continuing development of "smart" riser systems whose operational integrity and production parameters can be monitored; and
- the development of a state-of-the-art, multi Non-Destructive Testing (NDT) technologies inspection tool for flexible pipe riser in service.

Onshore/Offshore

Onshore R&D programs are undertaken on the basis of three main principles: (i) the improvement of energy efficiency and reduction of the environmental impact of industrial complexes built by Technip, (ii) the development of new technologies, often in cooperation with technology partners, to enlarge Technip's technical offering, and (iii) the deployment of design solutions to maintain performance and safety at lower cost.

The main objectives of Onshore R&D efforts are the following:

- for ethylene, through the development of proprietary equipment optimized to improve the quality, performance and costs of cracking furnaces and heat exchangers. These initiatives reduce energy consumption as well as the environmental impact by reducing NO_x and CO_2 emissions. In addition, Technip has exclusive agreements to increase propylene production, integrated to ethylene production units;
- for hydrogen, through the development of new steam reforming catalytic reactor arrangements, a more cost-effective two-compartment process heater and more efficient burners. These initiatives increase the performance of hydrogen plants and minimize NO_x emissions;
- for LNG and gas monetization, through an emphasis that has been placed on designing plants with an increased scale of production, using high efficiency heat exchangers, improving the design of sulfur recovery units, as well as improved efficiency in LNG recovery;
- for petrochemicals, through the enlargement of the portfolio of technological alliances and partnerships with special attention to current industry trends such as the integration of refining and petrochemicals complexes, as well as "green chemistry";
- for fertilizers, through the rejuvenation of the proprietary phosphoric acid technology and the adjustment of its design, to satisfy the market's demand for larger capacities, as well as developing partnerships in fields such as nitric acid and ammonium nitrate; and
- for refining, through the development of synergies in terms of feedstock, energy efficiency and cost effective design between refining and petrochemicals, and by acquiring new refining technologies that are key for expansion projects and large-scale integrated refining and petrochemicals complexes.

In 2015, the major achievements and highlights of the Offshore R&D activities can be summarized as follows:

- a number of initiatives were further pursued to enhance the safety of FLNG platforms both internally and through Technip-led JIPs (Joint Industry Projects, research programs involving several companies that share common issues). These included the ongoing development of software to predict the extent and impact of potential LNG spillages and the further evaluation of different cryogenic coating materials to provide suitable protection;
- two joint study initiatives with HiLoad LNG AS were performed to develop a safe LNG transfer capability from FLNG vessels to unmodified LNG carriers in harsh environments, beyond the capabilities of current LNG loading arm technologies. The first study involved a station keeping evaluation and the second a bridge simulation at MARIN's facility in the Netherlands;
- a joint study with Dr. Techn. Olav Olsen AS involved the design development of two different concrete floater designs for potential application offshore Eastern Canada. The two platform concepts evaluated were Dr. Techn Olav Olsen AS Semo floater and a concrete version of Technip's Spar platform;
- a novel gas-to-liquids technology was further studied for the monetization of associated gas for oil projects where gas export or injection is impractical or uneconomic;
- the development of Technip's floating platform and riser design tools that can be used throughout the Group were further developed. They are particularly well suited to executing projects locally where high national content is required;
- a significant study was performed to develop a new FPSO design for Brazil's pre salt fields. The hull design by Inocean AS was model tested in a Brazilian wavetank;
- a joint study with FMC Technologies to evaluate the benefits of compact processing equipment utilized within topside production systems. In addition to space and weight savings, the benefits of reduced hydrocarbon inventory in terms of improved safety and lower risk of emissions during an emergency scenario are being evaluated; and
- the technical and commercial evaluation of OTEC (Ocean Thermal Energy Conversion) where the temperature difference between surface and deep waters is used to generate clean electricity.

Technip's research partners are critical to its success in promoting innovation and gaining external knowledge. Technip increasingly enters into R&D alliances to obtain "bridging" ideas from different offshore domains by combining complementary competencies in the pursuit of new innovative technologies.

The Group's R&D activities are coordinated on a global basis to ensure a broad benefit from their results. In 2016, Technip expects that its talented and dedicated teams, located in Technip's centers around the world, will continue to create innovative solutions for the offshore industry that will improve safety of its facilities and respect for the environment, develop world-class standards and deliver fit-for-purpose solutions that meet the challenges of a changing market.

1.5.2. Patents and Licenses

To carry out its operations, Technip holds a large number of patents, registered trademarks and other intellectual property rights, including industrial and intellectual property rights acquired from third parties. As of February 29, 2016, Technip held the rights to approximately 640 patent families (*i.e.,* approximately 4,800 patents in force in more than 90 countries), mainly in Offshore and Subsea (subsea pipes, umbilicals, flexible systems, platforms and equipment), but also in Onshore (cryogenics, refining, cement, hydrometallurgy, ethylene and hydrogen production). Technip jointly holds a limited number of patents with IFP Énergies nouvelles and other industrial partners.

Petrochemical and refining operations depend on the implementation of licenses belonging to third parties (such as Air Products, Axens, BASF and UOP). They are implemented on a project-by-project basis.

1.5.3. Technological Partnerships

Technological partnerships constitute an important element of Technip's innovation strategy and technological differentiation in the Onshore market. These partnerships complement the investment in R&D as well as the technological acquisition policy.

FMC Technologies, Inc. and Technip announced the creation of Forsys Subsea, a 50/50 joint venture, operational since June 1, 2015.

Forsys Subsea is a joint venture formed as part of a broader alliance between FMC Technologies and Technip that unites the skills and capabilities of two subsea leaders to redefine the way subsea fields are designed, delivered and maintained.

By combining the industry-leading technologies of the parent companies, Forsys Subsea will reduce the interfaces of the subsea umbilical, riser and flowline systems (SURF) and subsea production and processing systems (SPS). It will also simplify the seabed layout, thereby reducing complexity, accelerating time to first oil, and enabling higher sustainable field production. This unique combination will drive a new, step-change approach to how equipment designs and installation methods converge in a new generation of subsea architecture.

With Forsys Subsea, Technip and FMC Technologies are launching an exciting and compelling business proposition by providing front-end engineering and life-of-field decision support to their customers. Based on this, it will enable customers to take advantage of lower costs, reduced execution time and execution risks, and higher uptime of the installed base by leveraging the combined technologies and execution capabilities of the parent companies. In 2015, Forsys Subsea won three FEEDs.

In 2012, Technip completed the acquisition of Stone and Webster process technologies and the associated oil and gas engineering capabilities from the Shaw group (see Section 1.5.4 of this Reference Document). Through this acquisition, Technip has substantially enhanced its partnerships with the world's leading providers of Onshore technology across multiple sectors. Since this acquisition, Technip has pursued its efforts to further enlarge its portfolio of technological alliances.

Technip participates in technological partnerships, either by providing Technip's proprietary technologies to major producers (*e.g.,* the supply of hydrogen units to Air Products and ethylene furnaces to Dow Chemicals), or by establishing exclusive or privileged relationships with key technology providers in their respective fields such as: Axens, for resid fluid catalytic cracking (RFCC); Sinopec, for deep catalytic cracking (DCC); Sabic, for acrylonitrile butadiene styrene (ABS); Exxon Mobil (Badger JV, for alkylation technologies (cumene, bisphenol A, ethylbenzene and styrene monomer); Total Petrochemical, for polystyrene; BP Chemicals, for purified terephthalic acid (PTA); Ineos, for linear low-density polyethylene (LLDPE), high-density polyethylene (HDPE), polystyrene and polypropylene; Sabtec, for low-density polyethylene (LDPE); Haldor Topsöe, for ammonia; Saipem, for urea; UFT, for urea granulation technology; MECS, for sulfuric acid; Asahi Kasei, for chlorine and caustic soda membrane electrolysis; and Wieland for enhanced heat transfer tubes for LNG and ethylene applications.

For the Offshore market, Technip continued its agreement with Cervval and Bureau Veritas to develop an ice-modeling simulation program and by year-end the program was in commercial use. Technip also teamed-up with HiLoad LNG AS to develop a harsh environment offloading system for FLNG, with Dr. techn. Olav Olsen to develop concrete floaters for offshore Eastern Canada, with FMC Technologies, Inc. to evaluate their compact separation technologies and with Alfa Laval to develop a new compact heat exchanger design. Technip is also evaluating Sevan Marine's cylindrical hull design for FLNG solutions.

In the Subsea market, Technip has an ongoing R&D partnership with the French Petroleum Institute (IFP Énergies nouvelles or IFPEN) which for many years focused primarily on flexible pipe development but has since expanded to include umbilicals and rigid pipeline R&D. Technip, with IFPEN, has been developing new materials such as the anti-H_2S sheath that prevents H_2S from coming into contact with metallic load bearing wires in the flexible pipe, allowing the use of more cost effective steel grades with higher mechanical characteristics, or carbon fiber composite armor (CFA) that has much higher tensile capacity than the traditional steel armor wire, while also being significantly lighter and resistant to corrosion. This is an enabling technology for flexible pipes for the ultra deepwater developments. Technip and IFPEN are also carrying out state-of-the-art material testing on different metallic and polymers grades, including very high pressure CO_2 environments (so-called "super-critical state" CO_2). Such testing is key to validate the long-term performance of flexible pipes in conditions such as those of Brazil's pre-salt developments.

The strategic partnership agreement with the French Atomic Energy Commission ("CEA") was renewed in 2014, continuing to give Technip a broad view of the technologies available to other industries and how they may contribute to Technip's overall strategic R&D program, in particular for the development of smart and active technologies incorporated into flexible, rigid and umbilical products. Some development programs initiated with the CEA are in the final qualification stage such as "morphopipe", a network of sensors embedded into the flexible riser to provide live curvature monitoring and assessment of its remaining service life. The development of a collaborative robot to facilitate the mounting of the flexible pipe end fitting was successfully validated through a first pilot prototype extensively tested throughout 2015 in the Group's manufacturing plant in Le Trait. Another project using CEA expertise in Non Destructive Testing (NDT) simulation is aiming to reduce the time and cost of AUT qualification (Automatic Ultrasonic Testing) required for rigid pipeline welding projects.

Technip continued its review of the various universities and technology institutes that are widely used to assist in technology development throughout the various R&D activities. It is intended to structure, consolidate and expand this network in the coming years to provide greater added value in terms of open innovation and access to high level R&D facilities and personnel.

Technip also remains actively involved in common R&D initiatives with some of its key suppliers as well as taking part in many Joint Industry Projects.

1.5.4. Acquisitions

As part of its strategy of innovation and technological differentiation, Technip rigorously pursues the identification and evaluation of potential acquisitions of technology, whether individual technologies or portfolios of technologies, such as the acquisition of Stone & Webster's process technologies in 2012.

During 2015, Technip took a controlling stake in Marine Offshore AS, a Norwegian company, former subsidiary of Dr. techn. Olav Olsen AS who still remains minority shareholder.

This acquisition gives Technip access to two floating concrete platform technologies that will prepare the Group to be technically and commercially ready to address the Arctic market.

Together, the two Groups expect to jointly develop and promote these technologies, and collaborate on brownfield initiatives. Technip's intention is to support the company, enabling it to expand its existing business, as well as using its skills to support Technip's projects and contribute to selected R&D initiatives.

1.6. PROPERTY, PLANT, EQUIPMENT AND FLEET OF VESSELS

1.6.1. Facilities

Technip's main facilities are (excluding its vessels) its offices, operational centers, assembly plants and factories. As of December 31, 2015, Technip owned various offices globally, including in Rome and New Delhi, as well as various factories, such as the Le Trait plant in Normandy. Technip leases the majority of its office space, such as its offices at La Défense (France) and its headquarters in Paris. Technip owns or leases construction and production sites for the operations of the Subsea Division and for the production of flexible pipes and other subsea products. Technip believes that its facilities are suited to its needs. In the Group's consolidated financial statements for the financial year ended December 31, 2015, Technip's land, buildings, machines and equipment were valued at €704.5 million, of which its land and buildings amounted to €149.7 million.

As of December 31, 2015, the Group had access to the following principal properties, either owned or leased:

Location	Purpose	Legal status
(EUROPE)		
Paris, France	Head Offices/Offices	Leased
Courbevoie (Paris – La Défense), France	Offices	Leased
Puteaux, France	Offices	Leased
Le Trait, France	Plant (flexible pipes), offices and land	Owned
Lyon, France	Offices	Leased
Mont-Saint-Aignan, France	Offices	Leased
Venette, France	Offices	Leased
Nîmes, France	Offices	Leased
Marseille, France	Offices	Owned
Les Pennes-Mirabeau, France	Plant	Leased
Montbonnot Saint-Martin, France	Plant	Leased
Compiègne, France	Offices and warehouses	Leased
Rueil-Malmaison, France	Offices	Leased
La Garenne-Colombes, France	Offices	Leased
La Seyne-sur-Mer, France	Offices and land	Leased
Châtenay-Malabry, France	Offices	Leased
Martigues, France	Offices	Leased
Rome, Italy	Offices	Owned/Leased
Milan, Italy	Offices	Leased
Zoetermeer, The Netherlands	Offices	Leased
Capelle a/d. IJssel, The Netherlands	Offices	Leased
Den Bosch, The Netherlands	Offices	Leased
Düsseldorf, Germany	Offices	Leased
Frankfurt, Germany	Offices and Research Center	Leased
Newcastle, United Kingdom	Plant (umbilicals) and offices	Owned/Leased
London, United Kingdom	Offices	Leased
Milton Keynes, United Kingdom	Offices	Leased
Cheltenham, United Kingdom	Offices	Leased
Aberdeen (Scotland), United Kingdom	Offices and warehouses	Owned/Leased
Edinburgh (Scotland), United Kingdom	warehouses	Owned/Leased
Evanton (Scotland), United Kingdom	Plant (spoolbase) and land	Owned/Leased
Shetland (Scotland), United Kingdom	Offices	Leased
Pori (Mäntyluoto), Finland	Plant (*shipyard*) and land	Owned
Barcelona, Spain	Offices	Leased
Madrid, Spain	Offices	Leased
Tarragona, Spain	Offices	Leased
La Coruña, Spain	Offices	Leased
Lisbon, Portugal	Offices	Leased
Oslo, Norway	Offices	Leased
Stavanger, Norway	Offices	Leased
Orkanger, Norway	Spoolbase, offices and land	Owned/Leased
Haugesund, Norway	Offices	Leased
Athens, Greece	Offices	Leased
(EASTERN EUROPE)		
Saint Petersburg, Russia	Offices	Leased
Moscow, Russia	Offices	Leased
Warsaw, Poland	Offices	Leased
Aktau, Kazakhstan	Offices	Leased
Atyrau, Kazakhstan	Offices	Leased
(ASIA)		
New Delhi, India	Offices and workshop	Owned
Chennai, India	Offices	Leased
Mumbai, India	Offices	Leased
Noida, India	Land and offices	Owned
Dahej, India	Plant (under construction) and land	Owned
Kuala Lumpur, Malaysia	Offices	Leased
Kota Kinabalu, Malaysia	Offices	Leased
Miri, Malaysia	Offices	Leased
Shanghai, China	Offices	Leased
Beijing, China	Offices	Leased
Tianjin, China	Offices	Leased
Jakarta, Indonesia	Offices	Leased

Location	Purpose	Legal status
Balikpapan, Indonesia	Offices	Leased
Batam, Indonesia	Offshore base	Leased
Bangkok, Thailand	Offices	Leased
Rayong, Thailand	Offices	Leased
Singapore, Singapore	Offices	Leased
Vung Tau, Vietnam	Offices	Leased
Ho Chi Minh, Vietnam	Offices	Leased
Seoul, South Korea	Offices	Leased
Kuala Belait, Brunei	Offices	Leased
Ashgabat, Turkmenistan	Offices	Leased
(OCEANIA)		
New Plymouth, New Zealand	Offices	Leased
Perth, Australia	Offices	Leased
Koné, New Caledonia	Offices	Leased
(NORTH AMERICA)		
Houston (Texas), United States	Plant, land and offices	Owned/Leased
Claremont (California), United States	Offices	Leased
Theodore (Alabama), United States	Plant *(spoolbase)* and land	Owned
Carlyss (Louisiana), United States	Plant *(spoolbase)*	Owned
Boston (Massachusetts), United States	Offices	Leased
Weymouth (Massachusetts), United States	Laboratory	Leased
St. John's, Canada	Offices	Leased
Calgary, Canada	Offices	Leased
Mexico City, Mexico	Offices	Leased
Ciudad Del Carmen, Mexico	Offices, workshop and port facilities	Owned/Leased
(SOUTH AMERICA)		
Vitória, Brazil	Plant (flexible pipes) and land	Owned/Leased
Rio de Janeiro, Brazil	Offices	Owned/Leased
São João da Barra, Brazil	Plant and land	Leased
Viana, Brazil	Warehouses	Leased
Macaé, Brazil	Logistics base and offices	Owned
Angra dos Reis, Brazil	Port facilities and offices	Leased
Campos, Brazil	Offices	Leased
Bogota, Colombia	Offices	Owned/Leased
Caracas, Venezuela	Offices	Owned
San Tome, Venezuela	Offices	Leased
Puerto La Cruz, Venezuela	Offices	Leased
Punto Fijo, Venezuela	Offices	Leased
Maracaibo, Venezuela	Offices	Leased
(AFRICA)		
Lagos, Nigeria	Offices	Leased
Port Harcourt, Nigeria	Plant (naval construction site), offices and land	Owned/Leased
Lobito, Angola	Plant (umbilicals) and land	Leased
Dande, Angola	Plant *(spoolbase)* and land	Leased
Luanda, Angola	Offices	Leased
Johannesburg, South Africa	Offices	Leased
Algiers, Algeria	Offices	Leased
Accra, Ghana	Offices	Leased
Cairo, Egypt	Offices	Leased
Pointe Noire, Republic of the Congo	Offices	Leased
(MIDDLE EAST)		
Abu Dhabi, UAE	Offices	Leased
Jebel Ali, UAE	Offices	Leased
Doha, Qatar	Offices	Leased
Al Khobar, Saudi Arabia	Offices	Leased
Baghdad, Iraq	Offices	Leased

None of the leased properties are owned by any of the Group's executives.

1.6.2. Fleet of Vessels

Technip's fleet had an 80% utilization rate for financial year 2015.

As of December 31, 2015, the Group held an interest in or operated the following vessels:

Vessel Name	Vessel Type	Special Equipment	Diving Systems	ROV Systems
Deep Blue	PLSV	Reeled pipelay/flexible pipelay/umbilical systems	0	2
Deep Energy	PLSV	Reeled pipelay/flexible pipelay/umbilical systems	0	2
Apache II	PLSV	Reeled pipelay/umbilical systems	0	0
Global 1200	PLSV/HCV	Conventional pipelay/Heavy handling operations	0	2 (4)
Global 1201	PLSV/HCV	Conventional pipelay/Heavy handling operations	0	1 (4)
Deep Orient	HCV	Construction/installation systems	0	2
North Sea Atlantic (3)	HCV	Construction/installation systems	0	2
Skandi Africa (3)	HCV	Construction/installation systems	0	2 (4)
Deep Pioneer	HCV	Construction/installation systems	0	2
North Sea Giant (3)	HCV	Construction/installation systems	0	2 (4)
Olympic Challenger (2)	MSV	Construction/installation systems	0	2
Orelia	DSV/LCV	Diver support systems	2	1
Skandi Achiever (2)	DSV/LCV	Diver support systems	1	2
Deep Arctic	DSV/HCV	Diver support systems	2	3
Wellservicer	DSV/HCV	Diver support systems	2	2
Deep Explorer (1)	DSV/HCV	Diver support systems	2	2
Skandi Vitória	PLSV	Flexible pipelay/umbilical systems	0	2
Skandi Niterói	PLSV	Flexible pipelay/umbilical systems	0	2
Coral do Atlantico	PLSV	Flexible pipelay/umbilical systems	0	2
Estrela do Mar	PLSV	Flexible pipelay/umbilical systems	0	2
Skandi Açu (1)	PLSV	Flexible pipelay/umbilical systems	0	2
Skandi Buzios (1)	PLSV	Flexible pipelay/umbilical systems	0	2
Skandi Olinda (1)	PLSV	Flexible pipelay/umbilical systems	0	2
Skandi Recife (1)	PLSV	Flexible pipelay/umbilical systems	0	2

PLSV: Pipelay Support Vessel.
HCV: Heavy Duty Construction Vessel.
LCV: Light Construction Vessel.
DSV: Diving Support Vessel.
MSV: Multi Service Vessel.
(1) Vessels under construction.
(2) Vessel under charter.
(3) Vessels under long term charter.
(4) Third party ROV under rental contract.

This specialized fleet enables the Group to provide a full range of services, with or without divers, to its oil and gas clients globally. Technip's state-of-the-art fleet is able to conduct operations to install subsea pipelines, umbilicals and other infrastructure in depths of up to 3,000 meters below sea level.

Changes in the Group's Fleet during Financial Years 2014 and 2015

- In January 2014, Technip committed to investing in a new dive support vessel, the *Deep Explorer*. This high-specification vessel will be equipped with the latest technology in terms of navigation (Dynamic Positioning Class 3) and will feature a 24-man saturated dive system. With her large deck area, working moonpool, work-class ROVs and a 400-ton offshore crane, she will also be able to deliver diverless construction operations. Construction of the ship's hull at VARD in Romania was completed in October 2015 and, as of the date of this Reference Document, the ship is in Norway for final equipment fitting and commissioning. It is scheduled to join the Technip fleet in 2016. Purpose designed for the harsh conditions in the North Sea and Canadian waters, the *Deep Explorer* will be capable of working in extreme weather conditions. Her potential area of operation remains global. Upon delivery she will be the most advanced DSV in the world.
- In June 2014, Technip sold its shareholding in Seamec to HAL Offshore Limited (India). As a result of this transaction, the *Seamec 1, Seamec 2, Seamec 3, Seamec Princess* and *Alliance* were transferred to the buyer.
- During the third quarter of 2014, the *North Sea Atlantic* joined the Technip fleet. Technip entered into a long-term charter agreement with North Sea Shipping for the vessel in January 2013. The vessel was built at Bergen Group BMV AS in Bergen, Norway. Designed and built to meet the needs of the construction industry in Norway, this advanced subsea construction vessel is 142 meters in length and 27 meters in width. It is equipped with a 550-ton active heave compensation crane which is capable of working in depths of up to 3,000 meters, and is also fitted with a 2,000-ton under-deck carousel to store flexible pipes. The vessel's design specification meets the strictest requirements for subsea work and although it will work predominantly in the North Sea, it is also suitable for deepwater operations worldwide.

- During the fourth quarter of 2014, the *Coral do Atlantico* and the *Estrela do Mar* joined the Technip fleet. They were built in partnership with Odebrecht Oil and Gas, a Brazilian company. These two vessels are built solely for laying large diameter flexible pipelines in very deep water. They measure 146 meters in length with a flexible pipeline storage capacity of 4,000 tons, and are fitted with a vertical laying tower supporting up to 550-ton and are equipped with a 250-ton capacity deep water crane. Both vessels have started long-term charter agreements with the Brazilian oil company Petrobras.
- In September 2014, Technip sold the *Chickasaw* to Coral Marine Services LLC.
- In December 2014, as part of the divestment of its diving operations in the United States, Technip sold its diving support vessel, the *Global Orion* and terminated the long term charter agreement for the *Normand Commander.*
- In August 2015, the *Sunrise 2000* was retired from the fleet after more than 30 years of service mainly in Brazil.
- In November 2015, Technip sold the *Deep Constructor* to Stabbert Maritime LLC.
- During the fourth quarter of 2015, the *Skandi Africa* joined the operational fleet. In 2013, Technip and DOF entered into a long-term charter agreement in relation to the vessel. The hull was built by VARD, in Romania and Norway. It is a DP3 (Dynamic Positioning Class 3) construction support vessel, designed for harsh environments and deepwater subsea construction and flexlay operations, in depths of up to 3,000 meters. It is fully equipped with a 900-ton active-heave compensated main crane, 650-meters Tiltable Lay System, large deck area, under-deck storage capacity of 3,500-ton and two work-class TXLX ROVs rated for 4,000 meters water depth.
- In August 2013, the joint venture formed by Technip (50%) and DOF Subsea ("DOF") (50%) was awarded contracts by Petrobras to construct four new pipelay support vessels (PLSVs). Two of the PLSVs have a 300-ton laying tension capacity, the *Skandi Olinda* and the *Skandi Recife,* and are being fabricated in Brazil with a high national content. The other two vessels, the *Skandi Açu* and the *Skandi Buzios,* are designed to achieve a 650-ton pipelay capacity, thus enabling the installation of large diameter flexible pipes in ultra-deep water environment, such as the Brazilian pre-salt. VARD Holdings Limited, one of the major global designers and shipbuilders of offshore and specialized vessels, is in charge of the design and construction of the four PLSVs. Under Technip/DOF joint venture agreement, Technip will manage flexible pipelay and DOF will be responsible for marine operations. Delivery of the PLSVs is scheduled for 2016-2017. These contracts will last eight years from the start of operations, and may be renewed for another eight-year period. In June 2015, the construction of the *Skandi Açu's* hull at VARD in Romania was completed and, as of the date of this Reference Document, the vessel is in Norway for outfitting and commissioning. In December 2015, the construction of the *Skandi Buzios's* hull at VARD in Romania was completed and, as at the date of this Reference Document, the vessel is in Norway for outfitting and commissioning.

1.7. ORGANIZATIONAL STRUCTURE

1.7.1. Simplified Group Organizational Structure as of December 31, 2015

Technip SA is the Group parent company.

The Company is primarily a holding company that receives dividends and invoices management and administrative costs (in the form of management fees), as well as specific costs relating to insurance and guarantees provided.

The Company's revenues are, to a large extent, attributable to it its subsidiaries.

In addition, Technip Corporate Services (TCS), an entity dedicated to the Group's corporate activities, organizes the corporate teams and supports the Group's growth strategy. TCS teams serve all Regions and provide expertise in cross-Group functions such as QHSE, Human Resources, Finance, Tax, Legal, Product Lines, Communication, Security and IT.

1.7.2. Subsidiaries and Investments

The subsidiaries manage and perform the Group's obligations under its contracts. The Group's major subsidiaries include the following:

- Technip France, a simplified joint-stock company *(société par actions simplifiée)* located at 6-8, allée de l'Arche, 92400 Courbevoie (France). It is registered with the Company and Commercial Register of Nanterre under Number 391 637 865. Technip France has been active for over 50 years in the engineering and project construction fields for the oil and gas and chemical industries. It manages contracts in both segments of the Group's activities (Subsea and Onshore/Offshore). As of December 31, 2015, the Group controlled 100% of this company.
- Technip Italy S.p.A., located at Viale Castello della Magliana, 68 Roma 00148 (Italy). Since 1969, Technip Italy has been a leading contractor in engineering, technology and project construction, with consolidated experience in the design and implementation of large plants in all sectors of the oil and gas industry. It has the ability to develop large projects in several industries. It is active in the Onshore/Offshore segment. As of December 31, 2015, the Group controlled 100% of this company.

- Technip UK Ltd (Aberdeen), located at Enterprise Drive, Westhill, Aberdeenshire AB32 6TQ (United Kingdom). The company specializes in the Subsea segment and develops subsea projects (typically the fabrication, construction, installation and maintenance of pipelines and other subsea structures) for oil and gas operators, and provides specialist project support, research and development activities, as well as vessels and associated personnel and equipment for Technip's global subsea business. As of December 31, 2015, the Group controlled 100% of this company.
- Technip Geoproduction (M) Sdn Bhd, located at 2nd Floor Wisma Technip 241 Jalan Tun Razak, 50400 Kuala Lumpur (Malaysia). Created in 1982, this company is active in both of the Group's segments (Subsea and Onshore/Offshore). It is the leading engineering technology solutions and turnkey contract provider in the Asia Pacific region for the design and construction of hydrocarbon field development, oil refining, gas processing plants, petrochemicals and selected non-hydrocarbon projects. As of December 31, 2015, the Group controlled 100% of this company.
- Flexibras Tubos Flexiveis Limitada, a Brazilian company, located at 35 Avenida Jurema Barroso, Parte Centro, 29010 380 Vitória (Brazil). Created in 1984, this company's operational activity consists of the manufacture and sale of high-quality flexible pipes. Its manufacturing plant is strategically located near offshore oil and gas fields. As of December 31, 2015, the Group controlled 100% of this company.
- Technip USA, Inc., a US company, located at 11740 Katy Freeway, Suite 100, Houston, Texas 77079 (United States). It is active in the Subsea and Onshore/Offshore segments, most notably, in the construction of Spars. As of December 31, 2015, the Group controlled 100% of this company.
- Technip Ships (Netherlands) B.V. is a Dutch company, located at Boerhaavelaan 31, 2713HA Zoetermeer (The Netherlands). It is active in the Subsea segment and owns many of the Group's vessels. As of December 31, 2015, the Group controlled 100% of this company.

The table below shows key figures for Technip's major subsidiaries for the year ended December 31, 2015:

Consolidated figures (except dividends) *In millions of Euro*	Technip France	Technip Italy	Technip UK	Technip Geoproduction (M)	Flexibras Tubos Flexiveis	Technip USA	Technip Ships (Netherlands)
Revenues	2,510.2	245.2	1,411.7	439.4	700.8	1,206.4	123.3
Fixed Assets (excluding Goodwill)	32.8	23.6	749.8	13.4	224.0	31.9	577.3
Financial Debts (out of the Group)	-	-	-	-	306.9	2.2	-
Cash and Cash Equivalents	908.5	198.1	(80.2)	127.0	104.7	721.0	(104.6)
Dividends Paid during the Year to Technip S.A.	-	75.0	-	-	-	-	-
Amount Invoiced by Technip S.A. during the Year	99.0	6.8	27.0	9.1	1.3	19.5	1.8

The most significant acquisitions in 2015 are mentioned in the Note 2 (a) "Major Acquisitions" in Section 6.1 of this Reference Document.

On May 29, 2015, Technip acquired the remaining 50% of Doftech DA's shares from DOF Subsea AS. As a consequence, Doftech DA previously consolidated by equity method is consolidated at 100% by global integration. In addition, Technip becomes the sole owner of the *Deep Arctic* (ex-*Skandi Arctic*), a diving support vessel specially designed to meet the North Sea market requirements.

For a List of Subsidiaries and Investments please refer to the Company's Statutory Accounts as of December 31, 2015, included in Section 6.3.7 of this Reference Document.

#2 RISK FACTORS

GRI G4-14, G4-DMA

Investors should carefully consider all of the information in this Reference Document, including the risk factors described in this Section, before deciding whether to invest in the Company's securities. The risks described in this Section are risks that the Company has identified as of the date of this Reference Document, which could have a material adverse effect on the Group, its business operations, financial position, performance and growth if they were to materialize. Investors should be aware that there may exist other risks, currently unknown or unforeseen, which could also have a material adverse effect on the Group, its business operations, financial position, performance and growth.

2.1. RISKS RELATING TO THE GROUP AND ITS OPERATIONS

2.1.1. Risks Relating to the Group and its Operations

TECHNIP IS CONTRACTUALLY EXPOSED TO MATERIAL RISKS, WHICH COULD CAUSE TECHNIP TO INCUR LOSSES ON ITS PROJECTS

Technip is subject to material risks in connection with lump sum turnkey contracts, under which Technip designs, engineers, builds and delivers ready-to-operate industrial facilities for a fixed price. Actual expenses incurred in executing a lump sum turnkey contract can vary substantially from those originally anticipated for several reasons, including:

- unforeseen construction conditions;
- 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.

Under the terms of lump sum turnkey contracts, Technip is not always able to increase its prices to reflect factors that were unforeseen at the time its bid was submitted. As a result, 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. If costs were to increase for any of these reasons, Technip's profit margins could be reduced and Technip could incur a material loss under the contract.

UNFORESEEN ADDITIONAL COSTS COULD REDUCE TECHNIP'S MARGIN ON LUMP SUM CONTRACTS

Technip's engineering, procurement and construction ("EPC") Projects may encounter difficulties that could lead to cost overruns, lower revenues, litigation or disputes. These Projects are generally complex, requiring the purchase of substantial equipment and the management of large-scale construction Projects. Delays in the execution schedule may occur and Technip may encounter difficulties with the design, engineering, procurement, construction or installation in relation to these Projects. These factors could impact Technip's ability to complete certain projects in line with the initial schedule.

Technip may be held liable to pay cash compensation should it fail to meet deadlines or to comply with other contractual provisions. Difficulties in executing contracts (whether present or future) could also have a material impact on Technip's operating income and harm Technip's image in its industry and with its customers.

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 TECHNIP'S AVAILABLE CASH RESOURCES AND RESULTS OF OPERATIONS

Technip is continuously upgrading and developing its asset base. Such construction Projects are subject to risks of delay and cost overruns which are inherent to any large construction Project and which are the result of numerous factors, including the following:

- shortages of key equipment, materials or skilled labor;
- unscheduled delays in the delivery of ordered materials and equipment;
- issues regarding 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, in some circumstances, result in loss of revenues. Additionally, capital expenditures for construction Projects could materially exceed the initially planned investments, and/or can result in delays in putting such assets into operation.

TECHNIP MAY FACE RISKS RELATING TO SUBCONTRACTORS AND SUPPLIERS

Technip generally uses subcontractors and suppliers for the performance of its contracts. Any difficulty faced by Technip in hiring suitable subcontractors or acquiring equipment and materials could compromise its ability to generate a significant margin on a project or to complete it within the contractual timeframe.

Any delay on the part of subcontractors or suppliers in the completion of their portion of the project, any failure on the part of a subcontractor or supplier to meet its obligations, or any other event attributable to a subcontractor or supplier, that is beyond Technip's control, or not foreseeable by Technip could lead to delays in the overall progress of the project and/or potentially generate significant extra costs.

Technip is also exposed to risks linked to the activity of its subcontractors and suppliers in respect of the execution of the portion of the Project that they realize, if their financial capacity is significantly altered or if they do not abide by certain of their contractual commitments towards Technip.

Technip could be required to compensate customers for such issues. Even if Technip was entitled to make a claim for these extra costs against the defaulting supplier or subcontractor, Technip could be unable to recover the entirety of these costs and this could impact Technip's financial results or objectives.

EQUIPMENT OR MECHANICAL FAILURE COULD IMPACT PROJECT COSTS AND REDUCE TECHNIP'S FINANCIAL RESULTS

The successful execution of Projects by Technip is dependent on the reliability of its assets. Nevertheless, Technip could experience equipment or mechanical failures. These could result in greater Project-execution costs, but also lead to delays in ongoing or subsequent projects for which such assets were intended to be used.

Any equipment or mechanical failure, with respect to Technip's principal assets could impact Project costs, and lead to penalties for failure to comply with a Project's contractual conditions. Any such event could materially affect the Project's finances and Technip's operational results.

TECHNIP'S OPERATIONS COULD BE IMPACTED BY TERRORIST ACTS, UPRISINGS, WARS OR REVOLUTIONS WHETHER NATIONALLY OR INTERNATIONALLY AND BE IMPACTED BY THE CONSEQUENCES OF SUCH EVENTS. FURTHERMORE, A NUMBER OF PROJECTS ARE LOCATED IN COUNTRIES WHERE POLITICAL, ECONOMIC AND SOCIAL INSTABILITY COULD DISRUPT THE COMPANY'S OPERATIONS

In 2015, a number of Technip's business operations were carried out in areas where the risks of terrorism, acts of piracy, wars or revolutions, unpredictable political changes, or social unrest were prominent, as was the situation in 2011 in the Middle East. The occurrence of those risks could result in a decline in the Group's profits and could negatively impact its financial results.

Political instability in general may reduce the number of potential projects that meet Technip's risk management criteria. It could also lead to more significant expenses and therefore impact the Group's financial results, while limiting growth prospects.

It is possible to mitigate these risks in such areas, by conducting specific and then permanent risk analyses, based on appropriate preventive and protective measures, and regular audits of the security measures that are already in place.

Technip may, when necessary, contract with insurance companies and export-credit agencies to obtain insurance policies to cover political risk. However, in the event of a major national or regional political turmoil, the insurance policy may be inadequate to prevent loss for ongoing Projects. Such a loss could reduce Technip's net income or cause a net loss.

TECHNIP'S OPERATIONS MAY CAUSE HARM TO PERSONS AND ASSETS, WHICH COULD DAMAGE THE COMPANY'S REPUTATION OR CAUSE IT TO INCUR SUBSTANTIAL COSTS, IF SUCH HARM WERE NOT TO BE COVERED CONTRACTUALLY OR THROUGH INSURANCE

Technip's operations are subject to the risks inherent to any company providing engineering and construction services to oil and gas, petrochemical and mining industries such as equipment failures, personnel injuries, fires or explosions. Should these risks materialize, they could result in death and injuries, cause the permanent or temporary disruption of Technip's operations, cause damage to movable property and real assets, pollution or other environmental damage, all of which could result in claims being brought against Technip, or claims being brought by subsequent operators of facilities designed by Technip.

Technip's policy is to contractually limit its liability and provide for indemnity provisions, as well as to obtain insurance coverage. However, such precautions may not always provide full protection from liabilities. Technip may be deemed, as a matter of law, to be liable pursuant to environmental and employment laws in certain jurisdictions where Technip operates. In addition, clients and subcontractors might not have adequate financial resources to meet their indemnification obligations to Technip.

Furthermore, losses may result from risks that are not addressed in Technip's indemnity agreements or that are not covered by its insurance policies.

Finally, the Group may not be in a position to obtain adequate insurance coverage on commercially reasonable terms for certain types of risks. Failure to have appropriate and adequate insurance coverage in place for any of the reasons discussed hereinabove could subject Technip to substantial additional costs and potentially lead to losses. Additionally, the occurrence of any of these events could harm Technip's image and negatively impact its financial results.

MARITIME SECURITY RISKS

Piracy risks, predominantly in the Gulf of Guinea, the Somali Basin and the Gulf of Aden, but also in South East Asia, Malacca and Singapore Straits, remain material. Piracy represents a risk for both Technip's Projects and its vessels which operate and transit through sensitive maritime areas. Maritime risks have the potential to significantly harm crews (whether physically or psychologically) or to negatively impact the execution schedule for a Project or Projects. If Technip's maritime employees or assets are endangered, additional time may be required to find an alternative solution, which may delay the Project realization and negatively impact Technip's image.

AIR TRAVEL RISKS

Technip operates in several countries where the performance of airlines or the air-traffic control network is poor or does not comply with OECD standards. The limited number of flights to certain destinations, particularly domestic flights, can result in employees having to use alternative means of transportation. Should air travel risks materialize, they could impact the safety of employees, human resources, the execution of a Project, or the schedule for submission of an offer and may harm the Group's image.

RISKS RELATED TO INFORMATION AND INFORMATION SYSTEMS

IT networks and applications are an essential part of Technip's engineering operations. A weakness, a malfunction, a malice or an attack against the Group's information systems may result in a delay in the execution of a Project or may negatively impact the Group's image and the time required to complete certain operations within Projects.

RISKS RELATED TO EXTERNAL FRAUD

Like other companies, Technip may be a target for external fraud attempts and represents a potential target for fraudulent activity. Indeed, the Group has a global presence in several countries with varied legal and fiscal environments and with diverse financial and banking systems.

If an external fraud succeeds, it may have a financial impact as well as an impact on the reputation of the Group and its interests.

DEPENDENCE

Technip believes that the large portfolio of technologies that it owns or that it licenses from third parties is a strategic asset in winning and executing its Projects. However, Technip could become subject to legal action brought by third parties seeking to enforce intellectual property rights, which they may claim to have.

Such legal actions could have a material impact on the operations and image of Technip and result in a decline in Technip's market share, which would have an effect on the Group's results as a consequence.

However, Technip does not believe that its business or financial results are dependent upon any single patent, brand, technology or intellectual property right.

Technip is not dependent upon its suppliers. Technip is not limited in its choice of suppliers and approaches all suppliers that are active on the global market.

As a result of its customer base, Technip is not dependent on any individual customer. Over the course of the last two financial years, the revenues generated from the top client, top five clients and top 10 clients can be broken down as follows:

In % of Group revenues	2015	2014
Revenues from the top client	11.1%	9.8%
Revenues from the top five clients	41.5%	35.8%
Revenues from the top 10 clients	59.8%	46.3%

THE SUCCESS OF JOINT VENTURES OR CONSORTIA IN WHICH TECHNIP PARTICIPATES DEPENDS ON THE SATISFACTORY PERFORMANCE OF ITS PARTNERS' OBLIGATIONS

The failure of one of Technip's partners to perform their contractual obligations could lead to (i) additional obligations being imposed on Technip, such as the taking over of the defaulting partner's obligations, or (ii) additional costs being incurred by Technip, as a result of a partner's poor performance of its obligations, (such as a delay in performance) which could in turn reduce Technip's profits or, in certain cases, generate material losses.

TECHNIP HAS MADE AND MAY CONTINUE TO MAKE ACQUISITIONS THE IMPACT OF WHICH MAY BE LESS FAVORABLE THAN ANTICIPATED ON ITS ACTIVITIES AND FINANCIAL RESULTS, OR AFFECT ITS FINANCIAL POSITION OR PROSPECTS

As part of its development strategy, Technip has made and may continue to make acquisitions. These acquisitions may be of varying size, including some which are significant at Group level, and may take the form of company or equity purchases, mergers or formations of joint ventures. These acquisitions may be subject to the following risks: (i) the business plan assumptions underlying the valuations may not be accurate, especially regarding market price, cost savings, earnings, synergies, assessment of market demand and expected profitability; (ii) the Group may not successfully integrate the acquired companies, their technologies, product lines and employees; (iii) the Group may not be able to retain certain employees, customers or key suppliers of the acquired companies; (iv) Technip could be forced to increase its debt to finance these acquisitions, thus limiting its financial flexibility and opportunities to contract new loans in the future; and (v) the Group may be forced to give undertakings to merger control authorities that, once implemented, would be on less favorable terms than those initially expected by the Group. Consequently, the benefits expected from future acquisitions or acquisitions already carried out may not occur within the set timeframe and this may affect the expected financial situation or prospects of the Group.

2.1.2. Risks Relating to the Group's Industry

TECHNIP COULD FAIL TO RETAIN ITS KEY PERSONNEL OR ATTRACT THE QUALIFIED EMPLOYEES IT MAY NEED TO MAINTAIN AND DEVELOP ITS KNOW-HOW

Technip's success is dependent upon its ability to recruit, train and retain a sufficient number of employees including managers, engineers and technicians who have the required skills, expertise and local knowledge.

The restructuring of the workforce, which began in July 2015, must not result in Technip losing key personnel involved in Project delivery. In all concerned entities, departures have been defined based on jobs and workload forecasts for the months and years to come. For this purpose, positions with a diminished work load have been targeted as a priority.

A Group initiative, Global Resourcing, was launched at the end of 2015 to maximize redeployment opportunities for key personnel impacted by the restructuring. The process will be extended and sustained in 2016.

Technip continues to prepare for the future by securing leadership and management succession plans. Relationships with universities are maintained so as to maintain a sufficient pool of talent and be prepared for the market recovery.

TECHNOLOGICAL PROGRESS MAY RENDER THE TECHNOLOGIES USED BY TECHNIP OBSOLETE

The oil industry is pursuing oil and gas reserves in increasingly difficult conditions, such as deep seas, high-pressure and high-temperature reservoirs and extreme conditions, particularly in the Arctic. Technological development is key in overcoming these difficulties and provides a significant competitive advantage.

Unlike other sectors, this industry has not experienced any major or disruptive shifts in technology; however continuous research and development (R&D) is required to continually push the boundaries of production-exploration. Technip's success relies on continuous and regular R&D to develop new products and new installation methods that will provide solutions at a cost acceptable to the market (please see Section 1.5 and Note 4 (c) of Section 6.1 of this Reference Document for details regarding the R&D policy and expenses).

In an increasingly competitive market, technology differentiation remains key to maintaining Technip's position. Clients expect that Technip will focus on quality, reliability and cost effectiveness in developing new products and services. Failure to sustain continuous and regular research and development could result in a decline in Technip's market share, which could have a significantly negative impact on its operations and financial results.

INCREASING PRESSURE ON PRICES CAUSED BY COMPETITION COULD RESULT IN FEWER CONTRACTS MEETING TECHNIP'S MARGIN CRITERIA

Technip obtains most of its contracts by participating in competitive bidding processes, as is customary in this industry. Technip's main competitors are engineering and construction companies in the Americas, Europe, Asia Pacific and the Middle East. While service quality, technological capability, reputation and experience are all considered by clients in making their decisions, price remains the decisive factors for most clients. Historically, this industry has always been subject to an intense price competition. Such competition has intensified over the past decade, particularly due to new emerging players, and could have a negative impact on the Group's backlog and consequently on the Group's revenues

A FINANCIAL AND ECONOMIC CRISIS MAY HAVE AN IMPACT ON LOANS, LETTERS OF CREDIT, BANK GUARANTEES AND OTHER GUARANTEES NECESSARY TO TECHNIP'S OPERATIONS

Technip benefits from significant short and long-term credit facilities, as well as bank guarantees from a large number of financial institutions, enabling Technip to meet its contractual obligations.

A significant proportion of the financial debt of the Group has been entered into at fixed interest rates; the Group is protected against any increase in the interest rates with respect to its current utilized debt. This financial debt arising from issues or placements performed by Technip with financial investors, the risks affecting the debt financial market could have an effect on Technip's conditions to access this market.

Adverse changes in the banking market may have a material impact on the future issuance of significant bank guarantees and letters of credit, and may require the involvement of several banks. These issuances may be more restrictive and more expensive to configure in a banking market where, banks would be reluctant to take risks in the inter-bank market. This could impact Technip's capacity to develop its business, its backlog and its earnings.

Despite Technip's credit-risk management and hedging procedures, particularly during Project assessments where such procedures begin at the offer stage (as described in Section 1.3.3 of this Reference Document), Technip cannot guarantee that it will not be required to bear the direct risk of financial failure from any of its clients, partners or subcontractors following the loss of financing for certain Projects or due to the increase in negotiation periods for the financing of Projects to which Technip is a contractor. Such trends may have a materially adverse impact on Technip's operations and results.

THE DECREASE IN AVAILABLE EXPORT CREDITS AND BANK LOANS MAY RENDER THE FINANCING OF CERTAIN PROJECTS MORE DIFFICULT FOR TECHNIP'S CLIENTS AND LEAD TO A DECREASE IN THE NUMBER OF NEW PROJECTS, WHICH COULD LIMIT TECHNIP'S GROWTH OPPORTUNITIES

Technip and its subsidiaries remain in contact with many export credit agencies to promote Projects which may generate new contracts, and to obtain their assistance as exporter in the hedging or guarantee for such Projects. Technip's clients negotiate and obtain export credit facilities financed by banks with the support of export credit agencies, as well as loans financed by commercial credit providers; these two forms of credit facilities are used to finance Projects of certain of Technip's clients. Should the level of support received from these export credit agencies decline, or if the amount of the commercial credit, whether or not backed by export credit agencies, were to be reduced from their current levels, or if the interest rates or the commercial credit margins were to significantly grow for these credit facilities, the Group's customers may decide to undertake fewer Projects or decide to postpone the completion of certain Projects. Any decline in the number of new contracts resulting from this could limit Technip's growth opportunities and have a material impact on its operations.

A REDUCTION IN INVESTMENTS IN THE OIL SECTOR COULD CAUSE TECHNIP'S PROJECTS TO BE POSTPONED OR CANCELLED AND COULD LIMIT TECHNIP'S ABILITY TO INCREASE OR MAINTAIN ITS PROFITS

Technip's business is largely dependent on investments made in the oil industry to develop onshore or offshore oil and gas reserves, as well as to process oil, natural gas and their by-products in refining units, on petrochemical sites and at natural gas liquefaction plants.

The level of investment in this sector is significantly impacted by oil and gas prices on world markets, as well as expectations of fluctuations in these prices. High volatility in oil and gas prices could lead oil and gas companies to delay or even cancel their investment projects.

In the upstream sector of the oil industry, an extended decrease in oil and gas prices, with no corresponding simultaneous decrease in development costs, such as equipment procurement costs, could force customers to suspend, or significantly reduce, or even cancel the amount of their investments.

In the downstream sector of the oil industry, one of the main drivers for new investments is world economic growth led by emerging economies. A slowdown in world economic growth could put downward pressure on the demand for products derived from oil and gas, including fuel and plastics. Any decrease in the rate of demand would reduce incentives for Technip's clients to invest in additional treatment capacity.

Finally, investments in the oil sector are not only influenced by oil prices and world economic growth, but also by other factors, including:

- the level of exploration and development of new oil and gas reserves;
- the rate of decline of existing reserves;
- changes in the global demand for energy;
- political, economic and geopolitical conditions; and
- changes in environmental legislation and regulations.

A decrease in investments in the oil and gas industry, caused by one of the factors mentioned above, or for any other reason, could decrease Technip's ability to maintain or increase its operating income and profits.

RISKS DUE TO WEATHER CONDITIONS

Severe weather conditions in the countries in which Technip operates, could have a materially adversely impact on Technip's operations, requiring the evacuation of its employees and the suspension of its activities. Such events may cause a decline in revenue for the relevant business unit and a substantial increase in the costs involved in the maintenance or repair of such assets.

2.2. INDUSTRIAL AND ENVIRONMENTAL RISKS

THE OPERATION OF FACILITIES THAT TECHNIP USES OR USED, BUILT OR IS CURRENTLY BUILDING MAY EXPOSE TECHNIP TO LIABILITY FOR NON-COMPLIANCE WITH ENVIRONMENTAL PROTECTION AND INDUSTRIAL RISK PREVENTION REGULATIONS

Technip operates in countries that have increasingly stringent and constantly changing regulations, which relate to environmental protection and to the operation of industrial sites. Technip could be held liable for environmental liabilities pursuant to the rules and regulations issued by the main countries in which it operates, and in particular, Directive 2004/35/EC of the European Parliament and of the Council of April 21, 2004 on environmental liability with regard to the prevention and remedying of environmental damage, which has been implemented into the legislation in most of the EU member states in which Technip operates. In particular, Technip could be held liable for pollution, including the release of petroleum products, hazardous substances and waste from the Group's production, refining or industrial facilities, as well as other assets owned, operated or which were previously operated by the Group, its customers or subcontractors. A breach of environmental regulations could result in: (i) Technip having to restore polluted sites at substantial cost; (ii) the suspension or prohibition of certain operational activities; or (iii) Technip's liability for damages suffered by third parties, each of which could have a negative impact on the Group's operations and financial results.

Although Technip does not directly operate facilities that fall within the scope of Article L. 515-36 of the French Environmental Code for high threshold Seveso sites, some of its activities (construction, installation or start-up) are carried out at industrial facilities which are themselves exposed to industrial and environmental hazards.

In the event of a major industrial accident in a facility exposed to such hazards, Technip's liability for damages to its employees or property, as an onsite participant, or the loss of an important customer as a result of such accident, could have a negative impact on the Group's results of operations. During fiscal year 2015, no provision was made, due to the exceptional nature of the occurrence of such risks and the difficulty in quantifying them.

CLIMATE CHANGE COULD HAVE AN UNFAVORABLE IMPACT ON TECHNIP'S OPERATIONS AND INCOME

Technip classifies risks resulting from climate change into two categories, each of which is approached separately in terms of economic risk:

1. regulatory risks arising from more stringent international, European or national regulations aimed at reducing greenhouse gas emissions; and
2. competition risks from a further shift in client demand for more energy-efficient products and processes to reduce greenhouse gas emissions.

Each of these risks could have a materially adverse impact on Technip's compliance with contractual completion deadlines, as well as the financial results of Technip's operations:

1. Technip has no facilities that fall within the scope of either the French national scheme for greenhouse gas quota (PNAQ III for the 2013-2020 period), or Directive 2010/75/EU of the European Parliament and of the European Council of November 24, 2010 on industrial emissions (integrated pollution prevention and control). Investments in the petroleum industry can be materially affected by changes in environmental laws or regulations, applicable either to the Project or the relevant business sectors. If certain regulations change in an unexpected manner, or impose requirements with which Technip may not be able to comply, the obligations imposed by such laws or regulations could have a significantly negative impact on the Group's operations and financial results.
2. If the Group does not sufficiently anticipate developments in technologies that lower greenhouse gas emissions and are based on renewable energies, Technip would no longer be able to meet market demand, which in turn would have a negative impact on its operations and financial results.

TECHNIP COULD FACE CLAIMS FOR OCCUPATIONAL DISEASES RELATED TO ITS EMPLOYEE'S EXPOSURE TO VARIOUS RISKS AND BE HELD RESPONSIBLE AS AN EMPLOYER

As is the case for most diversified industrial groups, Technip may be exposed to claims for occupational diseases related to its employees' exposure to various risks such as noise, musculoskeletal disorders or asbestos. To prevent any such harm to its employees, Technip implements prevention programs designed to reduce specific health risks. In the event that occupational diseases related to asbestos were to be discovered or reported, Technip could be held liable. Technip could also be required to pay substantial indemnities to the victims or to the relevant beneficiaries under local law.

COUNTRIES WHERE TECHNIP CONDUCTS ITS OPERATIONS MAY REINFORCE THEIR REGULATIONS REGARDING NATIONAL CONTENT, THEREBY EXPOSING TECHNIP TO LIABILITY IN RESPECT OF SUCH SOCIAL REGULATIONS AND OTHER RELATED RISKS

Technip operates in countries with increasingly stringent and constantly evolving regulations in relation to social protection and employment. Certain countries, in particular emerging economies and developing countries, aim at imposing more onerous regulations in relation to local content requirements regarding operations conducted by or for foreign businesses, particularly regarding the employment of local workers, the provision of products and services by local businesses, and social investment in favor of local communities.

Technip could be held liable for a breach of any of these regulations and a failure to take into account local content requirements could expose Technip to operational risks. For example, if the Company failed to meet an obligation to improve the employability of local workers, Technip could be unable to conduct its operations due to a shortage of skilled personnel. In addition, Technip could suffer from difficulties further along the supply chain due to a failure to contribute to the sustainable development of the broader local economy. Finally, Technip may have to carry out its operations in a context of social injustice, poverty or poor management of natural resources which may be a source of discontent from local communities in terms of human development and environmental conservation, which may cause or exacerbate local instability, thereby exposing the Company to risks of direct losses including, among others, the boycott of supply and/or production, in addition to risks relating to reputational damage.

In addition to the risks mentioned above, due to the national environment and the nature of the industry in countries where Technip operates, Technip is also exposed to one risk in particular, common to all sustainable development concerns: the risk of damage to its image and reputation due to irresponsible behavior or a focus on short-term profits. There is a risk that this type of behavior can occur not only at the level of the entities and projects of the Company but also at each stage of Technip's value chain. The subcontracting and supply chain may reveal acts or events that are contrary to Technip's ethical principles and sustainability policies, and which may be unknown to Technip in so far as they occur before Technip's involvement. Clients and Project sponsors may also act contrary to these principles and policies, resulting in accidents or exposure to reputational damage. All this may directly or indirectly affect the image and reputation of Technip, which could ultimately impact Technip's ability to break into new markets, create jobs or implement its operations in certain countries, ultimately resulting in financial losses.

2.3. REGULATORY AND LEGAL RISKS

NEW GOVERNMENTAL LAWS OR REGULATIONS MAY HAVE A NEGATIVE IMPACT ON TECHNIP'S BUSINESS

Technip's operations and manufacturing activities are governed by international, regional, transnational and national laws and regulations in every place where it operates, and in various often-changing fields, such as securities laws, internal control, health and safety, privacy and data protection, ethics, anti-corruption, labor and environmental laws, export control on certain specifically enumerated items or strategic industries, as well as compliance with trade or other sanctions, including, as of recently, political and economic sanctions involving the Russian Federation. Technip may be required to make financial and technical investments, suspend its activities in certain countries or may be further limited in its ability to access certain markets or countries, for an indefinite period of time, to comply with these laws and regulations, and any changes thereto. In addition, any misconduct or failure to comply with these laws and regulations could expose Technip or its employees to criminal, civil and administrative liabilities and could damage Technip's reputation or have an adverse impact on its share value.

Technip cannot guarantee that, in exceptional cases, some of its assets will not be nationalized or expropriated or that some of its contractual rights will not be challenged. The materialization of such risks could result in a loss of the Group's market share and have a material impact on the Group's operations, the balance sheet and financial results.

CHANGES IN TECHNIP'S OPERATIONAL ENVIRONMENT, IN PARTICULAR CHANGES IN TAX REGULATIONS OR INTERPRETATIONS THEREOF IN COUNTRIES WHERE TECHNIP IS ACTIVE, MAY IMPACT THE DETERMINATION OF TECHNIP'S TAX LIABILITIES

Technip operates in many countries and, as a result, is subject to taxes in a number of different jurisdictions. Revenue including net income actually earned, deemed net profit and withholding taxes generated in the various jurisdictions, are taxed differently. The final determination of Technip's tax liabilities requires an interpretation of local tax laws, treaties and the practices of the tax authorities of each jurisdiction in which Technip operates, as well as the making of assumptions regarding the scope of future operations and the nature and timing of the financial results generated by such operations. Changes in tax regulations and practices could materially impact Technip's tax liabilities if, contrary to the recommendations of the Group's Tax Department, the Group was not contractually protected against a risk incurred as a result of a change in tax regulations, interpretations and practices.

IF TECHNIP FAILS TO EFFECTIVELY PROTECT ITS TECHNOLOGIES, CERTAIN COMPETITORS COULD DEVELOP SIMILAR TECHNOLOGIES, CAUSING TECHNIP TO LOSE ITS COMPETITIVE ADVANTAGE AND RESULTING IN A LOSS OF REVENUE

Some of Technip's products, including the processes used by Technip to produce and market such products, are patented, are subject to patent applications, or represent trade secrets. However, not all countries offer the same level of protection for intellectual property rights. If Technip's intellectual property rights were to be considered invalid, could not be protected, or if there was a failure to obtain a particular patent, its competitors could then independently develop and exploit technologies similar to Technip's unpatented or unprotected technologies. Such events could have an impact on the Group's brand, operations or financial results.

Technip could be required to take legal action in order to enforce its intellectual property rights, as well as to assess the validity and scope of rights held by third parties. Technip could also be subject to legal action brought by third parties seeking to enforce intellectual property rights, which they claim to hold. Any court proceedings could result in major costs and require the dedication of resources, which could have an impact on Technip's operating income.

THE GROUP MAY BE INVOLVED IN LEGAL PROCEEDINGS WITH CLIENTS, PARTNERS, SUBCONTRACTORS, EMPLOYEES AND TAX OR REGULATORY AUTHORITIES

The Group is occasionally involved in legal proceedings with clients, partners, subcontractors and tax or regulatory authorities in its course of business. Certain of these proceedings can notably lead to Technip having to pay damages and punitive damages, equitable remedies or criminal or civil sanctions, fines or disgorgement of profit. In individual cases this may also lead to formal or informal exclusion from tenders or the revocation or loss of business licenses or permits. These proceedings can also lead financial institutions that granted financings to Technip, to acknowledge the breach of certain undertakings, and insurance companies to reassess the policies that Technip benefits of.

The Group may also be involved in proceedings initiated by (i) employees or former employees of the Group with occupational disease claims related to certain activities (*e.g.,* diving) or to exposure to hazardous substances (*e.g.,* asbestos), (ii) tax or regulatory authorities or (iii) any third parties. Should any of these risks materialize, Technip's image or financial results could be negatively impacted.

THE DOUBLE VOTING RIGHTS GRANTED TO SHAREHOLDERS PURSUANT TO TECHNIP'S BY-LAWS AND THE CHANGE OF CONTROL PROVISIONS THAT ARE CONTAINED IN CERTAIN AGREEMENTS TO WHICH TECHNIP IS A PARTY, COULD LIMIT THE PREMIUM THAT MAY BE OFFERED BY A POTENTIAL ACQUIRER

Since the Shareholders' Meeting of November 24, 1995, the Company's by-laws *(statuts)* have provided that shareholders who have held fully paid-up shares in registered form in their name for at least two years have the right to two votes for every share held. Double voting rights are automatically lost in the event that such shares are converted into bearer form or are transferred. Double voting rights can only be cancelled when approved by an Extraordinary General Meeting of the Company's shareholders, further to receiving the approval of such double voting rights holders during a special assembly.

As of February 29, 2016, 11,876,324 shares carried double voting rights, representing approximately 9.97% of the share capital and approximately 18.14% of the voting rights in the Company.

A takeover of Technip could potentially trigger the relevant provisions of certain commercial contracts having an *"intuitu personae"* nature, particularly with respect to license agreements. The direct effect of such provisions which could allow contractual rights to be challenged (*e.g.* by a licensor), should not prevent or delay a change in control but could decrease the Group's access to certain markets.

Double voting rights, as well as the change of control provisions discussed above, could make it more difficult for a potential buyer to acquire a percentage of the Company's share capital, or may even force the potential buyer to abandon such an acquisition altogether. These provisions may constitute a defense against hostile takeovers and could delay or even deter a change of control, pursuant to which the Company's shareholders could have received a premium, over the then-prevailing market price of the Technip's shares.

TECHNIP'S REMAINING WORK IN IRAN RELATED TO CERTAIN PROJECTS, ALTHOUGH LIMITED, MAY BE SUBJECT TO US SANCTIONS, NOTWITHSTANDING THE US SANCTIONS RELIEF ON JANUARY 16, 2016, WHICH COULD RESTRICT ITS ABILITY, OR EVEN PROHIBIT IT FROM DOING BUSINESS IN THE UNITED STATES OR WITH US PERSONS OR ENTITIES

As a multinational corporation organized outside the United States and with operations throughout the world, Technip operates in certain countries where US persons, US entities and, in certain cases, non-US entities that are owned or controlled by US entities, are prohibited from doing business. Non-US persons and non-US entities (even if not US-owned or controlled) are exposed to the risk of sanctions or penalties in certain situations. On January 16, 2016, the majority of such US sanctions on Iran targeted at non-US persons, including the Iran Sanctions Act of 1996 ("ISA"), as further amended and expanded by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of July 2010 ("CISADA"), the Iran Threat Reduction and Syria Human Rights Act of 2012, the Iran Freedom and Counter-Proliferation Act of 2012, as well as certain US Executive Orders and regulations, were lifted. However, certain sanctions targeted at US persons and non-US persons remain. As of the date of this Reference Document, Technip's revenue generated by residual obligations linked to prior contracts was close to zero. Technip cannot however completely exclude the risk of sanctions for its actions prior to or, as the case may be, after January 16, 2016, under the ISA and CISADA and current or future US laws and regulations or developments. Technip implements procedures to ensure that projects carried out in countries which are subject to economic sanctions are undertaken in compliance with these sanctions. However, in the event that sanctions are imposed under US sanction laws, such sanctions could significantly increase Technip's costs of borrowing and substantially reduce its business opportunities.

2.4. CREDIT/COUNTER-PARTY RISK

The global market for the production, transportation and transformation of hydrocarbons and by-products, as well as the other industrial sector markets in which the Group operates, is dominated by a small number of companies. As a result, Technip's business relies on a limited number of customers. The Group regularly performs a credit risk analysis before entering into contracts and puts in place payment guarantees and procedures for monitoring customer payments as necessary.

In 2015, and as of the date of this Reference Document, the Group had not experienced any significant payment defaults by its clients. Please see Note 16 to the Consolidated Financial Statements included in Section 6.1 of this Reference Document, indicating the amounts for doubtful accounts and provisions made for their depreciation.

For information purposes, the percentages of consolidated revenue generated from Technip's top client and the consolidated revenue generated by its top five and top 10 customers are reported in Section 2.1 of this Reference Document.

2.5. LIQUIDITY RISK

The Group's exposure to liquidity risks is presented in Note 32 (a) to the Consolidated Financial Statements included in Section 6.1 of this Reference Document.

As of December 31, 2015, Standard & Poor's corporate credit rating for Technip was BBB+/Stable/A-2.

Technip's business generates negative working capital requirements. The contractual terms and conditions for payment are negotiated between the Group's entities and their clients, suppliers or subcontractors for the realization of projects. These terms and conditions provide the Group's entities with cash resources and are reflected in the accounts, in particular the consolidated accounts, by a negative working capital requirement.

- Technip's financing needs are met pursuant to a Group policy implemented by the Finance and Control Division.
- Cash management is centralized at the head office and coordinated through finance departments located in the Group's main operating subsidiaries.

  Technip Eurocash SNC, a French general partnership *(société en nom collectif),* acts to centralize cash pooling for the Group's main entities, in compliance with applicable laws and regulations in each of the relevant countries. Technip Eurocash SNC has entered into cash pooling agreements with most of the Group's subsidiaries to consolidate surplus cash and to meet their needs, except where local economic and financial considerations have required recourse to external local debt.
- As of December 31, 2015, the Group had multiple financing sources for financing its general corporate needs, or for financing new assets or certain operations.

2010-2016 CONVERTIBLE BONDS

On November 17, 2010, Technip issued 6,618,531 bonds convertible into and/or exchangeable for new or existing shares (OCEANE) for approximately €550 million. The bonds will be redeemed at par on January 1, 2016 except in the event of an early conversion, exchange or redemption. Bondholders have the option to convert their bonds into shares at any time at the ratio of one share for one bond. In addition, the Group has the option to call for the early redemption of all outstanding bonds at any time on or after the third anniversary of the issue date for a price at par plus accrued interest if the quoted value of the share exceeds 130% of the par value of the bond.

The nominal value of each bond was set at €83.10. The bonds are listed on the Euronext Paris market.

The bonds bear interest at an annual rate of 0.50% payable annually in arrears on January 31 of each year, *i.e.,* €0.42 per year and per bond.

The main purpose of the convertible bond issue was to partially refinance the 2004-2011 bond issue, as well as to secure long-term financing to cover the Group's investments.

The bonds will be convertible into or exchangeable for new/existing Technip shares at the ratio of one share per bond, subject to future anti-dilution adjustments as further described in the bond documentation, *i.e.,* the *Note d'opération* approved by the AMF on November 9, 2010 under No. 10-392.

The bond issue was rated BBB+ by Standard & Poor's. The *Note d'opération* contains covenants and default clauses standard for this type of bond issue, and does not contain any financial covenant. The issue provides that in the event of a change of control of Technip, any bondholder may, at its sole option, request the early redemption in cash of all or a portion of the bonds it holds.

As of the date of the issue of the bonds, the debt booked as non-current financial debt in the statement of financial position amounted to the fair value of the debt component. The fair value of the debt component is decreased in proportion to the costs and expenses related to the issue. The difference between the nominal value of the OCEANE and the fair value of its debt component is recorded as shareholders' equity. As of December 31, 2015, the current financial debt in the statement of financial position relating to the bond issue amounted to €550 million and the shareholders' equity amounted to €63.3 million. The bonds were redeemed in cash at the beginning of January 2016.

2011-2017 CONVERTIBLE BONDS

On December 15, 2011, Technip issued 5,178,455 bonds convertible into and/or exchangeable for new or existing shares (OCEANE) for approximately €497.6 million. The bonds will be redeemed at par on January 1, 2017 except in the event of an early conversion, exchange or redemption. Bondholders have the option to convert their bonds into shares at any time at the ratio of one share for one bond. In addition, the Group has the option to call for the early redemption of all outstanding bonds at any time on or after the third anniversary of the issue date for a price at par plus accrued interest if the quoted value of the share exceeds 130% of the par value of the bond.

The nominal value of each bond was set at €96.09. The bonds are listed on the Euronext Paris market.

The bonds bear interest at an annual rate of 0.25% payable annually in arrears on January 31 of each year, *i.e.* approximately €0.24 per year and per bond. The first coupon payment on January 31, 2013 amounted to approximately €0.03 per bond.

The main purpose of the convertible bond issue was to partially restore the Group's cash balance position following the acquisition of Global Industries, Ltd. in December 2011 for a cash consideration of USD936.4 million.

The bonds will be convertible into or exchangeable for new/existing Technip shares at the ratio of one share per bond, subject to future anti-dilution adjustments as further described in the bond documentation, *i.e.,* the *Note d'opération* approved by the AMF on December 7, 2011 under No. 11-562.

The bond issue was rated BBB+ by Standard & Poor's. The *Note d'opération* contains standard covenants and default clauses for this type of bond issue and does not contain any financial covenant. The issue provides that in the event of a change of control of Technip, any bondholder may, at its sole option, request the early redemption in cash of all or a portion of the bonds it holds.

As of the date of the issue of the bonds, the debt booked as non-current financial debt in the statement of financial position amounted to the fair value of the debt component. The fair value of the debt component is decreased in proportion to the costs and expenses related to the issue. The difference between the nominal value of the OCEANE and the fair value of its debt component is recorded as shareholders' equity. As of December 31, 2015, the non-current financial debt in the statement of financial position relating to this bond issue amounted to €481.1 million and shareholders' equity amounted to €73.1 million.

2010 PRIVATE PLACEMENT NOTES

On July 27, 2010, Technip received proceeds of €200 million from private placement notes pursuant to contractual terms and conditions agreed on November 19, 2009. The purpose of this private placement was to partly finance the 2004-2011 bond issue, which was repaid at its maturity date on May 26, 2011. The notes have a 10-year term from July 27, 2010 and an annual coupon of 5%. This placement includes covenants and default provisions that are customary for such bond issue and does not contain any financial covenant. The notes are listed on the Luxembourg Stock Exchange.

2012 PRIVATE PLACEMENT NOTES

In June 2012, Technip completed three long-term private placements, each subscribed by a different investor, for an aggregate amount of €325 million. These bond issues consisted of:

- €150 million 10-year private placement notes (having a maturity date of June 14, 2022), issued on June 14, 2012, with an annual coupon of 3.40% payable annually in arrears on June 14 of each year. These private notes have been rated BBB+ by Standard & Poor's and are listed on the Euronext Paris market;
- €75 million 15-year private placement notes (having a maturity date of June 15, 2027), issued on June 15, 2012, with an annual coupon of 4.0% payable annually in arrears on June 15 of each year. These private notes have been rated BBB+ by Standard & Poor's and are listed on the Euronext Paris market; and
- €100 million 20-year private placement notes (having a maturity date of June 14, 2032), issued on June 14, 2012 with an annual coupon of 4.0% payable annually in arrears on June 14 of each year. These private notes are listed on the Frankfurt Stock Exchange.

These private placements are part of the general management of the Group's cash and liabilities and their proceeds may be used for general corporate purposes.

The *Notes d'opération* relating to these private placement notes contain standard covenants and default clauses for these types of bond issues, and do not contain any financial covenant. The issues provide that in the event of a change of control of Technip and a rating downgrade of the notes below BBB- deemed to have occurred in respect of that change of control, any bondholder may, at its sole option, request the early redemption of all the bonds it holds.

2013 PRIVATE PLACEMENT NOTES

In October 2013, Technip completed three long-term private placements, each subscribed for by different investors, for an aggregate amount of €355 million. These bond issues consisted of:

- €100 million 20-year private placement notes (having a maturity date of October 7, 2033), issued on October 7, 2013 with an annual coupon of 3.75% payable annually in arrears on October 7 of each year. These private notes are listed on the open market of the Frankfurt Stock Exchange *(Freiverkehr);*
- €130 million 10-year private placement notes (having a maturity date of October 16, 2023), issued on October 16, 2013 with an annual coupon of 3.15% payable annually in arrears on October 16 of each year. These private notes have been rated BBB+ by Standard & Poor's and are listed on the Luxembourg Stock Exchange; and
- €125 million 10-year private placement notes (having a maturity date of October 18, 2023), issued on October 18, 2013, carrying an annual coupon of 3.15% payable annually in arrears on October 18 of each year. These private notes are listed on the Luxembourg Stock Exchange.

These private placements are part of the general management of the Group's cash and liabilities and their proceeds may be used for general corporate purposes.

The *Notes d'opération* relating to these private placement notes contain standard covenants and default clauses for these types of bond issues, and do not contain any financial covenant. Under the terms of the issues, in the event of a change of control of Technip and a rating downgrade of the notes below BBB- deemed to have occurred in respect of that change of control, any bondholder may, at its sole option, request the early redemption of all the bonds it holds.

DEEP ARCTIC FINANCING (EX-*SKANDI ARCTIC*)

Since July 2015, the Norwegian subsidiary Technip Chartering Norge AS, 100% indirectly owned by Technip, is the sole owner of the *Deep Arctic* vessel following the repurchase of Doftech DA's (the previous owner) share in the vessel.

In March 2009, Doftech DA, the subsidiary in which Technip held 50% of the shares, entered into a NOK1 billion facility agreement for the financing of the *Skandi Arctic* vessel. This facility was transferred to Technip Chartering Norge in 2015 and is to be reimbursed in 24 equal semi-annual installments from September 16, 2009 to March 16, 2021. As of December 31, 2015, the facility, fully drawn, amounted to NOK458.3 million following semi-annual payments starting from September 16, 2009.

One tranche of the facility, corresponding to 70% of the total amount is granted at a fixed rate of 5.05% by the Norwegian financing institution Eksportfinans and benefits from a guarantee by GIEK. The other tranche of the facility is granted at a floating rate by a commercial bank.

From now on, this credit facility is 100% guaranteed by Technip Offshore International. It also benefits from a mortgage over the *Deep Arctic* vessel.

This credit agreement contains standard covenants and default provisions for this type of credit agreement and does not contain any financial covenant.

AÇUFLEX PLANT FINANCING

In December 2012, Flexibras Tubos Flexiveis, one of the Group's Brazilian subsidiaries, entered into a loan agreement with BNDES *(Banco Nacional de Desenvolvimento Econômico e Social)* for a total amount of BRL485 million, for the financing of the construction of the new Açuflex flexible pipes plant located in the Açu harbor (Brazil).

The loan is partly granted at a floating interest rate, while 22% of the total amount is granted at a fixed rate of 2.5%.

The loan is reimbursed in 96 monthly installments from January 15, 2015 until December 15, 2022.

The loan agreement contains covenants and default provisions that are standard for such facilities with BNDES excluding any financial covenant. The loan is secured by a guarantee from Technip and not secured by any asset.

As of December 31, 2015, the loan was fully drawn for a total amount of BRL 480.2 million and following the monthly repayments since January 15, 2015, the outstanding amount has reduced to BRL429.1 million.

BNDES *(BANCO NACIONAL DE DESENVOLVIMENTO ECONÔMICO E SOCIAL)* FACILITIES

As of December 31, 2015, Flexibras Tubos Flexiveis issued four separate loans between April 2013 and October 2014 for a total amount of BRL 300 million to support pre-financing of its export operations.

Each facility (fixed-rate) was entered into on behalf of BNDES in connection with BNDES financing. The four loan agreements contain the standard default provisions for such facilities with BNDES and do not include any financial covenant.

As of December 31, 2015, these fixed rate loans were fully drawn and consisted of:

- two separate loan agreements for a total amount of BRL200 million entered into in April 2013, each with a different commercial bank for BRL100 million. Both facilities have a single maturity date of April 15, 2016; and
- two separate loan agreements for an aggregate amount of BRL100 million entered into in June and October 2014 respectively, each with a different commercial bank for BRL50 million. The facilities have a maturity date of July 15, 2017 and October 31, 2017, respectively.

EXPORT CREDIT NOTES (NCE – *NOTA DE CRÉDITO À EXPORTAÇÃO*)

As of December 31, 2015, Flexibras Tubos Flexiveis issued six separate NCE loans between February and March 2013 for a total amount of BRL572 million to support pre-financing of its export operations.

The loans were entered into with five different commercial banks. The six loan agreements contain the standard default provisions for such facilities and do not include any financial covenant.

As of December 31, 2015, these fixed interest rate loans were fully drawn and consisted of:

- two separate loan agreements for a total amount of BRL200 million each entered into with different commercial banks in February 2013, and each for BRL100 million. These loans have respective redemption dates of January 15, 2016 and February 15, 2016;
- three separate loan agreements for a total amount of BRL272 million entered into in March 2013, each with different commercial banks. The BRL92 million loan has a redemption date of February 15, 2016, the BRL80 million loan matures on March 7, 2016 and the BRL100 million loan matures on December 11, 2017 further to the extension of its maturity date on January 5, 2015; and
- a loan agreement for a total amount of BRL100 million entered into with a commercial bank in February 2013 which was extended before its expiry date pursuant to an agreement entered into on December 30, 2014. This loan has now a maturity date of December 15, 2017.

LOANS UNDER INNOVA PETRO PROGRAM

As of December 31, 2015, Flexibras Tubos Flexiveis had two loans relating to Innova Petro program, the purpose of which is to support the financing of Flexibras' development of innovative processes and products. These loans consisted of:

- a BRL11.4 million credit facility entered into by Flexibras Tubos Flexiveis on June 13, 2014 with FINEP (*Financiadora de Estudos e Projetos*) the Brazilian Innovation Agency. The loan granted at a floating interest rate, is to be reimbursed in 61 equal monthly installments from June 15, 2017 until June 15, 2022. The loan agreement includes covenants and default provisions that are standard for such facilities with FINEP excluding any financial ratio. The loan is not secured by any asset. As of December 31, 2015, the outstanding amount of the loan was BRL8.1 million;
- a BRL 13.7 million credit facility entered into by Flexibras Tubos Flexiveis on July 28, 2014 with BNDES *(Banco Nacional de Desenvolvimento Econômico e Social)*. The loan is partly granted at a floating interest rate, while 82% of the total amount is granted at a fixed rate of 4%. It is to be reimbursed in 72 equal monthly installments from September 15, 2016 until August 15, 2022. The loan agreement includes covenants and default provisions that are standard for such BNDES facilities excluding any financial covenant. The loan is not secured by any asset. As of December 31, 2015, the outstanding amount of the loan was BRL1.2 million.

GLOBAL INDUSTRIES, LTD. BONDS

On January 11, 2012, following the acquisition of Global Industries, Ltd. by Technip and its delisting from the NASDAQ (New York), Global Industries, Ltd. reimbursed, to comply with the conditions set out in the original offering memorandum of the 2.75% USD325 million Senior Convertible Debentures, due 2027, issued on July 27, 2007, a principal amount of USD322.6 million (corresponding to 99.3% of the outstanding debentures) and paid accrued interest of approximately USD3.9 million to tendering bondholders. As of December 31, 2015, the non-tendered bonds amounted to USD2.4 million.

SYNDICATED CREDIT FACILITY AND BILATERAL FACILITIES

As of December 31, 2015, the Group had various unutilized financing sources for an aggregate amount of €1,347.7 million that allowed it to meet its general financing needs. These facilities are not secured by any of the Group's assets. As is standard for such financings, they contain covenants and default provisions from Technip and some of its affiliates, and do not include any financial covenant. These credit agreements do not include early payment provisions in the event of deterioration of the borrower's credit rating.

1. The credit facility in the amount of €1 billion put in place on July 21, 2011 which may be drawn in Euros, in US dollars or in British pounds, was amended and extended on July 30, 2014. The credit facility is fully reimbursable at the maturity date on July 21, 2020 following the exercise in July 2015 of the first of the two one-year extensions at the borrowers' option, subject to the lenders' approval.

   The facility, in the event it is utilized, includes a floating interest rate and an applicable margin which varies according to a schedule of Technip's credit rating.

2. In 2014, four separate credit facilities totaling €340 million which may be drawn in Euros were granted to Technip and replaced the existing facilities before their respective expiry dates. The facilities each have two one-year extensions on the first and second respective anniversaries of the signing dates at the borrowers' option, subject to the lenders' approval.

   Following the exercise of the first of the two extension options in May and June 2015, the amounts and maturity dates are as follows:

   - two facilities of €80 million each that mature on May 16, 2018;
   - an €80 million facility that matures on June 10, 2018; and
   - a €100 million facility that matures on May 16, 2020.

3. Different non-utilized credit facilities amounting to €7.7 million were granted to various Technip subsidiaries.

As of December 31, 2015, the credit facilities confirmed and available to the Group amounted to €1,347.7 million, of which €1,340.8 million is available after December 31, 2016. Out of a total of €1,347.7 million, €7.7 million is reserved for the financing of certain subsidiaries.

In 2015, in light of favorable market conditions, Technip once again issued on the commercial paper market. As of December 31, 2015, the outstanding commercial paper amounted to €200 million. The Group continues to benefit from Banque de France's authorization for a maximum amount of €1 billion.

As of December 31, 2015, debt falling due in 2016 and 2017 amounted to €1,512.3 million including €27.9 million of accrued interest and fees and €1,484.4 million of principal.

2.6. MARKET RISKS

2.6.1. Currency Risk

Operating Currency Risk

Technip considers that the greatest exposure to currency risk faced by the Group is that arising from its operational activities. Therefore, over the past several years, strict policies and procedures have been put in force with the objective of optimizing hedging of the Group's operating currency exposure.

For each contract, a currency risk analysis is performed to take into account currency inflows and outflows. During the tender phase of a contract, and where possible, in collaboration with the client and partners, currency exposure is minimized by the use of natural hedging. At the inception of the contract, any remaining exposure is systematically hedged using financial instruments. During the execution of the contract, the exposure to currency risk is reviewed on a regular basis and the hedge is adjusted as necessary. Each contract is individually monitored pursuant to the Group's internal procedures, and the results are included in the Group's internal reporting.

Currency hedging is conducted in accordance with the relevant international accounting standards (IFRS) and takes into account future cash flow, thereby providing "microeconomic cover".

For most entities, financial hedging instruments are contracted centrally by Technip Eurocash SNC and are in turn contracted across several banking counterparties that have been selected following appropriate analysis.

Currency hedging instruments used by the Group and their respective sensitivities are presented in Notes 1-C(c), 26 and 32(b) in Section 6.1 of this Reference Document. As of December 31, 2015, the Group had not used any currency options.

The Group's Internal Rules require that all transactions contracted in foreign currencies must be hedged. As a result, even if the Group's consolidated currency position is not measured, on the basis of individual monitoring and internal reporting, almost all of the assets, liabilities and cash flows that are denominated in a currency other than the functional currency of the operating entity are hedged, using either natural hedging or financial instruments. Technip believes that any residual currency risk is not significant.

As of December 31, 2015, Technip's outstanding hedging instruments by currency were as follows:

In millions of Euro

USD/EUR Purchase	USD/EUR Sale	GBP/EUR Purchase	GBP/EUR Sale	Purchase/Sale of Foreign Currency compared to EUR	Purchase/Sale of Foreign Currency compared to Foreign Currency	Total Nominal Value of Hedging Instruments
117.9	1,302.1	163.0	215.4	238.1	1,721.0	3,757.5

Financing Currency Risk

The majority of the short-term financing needs of the Group's subsidiaries in relation to a requested currency are met by the entity which centralizes the cash pool, Technip Eurocash SNC. Technip Eurocash SNC centralizes excess cash in any currency for the majority of the Group's subsidiaries and therefore has the necessary cash available in a requested currency. If necessary, the Company enters into currency swap contracts.

The Group has no external financial debt contracted in a currency other than the functional currency of the contracting entity, which means that the Group does not have significant exposure to currency risk related to its financial debt.

Foreign Investment Currency Risks

In 2015, approximately 71% of the Group's revenue was generated outside the Eurozone, including 25% by companies having US dollars as the functional currency and 17% by companies having British pounds as the functional currency.

A variation of 10% in the USD/EUR exchange rate would impact Group revenue by €211.9 million, while a variation of 10% in the GBP/EUR exchange rate would impact Group revenue by €154.0 million.

2.6.2. Rate Risk

The following table presents a schedule of maturity dates after Technip's financial asset and financial debt management, as of December 31, 2015. The schedule of maturity dates is based on the interest rate revision dates.

In millions of Euro	Call Money rate within 1 year	1 to 5 years	Over 5 years	Total
Convertible Bonds (including Accrued Interest Payable)	553.7	481.0	2.2	1,036.9
Bond Issue (including Accrued Interest Payable)	13.3	198.6	670.5	882.4
Bank Borrowings and Credit Lines (including Accrued Interest Payable)	149.1	113.8	3.1	266.0
Commercial Papers	200.0	-	-	200.0
Fixed Rate	**916.1**	**793.4**	**675.8**	**2,385.3**
Cash and Cash Equivalents	(2,919.1)	-	-	(2,919.1)
Bank Borrowings and Credit Lines	20.9	145.6	11.2	177.7
Bank Overdrafts	0.1	-	-	0.1
Floating Rate	**(2,898.1)**	**145.6**	**11.2**	**(2,741.3)**
TOTAL	**(1,982.0)**	**939.0**	**687.0**	**(356.0)**

As regards maturity dates in excess of one year, the outstanding fixed rate debt amounts to €1,469.2 million. The outstanding fixed rate debt predominantly consists of convertible bonds and private placements. It also includes drawings on bank loans.

Analysis of the Sensitivity of the Situation

Technip's floating rate debt amounted to €177.8 million compared to an aggregate total debt of €2,563.1 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, 2015, the net short-term cash position of the Group (cash and cash equivalents, less short-term financial debts) amounted to €1,982.0 million.

As of December 31, 2015, a 1% (100 basis points) increase in interest rates would lower the fair value of the fixed rate convertible bonds (OCEANE) and private placements by €71.7 million before tax. A 1% (100 basis points) decrease in interest rates would raise the fair value by €78.4 million before tax.

A 1% (100 basis points) increase in interest rates would generate an additional profit of €18.3 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.

In millions of Euro	Impact on Estimated Financial Charges and Revenues before Taxes (*)	Impact on Equity before Taxes
Impact of 1% Increase in Interest Rates	18.3	-
Impact of 1% Decrease in Interest Rates	(18.3)	-

(*) On the basis of outstanding amounts as of December 31, 2015.

Interest Rate Risk Monitoring Method

Technip regularly analyses its exposure to interest rate risk.

The Group does not use financial instruments for speculative purposes.

2.6.3. Stock Risk and Other Financial Instruments

Risks Related to Technip's Shares and Other Financial Instruments

In millions of Euro	Portfolio of treasury shares
Asset Balance	55.2
Provisions for Risk	(65.4)
Off-Balance Sheet	-
NET TOTAL POSITION	**(10.2)**

Sensitivity to Changes in Share Price

As of December 31, 2015, the Company held 818,875 treasury shares. In the event of a 10% decrease in Technip's share price (€45.74 as of that date), the Company would be required to record a provision in its annual accounts, unless those shares were allocated to plans.

In 2010, the Group acquired an 8% interest in Malaysia Marine and Heavy Engineering Holdings Bhd (MHB) for €114.5 million (*i.e.*, 128,000,000 shares). In 2011, Technip increased its interest in MHB by 0.35% for a consideration of €7.1 million (*i.e.*, 5,555,000 additional shares) and in 2012, increased its interest by an additional 0.15% for a consideration of €3.2 million (*i.e.*, 2,445,000 additional shares), amounting to 136 million shares. As of December 31, 2014, the Group held 8.5% of this company. MHB is listed in Malaysia on Bursa Malaysia Securities Bhd.

As of the date of this Reference Document, other than the shareholdings mentioned above, the Group did not hold any other third party listed shares, either directly or through a collective investment vehicle (*Organisme de Placement Collectif en Valeurs Mobilières*, or "OPCVM").

For a summary of investments categorized by financial instruments and accounting classification, please refer to Note 26 to the Consolidated Financial Statements in Section 6.1 of this Reference Document.

2.6.4. Commodity Risk

Equipment and materials incorporating raw materials supplied by subcontractors and suppliers, account for Technip's main purchase of commodities. Key equipment includes, but is not limited to, rotating equipment, pressure vessels and heat exchangers, piping materials, electrical equipment and materials.

The direct impact of fluctuations in the price of raw materials on equipment cost is limited, except in relation to certain products (such as pipes, electrical cables, pressure vessels and heat exchangers) due to a limited margin of added value.

Since the flexible pipes and their components produced by Technip have a very specific purpose, plants limit their stock to the level needed for ongoing Projects and backlog.

Technip participates in the commodity market as part of its procurement of flexible pipes and umbilicals for its plants. In 2015, this represented 6% of the value of Group's procurement. In decreasing order of importance, such procurement consists of steel wires, thermoplastics and stainless steel strips.

2.7. RISK MANAGEMENT POLICY

GRI G4-15

Technip aims to provide high quality installations and services within the deadlines and budgets it negotiates with its clients. However, due to the combination of its position as a global leader in Project management, engineering and construction in the oil and gas industry and the substantial technological portfolio that it offers to its clients, Technip is exposed to technological, strategic and reputational risks, which are particularly dependent on applicable regulations and changes to the environment in which the Company operates. Consequently, the balancing and management of financial, industrial, environmental, geopolitical and commercial risks and opportunities is a key element of the economic and operational development and performance of the Group.

2.7.1. Overview

Technip's risk management policy is to adopt the best practices possible in the identification, evaluation and quantification of risks, to ensure these risks are reduced to and maintained at a level acceptable to the Company. All managers within the organization must understand the nature of risk and accept responsibility for risks associated with their area of authority.

Commitment to risk management is important to the Group (see Section 2 of the Report of the Chairman of the Board of Directors in Section 4.4 of this Reference Document) and is managed at every level of the organization, from the Group to Regional functions, entities and Projects.

The Group is organized into Divisions under the authority of the Chairman and Chief Executive Officer of the Company. Each Division contributes, within its scope of responsibility, to the management and assessment of the risks faced by the Group. Risk assessment is directed by the Divisions, across the Regions and the other structures of the Group, down to a Project-specific level. The risk management process is monitored by a network of Risk Managers who are responsible for its implementation and the procurement of the necessary resources.

Additional information on risk management and the participants involved is included in Section 2 of the Report of the Chairman of the Board of Directors, detailed in Section 4.4 of this Reference Document.

A statistical survey and an analysis of risks are undertaken within the Group under the supervision of the Vice President Group Proposal, Finance and Risk Management. Identified risks are monitored using internal risk-mapping and improvement programs and, where necessary, accounting provisions. This process covers all categories of risk, including operational and cross-cutting risks.

The risk management objectives of the Company are to:

- incorporate risk management within the culture of the Company;
- identify the Group's exposure to risks;
- implement cost effective and rational actions to reduce risks; and
- ensure risk is properly assessed in the decision-making process.

These objectives will be achieved through the implementation of:

- an appropriate periodic review at all levels of the organization;
- an integrated risk management process in every decision-making process; and
- regular training for all of the Group's employees on risk management techniques.

At Group level, an evaluation of the financial risk for the Project Portfolio is conducted, together with specific key metrics to efficiently assess the overall risk profile of the Company.

2.7.2. Crisis and Business Continuity Management

As part of its global Security Management System, Technip implemented a three-level organization to manage crisis, reflecting the Company's specific organizational and operational requirements.

The crisis management system is a joint approach developed by the relevant departments within Technip, in particular Security, Medical, HSE, Communication and Finance.

At each level of the organization, trained response teams, processes, and facilities are set up and are ready to be mobilized quickly and efficiently in the event of an incident. Regular exercises are organized by the Group Security and HSE Division to test the efficiency of crisis management procedures in the different entities and Project, under conditions that are as realistic as possible.

To provide better guarantees to clients and partners, the Group's Security and IT Divisions support local entities with the relevant methodological tools to allow them to implement their own business continuity management system. Each entity is responsible for the implementation of its business continuity plan to best fit local needs in terms of recovery.

This business continuity approach was developed to minimize, in the event of a major incident, the time required for the resumption of the Group's most critical operations, by having an operational continuity plan in each Technip entity that is considered to be critical to the Group. Technip's Incident and Continuity Application (TICA) has been designed as an integrated tool to support Crisis Management (through the creation of a virtual Crisis Center) and business continuity (through dedicated checklists). Every entity can access TICA.

2.7.3. Management of Risks Relating to the Group and its Operations

In addition to the standard legal precautions undertaken at the Project selection stage (see Sections 1.3.3.a and 1.3.3.b of this Reference Document), the Group endeavors to reduce its exposure to risks it encounters in connection with its operations. To do so, from the pre-selection phase onwards, Technip manages its Project portfolio using a systematic identification of the associated risk profile. The Group conducts a detailed analysis of its Projects, aimed at (i) diversifying contractual arrangements and the geographic regions where it performs its contracts, (ii) diversification of the backlog composition across business segments, and (iii) developing partnership strategies that will allow it to apportion the risks on Projects.

More specifically, through a selective approach to projects as early as the Project's request for tender phase, the Group endeavors to limit risks relating to contract margins. See Section 1.3.3.b of this Reference Document for further information.

The contracts entered into by Technip contain standard clauses under which its customers agree to provide information relating to design or engineering, as well as materials or equipment for use on a particular Project. These contracts may also require the customer to indemnify Technip for any additional work or expenses relating to: (i) changes in instructions, or (ii) a failure to provide Technip with the necessary information required for to the design or engineering of the Project or adequate materials and equipment necessary for the Project.

In these circumstances, Technip generally negotiates monetary compensation from the customer for any additional time or money spent as a consequence of the customers' failure.

Risk management for Projects currently in progress is performed at every level of the organization. At the Group level, a detailed and regular analysis is conducted per Region to ensure the management of the risks that could affect the outcome of contracts. This analysis is supplemented by a detailed monitoring of major risks linked to the Group's operations and an assessment by category. At an operational level, Technip has developed a systematic risk management process. The entire chain of command for a Project is involved and participates in the implementation of measures intended to evaluate execution risks and provide a reasonable degree of certainty in relation to a Project's financial performance.

Risk management procedures also include the development of know-how related to providing security for its large Projects (a dedicated tool, Technip's Security Management System, has been specifically developed) and, if applicable, the subscription to insurance policies covering political risks.

2.7.4. Management of Risk from Subcontractors and Suppliers

In its selection process for subcontractors and suppliers, Technip includes a credit analysis, the results of which can lead Technip to decide against selecting a particular subcontractor or supplier, or to require that they provide bank guarantees or adapt their payment terms and conditions to the specific risks identified.

2.7.5. Management of Competition Risks

The Group endeavors to reduce its exposure to competition risks by seeking to differentiate itself from competitors across the various business segments in which Technip operates, in particular through its technologies, high-end assets and ability to complete projects. In addition, spreading operations across geographic regions and business segments contributes to reducing the risk of competition (see Section 1.3.3.a of this Reference Document).

2.7.6. Management of Risks Relating to the Assets of Technip

The Group employs a regular maintenance program to keep its industrial and naval assets in good working condition. Any new capital asset construction project is managed as any other commercial project within Technip, following the same internal management processes to ensure the best possible outcome in terms of safety, quality, schedule and budget objectives.

2.7.7. Management of Commodity and Equipment Risk

Technip has an information network which aims to anticipate the risk of an increase in commodity prices. Technip endeavors to fix its prices at the time that the contract is entered into for Projects requiring a large quantity of raw materials that are particularly sensitive to market fluctuations. For contracts in which a specific raw material or specific equipment represents a significant portion of the Project, Technip may set a fixed purchase price as part of its Project bid to pass on the risk of any price increase for such raw materials or equipment for the duration of the contract.

Technip continuously strives to consolidate its procurement sources and to maintain a sufficient panel of suppliers of equipment and raw materials. The objective is to continually procure the best possible market terms for each Project within the Group.

For its plants, and whenever possible, Technip aims to enter into long-term contracts with its suppliers to limit the impact of unforeseen events that may lead to fluctuations in the prices of the relevant commodity.

2.7.8. Management of Environmental and Industrial Risks

Technip's heads of operations and its customers, who work in industrial facilities exposed to risks, are subject to a number of obligations, and in particular must take all necessary measures to monitor, evaluate and manage such risks, and to evacuate staff in the event of an incident. Technip's policy in terms of the management of these environmental and industrial risks recognizes the importance of training and benefits from efforts spent on quality management and employee accident prevention. In 2015, 1,377,034 hours were invested in HSE training across the Group.

Since 2002, in addition to its strict compliance with applicable legislation, Technip has adhered to the 10 principles of the United Nations Global Compact (UNGC) and discloses its environmental initiatives in this respect (see Section 3 of this Reference Document).

Technip has also implemented an internal control system based on the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and the risk management processes described in Section 4.4 to the Report of the Chairman of the Board of Directors to the Shareholders' Meeting of this Reference Document. This internal control system assesses the main risks faced by the Group, in addition to providing risk management at the various levels of the Group. These risks are assessed annually and may give rise to corrective actions, which are in turn independently analyzed by the Group's Internal Audit Department when conducting its annual audit plan.

2.7.9. Management of Change in Climate Risks

Technip divides climate change risks and opportunities into two categories, each of which is approached separately from a financial perspective:

1. regulatory risks and opportunities arising from stringent international, European or national regulations aimed at reducing greenhouse gas emissions; and
2. competition risks from a shift in customers' demand for more energy-efficient products and processes to reduce greenhouse gas emissions.

Technip considers there to be more opportunities than risks represented by these two categories.

In any event, Technip would not itself be directly impacted by regulatory changes, as it does not have many industrial facilities, and conducts regular regulatory surveys for all of its facilities. For example, Technip has no facilities that fall within the scope of the French scheme for national greenhouse gas quota (PNAQ III for the 2013-2020 period) or Directive 2010/75/EU of the European Parliament on industrial emissions (integrated pollution prevention and control).

These two categories of climate change risks and opportunities are an opportunity for Technip to work together with its customers towards a better environmental performance, in compliance with Technip's policies and Values. Technip is able to propose innovative solutions to help its customers comply with new environmental law or regulation and satisfy market demand.

2.7.10. Management of Weather Conditions Risks

The Group has implemented a three-tier Crisis or Emergency organization system to quickly respond to any crisis situation that the Group may face requiring the evacuation of its employees and the halt of operations due to severe weather conditions. This system is detailed in Section 2.7.2 of this Reference Document.

Expenses incurred by Technip in such circumstances may be partially covered by insurance policies.

2.7.11. Management of Maritime Security Risks

Maritime security processes for Technip's vessels and their crews are regularly updated by the Group Security Division to reduce the Group's exposure to maritime risks in harbors such as theft, attack, consequences linked to potential stowaways, or the presence of illegal products, or piracy risks during transit or operations in high-risk areas.

The combination of continuing security analysis and monitoring of the "piracy" incidents with close coordination with the relevant international authorities enable Technip to implement security processes adapted to these changing threats.

Emphasis is also placed on raising awareness and training crews on how to react in the event of a major incident. This is achieved through training and exercise prior to transits or operations in high-risk areas, as well as the issue of material such as specific travelers' booklets containing security recommendations and the Anti-Piracy DVD developed by the Group Security Division, distributed to Technip's fleet executives and crew members.

To enable an immediate and efficient reaction if necessary, Technip's maritime security is implemented by designated correspondents in each fleet center. Group Security ensures coordination between the various regions and ensures a standardized application of measures in compliance with Group commitments.

Technip's vessels are fitted with Technip's internal maritime security software (Technip's Security Navy Tracking). It is designed to enable the real-time identification of the position of Technip's fleet and the prevention of piracy risks due to the continuous analysis of piracy acts. Whenever a vessel enters a high risk area, the Group Security Division and the regional correspondents are informed by this software and is able to tracking the transit in real time. For any transit or operations in high risk regions, mandatory *ad hoc* protective measures are implemented under the responsibility of regional security correspondents and the permanent control of Group Security Division. This control aims at ensuring the implementation of Technip security standards.

Technip's Security experts, who focus exclusively on maritime security, report directly to the managers of fleet operations to provide expertise and continuously maintain contact with the various relevant authorities.

2.7.12. Best Practices/Large-Scale Projects Security Management

Technip is continuing to develop its specific security know-how for large-scale construction Projects. In an increasingly complex and unstable environment, Technip has developed its own security assessment system, based on its internal resources, for an upstream identification of potential risks and a global security management system based on innovative solutions that are adapted to local and regional requirements.

Technip constantly analyses the context of and changes in security in all countries where the Group operates or anticipates operating, to predict any potential deterioration in the security situation. In addition, dedicated security procedures and a specific security organization have been developed and updated to clarify the roles and responsibilities of each stakeholder on a Project, and ensure the protection of Technip's staff at all times. Dedicated physical security measures, raising of the staff's security awareness, and Project crisis management systems are key elements for the implementation and development of a cohesive and efficient security management system, which operates to mitigate the risks of a Project in a sensitive area.

A handbook was developed specifically by the Group Security Division for Projects, detailing the security measures to be performed at each stage of a Project (Technip's Security Management System). It highlights the need for identification of security measures at a very early stage of a Project, to recommend bespoke solutions (especially in terms of human involvement and expenses). In 2015, various training programs were organized for Project and Proposal Managers to raise their awareness regarding Project security.

In addition, Group Security continues to bring its methodological support to the Joint Operating Center dedicated to the Yamal LNG Project. It has the ability to centralize and monitor all security-related information pertaining to the Project's staff, sites and vessels.

2.7.13. Management of Air Travel Risks

Technip places particular focus on the secure travel of its staff. The SMARTravel tool enables the movement of travelers to be monitored and specific tailor-made information was distributed to all of the Company's entities (countries and Regions), and the responsibility of implementing this procedure was delegated to each entity.

2.7.14. Management of Risks Related to Information and Information Systems

Protection of Technip technological know-how is crucial for the Group. The protection of the Information Systems on Projects preserves this know-how and reduces the risk of information security incidents, which could affect both Technip's operations and the proper functioning of the Group's operations.

In 2015, a particular focus was placed on the management of risk within major Projects. This approach enables the main risks and their potential impact on the Project to be identified, to implement if necessary, the relevant corrective measures. This process is repeated throughout the duration of the Project. It also ensures a sustainable approach to Information Systems Security and the protection of know-how.

In addition, Technip's Security Division conducts independent audits on Information Systems. The IT Department are then informed of any identified weaknesses and are responsible for taking corrective action.

Finally, sensitive applications implemented within Technip are also audited to confirm the strength of the systems and the absence of major risks that could impact the Group.

2.7.15. Management of Risks Related to External Fraud

The number of external fraud attempts targeting Technip has increased. Therefore, the Group's Treasury and Security Divisions have formed a joint Task Force and a unique email address to report any suspicious event and to provide an immediate and appropriate response.

The joint Task Force has also implemented an external fraud network in each of Technip's entities, to better relay such external fraud, and better respond to the situation.

In 2015, the Task Force focused on the implementation of awareness sessions for the benefit of Technip's employees.

The preventive measures conducted throughout the year, in collaboration with the External Fraud Network, Communication, Human Resources and IT Divisions, promoted the preservation of the interests of Technip.

2.7.16. Management of Risks Linked to its Personnel

The large-scale nature and complexity of some Projects present a challenge to Technip.

The Group needs a significant number of experienced project managers and engineers to deliver both local and international projects. Simultaneously, entities undergoing restructuration must reduce their workforce due to the economic situation, despite the fact the workforce has recognized competencies.

To ensure the key personnel remain, a process designed to align needs and available resources has been implemented by the Group, and will be maintained in 2016. Fully implemented in 2015, the Group's job classification will greatly facilitate this exercise.

In addition, mobility costs have been revised and reduced for entities undergoing restructuring.

The Group also relies on a network of Talent Managers who are responsible for managing the development of careers.

Introduced in 2009, and maintained since then on an on-going basis to retain its qualified employees, Technip established a list of personnel considered essential, who hold critical positions or who have high advancement potential and for whom retention mechanisms and alert systems have been implemented. This list of vital personnel represented 25% of the total workforce. It has been jointly prepared by business managers and HR management and is updated every year.

2.7.17. Financial Risks Management

Within the framework of its operations, Technip is subject to certain types of financial risks: credit/counter-party risk, liquidity risk, currency risk, interest rate risk and share price risk. The Group has implemented a policy to cover such risks as described in Sections 2.5 to 2.7 of this Reference Document.

2.8. INSURANCE

GRI G4-15

Technip's global insurance policy is determined by the Group Insurance Department which is part of the Group Legal Division. It mainly aims to protect the assets of the Group and cover any liabilities Technip may incur in performing its operations.

The Group Insurance Department typically adjusts its insurance covers depending upon the evolution of the business of the Group and upon the evolution of the risks incurred in the execution of Projects.

Furthermore, the Group Insurance Department scrutinizes the evolution of the Insurance Market in order to adjust, improve and optimize its insurance policies in terms of cost as well as terms and conditions.

Technip's insurance policy currently focuses on two main areas:

- contract-specific insurance policies; and
- permanent insurance policies.

2.8.1. Contract-Specific Insurance Policies

Contract-specific insurance policies are project-specific policies, which offer wide and tailor-made insurance cover, underwritten solely for the requirements and duration of a particular contract. Technip benefits from these insurance policies either as (i) the direct subscriber of the insurance policy for its benefit and for the benefit of its contracting parties (*e.g.*, suppliers and subcontractors) in respect of the relevant Project, in which case the client bears the cost of such insurance within the total project cost, or (ii) in terms of an additional insured party on the insurance policies taken out directly by the client.

Project specific policies are usually "Builders' All Risks" policies, which aim to cover the entire scope of work up to its total value, against the risks of physical loss or damage occurring during the different phases of the project (design, transport, construction, erection, installation, commissioning and tests and including the period of maintenance after delivery to the client). These policies tend to provide insurance cover up to the total value of the project.

The high level of insurance premiums and deductibles act as an incentive for the Group to continue to respect both its legal and technical risk management and loss prevention measures.

To this effect, insurance guidelines and principles are regularly updated to assist project teams in the negotiation of insurance provisions in the contracts.

Moreover, in respect of the requirements of each contract and depending on the requirements and legislation in force in the country in which the project is being carried out, the Group implements insurance cover for accidents at work outside of France ("Workmen's compensation / Employer's liability") and monitors the insurance policies covering the fleet of vehicles on a local basis ("Automobile liability").

2.8.2. Permanent Insurance Policies

Permanent insurance policies primarily cover damage to Technip's assets and the financial consequences arising from the Group's liabilities when performing its operations. These policies may also cover the financial consequence of losses not covered by contract-specific insurance policies so that the addition of one-off contract-specific insurance policies and permanent insurance policies can provide the maximum protection as regards the extent of insurance coverage.

Insuring Technip's Liabilities

Public, Product and Professional liability risks in connection with Technip's operations and projects are addressed through a dedicated global insurance program maintained at Group level. This "integrated" program lays on a "Master" policy complementing local "integrated" policies in countries where Technip is present. It may also supplement other local policies taken out specifically by Group entities.

In addition, an insurance program covering Technip's liability as an Employer is being maintained with specific local features to comply with national legislations.

Technip benefits from a policy covering environmental risks ("Environmental Impairment Liability") including environmental issues linked with its industrial sites and risks associated with the execution of Onshore/Offshore Projects.

Lastly, several years ago, Technip set up an Aircraft liability insurance, so-called "Non-Owned aircraft liability" insurance covering Technip's liability when Projects need to charter aircraft or helicopters. With the latest renewal of this insurance policy in 2015, its overall coverage limit was significantly increased.

Technip Marine Activity

The main insurance policies in respect of the Group's maritime operations are as follows:

- the "Hull and machinery" policy covers the fleet vessels against the risks of physical loss or damage ("Particular Average") and Total Loss (whether actual or constructive). It also includes cover for salvage costs incurred to mitigate or avoid a risk herein covered;
- the Protection & Indemnity ("P&I") cover is placed with mutual insurance companies called P&I Clubs and covers the Shipowner's liability when managing and operating its vessels (such as collision risks, pollution emanating from the vessel and various legal liabilities to third parties). As an add-on to P&I, Technip takes out CGL Offshore cover aimed at covering specific risks and contractual liabilities arising from the performance of its core Subsea business;
- the "Charterer's Liability" insurance is also placed with a mutual P&I Club and covers Technip's liability when chartering vessels;
- the "Offshore Equipment Policy", is an all risks damage insurance covering Technip's offshore materials, tools and equipment intended to be mobilized on-board vessels for carrying out "Subsea" and "Offshore" Projects;
- the "Cargo" policy covers loss or damage to any goods in transit whether shipped by Technip, on its behalf or on behalf of third parties and shipped by any means (*e.g.*, seafreight, airfreight, road carriage and inland waters transit). On January 1, 2015, the limit per shipment of this policy was doubled to align with the evolution of the value of goods transported for major Onshore Projects.

Insurance of Industrial Sites and Assets

The Group's product manufacturing plants are covered through an "All Risks-Unless" policy called PD/BI (for "Property Damage and Business Interruption") insuring them against risks of physical damage and business interruption and/or increased costs of working resulting thereof.

Other assets of the Group such as offices are covered through specific multi-risks policies.

Evolution of Permanent Policies

The following events occurred in 2015:

- On July 1, 2015, the Master liability program was renegotiated for another three-year period and the limit of its Professional Liability section was increased.
- Due to the growing number of terrorist attacks and scenes of political violence in the world, Technip decided to subscribe to a new insurance program entitled "Terrorism and Political Violence". The insurance program completes and strengthens Technip's "terrorism" insurance coverage currently available *via* national pools (such as GAREAT and CONSORCIO in particular). It also compensates for the exclusion of warranties or weak warranties in traditional insurance contracts taken out by third parties (particularly as regards riots or civil protests). This insurance instrument, based on London fixings, is intended to protect the assets and financial interests of the Group including in terms of Project implementation, against the above mentioned type of events.
- In 2015, the overall cost of permanent policies remained below 1% of the consolidated annual turnover.

2.8.3. Group Tools for Managing Risks

Over the last ten years, Technip has managed to optimize its insurance programs by using the in house captive insurance subsidiary, Engineering Re. In 2011, a second captive called Front End Re was acquired.

Engineering Re

Engineering Re is involved in the following programs:

Professional and General Liability

Engineering Re manages its exposure by limiting its involvement to inferior risk layers which are protected by re-insurance.

The retention level is adjusted to optimize Technip's access to the various insurance and reinsurance markets.

Hull & Machinery and Offshore Equipment Policy

Engineering Re has taken out low level risk Quota-Share Reinsurance policies in respect of Hull & Machinery and Offshore Equipment. The reinsurance taken out is in the form of a deferred "aggregate" retention.

Front End Re

Front End Re, a Luxembourg based and registered reinsurance captive company was acquired by Technip in early 2011. It aimed at complementing the Group insurance feature for the specific purpose of addressing some contractual provisions in important Projects and also taking into consideration the limits of insurance capacities at the time.

Favorable evolution of the insurance and reinsurance market capacities enabled Technip to increase significantly its covers and limits at competitive costs.

2.9. LEGAL AND ARBITRATION PROCEDURES

In 2015, the Group entered in new legal proceedings in relation to the termination of a contract. In 2010, Technip entered into a lump sum turn-key Engineering Procurement Construction and Commissioning contract with Sonatrach in regards to the refinery of Algiers. This contract was for the rehabilitation and modernization of the Algiers' refinery. On June 4, 2015, Technip's involvement in this project stopped at the request of the client. As per the terms of the contract, both sides initiated arbitration proceedings during summer 2015 in respect to certain claims.

As of the date hereof, there have been no other governmental, legal or arbitral proceedings (including any such proceedings that are pending or threatened of which the Company is aware) over the past 12 months, which may have, or have had a significant impact on the Group's financial position or profitability.

#3 SOCIETY AND ENVIRONMENT REPORT

(Article L. 225-102-1 of the French Commercial Code - Grenelle II Law of July 12, 2010)

This report was prepared pursuant to Article L. 225-102-1 of the French Commercial Code *(Code de commerce)*, and describes Technip's commitment to Corporate Social Responsibility ("CSR").

3.1. TECHNIP'S SUSTAINABILITY APPROACH AND MATERIALITY ASSESSMENT

3.1.1. Technip's Sustainability Approach

GRI G4-18

A. General Context

Technip is a global company present in numerous countries, working in multiple contexts and with diversified partners. Its vision is to work with its clients, wherever they are, to bring energy to the world. The Group contributes to the success of its clients through constant customer focus and an integrated and sustainable project approach. As the industry reference, Technip demonstrates the know-how, the commitment and the inspiration to help all of its partners push further to achieve their goals.

The business environment in which Technip operates is increasingly competitive. To continue to deliver profitable, safe, high quality and sustainable energy Projects for the benefit of its stakeholders, the Group therefore maintains its strategic framework focused on the following: (i) profitability and diversification of its Project portfolio, (ii) investment in key assets and in the development of proprietary technology, (iii) strengthening its execution capabilities with increased vertical integration and (iv) being closer to its clients including a strong focus on national content.

In addition, the low oil prices throughout 2015 led Technip to consider even more innovative and cost-effective solutions to meet its clients' needs, introducing value-added technologies and driving optimization and standardization into project design. Similarly, the increased global focus on the implications of climate change, reflected in the outcome of the 2015 United Nations Conference on Climate Change (COP21), provides opportunities to work together with clients towards a better environmental performance including the introduction of an Eco-design methodology based on the Project Life Cycle Assessment (LCA) approach, development of technologies with lower greenhouse gas emissions and expertise.

Technip is continuously focused on its Projects, cost optimization through innovation and on its core principles around safety, quality, and sustainability.

B. Approach

Technip's strength can be measured by its project performance and commitment to its core beliefs and values. Sustainability at Technip means meeting the needs of its clients while conducting business in a socially, economically and environmentally responsible manner to the benefit of future generations in line with the Group's values *(Doing the right thing, Trusting the team, Encouraging a fair return for all and Building the future).* In this way sustainable development is an integral part of Technip's business strategy.

Technip's Sustainable Development mission is to create long term added value in all its activities worldwide to make a continuous, positive and responsible contribution for all its stakeholders.

Technip has used the Global Reporting Initiative (GRI) G4 guidelines as a tangible step towards its commitment to report on stakeholder engagement. This report also complies with Article L. 225-102-1 of the French Commercial Code related to the reporting of social, environmental and societal information and establishes a link with the 10 principles of the United Nations Global Compact.

Technip's sustainable development focus is aligned with what has been identified as important by the Group's stakeholders. These material aspects are set out in detail in Section 3.1.2.

The Sustainable Development Policy was implemented in 2015 and sets out the following key principles:

- building a sustainable future;
- developing people;
- protecting people and the environment; and
- encouraging local development.

C. Governance and Organization

GRI G4-34

The governance and organization of the Sustainable Development function is aligned with the Group's governance structure as detailed in Section 4 of this Reference Document.

The Sustainable Development Board, which comprises three members of the Executive Committee, sets the strategic policy with regards to sustainable development and monitors progress. This Board is chaired by the Chairman and Chief Executive Officer and its members are the Group Head of Sustainable Development, the Chief Communication Officer, an Executive Project Director, the Group Human Resources Director and the President Onshore/Offshore.

In 2015, Technip's Board of Directors, upon the recommendation of its Ethics and Governance Committee, put forward one of its independent Directors, Alexandra Bech Gjørv, to enhance the visibility of sustainable development and improve its integration at the highest level of the Group.

The Group Sustainable Development Department develops principles and tools, initiates actions for continuous improvement and reports to the Group Sustainable Development Board.

Within each Region of the Group, a regional Sustainable Development Coordinator ensures the implementation of the sustainable development strategy in all the entities within their sphere of influence. The regional coordinators, together with the Group Sustainable Development team, constitute Technip's Sustainable Development Network.

In addition Technip's local regions and entities have developed their own approach to integrating sustainability into their activities. In 2015, 16% of Technip´s entities declared having formalized committees, policies and procedures related to sustainable development including the following:

- Social Responsibility Plan (Angola);
- Sustainable Development Committee (Ghana);
- Corporate Social Responsibility Procedure (Brazil);
- Sustainable Development Network (Asia Pacific Region);
- Corporate Social Responsibility Policy (India);
- Social Responsibility and Sustainability in the Supply Chain Procedure (UK).

D. Monitoring and Review Process

GRI G4-26, G4-33

The scope of the Society and Environment Report is set out in Section 3.7 of this Reference Document.

In relation to the reporting process, data and information are monitored and reviewed on a monthly basis by Technip through recognized data management software (mainly Synergi for quality, health, safety and environment data and Enablon for social and societal data) and a network of local and regional coordinators.

These data are consolidated at Group level every year. Technip's consolidated social, environmental and societal information is annually certified by Statutory Auditors appointed as independent third-party entities, to comply with the French Grenelle II law (Article L. 225-102-1 of the French Commercial Code). In addition, the Statutory Auditors have been appointed to audit the totality of this Section 3 including the Global Reporting Initiative (GRI) G4 guidelines and, therefore, extending the scope on a voluntary basis. The report of the Statutory Auditors, appointed as independent third-party, on the review of consolidated social, environmental and societal Information can be found in Section 3.8 of this Reference Document.

3.1.2. Materiality Assessment

GRI G4-27

A. Introduction

GRI G4-18

In 2014, Technip conducted a materiality assessment in order to identify its relevant social, societal and environmental aspects and align its sustainable development strategy and objectives. The aim was also to prepare the annual non-financial reporting in accordance with the Global Reporting Initiative (GRI) G4 guidelines and to respect the principles of stakeholder inclusiveness, sustainability context, materiality and completeness. Since 2014, the report is compliant with the "Core" option of GRI G4. The "Oil & Gas" sector specific guidance from GRI G4 is considered not relevant to Technip's activities as it is applicable to Oil and Gas operators only.

B. Methodology

GRI G4-25, G4-26

In 2014, BSD Consulting (an independent global sustainability consultancy) was appointed by Technip to carry out independent interviews with Technip's stakeholders and undertake a materiality test in accordance with both the GRI G4 guidelines and the IPIECA (International Petroleum Industry Environmental Conservation Association) guidance and obtain their perception of Technip's business and organization. A preliminary list of material aspects was defined by BSD Consulting and used during the stakeholders' interviews. The selection process of Technip's stakeholders was designed to cover a maximum of transverse functions, relationships and business knowledge. Internal stakeholders were selected among the Board of Directors, country managers, Chief Operating Officers and executive project directors across Technip's entities worldwide. The external stakeholders were represented by major clients and suppliers, non-governmental organizations, local community leaders and industry associations.

The stakeholders were asked to rate the relevance of each of the material aspects presented in the preliminary list, from 1 (being less relevant) to 4 (being very relevant). The aspects considered to be material for Technip are those where the average rating is superior to 3 for both internal and external stakeholders. During this process, all stakeholders were also asked to provide qualitative statements about their perception of Technip´s approach to sustainable development. The 26 material aspects retained, fall into five categories as presented in both the table and the diagram below.

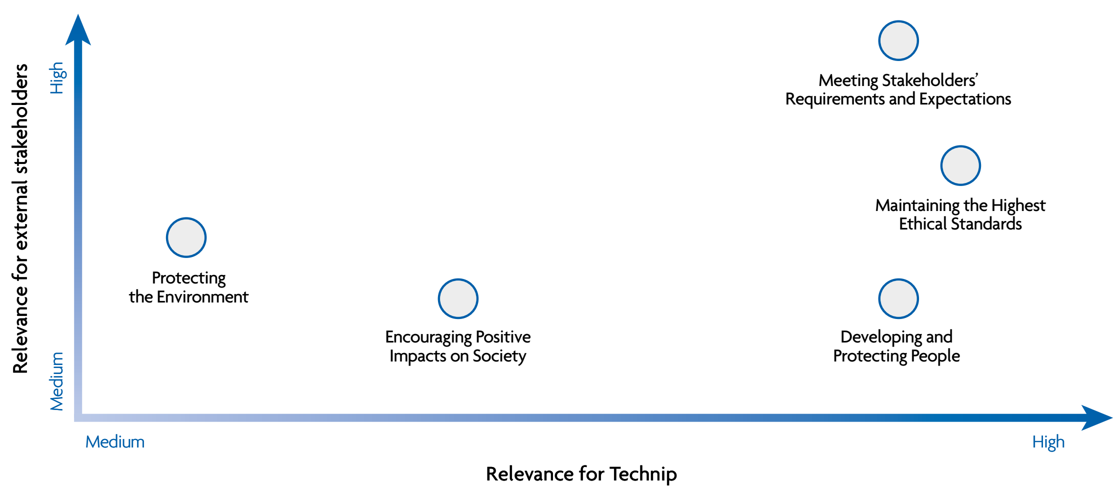
C. Material Aspects and Materiality Matrix

GRI G4-19

Technip's 26 material aspects are grouped into five categories and presented in the table below.

Material Category	Material Aspects	Section of this Reference Document
Maintaining the Highest Ethical Standards	Corporate Governance and Integrity, Risk and Crisis Management, Anti-corruption, Compliance with Laws and Regulations, Responsible Marketing & Sales, Fair & Long-term Business Relations	Section 3.2
Meeting Stakeholders' Requirements & Expectations	Client Satisfaction, Product Safety, Asset Integrity & Emergency Preparedness, Innovative Technology	Section 3.3
Developing & Protecting People	General Conditions of Employment, Employee Development, Diversity & Equal Opportunities, Health & Safety in the Workplace, Security Practices	Section 3.4
Protecting the Environment	Energy Use, Greenhouse Gas (GHG) Emissions, Air Pollutant Emissions, Hazardous Substances, Solid Waste, Water and Wastewater, Biodiversity & Ecosystems	Section 3.5
Encouraging Positive Impacts on Society	Local Content, Sustainability in the Supply Chain, Human Rights, Indigenous & Local Communities' Rights	Section 3.6

The diagram below presents the five categories of material aspects.



D. Material Aspects' Boundaries

GRI G4-18, G4-20, G4-21

The material aspects deemed to be relevant by Technip's stakeholders have impacts either within and/or outside of the Group. As such, to determine the boundaries of each material aspect, Technip developed the methodology described below:

1. The material aspects were plotted against the main Technip stakeholder groups.
2. Technip's definitions of aspect boundaries are as follows:
   - *within i.e.,* when it is impacted by or has an impact on Technip's employees, offices, fleet and industrial assets and/or construction sites; and
   - *outside i.e.,* when it is impacted by or has an impact on Technip's clients, subcontractors, suppliers, investors/shareholders, local communities, NGOs and government authorities.
3. The Sustainable Development team members independently rated the material aspects against the relevant boundaries.
4. Aspect boundaries were defined as relevant (*i.e.,* within and/or outside) when at least 80% of the team members were in full agreement.
5. The approach and results were discussed and approved during a workshop with BSD Consulting.

The boundaries for Technip's material aspects are set out in Section 3.7 of this Reference Document.

3.1.3. Key Performance Indicators and Objectives

GRI G4-27

A. Identification of Key Performance Indicators

For each material aspect identified, Technip has been progressively identifying the management approach to be able to collect and monitor relevant Key Performance Indicators (KPIs).

Based both on GRI G4 guidelines and existing indicators at Technip, several workshops were held with internal stakeholders to develop, implement and monitor relevant KPIs.

The main KPIs are listed below:

Material category	Key performance indicators		
	Description	2015	2014
Maintaining the Highest Ethical Standards	Number of crisis management exercises	53	Not disclosed
Meeting Stakeholders' Requirements & Expectations	Average grade of client satisfaction survey	8.0/10	8.0/10
	Post-delivery performance according to the client satisfaction survey	8.6/10	8.2/10
Developing & Protecting People	Percentage of women in managing positions	20%	19%
	Total Recordable Case Frequency (TRCF)	0.15	0.19
Protecting the Environment	Amount of waste produced per man-hour worked	1.60 kg	3.58 kg
	CO_2 emissions per man-hour worked	2.80 kg equivalent CO_2	2.50 kg equivalent CO_2
	Amount of water consumed per man-hour worked	15.91 litres	9.98 litres
Encouraging Positive Impacts on Society	Percentage of staff in management positions who are nationals	83.8%	83.9%
	Percentage of the overall Procurement expenditure certified to be sourced in the same country of purchase	51%	40%
	Total amount of contributions to local communities made by Technip entities	€1.4 million	€1.4 million

For each material aspect there is a KPI and/or a Disclosure Management Approach presented in each relevant section of this Reference Document and summarized in the table in Section 3.7.

B. 2016 Objectives

During the interviews carried out by BSD Consulting in 2014, a number of topics were raised by Technip's stakeholders about their key expectations of the Group's management of sustainable development. As such, Technip's external stakeholders stated that the Group has to be more visible in the implementation of KPIs associated with the material issues highlighted during their interviews. The internal stakeholders expressed that the Group has to integrate sustainable development at the heart of the business and close the existing gaps between the Group's vision and operations.

In line with these topics, Technip's objectives in the medium term include the following:

- to continue engaging with top suppliers and subcontractors to provide a benchmark and to ensure they are at an appropriate level in terms of sustainability;
- to enhance dialogue with key clients and partners, to increase the visibility of Technip's innovative and sustainable solutions;
- to develop a sustainable development procedure which will clarify and improve integration of sustainable development into asset management and Project implementation; and
- to continuously enhance awareness throughout the Group to create a culture of sustainable development.

3.2. MAINTAINING THE HIGHEST ETHICAL STANDARDS

GRI G4-DMA

3.2.1. Strong Corporate Governance

GRI G4-DMA, G4-15, G4-56

Ethics Charter

As an international company, Technip must conduct business ethically and in strict compliance with the law. Ethical behavior is expected by employees, demanded by clients and is the basis for shareholders' trust. For Technip, it is the only acceptable way of doing business.

Technip's activities are governed by the Group Values and the six charters that explain them, particularly the Ethics Charter. The Group values and charters are published on Technip's internet site.

A Clear Strategy and Strong Ongoing Commitment

Technip is dedicated to conducting business across the world according to the highest standards of honesty, fairness and integrity and endeavours to respect the principles set out in the United Nations Global Compact. Therefore, everyone in the Group, as well as Technip's business partners and supply chain, is expected to conduct their activities in an ethical and lawful manner on a day-to-day basis. To ensure that employees are sufficiently trained and have access to the tools required to manage compliance risks, the Group has developed a compliance program which focuses on three main priorities:

1. compliance with the laws and regulations of the countries in which Technip operates;
2. due diligence on business partners globally, to ensure that they operate in strict compliance with laws and regulations at both international and national levels; and
3. workforce training to foster ethical behavior and raise awareness and knowledge of legal and company requirements.

To ensure that the compliance program is understood and effectively applied by all employees, Technip regularly provide communication on the existing tools to implement ethics and compliance throughout the Group. In addition, a comprehensive training program has been established. The training program covers the following topics:

- anti-corruption compliance;
- antitrust regulations and competition law at corporate and regional levels; and
- export control regulations with a particular focus on the rules of export control and embargoes led by, among others, the European Union and the United States.

The training subjects varies depending on the relevant employee category (*i.e.* whether operational or corporate). Moreover, Technip involves external participants in the training sessions, such as commercial consultants, partners linked by way of joint ventures/consortia, custom agents and freight forwarders.

Compliance Organization

Technip's compliance program is supported by a dedicated structure which stretches from the Board of Directors to every level of the Group.

Created in December 2008, the first pillar of the compliance structure of Technip is the Ethics and Governance Committee. It comprises members of the Board of Directors and assists the Board in promoting ethical and governance best practices. One of its main tasks is to monitor the adherence to ethical principles within the Group and debate any matter that the Board of Directors (or Chairman) submits for consideration. The Ethics and Governance Committee meets at least twice a year. It produces an annual report evaluating operating policies and proposes functional improvements.

The second pillar is the Ethics and Compliance Committee, composed of 11 senior managers from across the Group appointed by the Chairman and Chief Executive Officer (CEO). The Committee directly reports to the Chairman and CEO and ensures that the Group's Ethics Charter and all internal regulations derived therefrom are properly adhered to. The Ethics and Compliance Committee makes proposals to the Chairman and CEO and the Board of Directors concerning ethics and compliance. It also prepares reports on data collected from the managers of the Regions on how the Ethics Charter is being applied. Three working groups have been set up, each of them being assigned specific responsibilities. The Committee meets twice a year in general meetings and every two-months in working groups.

The Senior Vice President Group Chief Compliance Officer (GCCO) which oversees all ethics' programs and ensures Technip's compliance, presides over the Ethics and Compliance Committee. It is in charge of applying and enforcing the Ethics Charter and all applicable compliance procedures and anti-corruption policies. The GCCO reports directly to the Group General Counsel and to the Board of Directors through the Ethics and Governance Committee. In the event of an issue involving the Chairman and CEO or any of his direct reports, such issue is directly reported to the Chairman of the Ethics and Governance Committee. To ensure total independence, the GCCO is not affiliated with any profit center and holds no other role within the Group.

For everyday operations in the Regions and business units and the implementation of Technip's anti-corruption and compliance policies, the GCCO relies on Regional Compliance Officers.

3.2.2. Integrated Approach to Risks

Technip's objective is to build and deliver safe and robust solutions to its clients, free of incident and free of unnecessary maintenance during the expected service life of its Projects. To achieve this objective, Technip applies an integrated approach to the measurement and management of risks which is described in Sections 2 and 4.4 of this Reference Document. Technip has identified the potential risks which could have a material adverse effect on the Group, its business activity, financial position, performance and growth.

In addition, Technip's absolute commitment to the health and safety of its people is a core value that is regularly highlighted by the Chairman and Chief Executive Officer of Technip. Quality is also core to Technip´s business and the Quartz Program is built around six key dimensions: Quality Leadership, Operations Performance, Business Excellence, Quality Alerts, Knowledge Management and Supplier/Subcontractor Management. At production plant level, Quartz is known for the BEST program: Better & Safer Together.

Sections 3.4.9 and 2.7 of this Reference Document describe the crisis management and business continuity program set up within the Group. Each year, all of the main entities and projects of the Group have to set up and run at least one crisis management and business continuity exercise, based on the main identified risks.

In 2015, 53 exercises involving the mobilization of dedicated Incident Management teams were reported to the Group Security Department. The exercises were handled from offices or sites with the aim of resolving various incidents based on realistic scenarios. These exercises involved all Regions of the Group, Corporate teams, the manufacturing units, project teams and vessels. As of 2015, the operating centers based in Aberdeen and Kuala Lumpur are ISO 22301:2012 certified for Societal Security and Business Continuity Management Systems.

To reduce the risk for Technip and its clients, the Group performs a risk rating (a comparative measure of impact) on its equipment and materials. The risk rating is a combination of severity and probability of occurrence as calculated below:

- severity measures the impact/consequences of a risk in terms of: health, safety and environment during commissioning, start-up and operation, cost of the equipment or material and assets linked to the installation, the Project schedule and performance during operation of the facilities;
- the probability of occurrence of a risk is evaluated according to the definitions given in a Probability Matrix. This is to be done for each particular phase of the Project that is under Technip's control:
  - design,
  - manufacturing and testing, and
  - installation, a crucial step for Offshore/Subsea Projects, but also important to Onshore Projects during the construction phase.

3.2.3. Preventing Corruption

GRI G4-DMA, G4-SO4

Covering All Business Operations

To govern its business operations, Technip has implemented several ethics-related operational standards which transform the general principles into concrete operating procedures. These policies are continually updated and revised when necessary. They apply to all of the Group's operations worldwide.

The Doing Business Globally – Technip´s Anti-Corruption Policy & Guide provides a clear and comprehensive Group-wide framework to help employees operate with honesty and integrity. The policy sets out the rules governing sensitive relationships, by explaining the various international anti-corruption laws and the risks that a violation of such laws poses. The policy also establishes the Company's policy of conducting business in strict accordance with the law and details the procedures in force to assist employees in managing corruption-related risks.

The Group pays particular attention to indicators that could cast doubt on the honesty and integrity of third parties involved in Technip's business. Technip's due diligence procedures for commercial consultants, joint ventures/consortia, customs agents and freight forwarders and other processing agents as well as subcontractors, enable the Group to assess and manage corruption risks while conducting business globally.

The Gifts and Hospitality Policy 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. Similarly, a due diligence procedure is to be completed for all social donations and charitable contributions.

In 2015, the Group continued with its large-scale initiative by developing Technip's first Code of Conduct which is expected to be communicated in 2016. It will be made available through various communication and training channels worldwide and will serve as guidance to employees and as a resource for stakeholders to better understand the role and importance of compliance within Technip.

Whistleblowing Procedure

A whistleblowing process enables Technip's employees to report to the Ethics and Compliance Committee or the Group General Counsel if they feel that there has been a violation of Technip's policies and procedures in the areas of accounting, finance or corruption. The alert can be raised internally *via* an external third party service provider which allows employees to confidentially report any potential violation through the use of a dedicated website, phone, email or 24/7 mail service in their own language to someone independent of the Group.

Training the Workforce and Leadership

In 2015, Technip continued with the regular training organized by Regional Compliance Officers supported by the Ethics and Compliance Committee and continued to improve its training program by reinforcing a harmonized approach across the Group with respect to the delivery and monitoring of trainings, and by developing a new e-learning offering to be launched in 2016. The Group aims at ensuring that specifically identified employees within the Group are appropriately acquainted on anti-corruption compliance on a regular basis.

3.2.4. Complying with Export Control Regulations

Technip complies with all applicable laws and regulations where it operates, including in respect of export control regulations.

In 2015, Technip continued training specifically identified employees on export control regulations with a particular focus on the rules of export control and embargoes led by the European Union and the United States, through its e-learning development in 2014.

3.2.5. Promoting Fair and Long-Term Relations

GRI G4-DMA

The first objective stated in the Ethics Charter consists in offering success opportunities to suppliers, partners and subcontractors in the spirit of fair competition and mutual rewarding collaboration with Technip. Thus, in 2015, the Group continued training specifically identified employees on antitrust regulations and competition law.

A new guidance is under finalization and is expected to be published in 2016.

3.3. MEETING STAKEHOLDERS' REQUIREMENTS AND EXPECTATIONS

3.3.1. Stakeholder Engagement

GRI G4-16, G4-26, G4-27

A. Stakeholder Mapping

GRI G4-24

Technip acknowledges the variety of its external stakeholders and their diversified interests. It also acknowledges that not all of them represent the same level of importance with regards to the operations and priorities of the Group. Consequently, public entities (governments and government departments, public agencies and organizations, local authorities and intergovernmental organizations), civil society organizations, compliance bodies and ratings agencies all form part of an ecosystem linked to Technip with varying degrees of proximity. The relationship between the Group and its external stakeholders is one of dialog, compliance and mutual understanding.

Clients and Business Partners

Technip is committed to creating added-value for clients by providing high-quality services and delivering high-performance installations that integrate requisite national content, taking into account the context of the country or of the region where Technip performs its operations. Section 3.3 of this Reference Document describes how Technip is meeting its stakeholders' requirements and expectations. Section 3.3.2 details how Technip measures its clients' satisfaction.

As of December 31, 2015, the Group's list of clients includes international oil companies, such as BP, Chevron, ConocoPhillips, ExxonMobil, Shell and Total, a large number of national companies, such as CNOOC, PDVSA, Pemex, Petrobras, Petronas, Qatar Petroleum, Saudi Aramco, Statoil as well as large independent companies such as Anadarko, Noble Energy and Tullow Oil.

Section 11.5.3 of this Reference Document details the technological partnerships with some clients. The following is a list of some of Technip's long-term partnerships:

- Shell:
  - 15-year frame agreement on FLNG, from FEED (Front End Engineering and Design) to EPCI (Engineering, Procurement, Construction and Installation),
  - Subsea EPMS Enterprise Frame Agreement signed in January 2012 for 10 years,
  - Offshore Engineering Enterprise Frame Agreement for Asia Pacific Region signed in 2012;
- BP:
  - 10-year frame agreement on Spar hull, from FEED to EPCI in the Gulf of Mexico,
  - Exclusive alliance on BP's PTA (Purified Terephthalic Acid) technology from licensing to FEED since 2000 for PTA plants (extended in 2013),

  - Global Frame Agreement covering Subsea, Flow Assurance, Riser Engineering, Concept Design, Risk, Reliability and Integrity Management;
- ExxonMobil Chemical: equal Joint Venture partner in Badger Licensing LLC, offering phenolics and styrenics technologies;
- Petronas Offshore Facilities: frame agreement, creation of a Hull design JV and joint investment in a fabrication yard in Malaysia;
- HQC (affiliated to China National Petroleum Company (CNPC)) Procurement: creation of JV's for procurement activities in Europe and China for Onshore and Offshore Projects;
- COOEC: combines the know-how, technical resources, complementary assets, commercial and financial capabilities of both companies to target deepwater EPCI SURF Projects in China;
- Tullow Group Services Ltd: frame Agreement for Provision of Concept Studies and Front End Engineering;
- Qatargas: 20 years of successful collaboration;
- Sasol GTL: exclusive alliance on core GTL technology, from Feasibility to FEED; and
- Petrobras: frame Agreement for Fixed Platform Maintenance, since 2007.

Section 1.5.3 of this Reference Document also details the technological partnerships with some key technology providers. Technip's major long-term partnerships are as follows:

- Air Products: cooperation agreement for more than 20 years to supply hydrogen to the global refining industry;
- Asahi-Kasei: non-exclusive worldwide partnership in Chlor-Alkali, for their membrane cell process technology;
- Axens/IFP/TOTAL: a 30-year business relationship for fluidized catalytic cracking;
- BASF: engineering partner umbrella service contract for chemical and petrochemical Projects;
- Sinopec: high olefins catalytic cracking technologies since 1992;
- INEOS & SABTEC: partnership since 1963, 115 polyolefin units engineered; and
- SABIC-IP: partnership for its emulsion and mass Acrylonitrile-Butadiene-Styrene (ABS) technologies for license.

Investors: Transparency and Reliability

The function of the Investor Relations Department is to support the financial community in better understanding Technip's strategy, financials and differentiating technology and assets to better assess its valuation. It is also very important to provide the management and the Board of Directors with relevant financial information, as well as the perceptions that investors have of Technip and its peers in the oil and gas services sector.

Throughout 2015, Technip met with over 1,000 investors, either individually or as a group at conferences and during roadshows in many cities around the world. Numerous visits, *i.e.*, "reverse roadshows", were hosted at Technip's offices: Paris (France), Houston (United States) and Oslo (Norway), which gave investors the opportunity to meet with Management and technical experts. Also, in 2015, nearly 40 analysts covered Technip, publishing regular equity research reports on the Company as well as on the oil services sector and interacted with the Investor Relations team on a continuous basis.

Technip continues to be highly ranked by the investment community for its Investor Relations efforts. In March 2015, Technip was once again ranked as the third most honored company in Europe across all sectors by the *Institutional Investor's* [1] annual survey of portfolio managers and equity professionals worldwide. Technip's Chief Executive Officer, Group Chief Financial Officer (CFO) and Head of Investor Relations were awarded first place for the Oil Services sector's 2015 All-Europe Executive Team.

Technip was also awarded the Best Analyst Day, a new category by the *Institutional Investor* [1], for the Oil Services sector in Europe. These events give the investment community an opportunity to delve into a particular aspect of Technip's business and gain a greater understanding through interactions notably with technical experts and management. In June 2015, Technip was once again awarded by Extel, with participation from over 12,000 investors, as number one Chief Executive Officer and Chief Financial Officer for the entire European Oil Services sector and placed amongst the top corporations for Investor Relations and IR Professionals.

In January 2016, Technip received the Gold Medal in RobecoSAM's Yearbook, confirming the Group's status as sustainability leader in its industry, which is reflected by its inclusion in the Dow Jones Sustainability Indices (DJSI) since 2001. In 2015, Technip was part of the Euronext Vigeo Europe 120 and Eurozone 120 indices. Also the Group received the Global Top Employer certification by the Top Employers Institute, becoming one of the first five companies in the world to be certified at this level. In addition, in 2015, Technip achieved EDGE Certification in five more countries taking the total number of certified countries to eight.

Technip's management and experts play an active role in meeting with the investment community. Within the investment community, Technip has the reputation of always being available to communicate and to be transparent. This is greatly appreciated, as reflected in the honors.

(1) Institutional Investor is among the world's foremost financial publications for a global audience of finance and investment decision makers. It produces a host of proprietary research and rankings that serve as the industry-standard benchmarks for professionals and executive teams. The 2015 All-Europe Executive Team is based on the votes of 1,380 individuals at some 500 financial services firms, including portfolio managers and analysts from buy-side investment firms and analysts from sell-side firms.

Shareholders: Sharing the Benefits of Growth

Technip encourages a fair return for all of its stakeholders and therefore takes care to share the benefits of its growth with them. On this basis, the Technips' Board of Directors decided to propose to the Annual General Meeting (AGM) of shareholders, which will take place on 28 April, 2016, to maintain the €2 per share dividend (with a shareholder's option for the payment in new common shares benefiting from a discount of 10%).

In 2015, Technip continued to promote an active and ongoing dialog with its individual shareholders by launching several initiatives and communication tools throughout the year, such as a new workshop for shareholders and a dedicated website for the shareholder's guide, to name only a few. This website, accessible *via* the corporate website, enables Technip's current and potential shareholders to access at a glance an enriched and interactive version of the shareholder's guide. A new workshop was implemented to have the view and expectations of the Group's shareholders on specific topics such as the AGM or the communication initiatives of Technip regarding them. The first workshop which was focused on the AGM enabled Technip to better prepare this major event by talking about some key points mentioned by the group of shareholders who were met. This initiative was also highlighted as one of the reasons Technip won the prize of the best Annual General Meeting organized by the CAC 40 companies in 2015.

Technip also enlarged the offer of its Shareholders' Club, launched in 2013, to strengthen its relationship with its individual shareholders with new initiatives for enhancing their knowledge of the Company. Through this Club, several events (such as technological conferences and site visits) were organized throughout the year with the aim of sharing the values and vision of Technip with its shareholders.

The Group had the opportunity to meet current and potential shareholders during an individual shareholder meeting held in Nantes (France) in June 2015 and also during the Actionaria [1] exhibition in Paris on November 20 and 21, 2015. Nearly 800 visitors, many of them already shareholders of Technip, came to meet the Group's teams on the booth and took part in the photo animation set up for them. At the *"Agora des Présidents"* held on November 20, the Group CFO gave a live interview, which was attended by roughly 150 individuals. This was an opportunity for him to pass on key messages including Technip's strategy to survive in this challenging environment and anticipate the recovery.

Suppliers and Subcontractors: Sustainability in the Supply Chain

As a world leader in Project management, engineering and construction for the energy industry, Technip's supply chain is paramount to deliver successful projects. Section 3.6.2 of this Reference Document illustrates the integrated approach and the close working relationship set up by the Group to increase sustainability in its supply chain.

Human Resources

Technip is fully committed to all of its stakeholders including its employees, contracted staff and other stakeholders (*e.g.*, sub-contractors, suppliers, and clients) who are at the core of Technip's strategic development. Section 3.4 of this Reference Document is dedicated to Human Resources.

Local Communities: National Content and Long-Term Relationships

The Group is committed to promote partnerships that strive to improve employability, self-sufficiency and development at both local and national levels. Section 3.6.1 of this Reference Document illustrates how Technip's actions have contributed to increase local capabilities. Also, Technip seeks to build long-term positive relationships with the communities living near its operations, which is the focus of Section 3.6.4 of this Reference Document.

Professional Associations

As a key player in the Oil & Gas sector, Technip is a member of the GEP AFTP (Association of companies and professionals in the Oil & Gas sector). This allows Technip to be involved in a dynamic network, to promote its technological excellence and to share information and experiences on various subjects including sustainability. Technip is involved in a working group dedicated to local content and participates to the different events and seminars organized by the GEP AFTP. Technip is also a member of the AFEP (Association of French Private Companies) which represents over 100 of the largest companies operating in France. AFEP takes part in public discussions, aiming to find pragmatic solutions that will encourage the development of a competitive French and European economy. AFEP is particularly involved in sustainability topics such as human rights' regulations and Corporate Social Responsibility (CSR).

To maintain its role as a leader in technological innovation, Technip is engaged through a partnership with IFP Énergies nouvelles (IFPEN). IFPEN is a public-sector research and training center in charge of providing solutions to take up challenges society faces in terms of energy and climate. In 2014, Technip renewed its partnership and entered into a five-year framework partnership agreement with IFPEN in the offshore oil production sector. This partnership aims to develop technologies on flexible and rigid pipes as well as umbilicals and is the continuation of more than 40 years of close collaboration between Technip and IFPEN, since the invention of the flexible pipe.

(1) Actionaria is the main exhibition in France dedicated to the individual shareholders of listed companies.

B. General Communication with Stakeholders

GRI G4-25

Throughout the year, Technip interacts with its stakeholders internally and externally through different channels. Internally, Technip enhances cohesion and social exchange by organizing events across all the entities such as: One Technip Day (an initiative to bring together virtually the entire Technip staff on the same day, which had in 2015 a special focus on sustainable development); an online chat with Executive Committee members open to all employees; regular Townhall meetings (where top management share a business update and establish a dialog with staff in attendance); worldwide events or campaigns such as the Quality Month, the Pulse HSE Leadership Week, the World Environmental Day and the World Health Day. Additionally the Group has its own internal channel to transfer information such as Technip in Motion – a fortnightly digital newsletter and *Horizons* magazine – a printed 24-page newspaper, on Technip strategies, projects and people; The Link global intranet portal; and the *Tomorrow* magazine, a technical review released twice a year.

In 2015, Technip rolled out a campaign encouraging all staff to join Yammer, the internal social network available for all staff, with the objective to boost online collaboration by directly bridging departments and geographies beyond borders; with 10,000 employees already connected, Yammer also reinforces mutual comprehension and ultimately strengthens the corporate culture.

Technip is active in the media to engage with external stakeholders and the public, with more than 80 interviews of the Top Management and 31 press releases in 2015. To strengthen its link with the public, the Group communicates through social media (more than 35,000 Facebook fans, more than 395,000 followers on LinkedIn and more than 9,500 on Twitter in 2015), its website www.technip.com, and brochures such as Technip at a Glance or the Activity and the Sustainable Development Report, also available online. With 37 selected tradeshows worldwide, 108 marketing brochures, more than 200 papers presented at international technical conferences, and more than 20 technical articles published in the Trade Press, Technip is proactively engaging with its business stakeholders.

3.3.2. Client Satisfaction: Focusing on Operational Excellence and Continuous Improvement

GRI G4-DMA, G4-PR5

Technip is committed to creating added-value for clients by providing high-quality products and services and delivering high-performance installations which integrate adequate national content, taking into account the context of the country or region where the Group operates.

Technip focuses on quality with the aim of improving client satisfaction and competitiveness, reflecting the Group's commitment to its clients. All Technip's main entities are ISO 9001 certified.

Technip launched the Quartz program in 2014, focusing on quality leadership, operations' performance, continuous improvement and supplier and subcontractors pro-active risk management. The primary objective of Quartz is to increase the level of awareness and knowledge among employees and different stakeholders with the aim of encouraging a culture of excellence and continuous improvement. To this end 1,700 managers have attended dedicated Leadership Workshops. At the end of 2015, over 22,000 people had completed the first e-learning module.

In 2015, Quartz focused primarily on continuous implementation of identified opportunities for improvement, focusing on two things: (i) doing work more efficiently, to avoid wasting effort and resources, and (ii) working properly, to avoid costly mistakes and reworks.

As part of its ongoing efforts to increase competitiveness, the Group has paid increased attention to costs and deadlines. Since the adoption of the Lean operating principles and the Six Sigma quality improvement program in 2010, more than 300 people have been trained in Lean-Six Sigma to assist others with the use of these methods. Similarly, more than 200 Improvement Projects have been implemented in all main operations, generating an estimated savings, in terms of gained efficiency and/or effectiveness, of about €10 million a year.

Regarding client satisfaction, the following key indicators are used as the basis for surveys: health, safety and environment (HSE), project execution, relationship with clients, project documentation, schedule compliance, cost compliance, adequacy of resources, commercial management and post-delivery performance.

Throughout some of Technip's Projects, survey questionnaires are used to allow a clearer understanding of client expectations and to identify areas for improvement. In 2015, 200 surveys were conducted on 130 Projects across Technip's operating Regions and business segments. The results reflect a level of client satisfaction almost consistent with the 2014 result: the overall rating is 8.0 out of 10. Moreover, according to clients, Technip differentiates itself especially on project management and execution, customer relations, post-delivery performance, quality and HSE. For Post Delivery Performance, the ranking is 8.6 out of 10.

Operational excellence requires a strong integrated approach to risks, as detailed in Section 3.2.2 of this Reference Document.

3.3.3. Product Safety

GRI G4-DMA

A. Within Technip's Projects

In over 50 years of existence and presence in the energy industry, Technip has developed its technical know-how, organization, work methods and the awareness necessary to successfully address health, safety and environment (HSE) at all stages of project execution and product manufacturing. This is reinforced by strict vigilance to critically review everything the Group does in order to further improve the HSE performance of the facilities and products designed.

Technip believes that all accidents are preventable. Therefore, the objective is to bring its customers further on the journey to zero accident, as detailed in the Sections 3.4.9 and 3.5.1 of this Reference Document dedicated to Health, Safety and Environment (HSE).

Safety is a top priority for Technip and it is rigorously implemented in all phases of project execution (from process, engineering and procurement to construction, installation, commissioning and start-up) as detailed in the sections below.

Hazard Management as an Integral Part of the Design Process

Technip endeavors to systematize a risk assessment based approach to manage hazards associated with Project operation and anticipate the safety requirements as early as possible during the design stage, in particular through:

- plot plan development (inherently safe design by layout optimization);
- control of ignition sources;
- fire and explosion protection in the facility;
- safeguarding measures (prevention, control and mitigation).

Technip intends to maximize the inherent safety from the beginning of the design process, by minimizing the likelihood of the occurrence of major accidents and the subsequent consequences of major accidents such as fire, explosion, cryogenic and / or toxic events in all facilities designed. The processes include providing philosophies, specifications and recommendations to be implemented in the design to achieve a risk reduction to ALARP (As Low As Reasonably Practicable).

The implementation of the HSE philosophy throughout the design process, is ensured by carrying out systematic multi-disciplinary reviews and workshops which take place at regular intervals of the Project such as:

- plot plan reviews;
- Hazard Identification (HAZID) reviews;
- Hazard and Operability (HAZOP) reviews;
- ALARP demonstrations; and
- Safety Integrity Level (SIL) reviews.

In addition, Quantitative Risk Assessments (QRA) are performed to demonstrate the acceptability of risks during the operational stage in terms of regulatory and contractual risk acceptance criteria. These assessments take into account the accidental loads and additional risk reduction measures from the design stage. The accidental loads are defined during the design stage for safety critical elements such as platform decks, primary structures, equipment containing hazardous substances and Emergency Shut Down Valves (ESDV) by simulating the effects of toxic or flammable gas dispersion, fires and explosions.

Those risks found unacceptable according to client or regulatory criteria are minimized to acceptable levels, by implementation of risk reduction measures following the ALARP approach.

In parallel, Technip develops safety engineering activities like the design of fire and gas detection and active and passive fire-fighting systems.

Safe Plot Plan Development

Technip has extensive experience in designing facilities and equipment to meet the safety, operability, maintainability and constructability requirements of laws and standards, client specifications and good operating practices. This includes layout and separation distances taking into account hazards inherent to the operations, natural hazards, construction constraints and safe means of egress requirements for personnel evacuation.

From Safety to Environmental and Health Protection in Design

To minimize the impacts and risks managed in accordance with the ALARP principle, Technip ensures that installations are designed in compliance with environmental and health regulations and standards. Applicable regulations, client standards and other applicable performance standards are first analyzed to identify the requirements to implement into the design of Technip projects.

Multi-disciplinary Environmental Aspects Identification (ENVID) reviews are performed to identify, evaluate and propose mitigation measures on a project's general and specific environmental aspects during the design stages. The environmental studies cover inventories of gaseous emissions, liquid effluents, solid wastes and noise levels. Multi-disciplinary Health Risk Assessment (HRA) reviews are performed to verify that the design is acceptable regarding occupational health and to propose mitigation measures where potential health effects are detected.

Greenhouse gas emissions and energy efficiency analyses are used to define Best Available Techniques (BAT) to be implemented in project design. The Environmental and Health Aspects Register (EHAR) can be developed and updated throughout the life-cycle of a project.

Finally, Technip performs noise, water and atmospheric dispersion and waste management studies to assess the environmental impacts in parallel to the Environmental Impact Assessment (EIA) developed by Technip Clients. These define mitigation measures to be implemented during project design and operation. The environmental monitoring requirements can also be specified in terms of emissions and ambient air quality during project operation.

Safe Construction and Start Up

Safety is fully incorporated in construction and start up phases, during which Technip's commitment is to safely hand-over the plant to the client according to its requirements and expectations.

Product safety also refers to plant durability and reliability throughout its lifespan, dealing with the technology used to prevent and detect potential spills and with quality and safety control measures put in place during the plant construction and operation.

Technip construction and start up methodologies aim at ensuring that plant performance is kept to the highest level and the impacts on health and safety of local communities are minimized. These methodologies are constantly in evolution in the spirit of continuous improvement, through the collection and analysis of project and site feedback.

Technip specifically takes into account and strives to minimize the effects and risks to:

- all persons directly involved in construction activities;
- local communities living or working in the areas surrounding the plant.

Before commencing any construction activity, Technip develops detailed Project HSE plans and procedures, which are then transferred to the subcontractors. A specific set of HSE procedures and tools are applied during construction, pre-commissioning, commissioning and the start-up of operations.

To select the most HSE-compliant subcontractors, Technip adopts a strict pre-selection (before tender) and qualification (prior to awarding any contract) process for its subcontractors, checking in particular, their organization, working processes and HSE statistics from past projects.

To ensure the highest HSE performances on site, subcontractors are constantly monitored up to the final performance assessment report. The monitoring is conducted at all levels, from management to manpower, through detailed programs, including the Behavior Based Safety (BBS) program based on the observations of workers' behavior. Specific incentive plans are often deployed to further encourage subcontractors and promote safety on site. The strict application of procedures such as the PTW (Permit to Work) is mandatory.

To continuously improve HSE performances, Technip regularly analyzes the data collected from sites. Several indicators are used to assess the performances and take the proper corrective actions, including Total Recordable Case Frequency (TRCF), Lost Time Injury (LTI), Serious Incident and Fatality Frequency (SIFF) and Severity Rate.

To control working processes and performance, Technip implements construction quality plans based on the highest quality standards in order to avoid and minimize any potential issues, such as leaks and spills. Piping welding and flanges torqueing are examples of processes followed by a strict quality control program.

To safely and effectively manage start-up activities, Technip implements a new approach called "Smooth Start Up". It is a structured methodology to identify in advance and minimize the risks of unplanned shut-downs or undesired limiting/delaying failures during first plant start-ups. This methodology is intended to avoid detrimental effects on assets and operations, while reducing the risks of discharges and pollution impacting local communities.

B. Within Technip's Products and Technologies

In the Subsea business segment where Technip has manufacturing activities, for example for flexible pipes, the API (American Petroleum Institute) construction codes are strictly applied to design and rely on product performance. Due to API 16A and API 6A, end connectors assembled on Technip's flexible pipes are designed according to a product specification level and a performance requirement. Product specification levels are quality class requirements based on rated working pressure and type of fluid. Performance requirements are based on the service conditions, as specified by the purchaser. Product safety levels and product requirements are key data taken into account for a safe design. A qualification phase is intended to demonstrate the level of performance achievement.

Taking into account the API 16C, choke and kill products are tested up to their highest limits to establish the relationship between failure mode and safe usage factors.

Finally, to ensure overall product conformance, the API 17J is applied to define the technical requirements for safe, dimensionally and functionally interchangeable flexible pipes that are designed and manufactured pursuant to uniform standards and criteria. Minimum requirements are specified for the design, material selection, manufacture, testing, marking and packaging of flexible pipes, with reference to existing codes and standards where applicable.

All Technip products, design methodologies and manufacturing processes are continuously monitored by third party inspection bodies and validated through Type Approval Certificates. These certificates are provided after Technip's products pass the relevant performance qualification tests. These bodies certify that Technip takes sufficient safety margins in line with the API standards but also that Technip integrates the latest knowledge from manufacturing, testing and field experience. In addition, all assets are independently certified according to quality, health, safety, environment and security standards.

Technip's R&D department typically uses industrial process qualification methods which incorporate the analysis of risk, types of failure and consequences. For a more robust approach, due to the sharing of best practices, all Technip units adhere to the same high-quality levels. This best practice approach applies both to Technip's infrastructures and as well as its key partners. The products and services of these key partners are selected pursuant to the requirements of international codes and standards as well as best practices before being integrated into Technip's certification program. Key partners are also invited to transfer Technip's requirements and philosophy to their own partners. Each year, the Supply Stars program awards Technip's best partners in different categories.

Technip continuously improves the quality control applied during the manufacturing processes. In 2015, new nondestructive ultrasound testing technologies were deployed to detect potential defects or anomalies during the manufacturing of both polymer and metallic layers.

In parallel to continuously improving quality, Technip strives to use the latest manufacturing technologies to facilitate the work of the operators, particularly for the manual intensive operations. For example, a robot has been designed to assist technicians in the mounting of flexible pipe-end fittings in Technip's manufacturing plants, thereby significantly reducing the strain imposed on the technicians while also improving the quality of the product. After extensive testing throughout 2015, this tool will be deployed to all sites in 2016.

In construction, a flexible pipe, which is a composite structure made of several metallic and plastic layers, is a robust solution to confine a spillage in the pipe annulus and to detect the spillage before it potentially damages the environment. Technip's R&D programs are oriented toward reliability and durability objectives, for example, its annulus continuous monitoring and the "morphopipe" projects. Technip know-how is not only dedicated to designing and manufacturing flexible pipes, but also to demonstrating robustness through the entire life-cycle.

Technip has also qualified a range of monitoring technologies which help to ascertain the integrity of the assets and infrastructures throughout the service life. The RTMS (Riser Tension Monitoring System) can continuously monitor the tension in rigid pipe risers ensuring that it maintains an acceptable level and immediately detecting any potential abnormality requiring further assessment. Similarly, the Anchor Leg Load Monitoring System (ALLMS) system provides, on a live basis, the confirmation of the correct setting of floating unit mooring lines. The on-board acoustic emission sensor detects any armor wire breakage in a flexible pipe. These technologies, amongst others proposed by Technip, provide the operators with reliable means to effectively monitor and ensure the long term functionality of their facilities.

3.3.4. Asset Integrity and Emergency Preparedness

GRI G4-DMA

Making robust products is not enough. Therefore, Technip constantly invests in quality and safety culture by applying the requirements of the Quartz and "Better and Safer Together (BEST)" programs to all its assets.

The Group is engaged in a continuous improvement process and its objective is to develop and maintain the highest level of resilience for its assets and apply the best practices as regards business continuity pursuant to the ISO 22301:2012 standard. Since 2015, the Social Security and Business Continuity Management Systems of two Technip regional operating centers have been certified, one based in Aberdeen and the other in Kuala Lumpur. Technip is prepared to react quickly to all kinds of events which may affect its manufacturing assets to avoid any impact on its value chain.

Technip's QHSES (Quality, Health, Safety, Environment and Security) management systems focus on business continuity practices and asset integrity requirements at all levels. These generally involve insurance companies, clients, partners and civil authorities.

Technip's prevention approach includes periodic inspections and continuous monitoring of critical installations. In addition, efforts are made to enhance safe and robust designs based on experience and analysis of lessons learned. The feedback is shared with partners to reinforce a common resilience level.

The Emergency Response teams across the Group organize drills and exercises on a regular basis. The exercises are performed according to realistic scenarios that generally involve civil authorities, partners, clients etc. For example, in Flexi France, the training program includes several exercises with local firemen and policemen. On the Yamal project, six emergency response exercises were conducted on fabrication yards. Our partners, and at times local authorities, took part in the exercise. For additional information, please refer to Section 2.7.2 of this Reference Document.

Regarding Technip's assets, emergency plans are established in all factories and continuity plans are in place to prepare for any major issue that could occur. For instance, one of these plans was tested during the bird flu crisis, to check its effectiveness.

The Business Continuity Plan (BCP) is also included in the Group's asset risk management. This document is transferred to key business partners for a more robust approach. The Group considers several emergency scenarios, including maximum states of alert. To strengthen its engagement with local stakeholders, Technip performs on a quarterly basis, crisis management exercises and training involving authorities and civil society such as police, firemen and medical units.

In the Flexi France manufacturing plant for example the BCP consists of 34 main scenarios presented in the form of reflex sheets and emergency response instructions. In 2015, Flexi France carried out an exercise in a workshop, with 30 local firemen during half a day and also carried out a natural disaster simulation throughout the course of one week as a training program for 10 firemen. Other training and exercises have been carried out regarding safety, fire, accidents requiring medical assistance, chemical spills, man over-board incidents, vessel navigation incidents, flooding within the workshop, power-cuts and major equipment breakdown. In all cases, Technip proved that the procedures put in place are robust and the assets are resilient.

Technip procedures are in accordance with the best industry standards: FM Global programs, APSAD rules, ISO 22301 (Business continuity management systems) and ISO 31000 (Risk management).

3.3.5. Sustainability and Innovation for a New Energy Future

GRI G4-DMA

A. Anticipating COP21

In December 2015, an historic climate agreement was adopted by 195 countries at the United Nations Climate Change Conference 2015 (COP21) held in Paris. The commitment to keep the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C, clearly demonstrates the political will to address the climate change threat and ensure the transition to a low carbon economy.

As referenced in the Paris Agreement, the private sector has an important role to play and Technip believes that with its technologies, competencies and responsible business approach it can provide a valuable contribution. Since 2002, Technip has been adhering to the principles of the UN Global Compact, which is the largest coalition of businesses taking action for climate improvement. Throughout the COP21, a large number of heads of state and government members drew particular attention to the importance of accelerating the following: investments, action and research programs regarding sustainable innovations and green technology.

Technip has anticipated its clients' requirements, commitments and expectations, introducing since 2010, a new integrated approach that combines "Sustainability & Innovation (S&I)", with the aim of fostering engineering solutions that meet future energy scenarios and leading-edge technologies that mitigate climate change.

B. Differentiating through an Integrated Approach

In combining sustainability with innovation to provide tangible engineering solutions and technologies, Technip has identified a key differentiator amongst the EPC contractors and technology providers for the energy industry.

To reinforce this approach based on four pillars (environment, economy, society and innovation), since 2013, Technip has a dedicated "Sustainability & Innovation (S&I)" function within Technip's Group Sustainable Development department.

The S&I's main objective is to give higher visibility to the environmental-social-economic benefits already embedded in Technip's innovative technologies and to further promote the implementation of S&I solutions in Technip projects, products and R&D activities.

Increasing Internal Involvement, Competencies and Methodologies

In 2015, S&I actions evolved from promoting internal awareness to the direct involvement of Technip resources and further development of competencies and methods.

This resulted in the elaboration of customized training to incorporate sustainability and innovation criteria in 3D plant modeling. Technip experts went beyond the eco-design principles of LEED (Leadership in Energy and Environmental Design) standard and, in collaboration with the software provider, used 3D modeling functionality to support the evaluation and selection of the most sustainable and innovative design solution. In February 2015, the webinar on "S&I using 3D model" took place with the participation of more than 50 engineers from various Technip regions.

In November 2015, the HSE Design seminar took place online for the first time with the participation of more than 170 engineers from 25 operating centers. The event allowed all participants to share their knowledge and experience and to address a wide variety of subjects including risk assessment, environmental protection, evacuation and rescue analysis, human factor studies, environmental lighting impacts, leak detection and prevention.

Regarding new methodologies, a step forward was taken in increasing the implementation of sustainability in projects through the creation of a manual of key "Project Sustainability Actions" (PSAs) in accordance with the work done by the Construction Industry Institute, to which Technip belongs. The PSAs are meant to enhance all processes related to design, procurement, construction and installation of Technip projects with sustainability parameters. The purpose is to support project management and technical staff, providing a set of pragmatic actions, along with comprehensive internal and external standards and references, to implement the most appropriate sustainability actions that meet clients' and stakeholders' expectations. As part of the process, for each sustainability action either KPI's or key success factors have been identified and links are included to Technip´s best practices and internal procedures. The PSAs manual is expected to be issued in 2016.

Increasing External Awareness, Stakeholders' Engagement and Collaborations

During 2015, Technip organized meetings and presentations to clients, partners and top suppliers to make them aware of Technip's combined approach to sustainability and innovation and to discuss potential common initiatives on key topics, including climate change and supply chain management.

Regarding the collaboration with leading technology institutes, in 2015 Technip has continued its cooperation on research and innovation with both IFP Énergies nouvelles (IFPEN) and *Commissariat à l'Énergie Atomique* (CEA Tech) as part of long-term technology development partnerships. In the frame agreements, special focus has been given to asset integrity technologies in order to continuously improve the sustainability performance of Technip installations.

Capitalizing on Forsys Subsea, as described in Section 3.3.5 below, Technip is also evaluating the benefits of compact processing equipment within topside production systems, in order to save space and weight, reduce the hydrocarbons inventory, improve safety and lower the risk of emissions during an emergency scenario.

Moreover, Technip is successfully proceeding for the second year in the key collaboration with the internationally recognized marine research institute CNR-Insean to develop and test sustainable and innovative solutions to increase Technip's competitiveness in offshore installations.

Progressing on Technip's Sustainable and Innovative Solutions

Technip has distinctive references to innovative solutions included in its technological portfolio or designed and applied in projects. As part of its strategy to make these references more visible, both internally and externally, Technip has decided to create a catalog of sustainable and innovative solutions.

In accordance with the top priority solutions agreed with the Sustainable Development Board, 2015 has been focused on certain Technip proprietary and flagship technologies: Hydrogen, Ethylene and ETH PiP.

Hydrogen plays an important role in the production of cleaner fuels needed by modern and efficient combustion engines. It is widely used in petroleum refining processes to remove impurities found in crude oil (such as sulfur, olefins and aromatic), produce cleaner fuels and thus reduce the effects on climate.

Technip's Hydrogen technology has been implemented so far in more than 260 plants worldwide. The main sustainable benefits provided by this technology include:

- up to 40% reduction of "on-purpose" H2 capacity;
- over 10% improved energy efficiency;
- ultra-low NO_x, due to LSV proprietary burners; and
- up to 20% reduction of CAPEX and OPEX.

For ETH-PiP, the following qualitative and quantitative benefits are highlighted:

- 10% to 30% reduction of CAPEX compared to conventional solution;
- prevention and mitigation of risks of accidental failures and releases to the environment;
- major reduction of methanol injection requirements and consequent environmental risks;
- higher energy efficiency; and
- lay-out simplification (single line ETH-PiP vs. a conventional loop), less risers and reduced equipment on the platform.

In line with the priority of promoting sustainable and innovative solutions for early engagement with clients, Technip has developed eco-design studies that compare the sustainability benefits of various design solutions and technologies enabling the clients to make the right choice. The evaluation of the impacts goes beyond the Environmental Impact Assessment (EIA) by including additional parameters such as global warming, human toxicity, acidification, eutrophication and economic indicators (CAPEX, OPEX, carbon pricing) over the entire life span of the facility. A video highlighting the sustainability benefits for clients and stakeholders is available on Technip´s YouTube site.

During 2015, involvement continued with the centers of excellence for technological innovations and expertise (Technip Stone and Webster Onshore Process Technologies, Subsea Innovation and Technology Center, Genesis, Expert Network, Chief Technology Officers). The collaboration resulted in producing material for oil spill modeling, underwater noise modeling, oil spill modeling, underwater noise modeling, Morphopipe, emissions' monitoring system and 10 engineering solutions' winners of recent editions of Jacques Franquelin innovation awards.

The Jacques Franquelin internal award, created in 2000, recognizes some of the best, creative and innovative initiatives undertaken within the Group. In 2015, there was a record number of 274 submissions and 26-awarded solutions. An additional step was taken for this edition to highlight the sustainability benefits of the winning submissions.

Also, Technip has a special recognition for sustainable development as part of the internal Best Technical Publication Award. This initiative facilitates the implementation of these solutions in Projects. For example, in 2015 a design solution to reduce flaring and increase conversion of associated gases from offshore oil fields, was presented to the GPA (Gas Processors Association) Europe conference to inform the industry actors. This solution has now been implemented by Technip on three Projects (Total's Martin Linge, ADMA OPCO's Umm Lulu and Dong's Herje).

C. Incrementing Sustainable Innovation

Sustainability is playing a greater role in product or service differentiation and is becoming an important driver for innovation, as confirmed by the new international commitments between governments and business players to invest in clean and socially responsible technologies.

Technip is convinced that sustainability allows enhancements and disruptive innovations, which opens new business opportunities and game-changing solutions.

Technip's determination to stimulate sustainability-driven innovations has produced significant developments in Onshore, Offshore and Subsea proprietary technologies including:

- the novel approach in the solids' separation technologies used in Technip's fluid catalytic cracking portfolio, has reduced particulate emissions. In addition, a development program for reduction of NO_x emissions in FCC units was started in 2015;
- the adoption of double-walled self-containment tanks as a minimum safety and sustainability requirement for light hydrocarbons, such as LNG and ethylene, in all of Technip's Projects worldwide;
- the improvements of energy efficiency in ethylene process technology, which delivered a lower cost of ownership to its clients with reduced environmental impact. This involves a number of programs such as compressor-less refrigeration systems and swirl flow tubes;
- the development of proprietary Large Scale Vortex (LSV) burners for the furnaces used in Technip's steam methane reforming to ensure ultra-low NO_x concentrations and exceptional environmental performances compared to the international regulations. The application of this technology was broadened to include Technip's ethylene cracking furnaces testing of improved catalyst which, in combination with Technip's DHU technology, can offer further reduction in steam and energy consumption in styrene plants;
- the specially formulated plastic material, developed to be extruded as a sheath layer, that has the scope of neutralizing the H2S diffusing from the pipe bore before it reaches the flexible annulus and comes into contact with the steel wires, preventing the risk of any H2S induced corrosion related failure. The solution has now been qualified in 2015 for static flexible application and will be extended to dynamic application in 2016;
- the electrically trace heated pipe-in-pipe (ETH-PiP), Technip's revolutionary solution for flow assurance which implies lower power generation requirement from topside, lower power consumption, yielding higher environmental performances and further subsea operational savings; This technology has also the potential to significantly simplify subsea field architecture, replacing the traditional production loops by a single ETH-PiP line;
- the Morphopipe program that enables the insertion, within the flexible riser critical fatigue area, of advanced sensors providing live data for fatigue monitoring and prevention of failures, with benefit in terms of asset integrity and environmental protection;
- the use of Unmanned Surface Vessels (USV) as part of Technip's offshore installation campaigns, allows for the performance of a range of activities in support of its main pipelay vessels. Such activities include pipeline touch down point monitoring and, box-in calibration of subsea transponder network. USVs provide for the minimization of large manned vessels traditionally used to perform these tasks and contribute to reduce the carbon footprint;
- the In-service Riser Inspection System (IRIS), currently being developed to perform state of the art inspections of flexible risers during operation, will enable one to ascertain the structural conditions and "health" status of operating risers; it combines different non-destructive testing technologies to penetrate through the different layers and detect any potential damage (wire breakage, corrosion and cracks). This will enable the confirmation of the integrity of the flexible pipe structure to continue safe operation and, where relevant, allow extension of the service life of the product, providing clear benefits for asset integrity and environmental protection;
- the development of energy harvesting technologies to provide autonomous energy to power a range of sensors, which monitor the integrity of rigid risers;
- the technical and commercial evaluation of OTEC (Ocean Thermal Energy Conversion), where the temperature difference between surface and deep waters is used to generate clean electricity; and
- the research into HOTEC (hybrid OTEC), where waste heat from the topsides' cooling water system is extracted and used to generate electricity.

In 2015, Technip launched and deployed its internal social network Yammer, to further enhance technological collective intelligence, to facilitate the generation of technological innovations from all Technip's resources as well as sharing ideas and expertise. In 2016, Technip intends to launch a large scale internal innovation contest using the full potential of Yammer to leverage on the innovative spirit available throughout the Group.

D. New Services to Meet New Energy and Sustainability Challenges

To respond to industry demand for optimized solutions to reduce costs and increase efficiency, Technip in the first semester of 2015, created a 50/50 joint venture with FMC Technologies, named Forsys Subsea, with the intent of improving return on investment and by reshaping the way subsea fields are designed, delivered and operated throughout their lifespan.

By combining its industry-leading technologies of the parent companies, Forsys Subsea will reduce the interfaces of the subsea umbilical, riser and flowline systems (SURF) and subsea production and processing systems (SPS). It will also simplify the seabed layout, thereby reducing complexity, execution time and risks, thus enabling higher sustainable field production.

Forsys Subsea will focus on:

- early involvement in the conceptual or front-end engineering and design (FEED) phases, when ability to influence economic sustainability is greatest;
- integrated project management, to provide a global approach from concept stage and FEED, all the way through installation and commissioning to surveillance of life-of-field;

- broadest product and services offering, due to the ability to design, manufacture, deliver, install and maintain a full subsea system;
- integrated life-of-field surveillance, monitoring, data interpretation and advisory services; and
- R&D activities to drive game-changing innovations that maximize subsea performance and further reduce development costs.

In addition to Forsys Subsea, Technip offers its clients a full set of solutions to monitor pipe behavior, prevent failures and extend lifetime. Riser Integrity Management (RIM) offers nondestructive systems which monitor the flexible pipes during their service life, and also proposes customer services for a wide range of technologies, systems and tools including the following:

- FDS (flooding detection system), a system using optic fiber to measure the temperature along the pipe. An in-house made software detects a sudden change in the curve of temperature and determines whether the external sheath of the pipe is broken or not;
- AE clamp: system of acoustic sensors which can be mounted on new or already installed risers. This system detects potential breaks of the armor wires due to fatigue, very early in the service life of the pipe, and so limit the possible consequences;
- Bore inspection tool: developed to respond to clients' needs. An HD camera can be sent inside the pipe to send a high definition image of the interior of the drill pipe thereby allowing the carcass pitch and roundness to be determined;
- Morphopipe system: made of multiple sensors distributed along the first meters of the top extremity on risers, giving an accurate and real time measure of the pipe curvature in the stiffener area. An in-house made software uses these data and calculates the remaining life expectancy of the pipe; and
- IRIS (In service Riser Inspection System): it is a versatile inspection tool able to carry out several non-destructive techniques in order to check annulus critical points including water presence, armors integrity, pressure vault unlock and level of corrosion.

The sustainability benefits of the above RIM's solutions are, among others:

- prevention and early detection of potential failures that could generate the risk of releases in the oceans;
- extending the lifetime of the flexible pipes;
- avoidance of critical degradations;
- avoidance of premature replacement of a pipe, to avoid the manufacture and installation of a new pipe if not necessary; and
- avoidance of frequent use of Remote Operated Vehicles (ROVs).

E. Strengthening Leadership on Hydrogen, Biofuels, and Green Chemistry

In 2015, Technip continued to strengthen its leadership in Hydrogen, second-generation biofuels and in sustainable chemistry, as well as in carbon capture and storage.

Hydrogen, as a carbon-free energy source, plays an increasingly important role in achieving clean fuels and sustainable energy. Technip´s leadership is recognized by over 260 hydrogen units licensed worldwide, with multiple contract awards in traditional and emerging business sectors.

Technip was awarded a significant contract by CHS Inc. to provide proprietary technology and EPC services for a grassroots hydrogen plant at the CHS Refinery in Laurel, Montana, USA. The design will utilize Technip's high efficiency top-fired steam reforming technology to produce high purity hydrogen and export steam as well as the latest nitrogen oxide reduction technology to ensure minimum emissions.

Regarding renewable fuels, Technip continued its collaboration with Biochemtex to provide engineering, procurement and construction services for second-generation bio-ethanol projects.

Biochemtex is the only engineering firm entitled to build cellulosic ethanol plants powered by Proesa™, which enables the production of second-generation biofuels using non-edible biomass, such as rice straw and sugarcane *bagasse*. This technology has potential prospects in Italy, Colombia and Egypt.

In 2015, Technip also entered into an agreement with Vertimass to support its development of renewable fuel technology derived from bio-ethanol. Technip has been selected to provide pilot testing, scale-up, and initial plant design for this novel technology that converts alcohol into renewable gasoline, diesel, and jet fuel blend stocks to reduce greenhouse gas emissions.

All the above confirms once again Technip's leading role in the bio-based industry and enables the Group to be well positioned for the projects of sustainable chemistry and conversion of existing plants into bio-refineries, which are more socially and environmentally sustainable, since they use non-edible raw material of vegetable origin and promote local development through circular economy.

Regarding Carbon Capture and Storage (CCS), Technip has partnered with Cansolv (wholly-owned by Shell) to develop a new carbon capture technology capable of removing up to 90% of the CO_2 in waste gases while reducing SO_2 and NO_2 emissions.

With the aim of further supporting clean technologies and energies, Technip has joined the CEPONG (Clean Electricity Production from Offshore Natural Gas) JIP (Joint Industry Project). The JIP is supported by GASSNOVA within its CLIMIT DEMO program. The aim of the project is to study a natural gas offshore power plant with carbon capture as a means of generating clean energy from hydrocarbon resources.

In addition, Technip has signed a technology agreement with Petronas Carigali Sdn Bhd for the development of the K5 field located off the coast of Malaysia near Sarawak. The project involves both surface and subsurface design for carbon separation, transportation, capture and storage using cryogenic distillation technology in the world's first application offshore. The project, which requires innovative solutions to significantly reduce the CO_2 concentration, is likely to position both Technip and Petronas as forerunners in offshore carbon capture and storage, while ensuring that no contaminants are emitted into the atmosphere due to a zero venting and flaring solution.

Another important confirmation of Technip's capabilities and reputation in clean technologies is the award by Duslo a.s. of a substantial contract on a lumpsum turnkey basis to develop the engineering, procurement and construction of a new ammonia production unit in Slovakia. The plant will incorporate the most advanced engineering and technological solutions to improve energy efficiency and reduce greenhouse gas emissions. The solution goes beyond compliance and ensures the implementation of Best Available Technologies.

3.4. HUMAN RESOURCES

Human Resources are at the heart of Technip's development strategy: people are Technip's wealth and strength. Technip's priority is to continuously develop its employees' skills and know-how and to provide them with equal opportunities, regardless of the country where they work or their background, so as to deliver the highest level of Project execution performance.

Human Resources uphold each of the Group's four Core Values, as follows:

A community of women and men driven by shared values

Doing the right thing	Trusting the team	Encouraging a fair return for all	Building the future
The right partners (acquisitions, agreements and partnership)	To foster cooperation and transparency through social dialogue across teams and management	To offer equal opportunities to every employee regardless of gender or ethnic origin	To build expertise and foster innovation (training and expert network)
The right initiatives and behavior (promotion and respect of the ILO (International Labour Office) convention, standards and Charters)	To motivate and empower others to achieve common objectives (performance appraisals, career talks)	To share profits sustainably (*e.g.* incentives, Group savings plan)	To commit to excellence in quality and continuous improvement
The right people at the right place (talent recruitment, mobility, succession plan and knowledge transfer)	To believe in each person's contribution (encouraging diversity as an added value to work performance)	To encourage and support employees to reach their maximum potential	To foster mentoring and knowledge transfer (transgenerational projects)

Technip's employees are driven by and uphold these four core Values on a daily basis. These Values are the foundation of the "One Technip" principle, which stands for shared vision, mission and Values. This principle establishes a sense of community and provides a seamless relationship across frontiers and internal boundaries. Technip believes that combining these strengths will empower employees to consider themselves as being part of a single and unique entity, regardless of their geographic and cultural differences.

Technip is committed to its employees and its employee objectives and guidelines are recorded in Technip's Social Charter. This Charter applies to all of the Group's entities. Each entity is responsible for tailoring it to local features and legislations. This Charter is available on Technip's website, under "About Us/Our Commitments" tab.

Furthermore, a Group policy has been set up to ensure that all Human Resources' (HR) processes are implemented within all of Technip's entities.

For the coming years, three major objectives have been defined as follows:

- align HR departments and head offices with common processes and objectives;
- provide effective support to management and operations; and
- develop talents, regardless of an individual's origin or nationality.

The network of regional and local HR managers ensures that the Group's policy requirements and processes are implemented within all entities within their scope.

The details on the reporting scope for entities, the reporting scope for Personnel, Consolidation methodology, the reporting tool and controls are listed in Section 3.7.1 of this Reference Document.

3.4.1. Workforce

GRI G4-DMA, G4-9, G4-10

A. Changes and Organization

Main Changes

Since the beginning of 2015, the fall in the price of oil has had a significant impact on the behavior of Technip's clients: new Projects continue to be postponed while clients reconsider the priority of their investments within the context of the fundamental change in the price of oil.

In this context, Technip decided to launch a restructuring plan and accelerate cost reduction by reducing its workforce to approximately 6,000 employees and downsizing its activities initiated in 2014, to stay focused on its core business. This plan, started in 2015, will continue in 2016. A significant part of the restructuring plan concerned the Onshore/Offshore segment. In this segment, the Group will reduce its presence, principally in North America, Latin America, Asia and Europe. In the North Sea, a slowdown of activities in the Subsea segment is noticeable.

During 2015, Technip:

- ceased its Myanmar activity;
- sold Technip Benelux NV (Belgium);
- sold Crestech (Nigeria); and
- formed Forsys Subsea, a joint-venture held 50/50 by FMC Technologies, Inc. and Technip, to bring together the skills and expertise of two Subsea activities' leaders which will redefine how underwater oil and gas fields are designed, built and maintained.

Those initiatives are part of Technip's strategy based on a long term vision of how Technip can be better placed to meet industry needs and reduce Project costs, while creating value at the same time.

Breakdown of Total Workforce per Contract

Breakdown of total workforce by contract	December 31, 2015 [1]	2014 [1]	2013 [1]
Employees on payroll	**30,068**	**32,367**	**32,243**
Permanent employees	26,333	28,862	28,593
Temporary employees (fixed-term)	3,735	3,505	3,650
Contracted workforce	**4,373**	**5,930**	**6,588**
Contracted workers at industrial sites and fleet	1,662	1,778	2,537
Other contracted workforce	2,711	4,152	4,051
TOTAL WORKFORCE	**34,441**	**38,297**	**38,831**

(1) Coverage rate: 100% of employees on payroll and contracted workforce.

At year-end of 2015, the total workforce had decreased by 3,856 employees, compared to year-end 2014 with a decrease of permanent employees (-2,529 employees) and a decrease of contracted workforce (-1,557 people).

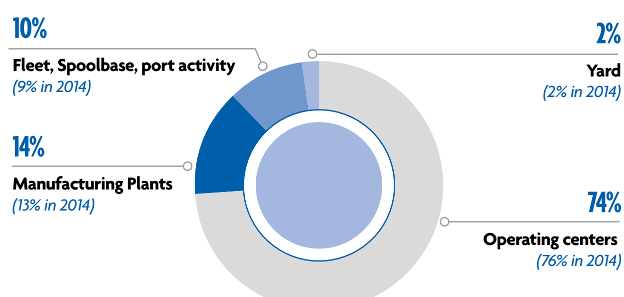
The most significant changes were:

- an increase of permanent employees in Brazil, principally with the development of the Açu plant;
- an increase of temporary employees, principally dedicated to the main Project, Yamal LNG in Russia;
- a decrease of permanent and contracted employees, following the launch of the restructuring plan, principally in South America, Asia Pacific, the United States, Europe and Mexico. In these regions, the decrease has mainly impacted the Engineering resources. The R&D and Project Management resources have been less affected so that Technip will be in the best position possible when the activity restarts;
- temporary staff represent 12% of the employees on payroll, a steady percentage compared to 2014 (11%); and
- in 2015, the average of contracted workers was 5,310.

HEADCOUNT STRUCTURE (AS OF DECEMBER 31, 2015)

Operations

(100% of employees on payroll and contracted workforce)



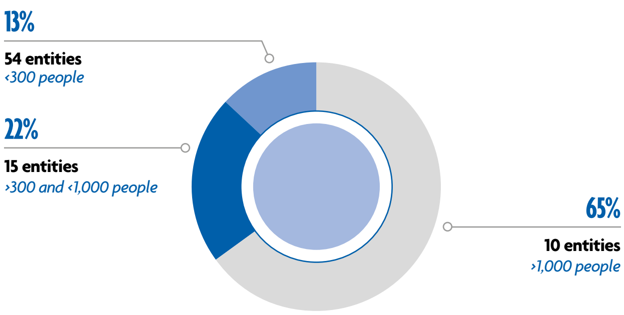
The chart above illustrates the diversity of operations and of the total workforce Group-wide.

On the one hand, the operating centers include subsidiaries and construction sites where Technip operates. On the other, the fleet and industrial sites cover marine employees in the vessels, manufacturing plants with blue-collar employees, spoolbases and the Group's ship-yard at Pori (Finland) employing skilled personnel specialized in Offshore construction.

The number of employees decreased in particular in operating centers, leading to a stabilization of the weight for other operations.

Size of Entities

(100% of employees on payroll and contracted workforce)



The breakdown of Technip entities demonstrates that two-thirds of employees are grouped in only 10 centers, which means that HR processes and tools can be rapidly put in place in the Group's principal centers to cover a majority of employees. Conversely, it takes more time to cover the rest of the entities as two-thirds of the Group's entities (54 of 79) have less than 300 employees.

The two largest entities after France are located in the United States and India.

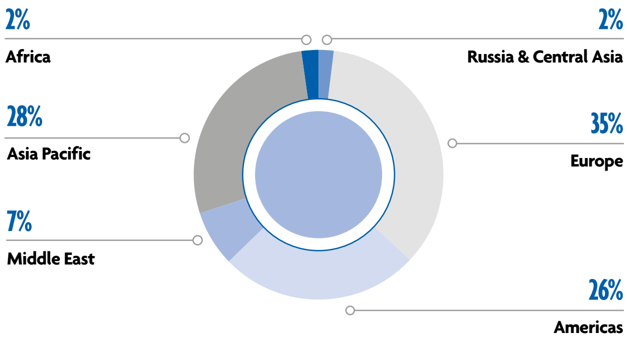
Breakdown of Employees on Payroll According to Geographic Zone, Age and Gender

(100% of employees on payroll)

Breakdown of employees by geographic zone	December 31 2015 (1)	2014 (1)	2013 (1)
Europe	10,618	11,331	11,239
Asia Pacific	8,307	8,662	8,690
Americas	7,846	8,941	8,924
Middle East	2,242	2,354	2,427
Russia & Central Asia	585	288	226
Africa	470	791	737
TOTAL EMPLOYEES ON PAYROLL	**30,068**	**32,367**	**32,243**

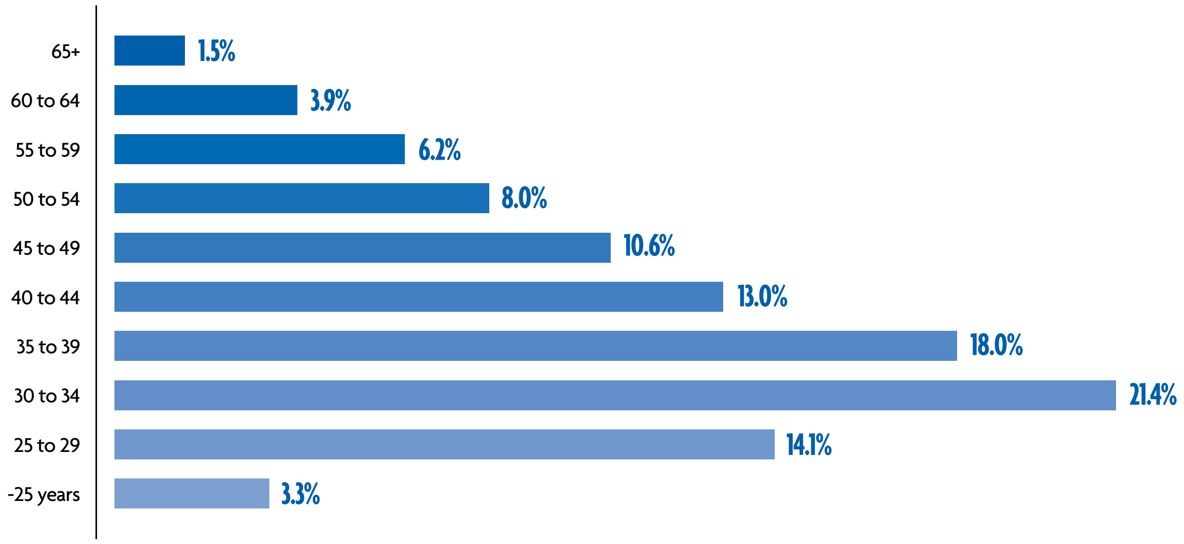
(1) Coverage rate: 100% of employees on payroll.

Employees per Geographic Zone



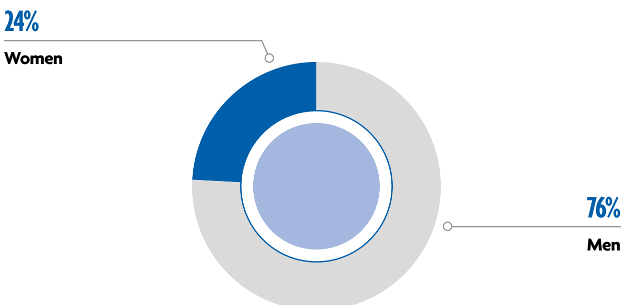
Compared to 2014, the number of employees decreased in all geographic zones, except in Russia & Central Asia, where the Yamal LNG Project is implemented.

Age Pyramid in 2015 *(by range in %)*



The structure of the age pyramid is quite stable compared to 2014, with an increase in experienced employee profiles between 35 and 50 years old (+2.7 percentage points).

Employees per Gender



Technip continues to promote talented women, with an increase in the number of women in managerial positions in 2015. In the same period, the economic context has affected the percentage of women and resulted in a decrease of 0.5 percentage point compared to 2014, particularly in the Onshore/Offshore segment.

In 2016, Technip will continue to face the challenge of attracting, retaining and promoting females in the oil and gas engineering sector, which is seen as being male-dominated. See Section3.4.3 of this Reference Document for more details on Diversity initiatives.

Organization of Working Hours

	December 31,		
Working time	2015 (1)	2014 (1)	2013 (1)
Number of full-time employees	29,514	31,747	31,637
Number of part-time employees	554	620	606
Number of employees working in shifts	3,577	2,908	2,972
Overtime hours (France and main headquarters)	794,793	1,115,298	1,310,954

(1) Coverage rate: 100% of employees on payroll except overtime hours (coverage rate: 50% for 2015 and 51% for 2014 and 2013).

The percentage of part-time employees remained stable at 2% of employees on payroll.

The Group's smaller entities record their time manually. Consolidation of overtime hours is therefore limited to the main headquarters of the Group. Between 2014 and 2015, the decrease in overtime was essentially based in Asia Pacific and North America due to a decrease in workload and Projects.

B. Employment

GRI G4-LA1, G4-LA3

Hires and Departures

Payroll employees: Hires and departures	2015 (1)	2014 (1)	2013 (1)
Hires	**4,149**	**6,240**	**7,055**
Permanent employees	1,657	3,852	4,611
Temporary employees (fixed-term)	2,492	2,388	2,444
Departures	**5,951**	**6,085**	**5,595**
Permanent employees	4,143	3,993	2,964
Temporary employees (fixed-term)	1,808	2,092	2,631
Renewal rate of permanent positions (2)	**0.40**	**0.96**	**1.56**

(1) Coverage rate: 100% of employees on payroll for entities present in the Group as of December 31.

(2) Start/termination of permanent positions.

The variation in the renewal rate is due to the restructuring plan, with a significant decrease in the number of permanent hires across Regions. The number of temporary hires is quite stable mainly due to the development of Yamal LNG Project.

Recruitments

Breakdown of hires per age group – payroll employees	2015 (1)	2014 (1)
< 30 years old	29%	35%
≥ 30 to < 50 years old	56%	52%
≥ 50 years old	15%	13%

(1) Coverage rate: 100% of employees on payroll for entities present in the Group as of December 31.

Breakdown of hires per gender – payroll employees	2015 (1)	2014 (1)
Women	21%	20%
Men	79%	80%

(1) Coverage rate: 100% of employees on payroll for entities present in the Group as of December 31.

Technip continues to invest in recruitment to ensure a high level staff to be employed for the Projects. Due to a complex and competitive environment, the focus is on Project management, as well as experienced technical competencies. In 2015, half of the employees recruited were between 30 and 50 years old. However, the global number of employees recruited has decreased particularly for young graduates (309 recruited in 2015).

Throughout 2015, 220 fixed-term contracts were converted into permanent contracts. Furthermore, on average, Technip employed 347 interns and 440 apprentices.

An upgraded version of the online recruitment tool was launched in April 2015 as part of the Talent Management suite of the HRWeB solution. This tool is used by the Group's entities, to publish all vacancies to employees on the Internal Job Portal and is connected to Technip's Career Pages on www.technip.com, allowing recruiters to push offers to external candidates where necessary.

In 2015, more than 170,000 external applications were received, which represents a 54% decrease compared to 2014. In parallel, the average number of vacancies published *via* the tool decreased by 53%, while internal applications only decreased by 9%.

TALENT ATTRACTION

Attracting best talents is a key challenge for Technip. The recruiters must identify and attract the experienced engineers needed for complex Technip Projects from a competitive labor market.

To promote Technip, in addition to the Job Portal tool for recruitment, the Group had to implement the following solutions:

Use of External Social Media

Technip increased its presence on social media by developing its dedicated careers page on:

- LinkedIn to target new talents. Technip's Corporate page had more than 395,000 subscribers in 2015, 95% of whom were not Technip employees. LinkedIn is also used as a recruitment tool and selected recruiters have a license to access the database and post jobs on LinkedIn;

- Facebook, with a "careers" tab, created in 2014. At the end of the year the Corporate page counted more than 35,000 fans; and
- Twitter by regularly sharing information on recruitment related activities to enhance attraction. By the end of 2015, Technip had more than 9,500 followers.

News is regularly published on LinkedIn and Facebook to advertise upcoming recruitment events, such as career fairs and to promote Technip's HR strategy and priorities.

Use of Employee Referrals

Employee Referral programs are in place in several Group entities (*i.e.,* India, Malaysia, Norway, the Netherlands and the United Kingdom), using Technip's employees and their network to recommend candidates for positions and rewarding them once a recommended candidate has been hired.

Career Fairs and School Partnerships

At local level (for example in Abu Dhabi, the United States and France), partnerships were set up with various universities to inform students about Technip's operations; presentations have been organized at universities as well as at Technip's premises. In 2015, job fairs were organized within universities in North America, Asia and Europe.

Outside of the university world, world forums are organized, such as OTC (Offshore Technology Conference) in the United States, and give Technip the opportunity to introduce the Group and attract new candidates.

In France, Technip Group has developed a specific partnership with the IFP School which is part of IFP Énergies nouvelles. This partnership is both at local level through Technip France welcoming apprentices, but also at Group level through the sponsorship of students coming from various parts of the globe. Upon successful completion of the program and based on business needs, the students are given the opportunity to join Technip upon their graduation. In 2014-2015, five students were sponsored by Technip.

"Top Employer" Label

Since 2011, many of the Group's entities have been certified as a "Top Employer". In 2015, Technip was one of the first five companies to be certified as Global Top Employer. The certification by the Top Employers Institute rewards the excellence in Human Resources practices according to five criteria: Primary benefits, Secondary Benefits & Working conditions, Training & Development, Career Development and Management Culture. Data checks and interviews are part of the independent audit process.

24 entities were awarded this certification, among which eight are in Europe (Germany, Spain, France, Italy, Norway, the Netherlands, Portugal and the United Kingdom), three in Latin America (Brazil, Colombia and Venezuela), eight in Asia Pacific (Australia, China, India, Indonesia, Malaysia, Singapore, Thailand and Vietnam), and also the United Arab Emirates, the United States, Mexico, Qatar and Russia. Furthermore, three regions were declared Top Employer: Asia Pacific, Europe and Latin America.

Departures

Reasons for departures (permanent employees)	2015 (1)	2014 (1)	2013 (1)
Voluntary reasons for leaving (resignations, retirements)	1,635	2,284	1,997
Lay-off/redundancy/dismissal	2,018	1,308	597
Transfers between entities	287	195	174
Other reasons	203	206	196
TOTAL	**4,143**	**3,993**	**2,964**

(1) Coverage rate: 100% of permanent employees on payroll for entities present in the Group as of December 31.

In 2015, the increase in lay-offs/redundancy/dismissal was mainly the result of the downsizing and restructuring plan in South America, Asia Pacific, the United States and Europe. The decrease in voluntary departures was mainly linked to the decrease in resignations.

In 2015, the increase in permanent employee departures resulted in a 1.6 percentage points increase in the total turnover of permanent employees (15.8%) compared to 2014. The global turnover is the ratio obtained from the total aggregate of departures divided by the average number of permanent employees in 2015.

In 2015, the resignation rate decreased by 2.1 percentage points, mainly due to the economic climate of oil and gas companies.

PARENTAL LEAVES

Parental leaves	2015 (1)	2014 (2)
Number of employees who were still employed at year-end among employees who returned to work after parental leave, which ended during the previous year *(in %)*.	88%	96%

(1) Coverage rate: 85% of Group entities.
(2) Coverage rate: 82% of Group entities.

88% of the women and men who returned to work in 2014 pursuant to parental leave were still employed at year-end 2015.

3.4.2. Employees' Development: Talents at the Center of Technip's Strategy

GRI G4-DMA, G4-LA11

Recognizing and Appreciating Talents

People lie at the heart of Technip, thus Talent Management is at the core of the Group's Human Resources strategy. Recruiting, developing and retaining talents are the main challenges for the Group's future and relevant global HR processes and practices were implemented to meet these challenges within the framework of "Human Resources without borders".

In terms of talent, Technip faces intense competition, especially in relation to experienced engineers and in several specific expert disciplines.

Hence it is not only important to attract this talent to join Technip, the question of how to engage and retain such talent is even more important. One of the most important elements in engaging and retaining talent is to keep challenging and developing them. This is particularly important as one of Technip's objectives is for the majority of its top managers to be recruited internally. With these concepts in mind, Technip's Leadership teams and the Human Resources department spend time and energy on an ongoing basis to develop Talent Management processes and practices.

All these processes are supported by an HR information system (named HRWeB) that is accessible to all employees, managers and the Human Resources department. HRWeB can be accessed by all Technip employees having access to the intranet, either from work or from home. By having all information available in a system, it is possible to conduct analysis from a Corporate perspective, to share and steer (where necessary) to ensure a correct and consistent application of the processes throughout the entities of the Group. In addition and to support this same aim, Technip has created support documentation for each of the processes that explains the guidelines and objectives and provides continuous training to all stakeholders involved in these processes.

HR 2017, Technip's HR Development Program

HR 2017

2015 was the first year of HR 2017, Technip's three-year HR development program. It was also a very busy year with many initiatives launched along three axes: (i) preparing the future; (ii) reinforcing learning & development; and (iii) increasing our focus on work conditions.

MEET OUR FUTURE CHALLENGES

"We will meet our future challenges"

With a significant focus on restructuring this year, workforce management is an even more crucial challenge for Technip's business. A new initiative, Global Resourcing, was launched in the last quarter of 2015 to foster opportunities' redeployment, and sharply reduce lead times when searching internal candidates for structural and global staffing needs. The initiative has already produced encouraging results and will be fully operational in 2016. In 2016, the Workforce Planning process will also be finalized and it will be possible to start the roll-out process.

The journey towards global competency management started in 2015 with the definition of the guiding principles. The development and deployment of competency frameworks and related development planning processes will start in 2016 and continue in 2017.

REACH YOUR FULL POTENTIAL

"You will reach your full potential"

The revitalization of Technip University started in 2015. New branding, a new catalogue structure, a new learning platform (iLearn) with modern digital features and new programs for employees, provide sound foundations for a strong corporate university. The Onboarding and Management & Leadership programs have been redesigned and completed. In 2016, the focus will be on increasing global training opportunities to meet business needs as best as possible. The deployment of iLearn will continue in order to progressively manage all training processes across the Group on the same platform.

DO GREAT WORK IN GREAT CONDITIONS

"We will do great work in great conditions"

An HR survey was launched at the end of 2015, focusing on work conditions and wellbeing in the work place. As a result of the initial conclusions of the survey, it has been possible to identify the good practices and policies of the entities regarding work conditions and wellbeing in the work place. In 2016, their further deployment across the Group will be assessed.

A. Developing and Keeping Talent

GRI G4-LA9

People Development

PERFORMANCE APPRAISAL

In 2015, a global performance appraisal process ran for the sixth consecutive year.

Annual performance reviews are carried out through HRWeB. For those who cannot access the intranet (*i.e.*, workers in plants, the ship-yard or spoolbases), an offline process is available. So the global data is captured to ensure analyses can be carried out.

The performance appraisal is an opportunity for both manager and employee to have an open and constructive conversation, to reflect on the past year and to discuss the employee's future development path.

The performance appraisal form not only includes a review of the performance of the past year's objectives and the setting of next year's objectives, it also includes the following: (i) the evaluation of behavior related to the Group's four Values; (ii) the Learning & Development needs of an individual; and (iii) the Career Aspirations, both short- and long-term. The review of all these various Sections provides a full overview of an individual's performance and career aspirations. The employee is given a final rating (out of four possibilities) to reflect and summarize the performance of the year. All information is inputted into the system and can be used during other Talent Management processes.

The annual performance appraisal campaign is open from November to February of the following year, to all eligible employees fulfilling defined criteria in relation to length of service (more than six months within the Group) and employee status (active status).

Performance Appraisal Campaign of the Past Three Years

Performance appraisal campaign	2015 (1)	2014 (2)	2013 (2)
Number of eligible employees	23,919	26,682	25,090
% of eligible employees who completed their annual appraisal	98.0%	98.0%	99.8%

(1) Data as of the date of this Reference Document.
(2) Data from 2014 and 2013 has been updated after completion of the campaign.

The percentage of eligible employees who had completed their annual appraisal reflects a strong employees' and managers' involvement in this process.

CAREER TALKS

A Career Talk is a structured discussion between an employee and Human Resources in which the employee can seek further guidance on his/her career, determine objectives for the next steps and define how to get there. A Career Talk can be requested by an employee or can be initiated at the request of a Talent Manager. The other aim is for the Talent Managers to really get to know their key employees, to be able to fully support them throughout their career.

All the results of a Career Talk are uploaded into HRWeB, such that this information can be used during the other Talent Management processes.

Career Talks Performed during the Past Three Years

Career Talks	2015	2014	2013
Number of employees who had at least one Career Talk during the year	1,858	1,411	694

The constant increase in the number of Career Talks demonstrates the growing maturity of the career management processes and the constant commitment of Technip toward employee development.

Promoting Mobility

Three guiding principles describe mobility within the Group:

- geographic mobility (a move from one country to another);
- functional mobility (a move from one activity or job position or function to another); and
- cross-segment mobility (a move from one segment to another: Subsea, Onshore/Offshore).

INTERNAL JOB PORTAL AND INDIVIDUAL PROFILE

Technip has an internal Job Portal on which all vacancies are posted and where employees worldwide can review and apply easily through the HR information system. Employees may subscribe to job alerts which inform them of open positions within their area of interest. When an employee applies, the application will make use of the Individual Profile completed by the employee.

The Individual Profile is an internal resume in which employees may indicate, among others, their current and previous work experience, education and language skills. This Individual Profile is available to Human Resources, as it gives background information and an overview of the Career Aspirations (short-and long-term), including the employee's mobility aspirations.

The organization has proven capable of revealing talent within the Group, with more than two-thirds of key positions filled by internal promotions.

In 2015, 1,488 staff members were promoted, *i.e.,* 5.7% of the permanent employees.

INTERNATIONAL MOBILITY

International Mobility is at the core of Technip's profession and the Group organizes and plans it so as to make it an asset of Technip's success within the "One Technip" context.

International Mobility is indeed a key tool used for career development building strong international and multi-local culture in addition to being the traditional Group's business needs solution.

Since 2011, a fair and consistent Group International assignment policy has been in place.

After several years of application, a complete review of the Group's Mobility policy and of its impacts was conducted to ensure the adequacy of its conditions and harmonization amongst Technip's entities. A review was carried out to clarify and optimize mobility conditions, in line with external practices and economic environment. It revealed that consistency had greatly improved and that Group policies had significantly contributed to the "One Technip" objective. The revised Mobility policy will be officially published in early 2016. The Group has set in its objectives the regular revision of its policy to ensure flexibility and adaptation to Technip's economic environment.

The Group's Mobility Process is also supported by the Internal Job Portal, as previously indicated. The Talent Management teams work in coordination with the International Mobility team in order to identify adequate candidates to the technical and practical requirements of international positions. This confirms the Group's commitment to the development of talents and ensures the succession of certain key positions requiring a broad experience of the Group's jobs and functions.

Technip's overall objective of diversity is also developed on its expatriate population where a better Man to Woman equilibrium can be noted as in progress.

The International Mobility has implemented in cooperation with the Finance department, a managing tool in order to closely handle the expatriate population and their costs in a currently tough economic environment. The tool is allowing Technip to identify and locate its expatriates worldwide and estimate and follow up on their costs. This new tool assists in better allocating its resources and competencies as well as controlling and optimizing its costs.

Expatriates' and Inpatriates' Data

Breakdown of expatriates by home office	December 31, 2015 [(1)]	2014 [(1)]	2013 [(1)]
Europe	771	831	785
Middle East	475	239	172
Asia Pacific	335	332	392
South America	136	106	110
North America	72	89	66
Russia & Central Asia	12	9	3
Africa	8	2	2
TOTAL	**1,809**	**1,608**	**1,530**

(1) Coverage rate: 100% of employees on payroll.

6.0% of the employees on payroll have been expatriated to various countries across the world.

The aggregate number of expatriates increased by 12%, mainly in the Middle East (+236 expatriates). This increase is mainly due to the assignment of employees hired in Abu Dhabi who are expatriates at the Group's construction sites.

Approximately three-quarters of these employees have been assigned for the completion of a Project (either in offices or on construction sites). The remaining quarter is assigned to supporting operations, such as procurement, or support function in entities.

61 nationalities are represented among the expatriates, which reflects the multi-cultural nature of the Group and 49% of entities welcome one or more expatriates coming from other Group entities or sites.

Breakdown of expatriates and inpatriates by home office	December 31, 2015 [(1)] Expatriates [(2)]	Inpatriates [(3)]
Europe	42.6%	51.7%
Middle East	26.3%	9.2%
Asia Pacific	18.5%	22.1%
South America	7.5%	5.1%
North America	4.0%	7.0%
Russia & Central Asia	0.7%	0.3%
Africa	0.4%	4.6%

(1) Coverage rate: 100% of employees on payroll.
(2) Expatriates: For an entity, expatriates are staff on payroll assigned abroad under an expatriation or a secondment contract and covered by the Group's International Mobility policy.
(3) Inpatriates: For an entity, inpatriates are in bound assignees sent by another entity of the Group under either an expatriate or secondment contract and also covered by the Group's International Mobility Policy.

As shown in the table above, the proportion of expatriates and inpatriates in each geographic zone is rather well balanced. Europe continues to send abroad lots of expatriates but received also half of the inpatriates.This reflects the voluntary mix of cultures and know-how required to meet business needs and to foster career development within the Group.

Encouraging Training

One of the main pillars to employee development is the corporate university. Technip University is a cross-regional organization dedicated to developing and nurturing knowledge and talent.

In 2015, Technip University was modernized and redesigned to better address employees' needs and be able to give equal and easy access to learning to all. To ensure Technip University's programs are tailored to the business strategy and embedded in supporting processes, its Governance has been updated. The Group Executive Committee serves as the Board of Governors, while the Advisory Board, comprised of senior executives, ensures the programs are always relevant to the business and employees.

In 2015, as decided by the Advisory Board, the priorities in developing programs were given to both Project Management and Leadership. The following programs have thus been designed:

SUCCESSFUL PROJECT DELIVERY: LOOK AHEAD AND GET PREPARED (PROJECT MANAGEMENT)

- Technip is an engineering company and is facing new challenges as its business steps into new territories, technical challenges in all segments and higher expectation from its clients. Its important assets are its field-tested expertise and its human capital. Project Management population is the cornerstone of Project execution excellence.
- The aim of this program is to progressively increase shareholder value through excellence in Project delivery.
- The program focuses on a Pro-Active Contract Management, Trend Alert Management, Change Order and Claim Management and on an Effective Management of Clients.
- This program is co-delivered by Kingsfield Academy and Technip regional Trainers (previously trained to prepare and deliver real case studies).

RISE AND TRANSFORM PROGRAMS (LEADERSHIP)

As part of this strategy, the following guiding principles have been defined and as such, have been used in the Rise and Transform programs design:

- Management and leadership development is delivered to improve business performance and employee engagement.
- The leadership Traits Framework and Technip's four Values are the basis for this program.
- Technip University supports Managers and Leaders to develop the knowledge, skills, behaviors and values which will enable them to perform well in their role.
- All programs create a positive learning environment, a cultural and gender intelligence, and use a collaborative and coordinated approach.
- Management and Leadership Development is aligned with other HR processes including people review and succession planning.

TRAINING, ONE OF THE THREE AXES OF HR 2017 INITIATIVES

"You Will Reach Your Full Potential" is one of the three axes of the HR 2017 initiative. Within this framework, a state-of-the-art learning management platform has been commissioned and has been released Group-wide since January 2016.

This new Learning Management System – iLearn – will display, for each employee, an individual profile with learning needs and training aspirations. It will handle everything from enrollment to delivering classes and tracking class attendance.

Ultimately, iLearn will display an expanded course catalog. Not only will the catalog include new topics, it will provide local modules that will be developed in cooperation with the Regions, to find a good balance between global content and local content. The way courses are delivered will be hybrid: a mix of classroom, papers and videos, remote and electronic learning.

While Technip University's original strategy was to focus on Project Management, Leadership and Technical expertise, the new strategy is to develop training content in all fields, from technical expertise to individual development and management. The new catalogue is displayed as a wheel containing six general topics:

- Win-it: fundamental and advanced knowledge of commercial techniques, and strategic thinking.
- Do- it: suite of targeted and specific programs and modules to assist, train and develop all Projects' stakeholders.
- Business Support: enables Finance, IT, Legal and HR employees to acquire skills, knowledge and tools. And provides non-specialists with general and acute knowledge and unders-tanding of these disciplines.
- People Development: develops the capabilities of the people to whom Technip entrusts its future *via* a suite of programs and training to build leadership, skills, knowledge and networks.
- Business Fundamentals: all an employee needs to know and learn about QHSES, Ethics & Compliance and other Group-wide programs & policies.
- Onboarding: whether the employee is new at Technip or needs to revise Technip's fundamentals, this part is to know more about Technip, its businesses, organization and Values.

Summary of Training Information during the Last Three Years

Training of employees on payroll	2015 (1)	2014 (1)	2013 (1)
TRAINING HOURS BY GENDER (2)	**574,940**	**901,808**	**801,392**
Women	123,499	218,213	194,921
Men	451,441	683,595	606,471
TRAINING HOURS BY TOPIC	**649,256**	**973,449**	**874,472**
Technical training	155,656	297,080	301,162
Non-technical training (including management, cross disciplines, IT and certification)	196,057	309,557	216,895
Project management training	30,352	28,051	22,990
Health, Safety, Security (including Pulse training)	211,699	210,508	234,769
Languages	42,527	77,168	76,397
Human rights, ethics and Technip Values' awareness training	12,965	29,525	22,259
Others	N/A	21,560	N/A
NUMBER OF EMPLOYEES ON PAYROLL WHO BENEFITED FROM AT LEAST ONE TRAINING DURING THE YEAR	**21,003**	**25,678**	**25,153**
Women	4,927	6,509	6,622
Men	16,076	19,169	18,531

(1) Coverage rate: 99% of employees on payroll.
(2) Excluding Pulse hours.

Main Evolutions Concerning Training in 2015

- The number of training hours decreased by a third compared to 2014. Cost reduction has affected the technical and non-technical training. However, training was more focused on Project Management and Health, Safety and Security.
- An average of 71% of the employees attended training sessions (compared to 80% in 2014).
- The number of women who undertook training and the number of men who undertook training also decreased.
- The annual average of training hours per female staff employee who attended a training session (*i.e.,* 25 training hours per year) is almost the identical to that per male staff employee (*i.e.,* 28 training hours per year).

Technip University in 2015

- Technip University delivered 7,625 hours of classroom training. Compared to 2014, the increase by 707 hours is due to the implementation of a new mentoring program aimed at Project managers and concerned with the transfer of knowledge. New programs were also introduced in leadership and technical training.
- Training *via* the Technip e-learning platform represented a total of 16,069 hours, a significant increase of 11,439 hours compared to 2014. This increase is mainly due to the Quartz e-learning program, a quality program which 80% of the staff on payroll had completed during 2015. Risk management training and offshore training also accounted for significant activity in 2015.

B. Talent Management: Organization and Processes

Talent Management Network

The role of the Talent Management function is to support the development and the mobility of Technip's talents taking into account the development needs and aspirations of employees and business needs.

The Talent Management function is structured as a network with regional representatives and a facilitation at Group level. Through monthly meetings and regular contact the Talent Managers ensure a smooth management of inter-region resources and contribute to the continuous improvement of HR development practices.

People Reviews

Between April and July of each year, Leadership teams from all entities, Regions or Corporate conduct People Reviews. In coordination with the Human Resources department, these teams evaluate the potential, performance and career opportunities for each management team member, high performer and key employee. This process allows the Leadership teams to identify and track talents who may become future Technip leaders. It provides a better understanding of the current potential of these talents, with a focus on their short- and long-term development.

It draws attention to the business issues identified in the Strategic Plans of each segment, region and entity of the Group and highlights their requirements in terms of talent management. This People Review process is forward-looking in its approach and it provides a clear overview of the Group's High Potentials, their development and their potential next positions.

People Reviews Performed during the Past Three Years

People reviews	2015	2014	2013
Number of employees on payroll	30,068	32,367	32,243
Number of employees reviewed	12,873	12,945	12,200

In 2015, the People Review campaign covered more than 40% of the employees on payroll, which illustrates a mature process with a good quality of discussions between Human Resources and Managers. The talent pool is stable and confirms Technip's strategy to develop talents internally.

Succession Planning

Succession planning is a process which takes place in a parallel to the People Reviews' discussions with the aim of securing succession for key positions and both short-term and long-term roles.

In 2015 again, a strong focus was made on the succession planning for key senior management positions across the Group and the identification of reservoirs of talents for Technip's core activity of Project Management.

A new module in the HR information system has been developed to capture data and support analytics.

Job Classification

When it comes to managing careers, a group like Technip needs a common language to ensure the best level of fairness and transparency in Talent management. The Group's job classification does just that – it helps propose meaningful career paths, whatever the employee's department or location.

Technip has identified approximately 500 jobs within the Company which are called "pivotal jobs". Typical features of a pivotal job:

- they are representative in the organization (number of job holders);
- they are similar in most or all regions; and
- they may exist at different levels based on specific differentiating criteria.

The pivotal jobs represent about 85% of all positions within Technip. The remaining 15% of employee jobs are relatively graded. This is the case when the job is too specific to match a pivotal job. Therefore the employee's job is graded by comparison with other positions within the organization.

The jobs are classified inside 11 bands, reflecting levels of responsibility. These 11 bands have two grades to differentiate the job size. All pivotal jobs and relative graded jobs are classified into nine job families and 18 sub job families. The overall objective of Technip is for 100% of employees to have a grade.

In 2015, 96% of employees were informed about their grade and pivotal job where applicable.

Retention and Knowledge Management

RETENTION

Retaining talents is a strategic objective of Technip. The Talent Management practices are designed and implemented to contribute to employee retention by improving employee engagement. For example, as described earlier, Technip considers that career talks are an opportunity for discussions in relation to career development and a right for all of its employees.

Additionally, the HR information system alert module helps anticipate the risk of attrition in the Group as well as taking all measures needed to retain employees within the Group. This alert module is primarily focused on key people and individuals in critical positions for whom a departure from the Group would affect the business.

In 2015, 170 alerts were raised on employees and 31% of them are still working at Technip. The number of alerts decreased compared to 2014 (249 alerts), following the decrease of the attrition rate.

KNOWLEDGE MANAGEMENT

An area of knowledge management is the management of expertise. Among the most valuable assets of Technip is its high-qualified and specialized personnel. Looking ahead, one of Technip's strategic objectives is to strengthen its technological leadership. To facilitate and encourage staff members to become Experts as well as existing Experts to maintain and progress, an Expert Network is established to enable an Expert to have a visible and recognized position within Technip.

The tasks and missions of the Expert Network would hence be:

- knowledge management including capture and transfer (teaching/mentoring);
- promotion of technology;
- global support; and
- provision of means to develop technical/technological skills outside of operations.

Three levels of expert have been defined: Expert, Main Expert and General Expert to reflect the overall professional experience, the contribution to technology development activities and the external visibility and recognition in the industry outside of Technip.

In 2015, the Expert community, with 603 members, accounted for 2% of employees on payroll.

INTERGENERATIONAL HUMAN RESOURCES' MANAGEMENT

Intergenerational Human Resources' management is at the heart of social responsibility. For several years now, the goal has been to create pathways of knowledge transfer: it is crucial to ensure the development of junior employees as well as to value and capitalize on the knowledge and expertise of senior employees. Their combined experience and knowledge is a priceless asset that the Group cannot afford to lose.

In 2015, 5% of Technip's employees on payroll was over the age of 60. Moreover, the number of employees hired over the age of 50 represented 634 employees, *i.e.*, 15% of total hires.

3.4.3. Diversity and Equal Opportunity

GRI G4-DMA

A. Promoting Diversity

GRI G4-LA12

Gender Diversity as a Strategic Business Priority

Gender Diversity is an integral part of Technip corporate culture. In 2015, initiatives aiming to offer female employees a genuine possibility to realize their full potential were further developed. Gender Diversity is a strategic business priority for the following reasons:

- Technip's future success is dependent on Technip's ability to attract and retain skilled and talent individuals. Tapping into the widest talent pool, which includes an increasing number of qualified and competent women across the world is a real business strategy.
- A wealth of research shows that companies with the best performance, increasing Return on Equity (ROE) ratios and shareholder value are companies with the most gender diverse teams at the executive level (source: McKinsey &Company 2010 Study of the Amazone Euro Fund Database).
- Technip's stakeholders – including governments, investors, clients and current and potential employees – are increasingly focusing on gender composition at all levels of the Company as a key indicator, both from a business and moral perspective.

This priority is value-driven at the foundation and adheres particularly to three of Technip's four core Values: doing the right thing; a fair return for all; and building the future.

Management of this Strategic Business Priority

This strategy was implemented through a plan approved year-end 2013 and implemented at the end of 2013 with actions beginning in 2014 and continuing throughout 2015.

GOVERNANCE, ORGANIZATION AND RESOURCES

- The Chairman and CEO has set out his personal conviction and commitment – internally and externally – to making Gender Diversity one of Technip's strategic business priorities going forward.
- The Board includes five women out of 12 members which illustrates the Group's commitment to gender diversity at the highest level.
- In 2013, the position of Vice-President Group Gender Diversity was created to reflect this commitment and start the process.
- A Governance Structure was put in place with a Gender Diversity Steering Committee and an Advisory Committee.
- The Steering Committee – which meets quarterly, to decide and take actions – has six members, including two members of Technip's Executive Committee.
- The Advisory Committee, which provides ideas and direction, is made up of representatives from all Regions and different levels of the organization.
- In 2015, the two regional Women's Networks continued to support Gender Diversity at Technip:
  - WITH (Women Initiatives for Technip): a network dedicated to diversity in Technip France. The network is organized into workgroups around four key topics on diversity: how to engage men in the promotion of women; how to encourage women to be self-initiating in developing their careers; how to animate the network; how to benefit from external initiatives and networks.

- **STRIVE** (Supporting Technip to Reach Its Vision for Equality): an employee member group, initiated in Technip Oceania. It is led by a nine-person committee to increase diversity and foster equality through five focus area groups: (i) Accreditations and Affiliations; (ii) Events and Networking; (iii) Procedures and Benefits; (iv) Mentoring; and (v) Training and Development. In 2015 a "Male Champions" group was integrated into the network to ensure the full engagement of men in the initiative.

In addition, to formalize Process Technology's full support of this business priority, the PT Gender Diversity Council was formed in 2015. Comprised of a champion and representatives from PT's operating centers, the council will focus on strategies to support this effort and its objectives. During the PT council's first meeting, the members defined a vision: "To be a Technip business unit where every employee experiences the benefits of a gender diverse workplace".

STRATEGY AND ACTION PLAN

The strategy and 3-year action plan endorsed in 2014 by the Gender Diversity Steering Committee will be consolidated in 2016 around the three main aspects: awareness raising, communication and measurement and tracking.

AWARENESS RAISING

- The Regional Executive Committees of all regions took part in Gender Intelligence workshops in 2014. The purpose of these workshops was to create a common understanding of the importance of this topic, to create a shared language around Gender Diversity and to identify the critical levers to becoming a Gender Intelligent organization. In 2015 the Technip Executive Committee also took part in a Gender Intelligence workshop following which the "Technip Gender Intelligent Behaviours" were validated and posted on the intranet.
- With a view to raising this awareness further, "Train the Trainer" sessions took place in 2015 resulting in the training of a team of 48 Gender Intelligence trainers throughout the Group.
- During 2015, the plan to cascade training to the next level of managers was extended to all Regions with a total of around 800 participants. In addition an on-line version of the workshop was developed in 2015 to make this accessible to those who are for example offshore or on remote locations and sites.
- Embedding Gender Intelligence in all recruitment processes and practices was identified as one of the critical levers for a Gender Intelligent organization and during 2015 there were two training sessions, covering 17 people who are involved in the recruitment process to ensure that they apply this awareness to sourcing, interviewing and selection.
- A Leadership mentoring program was created and launched in 2015 with Technip University as part of the Technip Career and Leadership Development program to help develop leaders for the future within the business. The program includes both men and women mentors and mentees and addresses the specific needs of both genders. This will take Technip further in its journey to being a gender intelligent organization.
- "Gender Intelligence" has been identified and highlighted as a "Business Fundamental" in the learning wheel established by Technip University and the new LMS (Learning Management System) will be used a platform to provide more learning material and makes this more accessible.

COMMUNICATION

During 2015, the internal and external communication plan continued to make visible and reinforce Technip's commitment to Gender Diversity, as follows:

- In May 2015, for the second consecutive year, Technip was a sponsor of the Global Summit of Women in São Paul, Brazil. As a clear demonstration of the commitment to this subject, the Presidents of the North America and Brazil regions participated respectively in the summit during a CEO Forum Panel and made a speech at the Closing Ceremony.
- For the third consecutive year Technip was a sponsor for the awards for outstanding women of achievement organized by the French Journal *Usine nouvelle*. A Technip employee was a winner of the "Research & Development Woman of the Year."
- A specific video was created and released in 2015 to highlight both internally and externally our inclusive approach to Gender Diversity.
- In order to communicate fully on these activities and to share relevant information and material, a Gender Diversity site was launched on the Technip intranet during 2015.

EVALUATION: MEASUREMENT AND TRACKING

To evaluate the effectiveness of Technip's approach to Gender Diversity, the following actions were taken as part of the strategy:

- During 2014, Technip implemented Phase 1 of an assessment and certification process with an external global business standard for gender equality (EDGE – Economic Dividends for Gender Equality). Three countries participated – Brazil, France and Italy. The process involved collecting gender related data, completing a policies and practices questionnaire and an employee survey. As a result, Technip obtained certification (through independent external auditors) against this global standard and action plans were put in place to track future progress. In 2015, Phase 2 of this initiative was launched to include five additional countries, comprising seven entities: in Australia, United Arab Emirates, the United States and the United Kingdom. This means that Technip is now EDGE certified in eight countries and every region is represented.
- In relation to the retention of female talent, the EDGE standard is: "60% of women in junior management should progress to top management". The retention of female talent is above the EDGE standard in five out of the seven entities certified in 2015.
- During 2016 the countries involved in Phase 1 (Brazil, France and Italy) will undergo the EDGE recertification process and progress against action plans will be assessed.

Main KPIs

During 2015 an internal analysis of gender related data was carried out, where the following KPIs were measured.

Breakdown according to gender	December 31 2015 [(1)]	2014 [(1)]	2013 [(1)]
Managers [(2)]	**3,527**	**3,710**	**3,747**
Women	20%	19%	19%
Men	80%	81%	81%
Non Managers	**22,833**	**24,723**	**26,108**
Women	28%	29%	27%
Men	72%	71%	73%
Blue Collar employees [(3)]	**3,708**	**3,934**	**2,388**
Women	3%	4%	7%
Men	97%	96%	93%
TOTAL	**30,068**	**32,367**	**32,243**
Women	24%	25%	25%
Men	76%	75%	75%

(1) Coverage rate: 100% of employees on payroll.
(2) Employees who appraise subordinates in accordance with the "Human Resources Without Borders" program.
(3) Employees who perform physical work. Support services such as drivers, security guards and other service staff are included. A blue collar employee with a management role, as defined above, will be qualified as a "Manager".

Breakdown by geographic zone	December 31, 2015 [(1)] Women	Men
Africa	110	360
Asia Pacific	1,963	6,344
Europe	2,915	7,703
Russia, Central Asia	214	371
Middle East	262	1,980
North America	835	2,313
South America	970	3,728
TOTAL	**7,269**	**22,799**

(1) Coverage rate: 100% of employees on payroll.

In 2015, the percentage of women decreased slightly (-0.5 percentage point), particularly in Asia Pacific (-1.1 percentage point) and in South America (-1.2 percentage point). The percentage of female managers has increased by 1 percentage point.

B. Promoting Cultural and Ethnic Diversity

The Group focuses on its broad cultural and ethnic diversity, which it constantly promotes and develops throughout its entities through the internationalization of its teams, multicultural programs and international mobility.

In 2015, 116 different nationalities were represented in the Group (compared to 118 in 2014 and 114 in 2013). The most represented nationalities in the Group were French, Indian and Brazilian.

Four of the Group's entities had employees that come from at least 40 different nationalities (in the United Arab Emirates, the United States, France and Norway).

C. Equal Opportunity

Providing Employment to People with Disabilities

In 2015, Technip pursued its actions in favor of disabled staff employees. Compared to 2014, the percentage of disabled staff is stable. The registration of disabled people varies according to local legislation and relies upon voluntary declarations, which may result in a lower number of disabled people being recorded.

In 2015, 266 people were recorded as disabled in the Group. Disabled workers represented 0.9% of employees Group-wide on payroll and in particular:

- 5% in Italy;
- 4% in Germany;
- 2% in Brazil, with 84 disabled staff employees; and
- 2% in France with 91 disabled staff employees.

For maximum efficiency, the Group targets its efforts locally, for example:

- In France, the three-year agreement in relation to the employment of people with disabilities signed in 2013 with trade unions in Technip France, results in multiple actions like:
  - organization of the employment of people with disabilities National Week composed of workshops and conferences about multiple types of disability, means of disabled employees' integration and sensibilization on workplace adaptation;
  - an agreement signed with ADAPT association to train all teams working with people with disabilities; and
  - a booklet was sent to employees to better explain the recognition of disabled employees' status.
- In Brazil, the Human Resources department accompanies the adaptation and development of employees with disabilities and also assists managers of these employees. In Brazil the following initiatives have taken place:
  - five disabled employees participated in training on behavioural aspects, to help them to be confident, in terms of their position with the Company. These training sessions enable attendees to spread the message learned to other employees with disabilities who have not attended the training sessions; and
  - regarding accessibility, Technip checked the conditions for use with security and autonomy of all working tools, workstations providing the greatest possible independence to disabled employees.

3.4.4. Compensation and Benefits

A. Salary Policy

Compensation within the Group is managed at Regional level.

Group and entities offer motivating compensation packages to attract and retain talent. International salary surveys, in relation to specific professions and sectors, are performed annually and are used to ensure that the Group maintains a favorable position compared to the market.

The Group's grading system, whose implementation was finalized in 2015, helps in designing and offering state-of-the-art remuneration policies in most of the countries where Technip operates. Global annual salary surveys continue to be held annually. Technip continues to offer long and short-term incentives based on performance driven plans (with individual and collective targets). Managers have a vested interest in the success of its businesses/segments and the Group as a whole.

Initiatives are put in place to avoid a salary gap between men and women within the same professional category (if any) and to analyze the positioning of specific job families (the Project Management job family for example) compared to the internal and external market. Studies and actions conducted within Technip's entities in the field of professional equality, particularly in relation to pay, promotion to positions of greater responsibility and the distribution of individual performance levels.

B. Compensation, Change in Compensation and Social Security Costs

Compensation and Change in Compensation

The Group's payroll expenses increased from €1,769.8 million in 2014 to €2,018.4 million in 2015. The Group's social security costs increased from €315.4 million in 2014 to €404.7 million in 2015.

All of the Group's entities have declared that employees on payroll are paid above the applicable minimum guaranteed wage in the country where they operate.

Employee Incentive and Profit-Sharing Schemes

Pursuant to applicable law, French companies within the Group with at least 50 employees that generate sufficient profits must distribute an amount of the Company's profits to their employees. For financial year 2015, the total profit-sharing amount to be paid in France was estimated at €11.3 million. Each company negotiates and enters into a profit-sharing agreement. The profit-sharing amounts distributed can be transferred to the Group Savings Plan (*"Plan d'Épargne de Groupe"*, or "PEG") or the Group Pension Savings Plan (*"Plan d'Épargne Pour la Retraite Collectif"*, or "PERCO").

Profit sharing	December 31		
(in thousands of Euro)	**2015**	2014	2013
Amounts allocated to incentive profit sharing (France, Spain, Italy)	18,281	21,990	15,449
Amounts allocated to mandatory profit sharing (France)	11,375	6,280	5,253

INCENTIVE PROFIT SHARING

For financial year 2015, several of the Group's French companies had an incentive profit-sharing agreement in place: Technip, Technip Corporate Services, Technip France, Flexi France, Seal Engineering, Cybernétix and Technip Normandie. Calculation methods vary for each company according to their business. The amounts distributed can be paid directly to the employee or transferred to the Group Savings Plan (PEG) or the Group Pension Savings Plan (PERCO).

Employees from the Italian and Spanish entities, Technip Iberia and Technip Italy, also benefit from a similar profit-sharing mechanism.

For financial year 2015, the total amount of incentive profit-sharing paid by the Group's subsidiaries was approximately €18.2 million.

GROUP SAVINGS PLAN – EMPLOYEE SHARE OWNERSHIP

The Group Savings Plan (PEG) was implemented in 2003. It was amended several times with the last amendment being made as of September 28, 2015.

Its purpose is to enable employees to build, with the help of their Company, a collective portfolio of marketable securities and to benefit, where applicable, from social security and tax benefits applicable to this form of collective savings. As of December 31, 2015, the total amount invested in the PEG amounted to €161.2 million, including €69.8 million in the form of employee shareholdings.

At any time during the year, members can invest in the PEG and can choose between the various Company mutual funds (*"Fonds Communs de Placement d'Entreprise"*, or "FCPE"), whose portfolios are invested in shares, bonds or monetary instruments pursuant to a management strategy to achieve a specific investment goal. One of these funds is fully invested in Technip's listed shares thereby allowing employees to be associated with the Group's development.

Other FCPEs created within the PEG are dedicated to share capital increases reserved for employees, including employees of foreign companies that have joined the PEG. The PEG provides a common framework for all Group companies that have joined in terms of the payments that can be made, the means by which Company profits can be shared, investment options and general operating regulations.

A share capital increase reserved for Group employees was carried out on December 17, 2015 resulting in the creation of 1,424,941 new shares. 7,937 Technip employees in 20 countries worldwide participated in this offering and invested a total of €73.4 million, corresponding to a 31.74% participation rate.

GROUP PENSION SAVINGS PLAN

In 2006, the Group Pension Savings Plan (PERCO) was implemented. It was revised pursuant to an agreement dated as of February 10, 2011. It is open to employees of the French companies of the Group that have joined the PERCO.

Its purpose is to enable employees to accumulate, with the help of their Company, pension savings and to benefit, where applicable, from social security and tax benefits applicable to this form of collective savings. As of December 31, 2015, the total amount invested in the PERCO was €39.7 million.

It comprises various Company mutual funds whose portfolios are invested in shares, bonds or monetary instruments depending on the management strategy chosen by each employee.

3.4.5. Social Relations

GRI G4-11, G4-LA8

A. Strengthening Social Dialogue

Technip has developed a culture which is based on the values of trust, mutual respect and dialog. In order to turn this culture into a competitive advantage for Technip, the Group's HR policy provides a frame of reference regarding information of personnel, relations with trade unions and other employee representatives and transparent discussions with employees.

Labor Relations and Collective Agreements

Collective or individual labor relations are ruled by the local applicable law and collective agreements, the Golden Book (Technip Group Management Principles and Responsibilities) and the GOPS (Group Operating Principles and Standards) which is issued at Group level. All entities must comply with the Group's internal rules, which are available on the Technip intranet site.

In 2015, 52 collective bargaining agreements were entered into in respect of 15 entities. 216 agreements were in force within 27 entities. The agreements cover the following topics:

Topics included in the 216 agreements	% vs. total topics
Working conditions	21%
Remunerations	24%
Health and Safety	19%
Equal opportunity	18%
Training	18%

The percentage of employees in the Group who are governed by mandatory collective agreements varies according to country. In the countries that have entered into ILO convention No.98 [(1)], 60% of the employees benefit from collective agreements.

Company Agreements in France

Technip entities in France have works councils, employee representatives as well as Health and safety committees. In 2015, 310 meetings took place which can be broken down by the following:

Breakdown of meetings by their nature	2015
Works councils	111
Employee representatives	123
Health and safety committee	76
TOTAL	**310**

As a result of these meetings, 26 entity-wide agreements were entered in 2015, like the annual negotiations agreement, teleworking and work schedule.

European Works Council (EWC)

The European Works Council (EWC) set up in 2005 includes 13 employee representatives in respect of nine European countries and meets twice a year. In 2015, the EWC organized specific workshops on the Group's psycho social risks. One member of the EWC has been invited to join the Well Being working group created within the HR 2017 initiative. The EWC has an intranet site which has been available to employees in represented countries since 2008.

Since 2006, every year, the EWC members have benefitted from training sessions which focus on the multicultural aspect. Those trainings will pursue.

Consultations/Negotiations about Changes to the Organization's Structure

During an extraordinary session of EWC, Technip submitted a restructuring plan to the European Council for consultation. This plan concerns 6,000 employees in the world.

All entities which are concerned by the restructuring plan and which have started their actions in 2015 have consulted their representatives and informed their employees, in accordance with the local legislation.

This plan, which started in 2015 and will continue in 2016, currently concerns 36 Group entities all over the world.

B. Internal Communication

Information of Personnel

Due to Technip's information system, all employees receive the same level of information at the same time. For example, all external press releases are immediately shared with personnel by email.

The Group's *Horizons* magazine, distributed every quarter to all employees in three languages (English, French and Portuguese), is a printed 24-pages newspaper, which reports on the Group's strategy, Projects and people and reinforces the "One Technip" collegiate culture. A digital version of the magazine is also largely shared on the intranet.

The fortnightly "Technip in motion" e-newsletter, published in three languages, provides a snapshot of the Group's Projects and achievements throughout the world.

Tomorrow magazine is a technical review released twice a year.

The Link, the global intranet portal, contains all relevant information about standards, procedures and information on HSE (Health, Safety and Environment), Quality, Human Resources and Security. The Group's intranet site is supplemented by local intranet sites for most of the Group's entities. As part of its knowledge management initiative, Technip uses a collaborative intranet site which makes it possible for communities of technical experts to share best practice, know-how and key documents. Instant messaging and teleconferencing are available to facilitate discussions.

(1) In countries that have entered into ILO convention No.98: Right to Organize and Collective Bargaining Convention.

In 2015 Technip rolled out a campaign encouraging all staff to join Yammer, the internal social network provided in the Microsoft Office suite, with the objective to boost online collaboration by directly bridging departments and geographies beyond borders; with 10,000 colleagues already connected, Yammer also reinforces mutual comprehension and ultimately strengthens our corporate culture.

Encouraging Transparent Discussions with Employees

Following the release of Technip's annual results in February 2015, two sessions of online chat were organized to enable Technip employees to speak directly to Thierry Pilenko, Chairman and CEO and to the other Group Executive Committee members. For one hour, twice in the same day, the Group leaders answered questions. Their responses were published in English, French and Portuguese.

This initiative which started in 2012 and has been repeated every year since, has raised sustained interest across Technip: in 2015, 6,130 employees connected to and followed the online discussion and close to 600 questions were raised during this online event.

A transcript containing questions and answers from the online discussion was made available to all employees after the event and was published in three languages. This allowed employees who were unable to attend the online discussion to access the transcript afterwards. More than 4,000 employees accessed and read the transcript.

Initiatives of this type are designed to promote direct and interactive communication between employees and the Executive Committee. They give employees the opportunity to ask their questions directly, as well as to gain insight into the Group's 2015 performance and its forecasts and priorities for the coming year. It is also a great opportunity for teams to better understand the Group's strategy, to seek clarifications and to allow employees to express their ideas and concerns. Overall, it is a good way to get people talking internally, as required by the "One Technip" spirit.

Group Events

The Jacques Franquelin Award is an annual Group event, which has taken place since 2000 and is intended to encourage and reward those who, by fully living and applying the Group's Values, contribute to the Technip's dynamism and development across all fields. The Award symbolizes the spirit of competition and diversity within Technip. It also enables Technip, as an international company, to have a single recognition scheme which motivates people to implement initiatives and contribute to the One Technip spirit.

Since 2008, every year the **Technip Best Technical Publication Award** recognizes the talent and the effort of Group employees who showcase Technip's expertise through technical publications and conferences. And, by comprising one special Sustainable Development prize, it also highlights that Technip is aware of its responsibilities as a Citizen of the World.

Worldwide events or campaigns were organized in 2015: One Technip Day, corresponds to an initiative for the Global Technip family to virtually come together on the same day, Quality month, Pulse Safety Leadership Week, World Environment Day and World Health Day.

3.4.6. Health: Risk Prevention Anytime and Everywhere

GRI G4-DMA, G4-14, G4-LA6

The health of Technip's employees and people affected by its operations is a core Value and absolute commitment for Technip. As the Group operates in different countries with specific environmental conditions, operations and regulations as well as exposure to work-related health hazards, a health management system was implemented in 2012 to safeguard employees' health.

The health strategy was based on a Health Management Plan, an operational document which defines Technip's standards and requires occupational health practices to improve the health prevention and promotion of health at work. Guidelines (GL) and tools in respect of the HSE requirements have been published to support the management of HSE and HR. The GLs currently available cover subjects such as medical management on construction sites and vessels, Health Risk Assessment, medical emergency response plan and first-aider training, and fitness to work abroad requirements.

Standards and guidelines are regularly reviewed to make sure they remain appropriate in promoting frequent improvements.

At Group level, the medical department includes two doctors (one based in France and one part time based in Brazil) and one medical officer, and supports the Regional medical, HR and HSE global networks across the Group, in health promotion.

There is a permanent cooperation between the Medical team and the HSES teams to cover all Technip Operations with practical and relevant support. This joint approach is paramount in matters of Emergency Response (ER) process. In 2015, all ER exercises organized within the Group gathered Medical staff and HSES staff.

The medical department manages medical information on the Technip Group intranet site. This site provides health alerts, news, country-specific information, information on diseases and information on prevention which is regularly published and updated. It also provides information relating to specific health events: the Technip world health day and WHO (World Health Organization) international days such as for diabetes and HIV.

In specific cases, the medical department can produce e-learning training, such as a malaria awareness e-learning training that is available to everyone and is specifically targeted at travelers, expatriates and those living in endemic areas.

2016 Objectives

- Pursue and update the long term strategy for Health Management in the Group's business operations;
- Further improve the implementation and follow-up of health risk assessments on all sites across the Group; and
- Continue the health surveillance process where necessary, related to health risk assessments.

Group-wide Health Management Plan Implemented

Evaluating workplace health risks, including psychological factors, has been at the center of the Group's occupational health strategy. It is essential to properly identify all health risks relating to conditions in the workplace regardless of the nature of the work (*e.g.,* environmental pollution exposure on a construction site or muscular-skeletal disorders in the office) to implement the best preventive measures.

The GL, released in 2012, helped a number of sites to set up their health risk assessment (HRA) by providing them with tools to do so. However, the tools will be improved and simplified in 2016 due to the experience coming from the field, new tools will be given to the sites to continue the implementation of the GL.

The principle of the HRA is based on different steps: the first step is to identify the health hazards in each workplace and to assess their potential impact on health and the second step is to identify groups of employees exposed to such risk. The third step consists of an action plan to implement all types of mitigation and prevention steps, in addition to the assessment of the level of residual risks (Technip risk Matrix, which is part of the risk management of the Company). Step 4 consists of risk monitoring and controls. Each HRA will be regularly updated (step 5). Most of the Technip sites (including offices, construction sites, yards, factories and vessels) have been working on their local HRA. For example, in Brazil, HRAs have been done either by job position or business unit, or for the vessels working in Brazilian water. On the vessels, HRAs were carried out and the medical emergency response plan (MERP) is being reviewed and updated, it has already been done for nine vessels.

The purpose of health surveillance is to ensure that all individuals who work under Technip's HSE responsibility (including contractors and subcontractors where necessary) are not being harmed by the work they carry out, nor by the environment in which they work and to monitor the first symptoms of occupational illness as early as possible in order to avoid continuing exposure and prevent serious occupational illness from occurring at a later stage.

Protecting Travelers and Expatriates

The Preventive healthcare starts with accurate information and regular training. Detailed leaflets on destination countries and specific diseases are available to travelers and expatriates on Technip Group's intranet site. The medical section of the site provides all employees with health information in relation to travel (country pages and disease prevention pages), including medical facilities' details to ensure the appropriate access to medical care when necessary.

Specific information on anti-malarial prevention and other health risks is provided for Projects which are carried out in areas prone to epidemics.

Health alerts are issued where necessary. In 2015, 11 of such alerts were issued, providing information and advice on prevention.

In 2015, a new tool for the safety and security of travelers was implemented. The medical department provided country specific health information and recommendations to follow. The tool sends this information to employees before their departure.

Improving Medical Care at Sea and Onshore

The Group Medical department continued to evaluate local medical resources and their ability to handle emergency situations. In 2015, medical surveys were conducted in China, Columbia, Congo, Korea, India, Irak and Malaysia. The purpose of the survey was to provide Projects and entities with an overview of medical care available around the site and to identify the most reliable local medical facilities to include in the Medical Emergency Response Plan (MERP). These surveys also provide information which can be used for medical management plans for new Projects.

In case of serious injury, the medical department assesses the medical care chain from the location of the incident until discharge from the hospital. This provides an opportunity to upgrade the medical equipment of the site clinic and/or adjust the MERP if necessary.

Prevention of Psychological Risks

For the 2015 Technip World Health Day, entities organized an awareness campaign about addictions using posters and information leaflets which were also available on Technip's medical intranet site and through workshops. Employees were informed of this event a few days before through the internal newsletter "Technip in motion". Many entities invited healthcare experts to talk about the importance of preventing all kinds of addiction, especially those which can be increased by work, screen and internet addiction, sport, game or gambling addictions.

Health awareness campaigns and healthcare activities, such as free flu injections, campaigns on preventing smoking and diabetes and campaigns promoting breast-feeding have been implemented across the Regions. Several entities, including Technip's headquarters, worked on a prevention program of psychosocial risks at work.

Following a global academic survey launched by the Group's HR department on the wellbeing of employees working in a global environment in October 2013, a global academic survey on wellbeing at work was initiated in 2015. The purpose of this survey will be to provide an opportunity for assessing wellbeing in the various countries of work, to highlight ways of improving wellbeing and to provide a benchmark between the entities. Due to the current situation in the Company, this survey has been postponed and will be adapted. However, some information regarding wellbeing at work has been gathered through the HR network. An analysis of the local initiatives will highlight ways of improvement for the entities.

Absenteeism (Excluding Acquisitions)

Absenteeism rate (1)	2015 (2)	2014	2013
Occupational illness	0.03%	0.03%	0.01%
Occupational injury	0.03%	0.04%	0.04%
Non-occupational illness/injury	1.93%	1.79%	1.83%
TOTAL (ILLNESS/INJURY) (3)	**1.99%**	**1.86%**	**1.88%**

(1) Absenteeism excluding reasons other than illness or injury.
(2) Coverage rate: 99% of employees on payroll.
(3) Absenteeism for illness/injury included weekends concerning Brazil data.

Absenteeism information only covers personnel who are on payroll. More thorough information including contracted workforce is to be found in Section 3.4.7 "Safety" included in this Reference Document.

The calculation of the absenteeism rate is based on working days lost. Working days are used as a measure of economic impact.

Working days lost are also calculated in safety indicators, based on calendar days as a measure of the severity of the accident. The data cannot therefore be compared between the HR scope and Safety scope.

- In 2015, the main data concerning absenteeism was as follows:
  - The absenteeism rate has increased by 0.13 percentage point, mainly due to non-occupational illness/injury. Two main impacts: Singapore started to record the working days lost for temporary employees and in the USA, following a new law which came into force on January 1, 2016 removing the possibility to accumulate sick days, employees who had accrued sick time charged sick leave for their time away from the office.
  - 31 cases of occupational illness have been reported in the Group, such as ear infections in divers, dermatitis, muscular-skeletal disorders and work-related stress.
  - 126 injuries were reported covering a total of 1,973 working days lost.
- Medical services in 2015:
  - Two-thirds of entities offer health care insurance which is in excess of the legal requirements.
  - 94% of employees on payroll benefit from a health care coverage. Among the others, some are covered by their partner, some have decided not to benefit from this insurance or the entity does not cover temporary employees.
  - More than three quarters of entities have an occupational health provider available, either internal or external.
  - 14,667 medical examinations were completed, 2,804 of which were pre-employment "fitness to work" examinations for newly hired employees.
  - 1,039 employees had a medical examination following a period of sick leave.

Medical examination requirements vary depending on the country. Pre-expatriation medical evaluations and follow-ups are carried out for the duration of the expatriate's assignment in the Group.

3.4.7. Safety

GRI G4-DMA, G4-14, G4-LA6

Protecting Individuals at All Times

Health and Safety and protection of the Environment are core values and an absolute commitment for Technip. For several years, through numerous initiatives across its global operations, Technip has relentlessly focused on improving employees', contractors' and suppliers' working conditions with respect to the HSE climate.

"Doing the right thing" is one of Technip's core Values, and this Value, applied to Health Safety and Environment, means an absolute commitment to no-one getting hurt, injured or sick as a result of their daily work.

The details on Safety coverage are listed in the Section 3.7.1 included in this Reference Document.

Objectives for 2016

In 2016, Technip will continue to provide all means and resources to ensure with success its challenges and achieve its objectives.

The strategic goals, related actions and initiatives to achieve them are detailed in Technip`s HSE 3-Year Plan and are summarized below:

- staying focused on safe operations and prevention of incidents;
- further improving and developing performance standards to manage Key Risk Conditions in all operations across the Group;
- putting a strong focus on the management of contractors and contracted staff;
- improving Global HSE reporting and analysis tools;
- fostering quick sharing and effective implementation of best practices and lessons learned;
- implementing and following up on the Pulse program on all major Projects;
- enhancing the visible HSE leadership demonstrated by the management at the worksites; and
- continuing the implementation of bespoke Behavior-Based Safety Programs across the Group.

Prevention of Serious Injuries

In 2015, Technip continued to implement measures to reduce serious injuries and fatalities. As part of this journey, the HSE management system was revised in 2014, and a new incidents classification matrix defined. This year, Technip's HSE performance standards have been enhanced and guidelines established to standardize the classification of the "loss potential" of incidents across all operations.

The involvement of senior management in incident reviews gained widespread momentum. Following the involvement of operating centres and regional management teams, 77 Serious Incident Reviews were conducted by the Technip Group Presidents. As a consequence, multiple hidden precursors for serious incidents were uncovered and mitigated, and the overall number of registered cases in 2015 dropped from 0.12 to 0.09 cases per 200,000 hours worked.

In spite of all these endeavours, one subcontractor employee suffered fatal injuries during construction activities in 2015. As a result, Technip will put an even stronger emphasis on subcontractor management and operational control.

In 2016, Technip will further improve its HSE systems, performance standards and tools to ensure that the prevention of serious injuries and fatalities remains a core value and absolute commitment.

The Pulse Program

Technip's Pulse program aims to develop a positive and proactive HSE culture inside the Group, with a focus on leadership and communication. It is tailored to improve awareness of Health, Safety and the Environment, and to promote transformational leadership and HSE as a core value for all.

Since 2008, more than 58,000 Technip employees and contracted staff have attended Pulse sessions, ranging from senior managers and managers/supervisors to the general workforce and engineers, and including Technip staff, partners and subcontractors.

The implementation of the Pulse program plays a major role in improving HSE performance. By the end of 2015, almost all Technip staff had attended at least one Pulse session. In 2016 Technip will focus on the implementation of the Pulse program on its Projects, involving its clients, suppliers and subcontractors; and the follow-up of Pulse learning through the deployment of certified Pulse Coaches at the worksites.

Behavior-Based Safety (BBS)

Technip believes that it is everyone's responsibility to ensure a high level of safety on worksites. This is why the Group has implemented the Pulse program and bespoke Behavior-Based Safety (BBS) programs in Technip's main regions and their Projects, assets and manufacturing units in recent years.

In 2015, a bespoke framework and programs were developed taking into account the specificities of the Group's diverse activities. This covers Onshore and Offshore construction, marine operations and fabrication activities in our factories. This year the program for the marine activities has been improved and good progress was made on the Implementation of BBS Programs for the fabrication activities and onshore/offshore environment.

In 2016 Technip will continue to roll-out BBS in the remaining fabrication plants and emphasize the roll-out of BBS Programs on its onshore and offshore Projects.

To this end, Technip will ensure that ALL:

- individuals within the Technip organization hold safety as a value and not just a priority;
- individuals take responsibility for the Safety of their colleagues in addition to themselves; and
- the entire workforce is willing and able to act on their sense of responsibility and go beyond the call of duty when required

Technip's Safety Performance

In 2015, 262 million man-hours were worked at the Group's facilities and Project sites worldwide. The total recordable case frequency rate (TRCF), which measures the recordable incidents per 200,000 hours worked, decreased significantly from 0.19 in 2014 to 0.15 in 2015.

The decrease of the TRCF, as well as the Improvement of the Serious Incident Frequency (SIF) from 0.12 to 0.09 demonstrates that Technip continuously improved both Systems and Processes and HSE climate.

Technip safety performance	2015	2014	2013
Total Recordable Case Frequency (TRCF) (1)	0.15	0.19	0.26
Lost Time Injury Frequency (LTIF) (1)	0.05	0.06	0.08
Leadership & Management Walkthrough Frequency (1)	9.57	9.17	8.35
Fatal Accident Frequency (1)	0.001	0.003	0.002
SIF Case Frequency (2)	0.09	0.12	0.14
Lost Workday Severity Rate (3)	2.74	3.42	3.63

(1) The Frequencies are calculated across 200,000 hours worked. Incidents as defined by OSHA standards are considered. Cut-Off date is 12.31.2015. Data from 2014 and 2013 has been updated with latest available data.

(2) Calculation basis, coverage and cut-off date as per (1). Serious Incident and Fatality covers any incident that leads or had the potential to lead to serious Injury or fatality including Near Miss Incidents.

(3) Calculation basis, coverage and cut-off date as per (1). For the calculation of Lost Workday Severity Rate subsequent days including weekends and holidays up to a maximum of 180 days are considered.

3.4.8. Security

GRI G4-DMA, G4-14

Security: Ensuring the Security of Employees and Operations across the World

Due to the current international context and the potential high risk areas in which Technip's Clients operate, Technip has given primary importance to Security for several years.

The Security department maintains its focus on the delivery of homogeneous and efficient security conditions to all Technip staff and operations. A permanent monitoring of the security measures implemented within local and regional entities is ensured by Group Security.

The philosophy of the Group Security Department is to communicate transparently on the risks and on the security measures to obtain the support of all Technip staff.

In this context, the Security Charter highlights the objectives and the means of the Group to ensure one of the core values of Technip; the security of People and Assets and the protection of Information. This Charter is available on the Technip website.

To ensure that Technip staff feel secure wherever they work, Technip Security network monitors all security issues affecting their working conditions and environments regardless of whether they are traveling, working in offices, on construction sites or onboard vessels operated / chartered by the Company.

Technip Security network's permanent and main priority is to anticipate and manage potential security threats to protect Technip staff, assets and know-how and to ensure the secure and timely delivery of Technip's Clients, Projects and operations.

The effectiveness of this strategy is backed by Technip's strong Security culture at every level of the operations.

Finally, this strategy is based on the transparency and the quality control of its processes by internal security auditors.

Organization

The security framework covers all Technip's entities including Projects and fleet in a uniform and continuous manner. More details are available in Section 3.7.1 included in this Reference Document.

As the Yamal LNG Project is major for the Group, Technip Security has set up a Joint Operating Center (JOC) with team members based in Paris, Moscow and Shanghai. The JOC centralizes all security-related information and incident management efforts of the Project's various entities, sites and vessels. The JOC has the capacity to mobilize Security, HSE, Medical and Communication teams in case of an emergency or a crisis. This system enables proper communications and coordination to avoid "silo effects".

One Security for "One Technip"

With Technip staff and fleet operating around the world, Technip Security's challenge for 2015 was to provide the highest level of security within all Technip entities.

The teams have been focused on the homogenous implementation of Technip's robust Security processes to provide the best solutions when it comes to travelers' security, project "security design", IT security, maritime security, incident management and business continuity.

Over the past few years, Technip has consolidated the best practices and kept innovating to enable Technip Projects to be well integrated locally and continue to operate in some of the most volatile countries.

Group Security is fully independent from State or other external influence, in the security assessments it provides. Group Security reports directly to the Chairman. This enables the Group to take accurate and objective decisions. Based on a 4-level country risk ranking, dedicated security measures to be implemented have been defined depending on in-country security threats:

- Level 1 countries: low security risk, travelers to keep a normal vigilance.
- Level 2 countries: medium security risk, increased vigilance and security measures adjusted to the threats are to be implemented. All travel is to be notified to the security correspondent of the country of destination.
- Level 3 countries: high security risk, security recommendations and specific security measures to be implemented. All travel is to be approved by the security department of travelers' entity of origin and the security correspondent of the country of destination.
- Level 4 countries: extreme security risk, no movement/no operations in the country.

Dedicated Communication Tools

Dedicated tools and resources are available to keep Technip people informed, in full transparency, about security issues wherever they live, travel or operate:

- specific awareness and communication tools dedicated to Information Security and Confidentiality have been updated to focus on new threats and *modus operandi;*
- regular security training and inductions are organized to raise staff awareness and provide them with security advice on specific security matters, such as travel security, information protection, project security. Several modules are proposed according to the needs of Technip employees and their environment: safety of employees in sensitive countries, cultural awareness, awareness relating to computer security and protection of data, as well as protection against external fraud or security on Projects; and

- internal communication campaigns on Security matters (information security, external fraud, business continuity management) have been devised in 2015, and launched throughout Technip, to raise employees' awareness.

Tools adapted to the operations have been developed:

- the TSNT (Technip Security Navy Tracking) that allows the monitoring of the position of Technip's fleet vessels and alerts in case of need, in particular when vessels enter a piracy area; and
- the Crisis Management and Business Continuity tool, TICA (Technip Incident and Continuity Application) is, on the one hand, a database centralizing all emergency and continuity plans and, on the other, a virtual crisis management center designed to ease the communication and interfaces between the response teams across the Group.

Technip Security Management System – T.S.M.S.

The Security Teams across the world support Technip Projects in the design and implementation of tailored and cost efficient security systems from Project tender phase to commissioning. This system defines the processes to be implemented and the key deliverables expected at each Project phase. This is a fundamental principle of the quality approach that applies to Security.

PROJECT LIFECYCLE

Tender/Proposal

PROCESS
- Definition of the security scope
- Preliminary Security Risk Analysis
- Assessment of Security costs

KEY DELIVRABLES
- Security Annex to proposals
- Security Risk Analysis
- Security Cost Estimation

Engineering/Procurement

PROCESS
- Design of Project Security lay out
- Identification of required resources

KEY DELIVRABLES
- Master Security Plan
- Project Site Security Plan
- Access Control Plan
- Evacuation Plan
- ER Plan

Construction/Operations

PROCESS
- Update & implementation of Security procedures
- Regular audit of security processes
- Training and awareness raising of staff

KEY DELIVRABLES
- Personnel on Site Report
- Weekly Security Reports
- Training program
- Update of security plans as relevant

In 2015, Technip has developed its expertise on five key security approaches:

- SMARTravel;
- Information Security;
- Maritime Security;
- Incident Management and Business Continuity; and
- External Fraud Management.

SMARTravel

New travel security tools and procedures were implemented in 2015. The SMARTravel program was developed to reinforce Technip's travel security policy and ensure the protection of Technip's staff. It includes:

- Travel Tracker, a travel security and medical tool used to locate and communicate with travelers worldwide. It provides security and medical recommendations to the travelers prior to their trip and gives the possibility to rapidly notify them of major incidents that could affect them, in order to provide the relevant support if needed;
- travelers' booklets available for all countries where Technip operates and are released to staff prior to any mission;
- pre-Trip Advisories with security and medical recommendations are sent to travelers prior to their trip. For countries at risk, a specific security and medical form is to be completed and validated by each traveler to ensure that all security measures have been taken for the duration of the mission; and
- security flashes are issued by Group Security, released to travelers in real time, according to security context changes worldwide. A message is also posted on Technip Security's public Yammer group on Technip's internal social media.

Information Security

A dedicated Information Security approach has been developed internally especially for major Projects, where a dedicated team has been nominated. The main objective consists in better serving the interests of Clients while protecting Technip's data.

Furthermore, sessions dedicated to Technip staff are organized to raise awareness on confidentiality and information security.

Finally, a permanent internal independent audit process remains operational throughout the Company to test the IT systems due to internal expertise. In addition, dedicated alerts and awareness messages are released when needed to reduce the risk of new potential threats.

Maritime Security: a Major Topic within Technip Security Operations

Following the development of the Group, areas of operations have expanded worldwide with some Projects located in regions with maritime and piracy threats. This is the case for Projects located in the Gulf of Guinea and South-East Asia where piracy incidents have increased.

In 2015, the maritime security organization was adjusted to the Group's growth for the protection of crews and the smooth execution of operations. The coordinated maritime security organization, in particular with the implementation of the TSNT, has enabled Technip to maintain the efficiency of its capacity to deal with the threats and to implement measures to prevent incidents.

To protect vessels transiting in piracy hotspots, Group Security implements reinforced security measures onboard. Depending on the threat assessment, an armed security team on board ensures the protection of the vessel and the crew during the transit.

Incident Management

Within the Group, Incident Management includes several key approaches: Emergency Response, Crisis Management & Communication and Business Continuity. To support this approach Technip has developed a network of trained responders across the Company that includes but is not limited to Managers on Duty, Emergency Response Teams, Crisis Management Teams and Business Continuity Committees. A training program that includes regular live crisis exercises ensures that Technip will have the relevant capability to respond should an incident occur. As of 2015, two operating centers within the Group, Aberdeen and Kuala Lumpur, are certified ISO 22301:2012 for Societal Security and Business Continuity Management Systems.

Technip implements a three-level Incident Management system. At each level, dedicated response teams, processes, and facilities have been set up. According to the severity and the type of incident, relevant teams will be mobilized to bring the incident under control as soon as possible.

External Fraud Management

A Group Treasury and Security task force is in charge of fighting external fraud attempts against the Group. Several actions have been taken to raise awareness, to all employees and business partners, to reduce the risk of such attacks.

IT preventive measures as well as security and financial preventive measures have been put in place to protect the reputation of the Group and its interests.

Finally, an External Fraud Network has been implemented in each region where Technip operates to better respond to the reality of the field. This network is composed of trained correspondents in direct and permanent liaison.

3.5. PROTECTING THE ENVIRONMENT

Environmental responsibility is one of Technip's core values. The Group's overall objectives are firstly to strive to minimize the impact of its operations on the environment as well as any risks such operations may generate on the natural environment and other stakeholders; and secondly, to continue to work to avoid causing any environmental incidents. Management's commitment to these objectives is critical to successfully achieving these goals.

The execution of Technip's Projects is divided into three main phases: Engineering, Procurement and Construction/Installation/Commissioning and Start-up (on the request of clients) either Onshore, Offshore or Subsea. Technip's Projects vary in duration and can last from a few months to a few years. In respect of its Subsea business activities, Technip uses industrial assets and operates a fleet of vessels specialized in installing pipelines and subsea construction.

Despite operating in a complex field, Technip is committed to simultaneously manage its environmental aspects with success while effectively measuring its environmental performance, thereby assuring that it prevents and significantly reduces its impacts on the environment in accordance with the ISO 14001 requirements, international standards and Technip's own internal standards.

In 2015, Technip strengthened its commitments in terms of sustainable development and the protection of the environment while still focusing on the main material aspects identified in 2014 in a study carried out in accordance with the Global Reporting Initiative (GRI) G4 guidelines. External and internal stakeholders agreed that "Protecting the environment" was a material category and that the following main environmental areas were material to Technip: energy use, greenhouse gas emissions, the emissions of air pollutants, hazardous substances, solid waste, water and waste water, biodiversity and ecosystems.

All these aspects are covered in detail in the sections that follow, through both quantitative indicators (called Environmental Key Performance Indicators (EKPIs)) and qualitative information.

For more information on the materiality assessment and stakeholder engagement, please refer respectively to Section 3.1 and Section 3.3 of this Reference Document.

For more information on definitions, please refer to Section 3.7 of this Reference Document.

3.5.1. Group Environmental Policy

GRI G4-15

A. Group HSE Policy and Environmental Charter

For more information on the Group's Health and Safety Policy, please refer to Sections 3.4.6 and 3.4.7 of this Reference Document.

The section of the Group's HSE Policy which specifically addresses the environment, sets out Technip's absolute commitment to minimizing any adverse effects on the environment which may be caused by its business operations.

In practice, this commitment manifests itself as a number of requirements, such as promoting a responsible use of resources; quantifying and controlling any emissions into the air, soil and water; a safe and sensible management of waste; a thorough approach with respect to environmental risks and their management; and an innovative approach in respect of environmental challenges.

Technip has also published an Environmental Charter which defines the Group's general objectives in terms of environmental responsibility, in addition to the corresponding guidelines.

This charter applies to all of Technip's entities, regardless of their legal status.

Targets Assigned to Subsidiaries outside France

Responsibility for Technip's HSE Policy is delegated to and implemented by the subsidiaries, regardless of their legal status. The environmental objectives are reflected in Technip's Group Environmental Charter and in the Group's Health, Safety and Environment (HSE) Three Year Plan.

B. Responsibility and Organization

Environmental management is, as for Health and Safety, the responsibility of everyone at Technip. The implementation of the 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 Group.

In 2008, an Environmental Working Group (EWG), was formed, reporting to the Vice-President, Group Health, Safety and Environment. This working group coordinates with a network of around 20 environmental specialists from all of the Group's Regions and business units. The EWG sets up conference calls every month with all EWG members and organizes technical working groups twice a year which welcome experts from each operational area. It also puts together programs at Group level focusing on environmental performance indicators which allow for: environmental improvements to be reported, awareness campaigns, carbon emission reporting and eco-design. The management of these programs is delegated at regional and local levels. In addition, the Group's entities develop and conduct environmental initiatives and programs adapted to the local environment and workforce.

All entities and Projects within the Group are managed by dedicated HSE Managers and Directors, with a team of HSE engineers and supervisors responsible for the application of the HSE rules in their respective areas (for example, an engineering centre, a manufacturing plant, a vessel, a yard, a construction site or a Project) and to ensure that these requirements are well implemented.

During the design phase of Projects, one or several environmental engineers are responsible for ensuring the Project's compliance with all applicable standards and regulations. During the construction phase of major Projects, an environmental supervisor is assigned to manage all of the site's environmental aspects, in coordination with the client and the different subcontractors.

C. Legal and Regulatory Compliance

Technip is committed to operating in full compliance with all applicable environmental regulations, laws and international codes and standards in force in the countries in which it operates, whenever they apply to its facilities and/or operations.

For Projects financed by the International Finance Corporation (IFC), the Environment, Health and Safety guidelines ("EHS Guidelines") of the World Bank Group may be applied. These guidelines are technical reference documents containing general and industry-specific examples of Good International Industry Practice (GIIP). Where regulations of the host country differ from the levels and measures set out in the EHS Guidelines, those which are the most stringent must apply.

Since 2002, Technip has also been adhering to the ten principles of the United Nations Global Compact (UNGC) and discloses its initiatives in this respect.

For more information, please refer to Sections 2.2 and 2.7 of the Group's Reference Document for the year ended December31, 2015.

D. Environmental Certification

Technip maintains a policy of implementing environmental certification ISO 14001 for all of its entities. To meet this commitment, Technip is implementing a robust environmental management framework and is steadily reducing its impact on the environment.

As of December 31, 2015, 38 Group legal entities (*i.e.*, approximately 76% of the main legal entities which provided environmental data in 2015) were ISO 14001 certified, including six of the seven regional headquarters. For each of these entities, the environmental management system was fully verified and certified by an independent third party. Seven other entities (4%) are working towards this certification.

Moreover, in 2015, the Etileno XXI Project (Mexico) and the new flexible pipes manufacturing plant located in Açu (Brazil) obtained the ISO 14001:2004 certification for their environmental management systems.

The ISO 14001 standard has been recently updated to the new version 2015. In 2016, a number of entities, including Technip in Italy and FlexiFrance will start moving towards the renewed certification path, demonstrating the management's commitment to continuously improving Technip's environmental performance, to preventing pollution and to complying with the most recent international environmental standards.

E. Risk Management

Identification of Risk

Please refer to Section 2.2 of the Group's Reference Document for the year ended December 31, 2015.

Management of Risk

Please refer to Section 2.7 of the Group's Reference Document for the year ended December 31, 2015.

Provisions and Indemnities

In respect of provisions, indemnities and guarantees paid during the financial year ended December 31, 2015 resulting from a court decision on environmental issues which ordered for the pay-out of damages, the situation is as follows:

- Technip did not make any specific provisions for environmental risks as provisions for environmental risks are made at Project level for each Project; and
- Technip was not subject to any court decisions on environmental issues.

F. Reporting Scope

The Group's requirements in terms of environmental reporting are fully defined in the Group's guidelines which are applicable to the entire Group. In accordance with these guidelines, Technip's entities and operations must register their environmental data in a centralized database from which all quantified data presented in this Section 3.5 is taken.

For sake of clarity and transparency, the reporting scope and methodology, the data collection system and consolidation process are explained in detail in Section 3.7.1 of this Reference Document.

In 2015, as shown in the table below, the environmental coverage in terms of EKPI man-hours worked increased by 26% in comparison with 2014. The number of reporting entities for EKPI decreased by 10% in respect to 2015, in particular due to the closure of some construction sites (-15%) and to the reorganization of the fleet (-33%) and offices (-6%). The number of industrial sites (mainly spoolbases) increased by 45%.

	2015	Construction sites	Industrial sites	Fleet	Offices	2014	2013
Total number of *sites* reporting EKPIs	160	44	32	33	51	177	173
EKPI man-hours worked [(1)] *(in millions)*	194.3	27%	20%	21%	32%	154.3	158.4

(1) Or man-hours worked in sites which contributed *to* EKPIs reporting.

Application rates for each environmental indicator are detailed in the relevant tables of this Section 3.5. It should be noted that the applicability of each of these indicators varies depending on operations, local context, contractual or client requirements and local regulations.

3.5.2. The Group's Environmental Objectives and Targets

GRI G4-DMA

Every three years, Technip establishes a plan to reinforce its environmental performance by setting specific strategic goals. As part of the Group's Health, Safety and Environment (HSE) Three Year Plan covering 2014-2016, the Group has established three main environmental goals for 2015:

- **improvement** of the Group's environmental performance by implementing proactive environmental management, stewardship of Technip entities, operations and activities and by promoting and communicating environmental measures and responsibilities;
- **prevention** of environmental impacts and risks by way of an ongoing process of risk identification and assessment, through the implementation of preventative and mitigation measures which reduce those risks identified as well as their potential consequences; and
- **reduction** of the use of energy and resources and waste generation by the implementation of specific programs to identify, measure and promote a reduction in waste generation, energy and resource consumption across Technip's operations and activities.

Each year, the above environmental goals are shared with all Regions and entities. A number of entities across the Group have defined their own environmental objectives and targets aligned with the Group Plan above. In 2015, improvement initiatives were implemented at Group level, as detailed below:

Group's objectives	Group's activities in 2015
IMPROVEMENT Proactive environmental management	• Rationalize and set CO_2 emissions' reductio$_n$ strategies for direct and indirect contributors; • Formalize Best Practices in Environment across the Group with CO_2 emissions' reduction; • Promote system to monitor HSE regulatory compliance changes (Group, regional and local levels); • Improve environmental reporting processes; • Celebrate the World Environment Day in June, involving all of Technip's entities.
PREVENTION Reducing the impact on the environment and managing risk	• Implement environmental impact studies on activities; • Share EKPI reports and trend analysis within the Group, Regions and entities to set up strategies for reducing the environmental footprint; • Use feedback from audits carried out by Third Parties to improve the system; • Identify accidents causing damage to the environment and carry out emergency intervention exercises; • Review the methodology identifying and classifying environmental incidents at regional level.
REDUCTION Reduction in use of energy and resources and in quantity of waste generated	• Implement specific regional targets for resource consumption and waste; • Technip is committed to not use certain banned chemical products, in accordance with the most relevant international conventions and EU regulation REACH; • Launch a Group waste reduction initiative and monitor the process through new waste management indicators; • Monitor EKPIs and report quarterly at regional and Group levels.

In accordance with the Group's objectives, regional and local activities are carried out for all entities and operations of the Group. Examples of such initiatives and actions implemented in the Regions in 2015 have been briefly summarized in the following paragraphs of this Section 3.5. Further details on the best practices implemented in 2015 are available in Section 3.5.10 of this Reference Document.

In 2016, the three main environmental objectives of the Group, as part of the Group's HSE Three-Year Plan for 2016-2018, will remain the same, with the following specific objectives:

Group's objectives	2016-2018 Plan
IMPROVEMENT Proactive environmental management	• Implement a proactive CO_2 emissions' minimization strategy in Technip's assets (offices, manufacturing plants, vessels); • Focus on Projects.
PREVENTION Reducing the impact on the environment and managing risk	• Enhance Technip's environmental prevention and mitigation capabilities; • Share best practices with internal and external stakeholders (IPIECA[(1)], IFC[(2)], Clients, other).
REDUCTION Reduction in use of energy and resources and in quantity of waste generated	• Optimize waste and natural resource management; • Develop energy efficiency and green procurement.

(1) IPIECA, *International Petroleum Industry Environmental Conservation Association* (the global oil and gas industry association for environmental and social issues).
(2) IFC, International Finance Corporation (a member of the World Bank Group).

In 2015, in order to establish appropriate and cost-effective greenhouse gas (GHG) emission reduction targets, Technip analyzed and identified the key environmental indicators which influence its carbon footprint and which are linked to the main contributors among its permanent assets (offices, vessels, manufacturing plants). The objective was to get the highest CO_2 emissions' reduction results in the most sustainable and feasible way, knowing that the Company's GHG emissions can be strongly influenced by shifts in business activity, production changes or assets reorganization.

The EKPIs study carried out in 2015 led to the proposition of a set of Company environmental targets to reduce the GHG emissions global impact (Scope 1 and Scope 2 mainly), for 2016, based on the 2015 emissions. The Group commitments are as detailed here below:

- Direct CO_2 eq. emissions: reduction of the fleet consumption of fuel by 3%;
- Indirect CO_2 eq. emissions:
  - reduction of the regional head offices consumption of electricity by 3%; and
  - reduction of the manufacturing plants consumption of electricity by 3%.

These targets are supported by effective, sustainable and efficient actions, and are subject to retuning on a quarterly basis.

In addition to GHG emissions, Technip has also identified other key environmental indicators, which are fully in keeping with the Group's material issues, to enhance its environmental footprint in the world. These are mainly: total energy consumption, water management and waste management.

Details on the trends of the key indicators are provided in Section 3.5.3 and in the following sections of this Reference Document.

3.5.3. Energy Consumption and Air Emissions

A. Energy Consumption

GRI G4-DMA, G4-EN3, G4-EN4, G4-EN5, G4-EN6

Energy Consumption within Technip's Permanent Sites

The total energy consumption of Technip's permanent sites increased by approximately 43% in 2015 compared to 2014, with the main contributor being the fleet.

Direct and indirect energy consumption for permanent sites *(in MWh)*	2015			2014			2013		
	Natural gas and LPG	Fuel (Fuel-oil, Diesel, Gasoline)	Electricity	Natural gas and LPG	Fuel (Fuel-oil, Diesel, Gasoline)	Electricity	Natural gas and LPG	Fuel (Fuel-oil, Diesel, Gasoline)	Electricity
Industrial sites	10,247	100,545	90,231	9,321	57,381	52,554	9,606	109,591	60,310
Fleet	NA	1,143,063	NA	NA	798,413	NA	NA	1,453,611	NA
Offices	7,282	5,808	66,257	6,699	6,271	65,016	6,140	12,120	60,462
TOTAL (4)	**17,529 (1)**	**1,249,416 (2)**	**156,488 (3)**	**16,020**	**862,065**	**117,570**	**15,746**	**1,575,322**	**120,772**

(1) Coverage rate is equal to 18% for Natural Gas and 9% for LPG, in terms of man-hours worked, these products are only being used by a few sites.
(2) Coverage rate for Fuel is equal to 86% in terms of man-hours worked.
(3) Coverage rate for Electricity is equal to 86% in terms of man-hours worked.
(4) For 2015, the total energy consumption was approximately 1.42 million MWh or 5.36 million GJ compared to 1 million MWh or 3.75 million GJ in 2014.

In offices, fuel consumption, mainly used for heating purposes, increased by approximately 9% as regards natural gas and liquefied petroleum gas (LPG) and decreased by 7% in respect of diesel and gasoline in 2015 compared to 2014. The consumption of electricity also increased slightly (+2%).

Industrial sites (manufacturing plants and spoolbases) increased the overall consumption of energy, in particular for fuels (+75%) and electricity (+72%). This is due to the commencement of operations on several new industrial sites in 2015 (+45%).

Energy Consumption on Construction Sites

Construction sites have been presented separately from Technip's permanent sites as they are usually only temporary sites which are not owned by Technip but managed by Technip during the construction phase. They are subject to important variations from one year to another, depending on the number and type of Projects on-going and type of construction activities (early site works, civil works, construction, pre-commissioning, commissioning, start-up).

In 2015, major Technip construction sites moved to the commissioning and start-up phase, thus influencing the environmental performances accordingly.

Direct and indirect energy consumption for temporary sites (operations on Projects) *(in MWh)*	2015			2014			2013		
	Natural gas and LPG	Fuel (Fuel-oil, Diesel, Gasoline)	Electricity	Natural gas and LPG	Fuel (Fuel-oil, Diesel, Gasoline)	Electricity	Natural gas and LPG	Fuel (Fuel-oil, Diesel, Gasoline)	Electricity
Construction sites (4)	508 (1)	303,123 (2)	109,942 (3)	82,138	301,069	16,859	11,264	267,027	1,626

(1) Coverage rate is equal to 18% for Natural Gas and 9% for LPG, in terms of man-hours worked, these products are only being used by a few sites.
(2) Coverage rate for Fuels is equal to 86% in terms of man-hours worked.
(3) Coverage rate for Electricity is equal to 86% in terms of man-hours worked.
(4) For 2015, the total energy consumption was 413,573 MWh or 1.55 million GJ compared to 400,066 MWh or 1.54 million GJ in 2014.

In 2015, fuel consumption on construction sites decreased by 21% compared to 2014, while diesel and gasoline use remained stable (1%). Electricity consumption increased to 552% due to various Projects moving into the commissioning and start-up phases in Mexico and Bulgaria.

A significant decrease in natural gas and liquefied petroleum gas (LPG) consumption (-99%) is primarily attributable to the end of construction operations of a Project in North Africa.

Energy Intensity

Technip's energy intensity factors are calculated using both direct and indirect energy consumption as a numerator and the total EKPI Man-hours worked (which correspond to sites which contributed to EKPIs reporting) as a denominator. Man-hours worked have been acknowledged as being the information the most representative of the Group's overall activity.

	2015	2014	2013 (1)
Total Energy Intensity *(in kWh/man-hours worked)*	9.46	9.05	12.57

(1) In 2013, major changes were made to the reporting methodology and scope, including the Man-hours *used* to calculate performance indicators.

In 2015, energy intensity per category was as follows:

2015	Construction sites	Industrial sites	Fleet	Offices
Total Energy Intensity *(in kWh/man-hours worked)*	4.47	4.98	85.13	1.65

Vessels have the highest energy intensity factor across Technip's operations as they consume large quantities of fuel (mainly diesel) when they travel from one country to another and when they operate offshore for the subsea installation of rigid or flexible pipes on Projects.

Technip Initiatives to Reduce Energy Consumption

In 2015, Technip continued to pursue the implementation of energy efficient initiatives and energy saving measures on all its entities and sites, to monitor and reduce energy consumption.

In 2015, total energy consumption of the facilities increased by 43% compared to 2014 thereby re-aligning absolute consumption with the levels recorded in 2013. The intensity factor (total energy consumption/man-hours worked) remained stable (+4%) compared to 2014.

Fuel saving initiatives are currently being developed by T-MOS (Technip Marine Operations Services) based in Aberdeen (United Kingdom) for all the vessels under their management. The objective is to reduce the fleet's fuel consumption and thus overall vessel emissions throughout the following years. This global program is expected to have an impact on the Group's overall fuel consumption since vessels are the main contributors in terms of diesel consumption across the Group.

Several of the main offices have environmental or energy certificates pursuant to either national regulations or international standards. This is in particular the case for: one building close to Paris-La Défense (France), two buildings in Houston (United States), one building in Aberdeen (United Kingdom) and one building in Abu Dhabi (United Arab Emirates) for a total of around 4,000 people. In 2015, other offices obtained such certification, for example the new Technip building in Rio de Janeiro (Brazil) and the Technip office in Sandvika (Norway) that obtained the BREEAM (Building Research Establishment Environmental Assessment Methodology) certification.

The design of these buildings takes into consideration the use of natural light and ventilation as well as thermal insulation to reduce heating and cooling costs. In other offices, measures such as installing timers for lighting and air-conditioning or the use of LED lamps are commonly adopted best practices. In Paris-La Défense (France), the building is equipped with an Energy Manager® system. This tool allows the building to be managed remotely and optimizes the heating, air conditioning and lighting systems. In this building, approximately 25% of energy has been saved since the system was installed in 2009. In the Rome (Italy) office, LED lamps are also in use.

In 2015, Technip's head offices and manufacturing plants located in Europe developed dedicated energy efficiency audits and established plans for energy efficiency in order to enhance their energy performances.

B. Greenhouse Gas (GHG) Emissions

GRI G4-DMA, G4-EN15, G4-EN16, G4-EN18, G4-EN19

The 21st session of the Conference of the Parties (COP21) to the United Nations (UN) Framework Convention on Climate Change was held in Paris from November 30 to December 12, 2015. The main outcome was the achievement, for the first time in over 20 years of UN negotiations, of a new legally binding and universal agreement to be implemented in respect of the climate, by all nations of the world, following the expiry of the Kyoto Protocol in 2020. The global challenge is to cut greenhouse gas emissions and reduce the impact of global warming to prevent the global temperature increasing to 2 degrees Celsius above pre-industrial levels.

In this context, Technip, as an engineering contractor in the energy sector, recognizes the challenge of fighting climate change, not only by striving to control and reduce its own emissions, but also by providing highly performing, environmentally-friendly and innovative solutions and designs to its clients, to help them meet their needs in terms of energy efficiency.

Since 2006, Technip reports its carbon emissions (Scope 1, Scope 2 and partial Scope 3) to the Carbon Disclosure Project (CDP). Published data is available online on the CDP website. Technip's score for the climate change questionnaire has continuously improved since 2011 and reached 97B in 2015. The number represents the disclosure score (rating from 0 to 100) while the letter represents the performance score (ranging from E to A).

Direct and Indirect GHG Emissions (Scopes 1 and 2)

The table below shows the aggregated volume of direct GHG emissions (in metric tons CO_2 equivalents) generated by Technip's operations (Scope 1 emissions). However, it should be noted that Technip is not subject to any greenhouse gas emission regulatory quotas.

Technip also quantifies its indirect emissions, which are emissions that result from the electricity consumption at all its sites (Scope 2 emissions).

Total Greenhouse Gas Emissions (Scopes 1 and 2) *(in metric tons CO_2 equivalent)*	2015 Direct emissions	2015 Indirect emissions	2014 Direct emissions	2014 Indirect emissions	2013 Direct emissions	2013 Indirect emissions
Construction sites	80,731	62,368	98,692	6,248	73,082	885
Industrial sites	28,901	35,826	17,224	14,966	31,225	14,831
Fleet	306,116	NA	213,682	NA	388,395	NA
Offices	3,009	27,923	3,012	32,404	4,399	26,387
Total emissions	**418,757**	**126,117**	**332,610**	**53,618**	**497,101**	**42,103**
TOTAL EMISSIONS	**544,874 (1)**		**386,228**		**539,204**	

(1) Coverage rate is equal to 86% in terms of man-hours worked.

Direct emissions represent 77% of all Technip CO_2 emissions. Such emissions emanate from fossil fuels (natural gas, LPG, diesel and gasoline) used directly by Technip's activities and operations. Vessels are the main contributors to direct emissions (73%), where emissions are directly linked to diesel consumption by engines. In 2015, construction sites accounted for 19% of CO_2 direct emissions due to fuel consumed in the process of producing electricity internally.

Indirect emissions (23% of all Group emissions) resulted from the direct consumption of electricity from local grids as part of Technip's operations. The volume of CO_2 generated from electricity may vary from country to country depending upon the fuel source used to produce electricity. In 2015, industrial installations were the main contributors to indirect emissions, the electricity consumption of which increased by 139% due to increased manufacturing activities (spoolbases). The offices on the other hand, reduced their consumption by 14% compared to 2014.

In 2015, the amount of electricity consumed by construction sites increased greatly at Project level (and thus the related CO_2 indirect emissions also increased) due to the commissioning and start-up phases and the implementation of electrical substations which require a considerable amount of energy.

Overall, in 2015, Technip's CO_2 emissions (Scope 1 + Scope 2) increased by 41% compared to 2014.

GHG Emissions Intensity

Technip's GHG emissions' intensity factors are calculated using both direct and indirect emissions (Scope 1 and Scope 2 emissions) as a numerator and the EKPI Man-hours worked (which correspond to sites which contributed to EKPIs reporting) as a denominator. Man-hours worked have been acknowledged as being the information the most representative of the Group's overall activity.

	2015	2014	2013 (1)
Total GHG Emissions Intensity *(in kg eq.CO_2/man-hours worked)*	2.80	2.50	3.40

(1) In 2013, major changes were made to the reporting methodology and scope, including the Man-hours used to calculate performance indicators.

In 2015, GHG emissions intensity per category was as follows:

2015	Construction sites	Industrial sites	Fleet	Offices
Total GHG Emissions Intensity (in kg eq.CO_2/*man-hours worked)*	1.55	1.60	22.80	0.64

Vessels have the highest GHG emissions intensity factor across Technip's operations as they consume large quantities of fuel when they travel from one country to another and when they operate offshore for the subsea installation of rigid or flexible pipes on Projects.

Technip Initiatives to Reduce GHG Emissions

In 2015, as far as total GHG emissions are concerned, such emissions increased by 41% (an increase of approximately 155,329 tons of CO_2 eq., Scope 1 and Scope 2) and by 12% in terms of intensity factor (total GHG emissions/man-hours worked) compared to 2014.

Technip's fleet vessels are by far the main source of direct GHG emissions. In 2015, taking this into account, Technip continued, *via* T-MOS, the implementation of specific Ship Energy Efficiency plans. These plans are designed to provide measures for the efficient use of main and auxiliary machinery, safe and more efficient fuels and reduce the level of emissions in accordance with international maritime requirements.

For local operating entities, Technip promotes energy saving measures and the use of renewable energies, such as solar panels for power generation or heating water and electricity supplied by certified renewable sources.

Technip's offices in Rome are partly supplied by a green electricity network whose provider delivers Renewable Energy Certificates (RECs). In 2015, this "green" energy accounted for approximately 77% of the total internal energy use in the Rome offices. Moreover, 122 MWh of photovoltaic energy have been produced in Rome due to two photovoltaic grid-connected units, of approximately 49.5 kW peak each.

Since the end of 2013, Technip in Paris has rented new offices close to Paris-La Défense in a brand new building which is now fully occupied by Technip's workforce (approximately 1,100 people). This building has a triple environmental certification: HQE® (High Environmental Quality), LEED (Leadership in Energy & Environmental Design) "Gold" level and BREEAM (Building Research Establishment Environmental Assessment Method) "Very Good" level, in addition to a BBC label (French label meaning Low Consumption Building). Technip also made the choice to use "green" energy. All the electricity consumed in the building is supplied by certified hydroelectric sources located in France, which means zero carbon emission.

A construction site in Brazil is 100% fully powered by hydroelectric energy.

Almost all offices and sites within the Group are now equipped with efficient communication means (such as video-conference calls or teleconference systems) which reduces business travel and Technip's GHG emissions (Scope 3).

In addition, Technip has further expanded its expertise and capability in the development, acquisition and implementation of renewable sources of energy, such as biofuels. For more information, refer to Section 3.3.5 of this Reference Document.

C. Other Air Pollutants' Emissions

GRI G4-DMA, G4-EN20, G4-EN21

Emissions of Ozone Depleting Substances (ODS)

In 2015, two incidents resulted in the emission of ozone depleting substances (ODS). They related to gas leaks from a cooling machine in a flexible-pipe manufacturing plant and onboard a vessel owned by Technip. As a consequence, 137 kg of refrigerant gas (R407C and R507) were released into the atmosphere. The two incidents were classified as moderate as per Technip's environmental incidents reporting rules.

Emissions of NO_x and SO_x

Since 2014, the Group's sites (construction sites, industrial sites and vessels) estimate their NO_x and SO_x emissions generated as a result of operations functioning normally. The results are as follows:

	2015	2014
Total emissions of NO_x *(in tons)*	11,784 (1)	15,273
Total emissions of SO_x *(in tons)*	1,697 (1)	1,458

(1) Coverage rate is equal to 60% in terms of man-hours worked.

The variations noted in relation to the recorded NO_x and SO_x emissions are related to the new calculation tools implemented for the fleet.

In 2015, NO_x and SO_x emissions per category were as follows:

2015	Construction sites	Industrial sites	Fleet	Offices
Total emissions of NO_x *(in tons)*	3,639	335	7,809	NA
Total emissions of SO_x *(in tons)*	289	35	1,372	NA

The method of estimation depends on the operation:

- For construction sites and industrial sites, exhaust emission factors come from the US Environmental Protection Agency's (EPA) models developed for mobile sources and in particular, the Engine and Vehicle Emission Study ("NEVES"). They cover all diesel-fuelled engines and spark ignition engines and are based on fuel consumption and engine power.
- For T-MOS (Technip Marine Operations Services) vessels, air emission figures as stated by the IMCA (International Marine Contractors Association) guidance, which is the Industry standard, are used to estimate NO_x and SO_x emissions. For other vessels, factors given by the air pollutant emission inventory guidebook from the European Environmental Agency (EEA) and the European Monitoring and Evaluation Program (EMEP) are under testing.

In terms of SO_x emissions, Technip's fleet operates in an environmentally sound and responsible manner. All T-MOS managed vessels are currently compliant with the applicable sulphur content thresholds in air emissions. Vessels are also compliant with the new IMO (International Maritime Organization) regulations on low sulphur emissions in Emission Control Areas (ECAs, defined as per IMO's Special Areas under MARPOL Annex VI "Regulations for the Prevention on Air Pollution from Ships"), which came into force in January 2015, since most of the vessels already used 0.1% sulphur content fuel. In 2015, the sulphur content was checked onboard to ensure the quality of fuel provided was in conformity with the delivery order.

3.5.4. Water and Waste Management

A. Water Consumption

GRI G4-DMA, G4-EN8

Technip's business operations and locations give rise to a wide range of resource consumption requirements, such as the requirements for water (including drinking water, industrial water used for hydraulic tests and dust suppression and cleaning) and the implementation of local initiatives for water treatment and water reuse or recycling. As a consequence, water consumption fluctuates depending on a particular site's operations, production cycle or construction phase.

	2015	2014	2013
Total water consumption *(in m³)*	3,090,165 (1)	1,539,844	1,418,924

(1) Coverage rate is equal to 97% in terms of man-hours worked.

In 2015, the distribution of total water consumption per activity was as follows:

2015	Construction sites	Industrial sites	Fleet	Offices
Water consumption *(in m³) (% of the total)*	1,863,817 (60%)	607,212 (20%)	180,552 (6%)	438,584 (14%)

Projects are responsible for the greatest consumption of water due to activities during the construction phases. On the construction sites, water is usually extracted from local water networks, rivers or bores and is treated onsite, and then reused internally to the maximum. Depending on the country and the type of Project, large volumes of water may be used for dust suppression on roads or hydro-testing of tanks, pipelines and piping. In 2015, the consumption of construction sites represented 60% of the water consumed at Group level.

Technip is well aware of the need to conserve water and strives to reduce water consumption by monitoring consumption and reusing and recycling water at wastewater facilities where practical and possible.

In 2015, several initiatives for water reuse in construction sites were implemented. As an example, in the Etileno XXI Project (Mexico), water is stored in an industrial pond to be reused internally in the future. About 9% of site water (the equivalent of 4% of the total Technip Group water consumption) has been reused internally for hydro-testing and dust suppression purposes.

In terms of geographic breakdown, the water consumption is broken down as set out below. These figures exclude water consumed by the fleet as vessels do not provide environmental data based on their geographic location.

2015	Water consumption *(in m³)* (1)
Africa	81,881
Asia excluding Middle East (including India and Russia)	787,610
Europe	209,717
Middle East	110,677
North America	1,584,731
Oceania	13,069
South America	121,929

(1) Excluding fleet.

B. Liquid Effluents

GRI G4-DMA, G4-EN22

Wastewater treatment at onshore facilities, such as plants, ship-yards or offices, is treated by the local or regional sewerage system, or by purpose-built onsite treatment systems. For example, Technip operates several wastewater treatment units in a number of sites and yards. Discharges from these units are regularly monitored and audited in accordance with local licenses and regulatory approvals.

Offshore, Technip's vessels are fitted with MARPOL (International Convention for the Prevention of Pollution from Ships) compliant sewage treatment systems. Where the vessel cannot treat specific wastewater, the wastewater is transferred using sludge or holding tanks for onshore treatment. Water treatment is conducted at various construction sites and plants, through purpose-built sewage treatment systems and also on vessels by onboard treatment systems.

Wastewater is divided into ballast water (vessels only), industrial water and domestic water with the following outcomes:

- industrial wastewater is primarily treated onsite; and
- domestic wastewater treatment is usually held off-site in external wastewater treatment plants.

In 2015, the total quantity of wastewater managed by Technip, including ballast water, was around 1.4 million m³, of which 5% was ballast water, 15% industrial wastewater and 80% domestic wastewater.

In 2015, Technip increased its generation of wastewater by 47% compared to 2014 mainly due to industrial sites (spoolbases) (+172%) and construction sites (+89%) because of a better alignment with the Group's reporting requirements.

Total wastewater *(in m³)*	2015	2014	2013
Construction sites	584,658	308,684	296,807
Industrial sites	296,471	108,995	60,558
Fleet	156,790	165,688	217,119
Offices	365,363	372,795	233,972
TOTAL	**1,403,282 (1)**	**956,162**	**808,456**

(1) Coverage rate is equal to 90% in terms of man-hours worked.

Wastewater data usually come from measurements as in the case for industrial and ballast waters. For offices, if measured data are not available, domestic effluents can be considered equal to 90% of water consumption.

In 2015, construction sites and industrial sites saw an increased quantity of industrial wastewater (including dust suppression water and hydro-testing water) due to an increase in operations.

The below table shows the breakdown of each type of wastewater recorded for each of Technip's operational sectors in 2015:

2015 Total wastewater *(in m³)*	Domestic wastewater	Industrial wastewater	Ballast water
Construction sites	410,808	173,849	NA
Industrial sites	261,712	34,758	NA
Fleet	81,127	4,650	71,013
Offices	365,363	NA	NA
TOTAL	**1,119,010**	**213,257**	**71,013**

C. Waste

GRI G4-DMA, G4-EN23

Waste generated by Technip's operations are managed by each site in accordance with the applicable local and international regulations, applying best practices and taking into account existing waste management facilities in the country.

In 2015, Technip experienced a decrease in waste generation from previous years primarily due to the large quantity of non-hazardous waste produced in 2014 in one specific construction site. However, hazardous waste production remained more or less stable.

Total weight of Waste, by type *(in tons)*	2015	2014	2013
Non-hazardous waste	305,421 (1)	547,105	156,558
Hazardous waste	6,208 (2)	5,938	5,881

(1) Coverage rate is equal to 95% in terms of man-hours worked.
(2) Coverage rate is equal to 82% in terms of man-hours worked.

In 2015, the distribution of waste by type of operation was as follows:

2015 Total weight of waste, by type *(in tons)*	Construction sites	Industrial sites	Vessels	Offices
Non-hazardous waste	260,140	35,483	6,761	3,036
Hazardous waste	2,803	2,547	783	76

As far as construction sites are concerned, the largest portion of non-hazardous waste generated was made of soil, rock, concrete and scrap metal. One major construction site in Mexico generated large quantities of non-hazardous waste due to the excavation of large quantities of clean soil which have been reused on-site for backfilling and for an environmental restoration project on a landfill site as planned.

In 2014, six new indicators on waste disposal were added to the Group's reporting requirements, with the following results:

	2015			2014		
Total weight of waste, by type of disposal *(in %)*	Sent to landfill	Sent to recycling	Sent to incineration	Sent to landfill	Sent to recycling	Sent to incineration
Non-hazardous waste (1)	6%	84%	1%	3%	76%	0%
Hazardous waste (2)	27%	9%	28%	13%	36%	0%

(1) Coverage rate is equal to 91% of non-hazardous waste produced in 2015.
(2) Coverage rate is equal to 64% of hazardous waste produced in 2015.

In 2015, recycling was the primary method of disposal for non-hazardous waste. As regards hazardous waste, there were fewer recycling possibilities, in particular for Projects.

3.5.5. Accidental Pollution

GRI G4-DMA, G4-EN24

A. Prevention of Environmental Incidents

Site and Offshore Environmental Management

The Group's requirements, in terms of incident prevention and management, are defined in the Performance Standards and are translated into Project, Offshore or site specific procedures for Technip managed Projects, vessels and sites. Prevention is the key to the successful management of incidents. Studies and measures such as site planning and environmental risk assessments, as well as behavior based safety systems, audits and inspections, management walkthrough, training and awareness aim to prevent incidents from occurring. The reporting of hazards, incidents and near-misses on all sites and vessels increases the level of HSE awareness on site and identifies preventative or corrective steps to reduce the risk of further incidents.

Technip aims to achieve zero spills or releases. All operations involving Technip and its subcontractors will require some level of hazard or risk identification to determine the most effective and most appropriate preventative measures.

At site, vessel or Project level, specific site induction, training and awareness are delivered to the entire workforce, including contracted personnel and subcontractors.

When an environmental incident does occur, this is reported to the HSE department to ensure that the causes are clearly identified and actions are implemented for effective closure. Incidents are reviewed by regional HSE managers. In some Regions, an Incident Review Committee will meet to review the most serious incidents, investigate findings and recommend actions, to identify any organizational failings and to communicate and share lessons learned with all Regions and the Group.

Management of Hazardous Substances

Group guidelines on "Banned Chemicals" are implemented in all operations. These guidelines provide information on hazardous substances, the purchase or use of which is prohibited within the Technip Group due to their potential to harm human health and their toxicity to the environment. These guidelines which conform to international protocols on harmful substances, can also raise awareness on the processes to be considered when procuring harmful chemicals and substances. They are applicable to all Technip sites and must also meet local regulatory requirements.

At site, vessel or Project level, the management of hazardous substances is described in detail in the Project or site-specific HSE Management Plans or specific procedures. These mandatory documents describe the procurement, handling, use, storage and disposal of hazardous substances specific to the site or vessel.

For example, lubricants and chemicals are to be stored in specially assigned storage facilities at Technip's manufacturing plants. Such facilities are segregated, secured and fitted with spill prevention equipment, bounding or traps, as well as anti-pollution kits.

In the Subsea or Offshore environment, hazardous substances used when carrying out offshore activities are assessed in accordance with their toxicity to the marine environment. Only chemicals such as biocides or deoxidizing agents which are rated as silver or gold in accordance with the Offshore Chemical Notification Scheme are permitted for use and discharge.

B. Technip's Rules on Reporting Environmental Incidents

Within Technip, all HSE incidents must be reported. Technip requires any accidental spills or releases into the environment to be recorded in Technip's HSE statistics, regardless of the volume. In addition, Technip is able to identify potential environmental consequences for other HSE incidents that have occurred.

Technip classifies environmental incidents into five distinct types:

- **Negligible:** An incident that causes a minor impact to any environmental domain with localized pollution, that is unlikely to last more than 24 hours. Recovery/rehabilitation measures can be managed by the affected worksite. An incident without breach of environmental licence conditions, regulations or contractual requirements.
- **Moderate:** An incident that causes a moderate / short term impact to any environmental domain with localized pollution, that is unlikely to last more than one week. Recovery/rehabilitation measures can be managed by the affected worksite. An incident which may include a breach of licence conditions and which may need to be reported to local authorities in accordance with the works approvals, licence conditions or regulations in force.
- **Significant:** An incident which causes a significant impact to any environmental domain, with localized pollution, that is unlikely to last more than one month. Recovery/rehabilitation measures may require external support. An incident in which there has been a breach of environmental licence conditions, regulations or contractual requirements.
- **Severe:** An incident which causes a severe impact to any environmental domain with extended pollution, that is unlikely to last more than 12 months. Recovery/rehabilitation measures may require extensive external support. An incident in which there has been a breach (or multiple breaches) of environmental licence conditions, regulations or contractual requirements.
- **Catastrophic:** A catastrophic, massive or uncontrollable emission or discharge of any type of pollutant or waste, affecting any environmental domain with chronic pollution, that is likely to last more than 12 months. Recovery/rehabilitation measures require extensive external support. An incident in which there has been a breach (or multiple breaches) of environmental licence conditions, regulations or contractual requirements which has resulted in a fine or prosecution.

In 2015, these classifications were reviewed and have been widely modified to ensure they are aligned with safety incident classifications. The new rules have been inserted in the Group's standards which were implemented in 2015.

C. Number and Volume of Significant Spills

With continued efforts to raise environmental awareness and improve the reporting of incidents, as well as increased levels of mandatory reporting, there has been an increase in the number of environmental incidents reported in 2015 in comparison to 2014 levels.

In 2015, a total of 251 environmental incidents were reported across Technip's construction sites, industrial sites, vessels and offices. Overall, this figure represents an increase of 48% in comparison to 2014. In 2015, the recording of negligible incidents, which correspond to "minor non-reportable incidents", doubled. This increase reflects the attention paid to even negligible spillages particularly in respect of North Sea operations. In 2015, four significant environmental incidents were identified according to the new classification (previously classified as "minor reportable incidents"). In 2015, no severe or catastrophic incidents occurred.

	2015							2014		2013	
	Total number of incidents [1]										
Distribution of accidental releases	Minor non-reportable	Minor reportable		Major		Total	Volume of spills *In litres*	Total number of incidents	Volume of spills *In litres*	Total number of incidents	Volume of spills *In litres*
	Negligible	Moderate	Significant	Severe	Catastrophic						
Construction sites	78	3	1	0	0	82	25,537 [2]	38	2,874	58	4,620
Industrial sites	32	5	1	0	0	38	400,106 [3]	31	32,290	31	5,482
Vessels	116	9	2	0	0	127	3,764 [4]	101	2,228	77	3,588
Offices	4	0	0	0	0	4	2	0	0	1	150
TOTAL	**230**	**17**	**4**	**0**	**0**	**251**	**429,409**	**170**	**37,392**	**167**	**13,840**

(1) According to the Technip Environmental Incident Classification.
(2) Of which 24,000 litres are related to two moderate spills in an industrial wastewater pond, which resulted in the whole pond being treated.
(3) Of which 400,000 litres are related to the management of process wastewater in a manufacturing plant.
(4) Of which 3,481 litres are related to various negligible spills of Hydraulic Oil and Lubricants.

Negligible spills or releases accounted for 92% of all environmental incidents reported. Of these spills, 94% consisted of oils (*e.g.*, hydraulic oil), fuels (*e.g.*, diesel and gasoline) and chemicals.

Four incidents were related to contaminated water or process waste water released in industrial ponds or other containment systems that needed to be treated.

The construction site and plant spills were all contained, remediated and disposed of in accordance with regulatory requirements and waste measures. The operational cost of remediation of these spills has been included in environmental expenses as a waste or operational management cost and is not considered as a decontamination cost.

The majority of offshore or vessel spills that consisted of relatively low volumes of hydraulic oils or fuels were contained wherever practical or lost to sea. Incidents involving losses to the sea were reported in accordance with local regulatory requirements. A large volume of the subsea or offshore incidents were spills or discharges from Remote Operated Vehicles (ROV) during operation.

The overall increase in the number of recorded environmental incidents can be attributed to a number of factors:

- an increase in the number of fleet vessels operating under Technip's control and third party vessels;
- greater regulatory and client requirements for the mandatory reporting of incidents; and
- an increase in the overall awareness and culture in reporting environmental incidents across the Technip Group.

In 2015, Technip measured the Total Environmental Incident Frequency Rate (per 200,000 man-hours worked) to be 0.19 (in comparison to 0.17 in 2014) and the Relevant Environmental Incident Frequency Report (per 200,000 man-hours worked) to be 0.02 (in comparison to 0.07 in 2014).

D. Mitigation of Environmental Incidents

All environmental incidents which occur and are within Technip's scope of responsibility are to be reported in accordance with the rules applicable for the whole Group. Incidents are investigated to determine the immediate, underlying and root causes. By identifying the causes of incidents, measures can be identified and put into place to reduce the likelihood of environmental incidents recurring.

The common immediate and underlying causes for environmental incidents across the Group are inadequate refueling or inadequate handling of the hazard substance procedures, inadequate training or competence of key persons, inadequate maintenance or inspection of equipment and poor hazard awareness.

Efforts have been made across Technip to increase the level of awareness of environmental aspects and the reporting of environmental issues. Greater emphasis is placed upon the identification of environmental hazards and risks and the prevention of incidents. Once the environmental risk is identified, specific measures can be put in place such as containment bounding or barriers, additional spill or pollution response kits, drainage oil interceptors, as well as training, awareness and procedural measures, including by subcontractors.

3.5.6. Biodiversity and Ecosystems

GRI G4-DMA, G4-EN11, G4-EN12

Technip is committed to carrying out its operations in an environmentally responsible manner. This commitment includes the protection of biodiversity and ecosystems in the areas in which it carries out operations.

Biodiversity at Technip's sites may include existing vegetation, wetlands or waterways adjacent to plants, yards and facilities, as well as any fauna or protected species.

As an engineering and services company, Technip advises and helps its clients to carry out their Projects and investments in a sustainable way. On Projects, construction and installation methods which are more respectful of the local fauna and flora may be proposed to Technip's partners and clients.

Technip can use a number of processes and measures to assess its operations and ensure the protection of biodiversity. These measures include risk analysis and environmental impact assessment method (ENVID) in order to identify and manage the potential environmental impacts of the proposal at every stage of the Project, the development of environmental management plans and control procedures, as well as the monitoring of the environmental impact of its plants, yards and sites.

Inspections and studies are carried out on Projects as part of the Environmental Impact Assessment (EIA) to identify biodiversity and put in place controls such as storm water runoff protection, physical barriers to vegetation and the monitoring of fauna. It is normally the client's responsibility to seek regulatory environmental approvals and select Project locations in accordance with environmental standards and regulations. Technip provides clients with environmental consulting services to assist in the selection, concept, assessment and planning of their Projects.

In 2015, typical biodiversity protection measures that were implemented in Technip construction sites, plants and yards included dust suppression, storm water and wastewater management, erosion control, the management of remnant habitats and the reduction of noise pollution.

For example, the Etileno XXI Project in Mexico committed to preserving the local environment's biodiversity by promoting and organizing a series of initiatives including the Reforestation Program *"Cultivando el Mañana".* This program, organized by the Client Braskem and JV (Technip, Odebrecht, ICA Fluor) and involving Etileno XXI personnel and local communities continued in 2015 for the third year. The rescue and relocation of flora and fauna is another activity carried out by the HSE Department, aimed at the protection and preservation of local species, which are relocated in authorized areas such as Ecological Reserve "Jaguaorundy", "Resirene Pond" and Project Ecological Reserve.

Offshore, measures are taken to ensure Technip operations do not impact upon the marine environment wherever practical. Measures may include the selection of eco-friendly chemicals for pre-commissioning discharges and reporting the presence of marine mammals such as whales and dolphins to regulatory authorities.

Aware of the attraction exerted on migrating birds by illuminated offshore installations at night, Technip France has decided to launch a 3-year research and development project on this environmental topic. In 2015, the study focused on illumination impact modelling. In 2016, a bird database will be created and in 2017, the mitigation measures will be implemented on offshore structures.

In 2013, new offices near Paris-La Défense (for approximately 1,100 people) opened in a new building which has several high level environmental certifications. The building is equipped with innovative green roofs and patios and insect houses. More than 30% of the building surface is covered with green areas.

Any damage to biodiversity must be reported through Technip's HSE reporting system. In 2015, no incident or complaint regarding biodiversity and ecosystems was reported by Technip entities or operations.

3.5.7. Other Aspects

A. Consumption of Raw Materials

Raw materials used for Technip's operations are mainly provided by suppliers on Projects, such as metal used for pipes or wood used for packaging.

Technip regularly requests that suppliers provide raw materials in accordance with contractual requirements, including stringent HSE requirements.

Raw materials are reused on sites or vessels where possible, such as the reuse of wood and packaging materials, or the recycling of materials such as scrap metal and electrical cables. Waste materials are segregated where possible to improve reuse and recycling measures.

On some Projects, Technip has added specific requirements to the Project packaging procedures sent to all suppliers. The suppliers are requested to use wood treated by heat processes and not treated by chemicals (as per international standards on phytosanitary measures). The aim is to give wood waste to local communities who will reuse it for construction, heating and cooking purposes. During the construction phase of the Projects, thousands of tons of wood are brought on site while in some regions, this natural resource is scarce. In addition, the segregation and management of wood waste on site requires manpower which can be hired locally.

For more information on Technip's practices related to sustainability in the supply chain, please refer to Section 3.6.2 of this Reference Document.

In the offices, the main raw materials used are limited to paper products. Good practices to reduce the use of paper have been adopted for several years by almost all entities within the Group as part of the Green Office program launched in 2010. Commonly adopted practices to reduce paper usage are:

- using secure printing as the printer's default setting to avoid unnecessary printing;
- set-up of double-sided printing by default on all computers;
- educating employees about their paper consumption (*e.g.*, displaying actual consumption of paper per floor or per person);
- more documents sent in electronic formats (*e.g.*, time sheets, travel requests, expenses' claims, invoices, magazines and newsletters); and
- extensive communication on best practices.

The use of recycled paper, paper from certified forests and eco-labelled printers are also usual practices in offices (including France, Spain, United Kingdom and Italy).

The consumption of paper within the Group was as follows:

	2015	2014	2013
Total paper consumption *(in tons)*	1,318 [(1)]	773	1,056

(1) Coverage rate is equal to 89% in terms of man-hours worked.

It shows an increase by nearly 70% in 2015 compared to 2014 due to the extension of reporting to temporary construction facilities and to manufacturing plants.

In 2015, the distribution of the total paper consumption per activity was as follows:

2015	Construction sites	Industrial sites	Fleet	Offices
Paper consumption *(in tons) (% of the total)*	265 (20%)	538 (41%)	NA	514 (39%)

In Technip's offices, the reduction measures and good practices in place over several years are continuing to produce good results, with a reduction of a further 12% in paper consumption, as part as the Group's Green Office Program. Since 2011, total paper consumption has fallen by nearly 50%.

B. Noise

A large portion of the Group's operational sites and manufacturing plants are located in heavy industrial environments and offshore. The impact of noise from these facilities is measured and monitored in accordance with regulatory and occupational health standards.

On construction sites, the impact of noise on the immediate area is assessed as part of hazard identification analysis and regulatory requirements and steps are put in place such as placing restrictions on operations, *e.g.*, construction and testing of pipes and controls may include the reduction or stopping work in the evenings and on weekends.

Noise assessments are also conducted on vessels, plants and yards to identify high noise areas and to reduce the potential impact of noise emissions on the workforce.

In 2015, two complaints for noise disturbance were received by Technip entities or operations from local residents.

C. Odors

In 2015, no incident or complaint in respect of olfactory pollution from Technip entities or operations was reported.

D. Soil

Technip has a very limited influence on the choice of the location of client operations or facilities. Technip does, however, have the opportunity to influence the size, shape and orientation of the facility to limit the impact on the biological, physical and social environment where practical. In addition, wherever practical, Technip's construction techniques are chosen to reduce impact on the environment and to prevent any excessive impact, through reviews of the design layout, construction planning and risk assessment, regulatory compliance and operational monitoring.

Past examples include situating a plant to limit the incursion into native vegetation or the redesign and stabilization of the plant's slopes to reduce erosion due to heavy rains. Proposed solutions may have a positive impact on the required quantity of construction materials, energy requirements and polluting emissions from the works. They may also reduce cost, on-site working time and site-related risks.

During the earliest phase of construction activities when the site is being prepared for construction, soil is usually cut and excavated from site, which may represent huge quantities of clean soil. It is often temporarily stored either inside or outside of the site's boundaries and reused wherever practical on the construction site in the form of backfilling, fill for levelling, retaining walls, screening from neighboring operations or sent to dedicated landfills for environmental restoration projects.

In 2015, in the Etileno XXI Project, more than 200,000 tons of clean soil was excavated to be used for a natural restoration project which is currently on-going.

Soil contaminated due to spills or accidental discharges from Technip's construction or operational activities was reported as per Technip Group's standards and remedied as most appropriate, in accordance with local regulatory requirements.

3.5.8. Financing Impact Reduction

Expenses Related to Reducing the Group's Environmental Impact

The Group's expenditure on environmental protection, improvements and pollution prevention measures is principally related to managing and reducing noise and vibration, waste (storage, transport, treatment and disposal), discharges and effluents (both domestic and industrial) as well as on soil remediation practices and environmental monitoring at sites, plants and in offices.

These expenses may also include environmental consultancy fees, the use of specialized contractors, waste removal and the testing of liquid effluent discharge.

The cost of developing technical measures related to energy efficiency or wastewater treatment is also included.

In respect of vessels, most expenses are from waste management. All Technip vessels operate under the International Maritime Organization (IMO) and MARPOL standards (International Convention for the Prevention of Pollution from Ships), with requirements in relation to compliance and certification in respect of atmospheric emissions and liquid discharges. Related expenses are also included.

In offices, expenses include costs related to communication and awareness events such as the World Environment Day (including conferences featuring external specialists, the distribution of plants and promotion items) and also related to water and energy consumption reduction measures such as the replacement of halogen lamps with LED lamps.

Annual expenses related to environmental protection as reported by the sites *(in thousands of Euros)*	2015	2014	2013
Total environmental expenditure	3,302	3,001	2,481
Decontamination costs	0	0	0
Number of fines and compensation payments	0	0	0
Amount of fines and compensation payments	0	0	0

3.5.9. Increasing Awareness and Training

A. HSE Training

In 2015, HSE training continued to focus on the development of leadership and communication with the support of the internally-developed Pulse program, in addition to specific HSE aspects.

	2015	2014	2013
Number of HSE training hours (total workforce and subcontractors) (1)	1,377,034	830,854	706,745 (2)

(1) Number of hours on site including Pulse program.
(2) In 2013, hours significantly reduced since the 2013 Reference Document due to a change in data made by a construction site.

The table above provides Technip's total number of HSE training man-hours, including on environmental awareness. This HSE training consists of HSE induction for newcomers, HSE briefings and the Pulse training program. Some sessions are dedicated to environmental topics such as waste management, hazardous material management, spill control procedures and environmental briefings delivered to all relevant personnel. Specific sessions are usually delivered to construction subcontractors depending on their operations (*e.g.,* civil works and commissioning).

Training sessions are conducted for all personnel, whether employees or contracted workforce, in Technip offices, construction sites, plants and vessels and may also be provided at external facilities.

Specific environment training modules have been developed for certain entities, such as a Project in Coatzacoalcos (Mexico), in the Flexibras manufacturing plant in Vitoria (Brazil) and in Flexi France in Le Trait (France) where programs focusing on oil spill management and emergency plans were delivered to the personnel.

Pulse Program

Launched in 2008, the Pulse program aims at improving the Group's Health, Safety and Environment climate by raising awareness and encouraging employees to be proactive based on leadership and communication. At the end of each session, program participants commit to personally engaging with HSE initiatives. In 2015, approximately 2,760 people followed the "Pulse for the Office" module (which equates to around 9,100 people in total from the module's launch in 2013). The module includes an exercise in which participants are asked to discuss what is currently being done in their entity and what further actions could be taken to improve Technip's environmental performance. In addition, in 2015, over 3,400 engineers and design personnel followed the "Pulse for Engineers" module, which encourages participants to consider the impact that their design decisions will have on the environmental performance during the entire lifecycle of the facilities and processes that they design.

For more information on the Pulse program, please refer to Section 3.4.7 of this Reference Document.

B. Communication Events

Technip continues to reinforce environmental awareness and to encourage responsible behavior. Both are essential elements in order to improve the Group's environmental performance, in particular by organizing global communication campaigns.

World Environment Day

World Environment Day (WED) is the most important event, which takes place on the 5th of June every year across the Group. This initiative is sponsored by the United Nations Environment Programme (UNEP) and has been observed by Technip since 2008 in most of its main offices and sites.

In 2015, Technip's environment day focused on the topics of sustainable consumption and production, inspired by the UNEP slogan "Seven billion dreams. One planet. Consume with care". This theme provided an opportunity to emphasize to Technip's whole workforce the importance of environmentally sustainable practices, not only in daily operations, but also in conceptual and design activities. The awareness of environmental issues on a daily basis, both at work and at home, encourages the workforce to take proactive measures towards sustainable development and resource consumption.

In 2015, this event was observed widely across the Group and sponsored by the President Subsea and President Onshore/Offshore. Not less than 29 offices, 18 of the main Projects and sites and five manufacturing plants participated, organizing numerous activities involving the entire workforce, including contracted staff and subcontractors. A presentation prepared at Group level and personalized by sites was delivered to the personnel. Entities and Projects organized many local initiatives focusing on their significant environmental aspects and issues. The estimated number of participants in workshops, local initiatives and awareness programs is around 10,000 persons. Approximately 27 environmental initiatives were developed involving external stakeholders and local communities.

This annual event which is now well observed across Technip is a great opportunity to engage with the workforce at all levels and encourage people to take proactive mitigation measures in favor of the environment both at work and at home.

Energy Day

Since 2011, an "Energy Saving Day" is observed every year in order to make Technip's workforce aware of good behavior and positive actions for reducing energy consumption in offices, on construction sites, in manufacturing plants and on vessels. Innovation and use of energy-efficient technologies still need to be increased.

Technip also needs to engage more with its business partners to change behavior in the workplace and at home in order to achieve lasting energy savings. These significant savings can only be achieved through effective engagement and communication. To meet these challenges, Technip has decided to observe a Group-wide "Energy Saving Day" every year in December.

3.5.10. Sharing Environmental Best Practices

One of the objectives of Technip's HSE and sustainable development strategy is to identify all environmental best practices within the Group, with the aim of sharing them across the entire Group.

An environmental best practice can be defined as a practice which is either technical or educational in nature and which significantly reduces one or several impacts on the environment.

This section provides examples of best practices to give an overview of the diversity of actions and initiatives to protect the environment that have been developed and implemented in 2015 within the Group, either at Group, regional or local level.

A. Projects

The execution of Technip's Projects is divided into three main phases: Engineering, Procurement and Construction/Installation/Commissioning/Start-up. This section follows the same structure.

During the Engineering Phase of Projects

In some of Technip's operating centers, engineers work full time on environment and health studies carried out during the engineering phases of Projects, either conceptual, FEED (Front End Engineering and Design) or detailed design.

In the Group, around 80 environment and health specialists work on Projects. Their role is to ensure that installations designed by Technip comply with all applicable environmental and health requirements and to minimize the identified impacts of the Projects.

Different types of studies are carried out such as air emission modelling, marine dispersion, spillage and pollution control, waste management and studies on acoustics and vibrations. Some examples are described below.

Since 2012, the HSE-Design team based in Paris has developed Eco-design studies derived from Life Cycle Environmental and Health Assessment (LCA) methodology. These studies quantify the environmental and health impacts of a facility and the potential to reduce such impact when implementing the Best Available Techniques (BAT). The associated cost (investment and operation *i.e.,* CAPEX and OPEX) of using such technology is also estimated in order to obtain a complete cost-benefits study. As the first steps were encouraging, the approach is now included in the Technip service offer for early Project stages and was proposed in 2015 to the Technip clients. While giving an overview of the health and environmental impact of each Project, the Eco-design study is an innovative design tool which promotes environmentally friendly processes. It improves the Group's range of services on offer and anticipates client concerns, primarily in the energy sector. In 2016, it will be further developed and promoted to clients. More details are available in Section 3.3.5 of this Reference Document.

In terms of waste management, dedicated units are designed during the FEED phase of Projects in order to better manage all waste generated during the operation of the plant. A good example was on a refinery Project in a country where waste management facilities are not yet well developed. An Integrated Waste Management Center was designed by the HSE-Design team based in Paris and will be used by the owner during operations. This innovative approach complies with the environmental best practices and is adapted to the local context. It leads to minimizing the amount of waste disposed in landfills and increases employment opportunities for local communities.

In terms of noise management, detailed studies on noise are often conducted on Projects during the engineering phase. The task of the acoustic team is to assess the noise footprint and features of plant designs and its impact on adjacent plants and environment and to design specific noise reduction measures or equipment. In Technip Paris, a team of several acoustic engineers with experience in architectural, environmental and industrial Projects are part of the HSE-Design department. They provide Noise and Vibration engineering services and solutions to major Onshore, Offshore and FLNG (Floating Liquefied Natural Gas) Projects for the leading oil and gas, petrochemical and mining companies.

During Procurement Phase of Projects

For several years, calls for bids, procurement procedures and purchase orders have evolved and include more HSE (health, safety and environment) and sustainable development requirements. These aspects are taken into account in respect of current contractors as well as when selecting a new contractor or a new supplier.

As an example, an initiative regarding Subsea Projects was developed several years ago by the HSE-Management team based in Paris. The objective is to select subcontractors and suppliers which adequately manage the health, safety and environmental aspects of their respective operations. During the selection phase (bid stage), the environmental element is included in a tailor-made questionnaire in order to assess the subcontractor's and/or supplier's ability to meet Technip's environmental standards and requirements. The number of items related to the environment depends on the HSE level of the subcontractor's or supplier's activities and/or the equipment to be manufactured for the

Project. The subcontractors and suppliers are then assessed on their level of compliance including environmental criteria and performance which is then taken into account, among other aspects, in the final selection. The aim is to implement this new system for each new contract managed by the Paris office. In 2015, more than 150 invitations to tender were sent using the new process on four major Subsea Projects and on all supply Projects. This represents approximately 30 subcontractors and 70 vendors.

For more information on Technip's practices related to sustainability in the supply chain, please refer to Section 3.6.2 of this Reference Document.

During the Commissioning Phase of Projects

In 2015, the flagship project Prelude Floating Liquefied Natural Gas (FLNG) entered the commissioning phase on the site of Samsung Heavy Industries (SHI) Shipbuilding Yard located in Geoje (South Korea). The challenge of compliance with the local environmental standards was made possible due to the integration into the FLNG's initial design of the international standards recognized in Korea. The specific local environmental requirements were met with the development of dedicated environmental management programs and practices.

All operations are performed in compliance with local Korean and internal yard environmental rules and practices, and with the permission of local authorities where required. For main operations with potential environmental impacts, impact assessment studies have been performed by competent advisers.

A large program of HSE training was carried out on site. As a result, all involved personnel have been able to carry out commissioning operations with respect of project HSE commitments.

During Subsea Installation of Projects

As part of Subsea Projects, subsea installation teams have proposed an innovative design of cable ties since these plastic pieces are generally left in the sea after the installation of subsea cables. The replacement of the plastic pieces with biodegradable tie wraps was considered in order to avoid discarding plastic in the oceans and help to protect marine wildlife. This innovative product, already widely used by the aeronautic industry, was purchased in 2014 and tested on one of Technip's main Subsea Projects in Angola. Preliminary results showed that the product's mechanical characteristics were acceptable and in 2015, the product was successfully used in real subsea conditions. In 2016, the objective is to enlarge its use on several other Subsea Projects.

In 2015, HSE (Health, Safety and Environment) inspections on third party vessels contracted on all Region A Subsea Projects systematically included environmental aspects. During HSE inspections, a thorough check is carried out on MARPOL regulations' compliance, ballast water management, acceptable lubricants and chemicals and NO_x and SO_x emission controls. Vessel operators are encouraged to fit their vessels with Water Ballast Treatment Plants and Shipboard Energy Efficiency Software (in addition to a single Shipboard Energy Efficiency Plan). An additional support is now given to Projects to assist them in complying with the regulations imposed in various countries which can sometimes be more stringent than the international norms (*e.g.*, incinerator use). In 2015, five vessels were inspected, 100 per cent of Region A Subsea Projects were supported and HSE bridging documents were written for two construction vessels operated by third parties. The development of HSE partnerships with chartering companies has also been initiated.

B. Technip's Permanent Sites

Offices

The Technip Brazil headquarters, based in Rio de Janeiro, were moved to a new building which can be considered as very environmentally friendly. Most meeting rooms are equipped with video conference equipment thereby reducing business travel and, consequently, CO_2 emissions; workers are encouraged to use porcelain mugs rather than disposable plastic cups; selective waste collection points have been dispersed throughout the workspace to encourage a culture of recycling and respect for the environment; specific temporary waste storage areas have been installed where waste within the workspace is verified, ensuring that such waste has been disposed of in the correct waste storage area prior to being sent by the relevant authorized waste disposal company to the final waste destination; toilets and taps are equipped with flow control avoiding waste water; and rainwater collection will soon be connected. All these initiatives make Technip's operations greener, as will certainly be seen through its environmental key performance indicators in 2016. This office as well as all supply boats used in Brazil for Subsea Projects are certified according to the ISO 14001 standard.

Industrial Sites

An increasing number of environmentally friendly practices and procedures have developed over several years in Technip's manufacturing sites, with the objective of improving the Group's performance in terms of reducing atmospheric emissions, treating liquid effluents and optimizing the use of natural resources.

In 2015, in the new flexible pipes manufacturing plant located in Açu (Rio de Janeiro, Brazil), all staff undertook measures to achieve the ISO 14001 certification. In November 2015, the plant was audited and certified by an independent third party without receiving any nonconformity. This achievement clearly demonstrates the Technip environmental commitment, from the Company's management to the factory workers. In 2015, the Açu plant was also inspected by state environmental agents, who granted the environmental permit of operation for units that were still in final stages of construction in 2014. That was the last step of the environmental permitting process which ensures the operations at the plant meet all applicable environmental legal requirements.

Several environmental educational programs have been developed throughout the Group, which have drawn the attention of Technip employees, schools and the local population to environmental problems, while at the same time developing Technip's social actions. Technip is very active in this area in Brazil. The actions implemented by Technip's flexible pipes' manufacturing plant located in Vitória (Brazil) are still on-going. The plant, located close to the local community of Ilha do Principe, offers new social and environmental programs organized every year with the contribution of Technip's HSE and Social Management teams with help from voluntary staff.

In 2015, the teams in partnership with local organizations and neighboring schools, continued to strengthen skills in terms of communication and education. Teachers were provided with training on subjects such as sustainable consumption or environmental management while students had the chance to participate in photography and music workshops, combining school topics with social and environmental elements.

Since 2012, the team has also assisted with the development of a self-sustainable business run by women in the Ilha do Principe community who recycle waste generated by the Vitória plant (such as wooden spools and pallets, ceramics and plastics) and transform them into handbags, tables, armchairs and other objects which they sell through the cooperative. In 2015, the cooperative continued its activities and generated a source of income for five women and their families and succeeded in recycling part of the plant's waste. This is a long-term initiative which Technip will continue to support in the coming years in order to increase the number of people benefitting from the scheme.

At Technip's Flexi France plant located in Le Trait (France), an energy audit was performed in 2015 on the whole industrial site to identify the potential improvements in energy efficiency. In 2016, mitigation measures will be implemented accordingly as well as the development of a global energy management system in accordance with the ISO 50001 standard. In addition, several good initiatives were implemented in 2015 and shared within the Group including the identification of welds on wire by marks made with markers instead of aerosol. The benefits for the environment are reductions in the volatile organic carbon (VOC) emissions and in the quantity of hazardous waste to be treated. It also enables for only the right quantity of product for marking to be used and to therefore reduce the global cost of purchasing and processing.

Fleet of Vessels

In 2015, the Technip Marine Operations Services (T-MOS) vessel fleet continued to reinforce its Environmental Management System (EMS).

The revised EMS includes mandatory updates to international regulations such as Annexes V and VI of MARPOL, with the objective of reducing carbon emissions from vessel operations worldwide. Ship Energy Efficiency Management Plans (SEEMP) have been Implemented for each T-MOS managed vessel and outline the various fuel saving measures which can be employed in order to reduce vessel emissions. Such measures are recorded on the T-MOS developed electronic "SEEMP Log" which records and calculates emissions saved from each operation.

In 2015, T-MOS introduced its new Blue Sky Environmental Reporting System which now issues monthly Environmental Reports for all T-MOS managed vessels. These reports consolidate each vessel's environmental performance and give information such as emissions and waste data which is provided to clients and other stakeholders within the business.

In 2015, within T-MOS, significant progress was made in developing the "green recycling" methodology within the organization. A Ship Recycling Policy, a protocol and a checklist have been developed and implemented to ensure green vessel recycling is undertaken. In 2015, the recycling of one of the T-MOS-managed vessels, the *Sunrise 2000,* commenced in Aliaga, Turkey and is due to be completed in 2016. It was decided that Turkey was the most suitable location for recycling the vessel in an environmentally sound and responsible manner. The country has a growing reputation for providing green recycling for vessel operators. Prior to deciding the final recycling location of the vessel, a due diligence audit was conducted on a series of recycling yards in Turkey. A system of 10 indicators based on HSE and worker welfare was used to score each yard. Turkey appears to have implemented an excellent system of ensuring ships undergo green recycling. Environmental protection, worker welfare and safety are all strictly regulated.

Another example of good environmental practice is the creation of an electronic waste record book which replicated the MARPOL Annex V Prevention of Pollution by Garbage and which conforms to MARPOL requirements. This record book provides monthly statistics of waste segregation percentages for each vessel, waste recycled and waste to landfill. This tool also provides T-MOS onshore management with full remote access to a vessel's waste management records without being on board, as well as an excellent and proven tool for any interested party who can quickly see key waste management data online.

3.6. ENCOURAGING POSITIVE IMPACTS ON SOCIETY

Technip is present in 45 countries and has industrial production assets and a large fleet of vessels on five continents. The Group's mission is to deliver safe and successful energy Projects to its clients around the world. The execution of its Projects combines profitability, respect for ecological, rational actions and ethical compliance. As such, the Group contributes to the local economies by hiring and training nationals while procuring and relying on effective supply chains necessary to deliver state-of-the-art and competitive Projects. In terms of social impacts, Technip endeavors to minimize any risks related to human rights' principles throughout its value chain and build long-term relationships with the local communities hosting its Projects and assets.

This Section sets out how Technip contributes to sustain socio-economic progress and manages its supply chain while promoting respect for human rights and strengthening long-term relationships with local communities. Encouraging positive impacts on society is part of Technip's business responsibility and sustainable development policy.

3.6.1. Developing Local Economies

GRI G4-DMA, G4-EC8

National content constitutes one of the six pillars of Technip's corporate strategy that has been reinforced in practice by the long-term presence in several countries including France, Italy, Norway, Brazil, Angola, India and Malaysia. These historic entities have naturally embedded national content as they have developed thus setting a Group philosophy. At the same time, the diversity of socioeconomic needs and expectations in the different locations where Technip operates make it difficult to systematize any national content strategy. Therefore, the Group encourages and sponsors every entity and Project team to develop local initiatives in accordance with national legislation, contractual obligations and good practice.

Whenever feasible, Technip endeavors to apply five principles in its national content actions, as follows:

- adapt actions taking into account local, regional and national needs, expectations and capacities across stakeholder groups instead of trying to import success stories from other contexts;
- set realistic objectives and achievable targets with relevant performance indicators in the short, medium and long-term with government authorities, business partners and members of the civil society;
- promote and participate in public/private partnerships fostering collaborative development and focusing on training, knowledge and technology transfer;
- adapt the strategy to changes (environment, politics, society and economy) and make progress in agreement with all the stakeholders, particularly with national governments, local communities and business partners; and
- demonstrate that national content is an opportunity rather than a cost with adapted procurement policies as well as incentives and expectations from clients and investors.

In 2015, a Group procedure was drafted to promote national content in all Technip activities. At least three new business opportunities in Africa and Europe have formally integrated national content and local communities´ development plans in tenders with associated budgets and national personnel to address the following:

- define strategy for stakeholder engagement, communication and grievance mechanisms;
- formalize national recruitment, training and transfer of knowledge to local personnel;
- contract and procure with national companies;
- develop national small and medium size enterprises;
- initiate partnerships with national universities and public education and professional institutions;
- promote environmental protection and cultural heritage preservation;
- enhance health and education levels for local communities; and
- monitor and report social, economic and environmental performance throughout asset management and Project execution.

To create long-term added value for the benefit of local populations and establish a long-lasting presence, the process of developing specific national content plans for each Project is not a constraint. Rather, it strengthens the collaboration with Technip's clients, suppliers and subcontractors and represents an opportunity to contribute to the improvement of local economies and social welfare.

A. Raising National Employability within Technip

GRI G4-EC6

As of the date of this report, the Group operates in 45 countries with production assets, engineering centers, procurement and construction activities on five continents. This global presence enables Technip to undertake Projects with high levels of national content. In 2015, 80.1% of Technip employees on payroll were nationals and 83.8% of staff in management positions were nationals.

	December 31, 2015 [(1)]		December 31, 2014 [(1)]		December 31, 2013 [(1)]	
Country	% of local staff/ staff on payroll	% of local staff/ staff on payroll + inpatriates [(2)]	% of local staff/ staff on payroll	% of local staff/ staff on payroll + inpatriates (2)	% of local staff/ staff on payroll	% of local staff/ staff on payroll + inpatriates [(2)]
Brazil	98.7%	97.8%	98.3%	96.9%	98.7%	98.0%
France	93.9%	89.8%	94.0%	89.9%	94.6%	91.1%
India	99.8%	98.8%	99.8%	98.1%	100.0%	99.4%
Italy	97.7%	91.9%	97.9%	94.5%	97.9%	93.7%
Malaysia	85.6%	82.9%	85.4%	82.0%	85.2%	80.7%
United Arab Emirates	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
United Kingdom	84.8%	84.0%	83.8%	82.9%	87.2%	85.9%
United States	72.5%	71.4%	73.5%	72.2%	75.2%	73.1%
GROUP [(3)]	**80.1%**	**78.3%**	**80.5%**	**78.4%**	**81.5%**	**79.3%**

(1) 2013 coverage rate: 70.8% of total employees on payroll. 2014 coverage: 72.4%. 2015 coverage: 72.5%.
(2) New indicator that takes into account the impact of inpatriates locally.
(3) 2013 coverage rate: 100% of total employees on payroll. 2014 coverage: 100%. 2015 coverage: 100%

Technip believes that national content goes far beyond the obligation of compliance with local regulations. At a time when countries are formalizing their own local content requirements, the Group has anticipated this fundamental requirement in many countries.

B. Growing National Talents in all Regions

Technip's Human Resources Policy seeks to draw on local talent nurseries and help every person to fulfil her/his full potential. This is one of the goals of the leadership program which has been supporting Technip´s talent management processes since 2013. In 2015, Technip University introduced a leadership mentoring program for a group of future leaders. The 12 participants from North and South America, Europe and Asia Pacific receive regular one-to-one mentoring from top management throughout the year. To build on the development of future leaders at all levels and locations within the organization, Technip University also launched the Transform program. Over 50 junior managers representing all regions are expected to develop their leadership profile and career path. Their line manager and dedicated talent manager will support them through a range of learning activities including:

- a tailored individual development plan;
- 360 degree review and feedback process; and
- Leadership development activities, skills building and networking with participants across regions.

Further, in 2016 Technip University will implement the Emerge program to provide a standard and consistent introduction to management for all managers with less than 12 months seniority.

Technip is also preparing the future generations of project managers. The Knowledge Transfer program matches experienced mentors with junior project managers to develop their skills in the workplace. Launched in 2012, the program is delivered locally according to need. At December 2015, there were 98 participants representing all regions.

C. Sustaining the Local Economic Ecosystems

GRI G4-EC9

Technip never operates alone in delivering its Projects and suppliers are vital partners to deliver successful results. An integrated approach and a close working relationship are necessary in producing the benefits everyone expects. As part of the improvement of the procurement practices, Technip continuously strives to consolidate its supply sources and geographic origins, while maintaining the highest quality standards and availability of strategic equipment and raw materials. In 2015, 51% (corresponding to approximately €1.87 billion) of the overall procurement expenditure consolidated through Spend Map (Global Procurement Tool) was certified to be sourced in the same country of purchase. This reflects the Group's commitment to contributing to the national economies where it operates.

	% of spending certified to be sourced in the same country of purchase		
Country	2015 (1)	2014 (1)	2013 (1)
Australia	NA	83%	54%
Brazil	91%	56%	98%
China	NA	20%	46%
France	11%	14%	13%
Germany	84%	78%	65%
India	70%	66%	38%
Italy	85%	25%	29%
Malaysia	35%	27%	24%
Norway	78%	67%	97%
United Arab Emirates	51%	24%	40%
United Kingdom	55%	61%	70%
United States	83%	65%	67%

(1) 2013 coverage rate: 95% of overall Procurement spent for all business segments. 2014 coverage: 96%. 2015 coverage: 99%.

D. National Content Best Practices

On every continent, the Group has production assets and construction sites with an extensive network of suppliers and subcontractors. This global presence enables Technip to undertake Projects with a high level of national content and, in return, develop a strong link between the economies of the host countries and growth. The following are national content best practices.

Ghana: Developing National Capabilities

In Ghana, an emerging country in the oil and gas market, Technip decided to invest locally by opening a sales office in 2009, followed, in 2012, by the registration of GTES, the Ghanaian engineering center under a joint venture framework between GNPC and Technip. Working in partnership with other operating centers of the Group, 2013 saw the Ghanaian entity successfully deliver the Project Jubilee 2, the second phase of the first world-class offshore field developed in Ghana since 2010. The success of completed Projects led to GTES winning its fourth and biggest EPCI contract (Project TEN), to be completed in 2016.

In this context, two memoranda of understanding were signed with Regional Maritime University (RMU) and Kwame Nkrumah University of Science & Technology (KNUST). The objectives have been to support offshore Projects and Technip's fleet operations as well as developing engineering capabilities through lectures, internships and the foundation of a business incubator for the creation of small and medium size enterprises. In the context of Project TEN, a 95-month plan has been set to send Ghanaian engineers to reinforce their technical and managing skills at Technip's offices overseas throughout 2014 and 2015.

In 2015, GTES employed 53 Ghanaians and seven inpatriates. This figure is close to the goal set under Ghanaian law on local content which sets the goal of 90% to be achieved before 2023.

Angola: Maximizing Local Content

Technip has been working in Angola for over 40 years, through a combination of strong local presence and heavy involvement of its international entities.

Since early 2000, Technip has invested in a unique combination of ventures in Angola, Angoflex, the only umbilical plant in Africa and the only permanent spoolbase in Africa and Technip Angola, the first and largest project management and engineering office in Angola. The key of Technip's strategy is the maximization of high-end Angolan content, not only in terms of employment and investments, but also in terms of know-how transfer and training programs to contribute actively to the economic and social growth of Angola.

In 2015, the two entities had 397 employees on payroll with an Angolan content of 99.5%. This figure has been significantly increasing over the past years with the implementation of Projects bringing state-of-the-art technologies and unmatched Angolan content such as CLOV for Total, Block 15/06 West Hub for ENI, GirRi 1 and 2 for Total, Frame Agreement for the two Floating Production Storage and Offloading units of Block 18 and 31 for BP, GLA Front End Engineering Design (FEED) for Chevron and Punja FEED for Sonangol P&P. In 2015, the entities of Technip in Angola also started to mobilize on the Kaombo Project, the largest subsea Project ever awarded, that is further contributing in the coming years to Technip's sustainable footprint in Angola.

East Africa: Building a Sustainable Future

As part of East Africa´s new business opportunities where Technip is currently participating, several partnerships have been formalized since 2014 with key stakeholders in Mozambique and Tanzania to promote:

- the transfer of knowledge and technology with ENH (Mozambique´s national oil company) to nationals;
- education and training opportunities for future national engineers in gas Projects with ENH and the University Eduardo Mondlane (UEM) in Maputo;
- internships and scholarships to national engineers with the University of Dar es Salaam (UDSM) in Tanzania; and
- the donation of engineering books to UEM and UDSM.

In 2015, two Mozambican students were selected by UEM and approved by ENH for a four-month internship within Technip in Paris. During this period, they were exposed to various disciplines including health and safety, quality and onshore project management with Technip´s multicultural teams. The two students demonstrated their capacity to deploy their academic knowledge and professionalism. After successfully completing their internship, one of the students has now entered the *École des Mines* in Nantes (France) for a two-year Master´s degree as part of a sponsorship developed between Technip and the French Embassy in Mozambique. The other student has applied to a Master´s degree in South Africa as part of a scholarship offered by Technip.

In addition, dedicated gas development workshops have been organized for ENH, *Instituto Nacional de Petróleo* (INP) and *Ministério dos Recursos Minerais e Energia* (MIREME) to transfer technology to Mozambique and train Mozambican engineers. One engineer from ENH has been integrated into Technip´s project management teams for one month training on Floating LNG technology.

Also in 2015, as part of the partnership formalized with UDSM and with the support of the French Embassy in Tanzania, one student was granted a scholarship to undertake a two-year master´s degree in environmental and energy engineering at the *École des Mines* in Nantes (France).

Congo: Spearheading National Content

Considering the key role of training and skill transfer in fostering local development, Technip in Congo has offered, through the Moho Nord UFR Project, various training opportunities to locals to develop specific skills in the Oil and Gas sector and increase their employability. So far, 25 young Congolese have benefited from more than 10,000 training and internship hours.

Several students from the local school "Technology Institute ISTAC" were trained on various topics including HSE, quality, fabrication, planning and operations as indicated below:

- three students benefitted from a total of 18 months of internship;
- two interim training sessions of eight months offering on-the-job training in the operation yards; and
- one apprentice continuing his internship periods within Technip´s fabrication yard in Congo.

Congolese graduates from another engineering school, the Regional Maritime University (RMU) in Ghana, benefited from several internships related to yard operations and offshore personnel logistics linked with Technip´s vessel G1200. Also, a Congolese engineer was trained during 15 months as an "Installation engineer" in Paris to follow engineering and, procurement activities and then embarked on a four-week offshore rotation aboard installation vessels.

Additionally, a number of training actions have been proposed to *Marine marchande* in Congo in a training framework plan to increase the "congolization" of Technip vessels involved in the offshore campaign of Moho Nord UFR. Around fifty Congolese seafarers are to embark onboard Technip vessels during the offshore campaign in 2016 while fifty others are being trained onshore. The training plan was developed together with the *Marine marchande* to increase local seafarers' skills and employability in the long-term.

Malaysia: Boosting National Skills

Malaysia has experienced a significant economic growth with low migration rates during the last years. This situation translates into highly skilled Malaysians working abroad and international companies obliged to hire inpatriates in managerial or core positions. To counteract these trends, Technip Malaysia has been developing specific programs in the last five years to address the different competency needs from junior, middle and upper management levels as follows:

- structured leadership programs targeting competency needs along with development plan and Company goal alignment for medium and upper managers; and

- grow graduate programs targeting specific skill development for young Malaysian professionals to adapt to the work environment smoothly. This program combines theory training, a mentor-mentee system and onsite learning that focuses on technical and soft skills capability building. A total of 24 graduates registered in 2015.

In 2015, 75 students from various institutes took up internships within Technip and focused on on-the-job training. Internally, monthly technical lectures have been organized by the training and engineering departments as a platform for technical knowledge transfer from seniors and experts to young engineers. In addition, Technip has signed Memoranda of Understanding with three Malaysian universities to set up a practical industrial training program for undergraduate students with the aim of gaining exposure in the working environment. A total of 14 students participated in this initiative in 2015.

Finally, in the past five years, 152 Malaysian employees of Technip have been seconded overseas to take up international assignments throughout the Group´s entities in the world.

Colombia: Building the Offshore Future

As part of anticipating Colombia's new Offshore opportunities, Technip has developed a long-term agreement with the University of los Andes (one of the top engineering schools in South America) to create the basic know-how of the offshore oil and gas industry in the country. With the help of its clients Anadarko and Shell, Technip has been sending experts from Houston to give specific lectures on exploration, drilling, subsea engineering, offshore facilities, Offshore HSE awareness and maintenance and operations of offshore facilities. Since 2012, 103 students have participated and Tipiel (Technip in Colombia) has trained 45 of its engineers. Technip USA, Inc. has sent 14 of its experts to support the effort. In 2015, Technip worked with los Andes to prepare a Management and Engineering Offshore Specialization planned to be launched in 2016.

Bahrain: Promoting Knowledge Transfer

Within the context of the Bapco BMP Project in Bahrain, Technip has been conducting knowledge transfer initiatives dedicated to improving the capabilities of young Bahraini employees. As such, in 2015 and 2016, 34 of them were selected to spend three months at Technip premises in Italy. Each of the candidates has been assigned to specific departments including civil engineering, piping, HSE and Human Resources in accordance with their skills, interests and objectives with the aim of enhancing their leadership and supporting the development of the country in the long-term.

3.6.2. Sustainability in the Supply Chain

GRI G4-DMA, G4-12

Technip is a world leader in project management, engineering and construction for the energy sector. The Group never operates alone in delivering its Projects and both suppliers (goods and equipment) and subcontractors (services) are vital and critical partners, required for the delivery of successful Projects. An integrated approach and a close working relationship are necessary in producing the benefits everyone expects.

For this purpose, Technip has established the Global Procurement and Global Construction organizations (the latter being in charge of subcontracting activities), which operate at corporate level to foster the knowledge sharing across operations and represent the Group towards suppliers, subcontractors and partners.

A. Internal Structure to Manage Supply Chain Challenges

The Global Procurement and Global Construction Organizations have the mission to:

- develop Technip's knowledge of the markets for raw materials, equipment and subcontracting that are important for its business and more generally offer and implement a global procurement and subcontracting strategy improving competitiveness;
- establish and run an efficient procurement information collection and communication process, within the Global Procurement network itself and within Technip's organization, beyond the network;
- monitor the construction market and the key fabrication yards worldwide;
- monitor the HSE, quality and construction performances of Technip's subcontractors in ongoing Projects;
- represent the Group toward Technip's top suppliers and construction subcontractors and manage the relationships at corporate level to develop a long-term partnership and negotiate the Group's frame agreements with Technip's suppliers and subcontractors;
- operate on the market with a unique and strong leadership focused on strategic sourcing;
- ensure sustainable execution of purchase orders;
- gather and report information critical to Technip's operations;
- define and maintain the procurement, subcontracting and construction rules and procedures applicable to the Group;
- develop and ensure the updating of the Group's Procurement, subcontracting and construction tools and databases; and
- manage and update the e-procurement tool open to Technip's suppliers.

The Global Procurement and Construction networks are organized in matrix-modes with regional and local offices and personnel spread among the various Technip entities worldwide.

B. Supply Chain Operating Principles and Procedures

GRI G4-SO9, G4-EN32, G4-LA14

To deliver safe and successful energy Projects, Technip has to remain attentive to all challenges whether great or small and be able to anticipate them.

In line with its mission and values, Technip has developed several Group Operating Principles/Standards (GOPS), Group Instructions and Guidelines in the fields of human resources, communications, quality, HSE, security, finance and control, legal and compliance, project management and execution, IT, technologies, engineering, procurement and construction. The requirements stated in GOPS and Group Instructions are mandatory across the Group and provide the overriding framework within which the regional entities conduct their operational autonomy. To facilitate compliance with the GOPS, corporate teams publish specific Group guidelines that are recommended for support purposes but are not mandatory.

The supply chain is cardinal in Technip's mission and is managed through several GOPS and related guidelines. The emphasis is to maximize sustainability and minimize risk.

The key formal steps undertaken by Technip in the management of its supply chain are as follows:

- **Step 1:** the process begins with Technip's mandatory application of its GOPS related to the qualification and performance assessment of suppliers and subcontractors. To be qualified for a Project, new suppliers and subcontractors must be satisfactorily evaluated, in accordance with Technip's local procedures. Demonstrating the following criteria contributes to the assessment of the human rights risks: commitment and potential to meet Technip principles in terms of health, safety, quality, environment, business ethics and social accountability.
- **Step 2:** Technip's General Terms and Conditions (GT&C), used by the Procurement and Construction teams, include a provision regarding Technip's commitments, Values and Charters, the purpose of which is to mirror the Group's requirements in this respect. Therefore, any supplier and subcontractor must comply with the Group's corresponding requirements. These general purchase conditions define and govern the principles of performance of Purchase Orders (POs) and Subcontracting Contracts (SCs) and form integral parts of the formal agreements entered into with suppliers and subcontractors respectively. Through the acceptance of POs and/or SCs, suppliers and/or subcontractors irrevocably withdraw from their own general sales' conditions. Technip supports the Global Compact initiative, hosted by the United Nations. In accordance, suppliers and subcontractors shall respectively perform their POs and SCs in full compliance with Technip's commitments, Values and Charters.
- **Step 3:** supplier and subcontractor performance assessment at project level (included in GOPS "Qualification and Performance Assessment of Suppliers" and "Qualification and Performance Assessment of Subcontractors"). Within Technip, the operating units prepare performance assessments after the execution of a PO and SC. Deliverables of these assessments include feedback reports and provide supplier and subcontractor criticality ratings. As such, suppliers and subcontractors are evaluated, in particular, on the following criteria which contribute to the assessment of the human rights performances: HSE addressing issues, such as company culture and HSE performance. Specifically for construction subcontractors, adherence to social responsibility principles including human rights, environment and business ethics is particularly assessed and verified.
- **Step 4:** GOPS Risk Management. During the Project's entire lifecycle, Technip's risk management process shall be periodically conducted. The level of severity of a risk will be determined by assessing the impact on several criteria, among which the following which address human rights' issues: HSE, safety and society, impacts on nearby communities (protests/demonstrations), internal security (labor unrest, sabotage and intrusion) and security management systems (*i.e.,* guarding, patrolling, emergency response and notification).
- **Step 5:** GOPS Joint Notification Procedure of Major or High Potential HSE, Security & Medical Incidents. Major incidents will be reported to be able to take immediate action. Some incidents are related to human rights: (i) single or multiple fatalities; (ii) kidnapping and/or murder; (iii) riot, strike with violence against the staff; (iv) civil unrest; (v) major vessel emergency (*e.g.,* piracy, collision, trapped or lost diving bell); or (vi) major environmental incident.

The following paragraphs cover detailed features of the different GOPS and guidelines that Technip applies throughout the organization for the management of its supply chain.

General Principles Applicable to Technip's Procurement Policy

These GOPS set out the governance principles included in Technip's Procurement Policy and ensures that:

- procurement activities are performed in compliance with the Group Values and Policies;
- authority roles and responsibilities are established with suppliers;
- the procedure leading to the purchase of goods and services from suppliers is set. Such procedure is to be conducted on a competitive basis;
- the approval and qualification system of goods and services required for the Projects and for the operation of Technip's entities is defined;
- the implementation of standard GT&C and approval by the Group Legal Division and Particular Terms and Conditions are tailored to the context of each Project;
- the implementation of project procurement execution plans is set at an early stage, after the purchase order, to identify specific risks related with, but not limited to, logistics, sourcing constraints and local content requirements; and
- performance appraisals and close-out reports are reported.

Subcontracting General Principles

These GOPS set the general principles of governance for subcontracting activities, including specific rules to be applied, from the establishment of a subcontract plan to the award of a subcontract. The general principles are applicable to all entities and joint ventures:

- compliance with Technip's Values, Charters and Policies which may enforce an obligation to implement certain rules within the subcontractors' organizations and in particular regarding anti-corruption practices;
- establishes authority roles and responsibilities with subcontractors; and

- sets the process leading to the purchase of services or works from subcontractors to be conducted on a competitive basis.

Based on compliance questionnaires duly filled in by potential subcontractors, due diligence is conducted where there are any "Red Flags" that serve as a warning sign that there is an increased risk of potential improper behavior on the part of the subcontractor.

Should a Red Flag be identified at pre-qualification stages, then the subcontractor shall not be entered for any Project until such Red Flag is removed.

Qualification and Performance Assessment of Suppliers and Subcontractors

These GOPS are used by all entities across the organization in the qualification and assessment of performance with all new suppliers and subcontractors. These procedures cover the procurement of equipment and associated services and the subcontracting of construction services, either for Projects or for internal use.

To be qualified, new suppliers and subcontractors must be evaluated in accordance with local procedures that cover, as a minimum, the following criteria:

- formal commitment to and compliance with, Technip's principles in terms of health, safety, environment, business ethics and social accountability;
- technical manufacturing, fabrication and construction capability to meet the requirements of the work scope;
- demonstration that workload is acceptable vis-à-vis current backlog and/or manufacturing capacity;
- demonstration of experience in management of sub-suppliers and subcontracting;
- capability to comply with Technip's documentation control and exchange of information;
- demonstration of quality accountability in line with recognized standards such as ISO 9001; and
- demonstration of subcontractors to provide adequate resources to carry on a Project.

Once new suppliers and subcontractors have been screened using the above criteria, they are then ranked pursuant to the "Criticality Rating", ranging from "not critical" to "highly critical" and one or all of the following actions are triggered:

- review supplier and subcontractor pre-qualification data;
- verify compliance to tender technical information;
- perform surveys or audits focusing on areas of concern identified; and
- perform survey or audits based on qualification criteria.

During surveys and audits, detailed reports are issued to trace the details and topics, including actions to be implemented and ensured by suppliers in contractual documents at the purchasing stage.

Finally, reference is made to GOPS, such as Suppliers' Quality Control Surveillance, that sets rules for monitoring and assessing performance during purchase order execution. Concerning construction subcontractors, Quality Surveillance is made through regular schedule of audits as far as production, process and HSE are concerned.

Suppliers' Quality Control Surveillance

This GOPS defines the level of inspection for materials and equipment to be purchased by all Technip entities. Inspection levels are a function of the Criticality Rating of the material or equipment and the supplier rating or the supplier qualification result. There are four levels of inspection ranging from verifying quality control records to full monitoring and inspection of supplier activities, from tendering to delivery of equipment purchased.

All personnel involved in the procurement process, from material requisitioning up to delivery (Project Management, Engineering, Procurement, Inspection and Quality functions primarily), have to adhere to this GOPS with an emphasis in the involvement of permanent members of the Inspection network during key inspection activities.

Supplier and Subcontractor Audits and Surveys

The objective of these guidelines is to define the scope and content of the different audits and surveys required for supplier and subcontractor qualification. They also make recommendations for the optimization of inspection and surveillance reviews and Project audits during execution process. These guidelines also improve the selection of suppliers and subcontractors across the Group, ensure that audits and surveys are conducted with a common understanding of the technical risk using Failure Modes, Effects and Criticality Analysis (FMECA) methodology and that reports are shared consistently and effectively across the organization.

In terms of sustainability, this guideline provides instructions during audits and surveys related to:

- safety conditions;
- product quality;
- social responsibility including compliance with local labor laws and in particular for sub-contracted labor;
- health & hygiene; and
- environmental matters including supplier impact on society and local communities.

Different countries will have different standards and laws and, thus, different perceptions and practices on the subject. Therefore, these guidelines provide recommendations as to benchmarking suppliers and subcontractors within a given country and to use this information as leverage, to bring minimum acceptable standards. In addition, these guidelines associate the templates Supplier and Subcontractor Sustainable Development Checklist that are to be completed by new potential suppliers and subcontractors at a very early stage of award.

Technip Italy, one of the most advanced entities of the Group in this respect, involved, in 2015, eight suppliers and construction subcontractors in its CSR Evaluation Process, undertaken during biding and execution phases of different Projects.

Temporary Personnel Management

These GOPS apply to all entities and set a common approach regarding the staffing principles and management of temporary personnel mobilized for Technip Projects and other installations involving, but not limited to, Onshore, Offshore, Subsea, PMC and head offices based assignments. The principles involving temporary personnel are as follows:

- site vacant positions shall first be offered to Technip's permanent staff;
- if no permanent staff are available, sourcing and placement shall be done through the Global Construction Hub in priority with preference to core temporary personnel resources known by Technip; and
- if no temporary personnel can be made available, then recourse to staffing agencies shall be considered. Specific GOPS are then applicable.

For highly skilled temporary personnel, there is a Core Temporary Personnel Management procedure seeking to develop long-term relationships encompassing as a minimum, career talks, performance assessment reviews and compensation package negotiation. These measures are effective to retain high performers, increase commitment and loyalty to deliver successful Projects.

C. Supplier and Subcontractor Selection and Capability Building

Since 2006, references to Technip's Values and the United Nations (UN) Global Compact have been included in the Group's general purchasing terms and conditions. In 2014, specific questions relating to sustainable development were included in the supplier and subcontractor pre-qualification questionnaires which are conditions for inclusion in Technip's supply chain database. In 2015, the Group increased its interactions and open dialog on social and environmental matters with its top suppliers and subcontractors.

Technip is constantly enhancing the range of ethics and safety training programs offered to its partners. These programs are delivered on all construction jobsites to ensure that every Project contributor understands and implements Technip's Values. In every operational entity and head office, specific structures are in place to ensure that training programs meet the highest possible standards.

The HSE aspects of these training courses are based on the components of Technip's recognized Pulse HSE program. The aim is to promote leadership and communication on HSE matters in which employees and business partners behave positively and proactively. In 2015, approximately 7,400 persons were trained through the module Pulse for the Workforce, corresponding to approximately 59,000 training hours. Approximately 54% of these training programs were provided to subcontractors on Project sites and represent an increase of 47% compared to 2014.

D. Top Suppliers' Management and Subcontractor Accountability

In 2015, Technip continued to strengthen its relationships with its top 20 suppliers, who represent approximately a third of Technip's procurement activity worldwide. The aim is to value an active collaboration to build on trust, rather than developing a purely transactional relationship, taking into account short and long-term strategic directions in relation to the following topics:

- improve competitiveness and develop frame agreements;
- increase Project and supplier satisfaction;
- promote teamwork to increase engineering and construction optimization and cost-efficiency including man-hour savings, rework minimization and de-packaging strategies;
- reduce risks in terms of, among others, quality, schedule and claims; and
- increase availability of goods and services in case of an overloaded environment and maximize supplier responsiveness.

The Global Procurement organization launched a satisfaction survey with its top suppliers to rate Technip in relation to its business behavior, effectiveness, communication and provide recommendations for improvement.

Specific questions were also asked in relation to the clarity and completeness of material requisitions related to engineering optimization, procurement practices, quality, environment, health and safety. The information requested was welcomed by the suppliers and identified as an opportunity to enhance long-term and sustainable business relationships.

From the results of the surveys, the top suppliers consider Technip as a leading EPC Contractor with technology differentiators within the energy sector. However, several axes of improvement were identified within the procurement organization in some Regions: (i) the need for increased early implication of suppliers, (ii) the need to pay attention to the bidding phase over costs due to technical design and (iii) the need to set up post-execution meetings to formalize feedback.

In 2016, Technip's top 20 suppliers will be asked to participate in actions leading to the assessment and improvement of value-creation in business performance, environmental protection and social welfare. The following specific topics will be developed and are expected to be materialized throughout the supply chain:

- human resources data such as: conditions of employment, health and safety in the workplace, diversity, respect of human rights and labor related standards;
- environmental data associated with supplies of goods and equipment procured by Technip (CO_2 and other greenhouse gases, energy and water consumption, wastewater and solid waste and environmental incidents such as accidental spills); and
- life-cycle data of supplies procured by Technip.

To increase the awareness of the challenges listed in the sections above, the Sustainable Development Department will advise its Sustainable Development Board about the social responsibility risk exposure in relation to subcontractors. It will seek to consolidate and expand its network in the regions where the risks are high to manage more effectively at local level the relationships with subcontractors through more comprehensive surveys and audits.

3.6.3. Protecting Human Rights

GRI G4-DMA, G4-HR2, G4-HR9

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

- the UN Guiding Principles on Business and Human Rights (UNGPs);
- the 1948 Universal Declaration of Human Rights; and
- the International Labour Organization's (ILO) Fundamental Conventions regarding the freedom of association, the eradication of discrimination and forced labor and the abolition of child labor.

Since 2002, the Group has been a signatory to the UN Global Compact and the first two commitments are cited below:

1. Businesses should support and respect the protection of internationally proclaimed human rights; and,
2. Make sure that they are not complicit in human rights abuses.

These international regulations and principles are embedded in the internal Group documents in which Technip commits to respect and protect human rights through the application of relevant Group Charters (Ethics, Social, Security, Environment, Quality, Health and Safety Charters), Policies (Sustainable Development, Risk, Quality, Health Safety and Environment) and Procedures (GOPS, Group Instructions and Guidelines).

Also, the Code of conduct (to be published in 2016) will be applicable to all employees and will expressly refer to international human rights regulations and principles. The Code of conduct aims to be the cornerstone of business relationships with like-minded clients, suppliers and business partners.

In 2015, Technip ensured that its employees were regularly trained and sensitized to human rights, ethics and Technip values by devoting 12,965 training hours to these topics.

A. Labor Rights

Human rights are handled across all the entities of Technip through its Group Charters, Policies and Procedures. The Group pays particular attention to labor rights. In 2015, 100% of Technip´s entities formally declared their respect for the ILO´s Fundamental Conventions. Each year, Technip requires its entities to identify their best practices and actions in conformity with the terms of ILO's conventions.

Freedom of Association and Right to Collective Bargaining

GRI G4-HR4

Technip supports freedom of association in all its entities in accordance with its Social Charter and the principles of the Global Compact. There are representative institutions or independent trade unions in 32% of Technip's entities.

In countries where trade unions are not formally authorized, Technip facilitates the appointment of worker's representatives and, for example, the implementation of grievance procedures to collect and address workers' complaints or the setting up of welfare committees.

Elimination of Forced Labor Practices

GRI G4-HR6

Technip endeavors to eliminate any practice of forced or compulsory labor with regard to international standards and local legislation.

In 2015, in addition to respecting international conventions, 81% of Technip's entities either reported following best practices to prevent forced labor or operated in countries that have strict appropriate local legislation. For example, in Colombia, forced labor is covered by Guides Colombia to which Tipiel (Technip in Colombia) has belonged since 2006. Guides Colombia is a multi-stakeholder initiative involving companies, NGOs, civil society, government and international organizations. It is led by the Foundation *Ideas para la Paz* (Ideas for Peace) the purpose of which is to build tools for companies to operate their projects while respecting human rights and international humanitarian law. To date, four guidelines have been developed: Security; Complaints and Claims; Decent Working Conditions; Purchase and Acquisition of Land Rights and Right to Use. Each of the guidelines considers general principles and action principles which guide companies to ensure due diligence in human rights.

Abolition of Child Labor

GRI G4-HR5

Technip sees its contribution to eliminating child labor as a priority in its own activities and in its supply chain. In 2015, in addition to respecting international conventions, 77% of Technip's entities either reported following best practices to prevent child labor or operated in countries that have strict appropriate local legislation.

For example, in Brazil, Technip has worked on an internal document on Corporate Social Responsibility *("Procedimento de Responsabilidade Social Corporativa")* in which the entity has identified its stakeholders and set out its Values and Principles based on those adopted by the Group. This policy document defines the guidelines for all initiatives to protect human rights in general and those of children in particular. In Australia, in the execution of its projects, subcontractors are contractually required to abide by the Project Employee Relations Management Plan which identifies conformance with the ILO conventions.

Initiatives to Uphold the Elimination of Discrimination

GRI G4-HR3

In accordance with its Social Charter, Technip is committed not to practice any discrimination among its employees and job applicants.

Technip promotes cultural and ethnic diversity through multicultural programs and international mobility. With regard to equal opportunity, Technip implements awareness campaigns and training sessions to sensitize employees. In particular, Technip has identified Gender diversity as a strategic priority and has obtained EDGE – Economic Dividends for Gender Equality – certification in eight countries, representing all Regions. This certification is awarded by independent external auditors.

Actions of the Group against discrimination are detailed in Section 3.4 of this Reference Document.

Employee Working Conditions

In 2015, Technip entities were asked to answer (through their HR manager) a survey about their employees' working conditions. With the answers collected, more than 85% of the total workforce was covered, which represents 26,500 people (out of 30,680 total payroll employees at the end of November 2015). The analysis of the surveys revealed positive indicators related to the entities' practices and processes around topics such as work life balance and working environment. Some examples follow:

- From all entities that answered the survey, 100% are granting maternity leaves, 82% paternity leave and 20% declared providing more leave than legally required;
- Flexible working arrangements: more than 88% of the employees covered by the survey benefits from flexible working arrangement (*e.g.,* part time working, flexi working hours and home office);
- Leave: 48% of employees covered by this study benefit from more leave than required by their local legislation or regulation (*e.g.,* longer maternity leave and leave for special life events); and
- Assistance: 61% of employees covered by this study have access in their entity to a staff assistance program or equivalent (*e.g.,* psychological support to local and inpatriate employees 24/7, legal assistance and social assistance in France).

Detailed information regarding social relations is presented in Section 3.4.5 of this Reference Document.

B. Security

Technip makes sure that its staff and contractors are kept safe during any of its operations (See Section 3.3.4 of this Reference Document). For some Projects and operations in high risk areas (according to the Group's security risk assessment), Technip might require private security services. To ensure security while respecting human rights and local communities, Technip has developed stringent selection criteria for security contractors. The final clearance to contract a security provider is given by Group Security who ensures that the selected company has an ethics charter and complies with all the requirements of the International Code of Conduct for Private Security Service Providers.

Technip security teams ensure through internal audits that contracted security providers respect local contractual requirements in matters of human rights and provide appropriate training to relevant staff.

C. Managing Human Rights' Risks in the Supply Chain

GRI G4-HR9, G4-HR10

On its construction sites, in its offices, in its fabrication sites and onboard its vessels, Technip's priority is always to protect the physical well-being of anyone placed under its responsibility (*i.e.,* employees, contracted and supplier workforce). To achieve this, Technip applies a strict health, safety and environmental protection (HSE) Policy in conjunction with an uncompromising strategy of security adapted to a constantly changing international context (see Sections 3.4.6 and 3.4.7 of this Reference Document).

Technip in Italy has been SA 8000 certified since 2004 in respect of all its onshore activities worldwide *e.g.,* Bulgaria, Qatar and Saudi Arabia. Consequently, subcontractors and suppliers are selected and evaluated on social responsibility criteria. The aim is to contribute to their performance improvement in terms of the protection of human rights as a tool of social progress. A tailored questionnaire on SA 8000 requirements is sent to selected suppliers and subcontractors and their responses are analyzed at the same level as Quality and HSE among others. Once the final supplier is selected, the Procurement teams prepare a draft of the supply contract, which includes special clauses based on SA 8000 Standard principles and the possibility of an audit at their headquarters or directly at jobsites. In 2015, eight questionnaires have been evaluated.

The social responsibility management system also applies to the organizational structures and nature of work done by subcontractors on construction sites. The subcontractors must comply with the health and safety requirements set out in Point 3 of the SA 8000 certification procedure, which requires them to perform emergency exercise simulations, conduct risk evaluations on the work performed and provide training and awareness programs on a range of sustainability topics.

Globally, to mitigate any discrepancy between international standards and local legislation, Technip has strengthened its procurement procedures through a range of different measures as described in Section 3.6.2 of this Reference Document. The pre-qualification procedures for suppliers and subcontractors include questionnaires specific to sustainable development issues. Besides, a clause was added to the Group's GT&Cs informing suppliers that Technip supports the United Nations Global Compact. This clause states that "the Supplier must comply with local regulations and legislation concerning labor law and fair working conditions, forced labor or child labor".

D. Continuous Improvement Actions

Assessment

In 2015, Technip participated in workshops on the operationalization of the UNGPs and relevant human rights issues in the oil and gas industry with IPIECA (the International Petroleum Industry Environmental Conservation Association) in Houston and Perth.

In order to formalize Technip's approach to the UNGPs, its sustainable development performance was assessed by an independent service provider specialized in sustainability assessment of suppliers. This analysis is based upon 21 distinct CSR criteria. Despite the good score achieved, the Group is committed to taking into account any areas for improvement in its performance and aims to reflect this throughout its supply chain. Technip has also engaged with recognized organizations such as the Danish Institute for Human Rights to understand how best to measure its progress and assess its supply chain.

Dialog with Key Stakeholders

The Group has identified the following areas requiring top priority for action:

- With respect to its clients, Technip's management intends to engage as often as necessary with its counterparts to develop joint approaches and action plans to minimize human rights-related risks. It is paramount for Technip, as a contractor of oil and gas companies, to engage with its clients to jointly agree on actions addressing human rights' issues in the supply chain. In 2015, Technip started this action with two major clients.
- With respect to its suppliers and subcontractors, Technip intends to engage and establish a dialog with them to understand and develop specific actions to manage human rights-related risks. Technip started this action with two main suppliers in 2015 and will continue this engagement in 2016.

3.6.4. Building Long-Term Relationships with Local Communities

GRI G4-DMA, G4-SO1, G4-SO2

For national content, it is impossible to adopt a systematic and "one-size-fits-all" approach to local communities, as each context, even within a country, may vary.

Technip makes every effort and endeavors to respect local cultures and to maintain an open and transparent dialog with the communities that host its Projects to seek social, economic and environmental benefits, as a mutual priority. In line with its Sustainable Development Policy, Technip encourages its operating centers and project teams to develop their own initiatives to support local welfare in compliance with applicable national legislations while maintaining the highest levels of ethics and compliance.

Technip considers local communities as essential stakeholders with interests, needs and expectations that differ from the Group's entities or Projects. From the experiences shared by some of the Group's most advanced entities maintaining relationships with local communities, Technip obtains the support from local communities that is vital to the success of every Project of the Group.

The Group responds to local communities' needs and expectations in three different ways:

- donations to public health and education institutions and non-governmental organizations;
- emergency aid or localized humanitarian help, in particular through Technip Relief & Development Fund and employee-based solidarity initiatives towards the communities suffering from natural disasters in coordination with inter-governmental organizations, such as the Red Cross and the Red Crescent; and
- long-term development initiatives focusing on children's health and education, adult employment and environmental protection with strong ties to schools, universities and public institutions.

In 2015, the following indicators were consolidated throughout Technip´s entities:

- 100% of entities declared not having any actual negative impacts on local communities;
- 58% of entities declared encouraging its employees to participate in philanthropic, humanitarian and social events during their working time;
- Almost 200 identified initiatives involving 3,500 individual volunteering actions benefited more than 5,000 members of the local communities in 33 countries worldwide;
- Almost €1,4 million has been spent by entities with approximately 50% corresponding to donations, 35% corresponding to investments and support to community projects and 15% used for commercial initiatives promoting employment and training for locals;
- Approximately 33% of all initiatives focused on improving health and education for local communities; and
- 34% of all the initiatives are considered to be long-term, *i.e.*, have been commenced before and/or will continue after 2015.

In 2016, Technip intends to pursue its efforts to increase the long-term contributions while encouraging social, environmental and economic self-sustainability in its host communities.

A. The Technip Endowment Fund (Technip's Relief and Development Fund)

Established at the end of 2011 to reinforce the Group's corporate social responsibility, the Technip Relief and Development Fund is part of Technip's strategy to strengthen its local presence in countries in which it operates. This endowment fund, financial resources of which are provided by the Group, has two main objectives:

- support non-profit projects for the benefit of local communities in countries where Technip has a permanent foothold, especially those needing significant improvement in health or education. For this particular objective, Technip's employees are encouraged to submit initiatives in which they are involved. Once their projects have been confirmed as being eligible in terms of compliance (GOPS Social Donations and Charitable Contributions), these projects receive financial funding;

- support emergency missions and natural disaster relief in instances of natural disaster, after approval by the Fund's Board of Directors.

The Board comprises the Group Human Resources Director and Chairman of the Fund, the Corporate Doctor, the Group HSE Director and the Head of Sustainable Development. Its mission is to review and approve petitions submitted to it.

In the event of a disaster, if the Fund decides to support the relief, all employees can donate through the Technip Group Intranet to the International Red Cross/Red Crescent. In such cases, the Fund matches 100% of all employees' donations. In 2015, a donation campaign was launched after the earthquakes in Nepal (April 2015 and May 2015).

In 2015, the Fund was used for the following projects:

- Angola: provide support to *Samu Social International* in Luanda;
- Mozambique: donate engineering books for the University Eduardo Mondlane in Maputo; and
- Colombia: donate to the *Samu Social International* in Bogota which just started a project to support the women and children suffering from family violence.

In addition, the Technip Relief and Development Fund decided to support the Ready Fund (the French Red Cross disaster preparedness and response fund), a financial reserve which can provide immediate support to ensure a fast and efficient response to natural or man-caused disasters and to promote preparedness in lessening the impact of predictable crisis. The Fund is funded by corporate donations and sponsorships, including Technip's. As a comprehensive response tool, it allows the French Red Cross to intervene before, during and after crises, whether these are exposed to the media spotlight or remain silent. Since 2012, Technip's donation has been fixed to €50,000 per year. In 2015, the Fund supported the following actions:

- Vietnam: increase capacities of vulnerable ethnic minority communities and local actors to prepare for disasters and reduce risks through a gender-sensitive, participatory and replicable approach;
- Syrian refugees into Iraq Kurdistan: improve sanitary conditions for refugees, through distribution of basic non-food items, sanitation and supply in potable water, hygiene campaign, among other things; and
- Nepal: provide medical care in remote areas devastated by the earthquakes as well as water adduction and temporary accommodation.

Finally, since 2012, the Group has established a three-party agreement allowing Technip's Corporate Doctor to be available, for up to three weeks per year, to provide medical care alongside the Red Cross teams in the event of natural disasters. In 2015, Technip's Corporate Doctor was sent on a 3-week mission in Singati (Nepal), the epicenter of the second earthquake in May 2015. As the hospital and medical center were destroyed during the earthquake, the purpose of the mission, in coordination with local authorities, Nepalese, Finish and German Red Cross was to set up medical facilities dedicated to basic medical care, mother and child care and an operating theater to re-start medical treatment to the population.

B. Best Practices with Local Communities

Working with local communities starts by understanding the overall situation of the country, region and villages where Technip has the potential to exercise a positive influence on social, environmental and economic self-sustainability. The intrinsic goal and motivation of every initiative towards local communities is to empower them to work gradually towards the implementation of concrete long-term actions.

The following sections are examples of best practices having positive impacts upon local communities.

India: Promoting Social Innovation

As part of its CSR policy, Technip in India launched the initiative Seed of Hope in 2015. This Initiative provides a framework that fosters social innovation by gathering ideas from employees that can be converted into implementable CSR projects. As such, a dedicated intranet portal has been developed where employees can propose their ideas and details about social projects. The proposals submitted have to include details about feasibility, execution plans, impacts, measurable benefits and sustainability. The shortlisted proposals are then presented to the CSR committee for approval and implementation. During the launch of Seed of Hope, a competition was run among employees to encourage them to come up with implementable CSR ideas. A total of 64 proposals from employees across three centers were submitted for consideration. Six projects were awarded and employees recognized.

In 2015, two projects were completed. The first one was to support 98 orphan students of Seva Chakkara Samajam in Chennai by offering to pay the education fees of meritorious children. The support is designed to be a motivating factor to facilitate self-reliance in the future. The second project consisted in a donation to improve water quality and kitchen facilities for an orphanage in a village near Salem in Tamil Nadu. The facilities have now improved hygiene and health conditions for 50 children and five elderly people.

Also in 2015, two projects were initiated in collaboration with the Indian Institute of Technology Madras focusing on the development of models of education and environmental actions to be implemented and replicated in rural areas across India. Three other initiatives are in the pipeline and will essentially focus on children's and women's welfare.

Regarding 2016 and beyond, the CSR committee is reviewing 20 proposals estimated at approximately €400,000, of which 17 come from employees and three from NGO´s requiring specific due diligence and compliance before being implemented. The various proposals cover the categories of education, environment, health, infrastructure and sustainable livelihood.

Brazil: Technip's Program *Juventude*

This program aims at preparing young members of a local low-income community for university admission tests. The process is partly financed through tax paid by Technip that is used by the governmental education agency SENAC *(Serviço Nacional de Aprendizagem Comercial)* to provide teachers and learning material. Technip provides facilities (classrooms) and school supplies. The program comprises several modules on topics such as ethics, citizenship, environment, safety and entrepreneurship, Portuguese and mathematics. In addition, Technip volunteers participate by providing vocational training in manufacturing of flexible pipes and general engineering. Finally, several universities participate by granting scholarships to those successful candidates. In 2015, eight students finished the course and three of them joined university studies. At the end of 2015, a new session began with eight new students and results will be known in 2016.

Angola: Assistance to Street Children

In 1992, Arnaldo Janssen Center/CACAJ *(Centro de Acolhimento de Crianças Arnaldo Janssen)* was established and has a total capacity of 120 children. At the end of 2011, this center was granted the status of a private non-profit organization, which allowed it to become more stable and viable, both institutionally and financially. The center offers basic medical care and social welfare. It also houses classrooms and vocational training workshops (electricity, welding, computer and other handicraft activities). The center accommodates street children, regardless of their social or religious profile. CACAJ is implementing the following services for its beneficiaries in the center, to proceed to their familial or social reinsertion:

- mobile team to support street children and provide sheltering;
- psychosocial and medical support; and
- administrative and legal support to increase opportunities for social insertion.

In 2014, the Technip entities began to provide support to CACAJ. They organized a volunteer event in June 2015 where the dormitories of the center were painted by employees of Technip in Angola. A diesel generator of 110 kVA was purchased in December 2015 helping the center to have continuous electricity despite the frequent power cuts in Luanda. The plan is also to continue the assistance in 2016 by donating a car to support the mobile aid team of CACAJ and also to upgrade the electrical installation by providing street light and better lighting inside the buildings.

Spain: Supporting Disabled People

Since 2006, Technip in Spain has been collaborating actively with several official organizations that mainly employ disabled personnel to provide, among others, cleaning services, office furniture, personal protection equipment and garden services. This scheme is part of an agreement set by the government authority for companies that have difficulties in meeting the minimum percentage of disabled employees on total payroll. In nine years of cooperation, Technip has built a relationship of trust and developed a significant business partnership. In 2015, the amount spent for services was significantly higher than the legal obligation, *i.e.,* €160,000. This initiative, together with other voluntary actions, highlights Technip's commitment to social responsibility in the long run.

Malaysia: Empowering the Seletar Indigenous Community

Technip in Malaysia has helped the Seletar Indigenous people build a self-sustaining community since 2012. With the development of an eco-tourism business and the eco-guide training of 15 people, Technip has given them the key to preserve their cultural heritage and to protect the ecosystem, while achieving economic self-sufficiency.

In 2015, the following activities were undertaken:

- donation of 10 computers, books and furniture for the community resource center;
- 25 staff from Asiaflex Products volunteered to spruce the resource center and painted the wooden fencing and the bridge leading to the local museum; and
- during site visits, the employees contributed to the local economy by purchasing food and beverages from the local restaurant, buying seafood from the fish farm and hiring five boats and guides for the eco-tourism visits to the mangroves.

Ghana: Building a Sustainable Future for Local Communities

Technip in Ghana understands that developing national capability starts by the welfare of the local communities hosting its activities and, in particular, in the Western region of the country. In 2012, Technip built a library and donated books and furniture in Essikado, Sekondi-Takoradi. The library serves as a valuable educational resource center for the community and especially for the children.

In 2015, Technip refurbished the old classrooms and constructed an additional three-unit classroom block at the Nana Nketsia School. Technip has also built a new nursery and a sanitary facility at the same school. In addition, Technip has donated play items to the Essikado Nursery school to aid in early childhood development.

Also in 2015, Technip participated in the construction of four modern smoke ovens for the Hosanna Fishmongers Association. This project aims to mitigate the health factors linked with the traditional smoke ovens and promotes self-sustainability for the local communities in Sekondi-Takoradi. Technip sponsored and supported the project by engaging with students from Takoradi Training Institute who worked together with the Abudan Social Engineers Company (smoke ovens contractors) to learn the skills and craftsmanship involved in the construction of modern smoke ovens.

3.7. CONTENT INDEX

3.7.1. Methodological Note

This section presents the reporting methodology applied throughout Section 3 of this Reference Document. It details specifically the reporting scope and the data collection and consolidation processes which are different for Human Resources (HR) and Health, Safety, Environment and Security (HSES) related information.

A. Reporting Scope

The scope covered in this Section 3, both in terms of categories of personnel and types of entities and operations, is different for the different aspects addressed in the section: Human Resources (HR) and Health, Safety, Environment and Security (HSES). A summary is provided in the table below. The personnel classification is defined for the different Group entities and operations under Technip's management or operational control. For Projects, the HSES scope is specified in the contractual agreements.

		Group entities and operations		
Personnel classification		Offices	Fleet and industrial sites	Construction sites
Payroll/ Employees	Permanent contract	HR [1]/HSES [2]	HR/HSES	HR/HSES
	Temporary contract (fixed term)	HR/HSES	HR/HSES	HR/HSES
Non Payroll/ Contracted	Contracted workforce	HR/HSES	HR/HSES	HR/HSES
	Site contractors	(NA)	(NA)	HSES
Other stakeholders	Subcontractors	HSES	HSES	HSES [3]
	Vendors	HSES	HSES	HSES [3]
	Clients	HSES	HSES	HSES [3]
	Third party	HSES	HSES	HSES [3]

(1) Human Resources.
(2) Health, Safety, Environment and Security.
(3) HSES for subcontractors, vendors, Clients and third parties under the responsibility of Technip if specified in the Project contractual agreements.

The reporting period is the calendar year (from January 1st to December 31st).

B. Definitions

Categories of Personnel

Contracted workforce: Contract staff (workers employed *via* temping agencies ("agency personnel")) or contractors working under contracts for services, except those working on construction sites. Such personnel are not recognized as employees under national laws or practices. The contracted workforce refers to the workforce which is not on the payroll of a Group entity and includes the following:

- individuals working in offices from time to time, when there is a spike in workload, such as agency personnel; and
- contractors working on vessels and industrial sites throughout the Group (manufacturing plants, spoolbases and the construction yard).

Employee: Individual on payroll with a permanent (permanent employee) or a fixed-term contract (temporary employee) with one of the Group companies.

Expatriate: For an entity, expatriates are staff on payroll assigned abroad under an expatriation or a secondment contract and covered by the Group's International Mobility Policy.

Inpatriate: For an entity, inpatriates are inbound assignees sent by another entity of the Group under either an expatriate or a secondment contract and covered by the Group's International Mobility Policy.

Subcontractor: Includes a subcontractor engaged to perform work on a Project.

Supplier: Same as vendor.

Total workforce: Includes the employees and contracted workforce (contract staff and contractors, except those working on construction sites).

Vendor: Manufacturer or supplier of equipment or material.

Categories of Sites

Construction sites: All construction sites.

Entity: Legal entity or branch offices where Technip is present, whatever the operations.

Fleet and industrial sites including:

- **Fleet:** Subsea pipelay vessels and Subsea construction vessels;
- **Manufacturing plant:** manufacture of flexible pipes and umbilicals;
- **Spoolbase:** rigid pipe spoolbase facilities; and
- **Construction yard:** specialized in Spar hull and mooring systems, drilling rig conversions, Offshore construction services and heavy industrial products.

Offices: All office facilities throughout the Group.

Project: Technip's Project including all phases (engineering, procurement, installation, construction, pre-commissioning, commissioning and start-up).

C. Reporting Scope for Human Resources

For entities, the Human Resources reporting scope is based on the financial and legal consolidation scope. This includes entities belonging to the Group as of December 31, 2015, including entities that were acquired or newly consolidated in 2015 (current scope).

For consistency purposes and to facilitate the comparison between two consecutive years, the reporting carried out on training and absenteeism does not take into account data collected from entities recently acquired or entities that have not been consolidated within the Group throughout the entire year (in 2015, the entities that were not consolidated represented 1%).

As of December 31, 2015, 79 legal entities had inputted their data through the Group's reporting tool.

For personnel, the Human Resources scope covers payroll on permanent contracts (French "CDI" contracts) or fixed term contracts (French "CDD" contracts), except for the information concerning the breakdown by contract set out in Section 3.4.1.A of this Reference Document, which covers the total workforce.

Trainees and apprentices are excluded from this scope.

Subcontractors working on construction sites are not reported due to, on the one hand, the significant fluctuation in numbers during the rolling out of Projects and, on the other, their significant presence on large Projects.

Each table presented in Section 3.4 of this Reference Document sets out the percentage of personnel covered by the reporting scope.

D. Reporting Scope for Health, Safety, Environment and Security

Technip's basic principle to determine which indicators are recorded and reported, for HSE purposes is (i) whether Technip owns or manages the site in question and (ii) whether Technip is responsible for managing the work.

Occupational Health and Safety

The data provided in Section 3 of this Reference Document covers the following:

- all Technip employees and all contracted staff working at Technip premises including offices, factories, construction sites, yards, vessels and temporary sites;
- all contracted staff, subcontractors and Clients working at Technip owned and managed premises;
- all contracted staff and subcontractors working at their own premises or sites where Technip is providing management and/or direct supervision of the work;
- all hours and incidents in a Joint Venture (JV), where Technip is the JV leader or where management of the Project is equally divided and responsibility for HSE outcomes is equally shared and/or Technip is responsible for the HSE management of the overall work; and
- in respect of JVs where Technip is not the leader nor responsible for overall HSE management, only hours and incidents in respect of the elements for which Technip is responsible.

Additional Information Applicable to the Reporting Scope for the Environment

For ease of reference, sites are divided into four categories: construction sites, industrial sites (manufacturing plants, spool bases and construction yards), fleet of vessels and offices (see definitions in Section 3.7.1.B of this Reference Document). This provides a better matching of each category with its specific requirements.

In the report, for some indicators, data related to industrial sites, fleet and offices are consolidated since these three categories represent Technip's permanent sites (owned or leased) while the construction sites are related to Projects and thus are usually only temporary sites and are not owned by Technip.

Construction camps are considered as non-work related operations. Therefore, environmental data for construction camps is not included in this report. Nevertheless, construction camp data is recorded in the Group's Synergi system using a specific number. Dedicated Environmental Key Performance Indicators (EKPIs) are also selected, recorded and monitored at local level to ensure continuous improvement.

These definitions are set out in the Group's Guidelines on environmental reporting and are in line with the Group's HSE principles and standards.

In this report, figures for environmental indicators cover the entire calendar year. They have been extracted from the Group reporting tool for the period from January 1 to November 30 and data for December has been estimated based on the previous 11 months for consistency, as some sites have not yet consolidated all December-related data.

The coverage both in terms of number of sites reporting and in terms of man-hours worked is detailed in Section 3.5 of this Reference Document. The detailed coverage for each environmental indicator is indicated in each table of Section 3.5 of this Reference Document.

Reporting Scope for Security

The security framework covers all of Technip's entities including Projects and fleet in a uniform and continuous manner.

Prevention and protection measures implemented by the Group are extended to all of Technip's employees.

Common work agreements are set up for joint ventures, however, responsibility for security management is only given to entities or individuals who are Technip Security Certified to ensure the quality of Technip's processes.

All Group entities and vessels identified by the Group Legal Division and in organization notes have a security correspondent and/or a security team working in conjunction with the Group Security Department at Corporate level in order to implement its guidelines.

Major Projects and those located in level 3 risk countries (according to Technip's internal ranking) have an organization dedicated to Security. Depending on the provisions set out within the contracts, subcontractors may be covered by security measures set up by Technip.

E. Reporting Methodology

Consolidation Methodology

For Human Resources, the indicators cover 100% of the entities for every topic, with the exception of Training and Absenteeism, which cover 99% of total headcount (excluding entities not present during the entire year).

Indicators are calculated on the basis of the Group's scope as of December 31, 2015. Sections relating to Arrivals and Departures, Absenteeism and Training cover the year 2015, in accordance to the scope of entities, as defined in Section 3.7.1.C of this Reference Document.

For HSE, the consolidation is done at different levels of the organization, fully in line with the overall HSE responsibility matrix. The HSE line management is responsible for the monitoring, measurement and reporting of HSE indicators, fully in line with the Group's HSE strategy. HSE Managers are supported and advised by the different HSE functions.

It is the responsibility of the Regional HSE Manager to ensure that data from all sites and entities in the Region is collected, analyzed and reported in Synergi in a timely and accurate manner, in accordance with the requirements of the Group's Guidelines.

In addition, for environmental indicators, the regional Environmental Leads periodically check the regional Environmental KPIs under their direct responsibility to ensure consistency of data and compliance with the Group's Guidelines. They identify trends, concerns and areas for improvement, set-up their objectives and plan a course of action accordingly. Data is finally reviewed and checked by the Group's HSE department.

Data Collection – Reporting Tool

As regards Human Resources, a web solution, Enablon, has been implemented Group-wide since 2006 to collect and consolidate quantitative and qualitative data relating to Human Resources.

For HSE, data is collected through Technip's HSE reporting system, Synergi, a global integrated software solution. This tool helps manage the improvement process and assists with monitoring the Group's performance in accordance with its health, safety and environmental standards.

Specifically for environmental data, the collection system is based on a list of 35 basic environmental indicators and a further 16 aggregated indicators covering all the main environmental themes (*e.g.*, energy consumption, water consumption, waste generation and CO_2 emissions) as well as data regarding waste disposal methods (hazardous and non-hazardous waste sent either to incineration, landfill or recycling).

Environmental data is submitted through Synergi as Environmental KPIs. Each of the Group's reporting entities is required to consolidate and record its environmental data performance in Synergi on a monthly basis. This data reflects the environmental performance of entities involved in the office, construction, manufacture and fleet operations.

Controls – External Verification

Since 2012, the external verification process is assured by Technip's Statutory Auditors appointed as independent third-party experts as required by the French Grenelle II law (Article L. 225-102-1 of the French Commercial Code). Audits are conducted in accordance with ISAE 3000 (International Standard on Assurance Engagements). The report of the Statutory Auditors, appointed as Independent Third-Party, on the Review of Consolidated Environmental, Labor and Social Information can be found in Section 3.8 of this Reference Document.

3.7.2. GRI G4 Content Index

GRI G4-20, G4-21, G4-32

In blue: Aspects related to Technip commitment to the ten principles of the UN Global Compact.

A. General Standard Disclosures

General Standard Disclosures	Section/Page	External Assurance (**)
STRATEGY AND ANALYSIS		
G4-1	Section 8.1.2 page 304	✓
ORGANIZATIONAL PROFILE		
G4-3	Technip	✓
G4-4	Section 1.3 page 10, Section 1.4 page 13 and Section 5.1.1 page 180	✓
G4-5	89, avenue de la Grande Armée – 75116 Paris – France	✓
G4-6	http://www.technip.com/en/about-us/technip-worldwide/main-locations-country	✓
G4-7	Section 7.1.5 page 286 and Section 7.4.1 page 295	✓
G4-8	Section 1.3 page 10 and Section 5.1.1 page 180	✓
G4-9	Section 1.1 page 4 and Section 3.4.1 page 70	✓
G4-10	Section 3.4.1 page 70	✓
G4-11	Section 3.4.5 page 83	✓
G4-12	Section 1.4.3 page 19 and Section 3.6.2 page 112	✓
G4-13	Section 5.1.1 page 180 and Section 6.1 page 202	✓
G4-14	Section 2 page 30, Section 3.4.6 page 84, Section 3.4.7 page 86 and Section 3.4.8 page 88	✓
G4-15	Section 2.7 page 43, Section 2.8 page 48, Section 3.2.1 page 56 and Section 3.5.1 page 91	✓
G4-16	Section 3.3.1 page 58	✓
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	Section 6.1 page 202	✓
G4-18	Section 3.1.1 page 52, Section 3.1.2.A page 53 and Section 3.1.2.D page 54	✓
G4-19	Section 3.1.2.C page 54	✓
G4-20	Section 3.1.2.D page 54 et Section 3.7.2 (Specific Standard Disclosures Table) page 124	✓
G4-21	Section 3.1.2.D page 54 et Section 3.7.2 (Specific Standard Disclosures Table) page 124	✓
G4-22	No restatement of information	✓
G4-23	No significant changes	✓
STAKEHOLDER ENGAGEMENT		
G4-24	Section 3.3.1.A page 58	✓
G4-25	Section 3.1.2.B page 53 and Section 3.3.1.B page 61	✓
G4-26	Section 3.1.1.D page 53, Section 3.1.2.B page 53 and Section 3.3.1 page 58	✓
G4-27	Section 3.1.2 page 53, Section 3.1.3 page 55 and Section 3.3.1 page 58	✓
REPORT PROFILE		
G4-28	January 1, 2015 to December 31, 2015	✓
G4-29	March 11, 2015	✓
G4-30	Annual	✓
G4-31	Thierry Pilenko	✓
G4-32	Section 3.7 page 124 and Section 3.8 page 129	✓
G4-33	Section 3.1.1.D page 53 and Section 3.8 page 129	✓
GOVERNANCE		
G4-34	Section 4 page 132 and Section 3.1.1.C page 52	✓
ETHICS & INTEGRITY		
G4-56	Section 3.2.1 page 56	✓

(**) The statement of external assurance is located in Section 3.8 page 129.

B. Specific Standard Disclosures

Material Aspects	Indicators, Disclosure on Management Approach (DMA)	Omissions	External Assurance [2]	Coverage	Boundary Within Technip	Boundary Outside Technip
CATEGORY: ECONOMIC						
Market Presence (Local Content [1])	G4-DMA: Section 3.6.1 page 109		✓	Fully		Local communities, Clients, NGOs
	G4-EC6: Section 3.6.1.A page 109		✓	Fully		
Indirect Economic Impacts (Local Content [1])	G4-DMA: Section 3.6.1 page 109		✓	Fully		
	G4-EC8: Section 3.6.1 page 109		✓	Fully		
Procurement Practices (Local Content [1])	G4-DMA: Section 3.6.1 page 109		✓	Fully		
	G4-EC9: Section 3.6.1.C page 110		✓	Fully		
CATEGORY: ENVIRONMENT						
Energy	G4-DMA: Section 3.5.2 page 92 and Section 3.5.3.A page 94		✓	Fully	Offices, Fleet, Industrial sites, Construction sites	Suppliers, Subcontractors
	G4-EN3: Section 3.5.3.A page 94		✓	Fully		
	G4-EN4: Section 3.5.3.A page 94		✓	Fully		
	G4-EN5: Section 3.5.3.A page 94		✓	Fully		
	G4-EN6: Section 3.5.3.A page 94		✓	Partly		
Water	G4-DMA: Section 3.5.4.A page 98		✓	Fully	Offices, Fleet, Industrial sites, Construction sites	Clients, Suppliers, Subcontractors
	G4-EN8: Section 3.5.4.A page 98		✓	Partly		
Biodiversity	G4-DMA: Section 3.5.6 page 102		✓	Fully	Fleet, Industrial sites, Construction sites	Clients, Suppliers, Subcontractors
	G4-EN11: Section 3.5.6 page 102		✓	Partly		
	G4-EN12: Section 3.5.6 page 102		✓	Partly		
Emissions	G4-DMA: Section 3.5.2 page 92, Section 3.5.3.B page 95 and Section 3.5.3.C page 97		✓	Fully	Offices, Fleet, Industrial sites, Construction sites	Clients, Suppliers, Subcontractors
	G4-EN15: Section 3.5.3.B page 95		✓	Fully		
	G4-EN16: Section 3.5.3.B page 95		✓	Fully		
	G4-EN18: Section 3.5.3.B page 95		✓	Fully		
	G4-EN19: Section 3.5.3.B page 95		✓	Partly		
	G4-EN20: Section 3.5.3.C page 97		✓	Fully		
	G4-EN21: Section 3.5.3.C page 97		✓	Fully		
Effluents and Waste	G4-DMA: Section 3.5.4.B page 98, Section 3.5.4.C page 99 and Section 3.5.5 page 100		✓	Fully	Offices, Fleet, Industrial sites, Construction sites	Clients, Suppliers, Subcontractors
	G4-EN22: Section 3.5.4.B page 98		✓	Fully		
	G4-EN23: Section 3.5.4.C page 99		✓	Fully		
	G4-EN24: Section 3.5.5 page 100		✓	Fully		

(1) Aspect identified as material by Technip stakeholders but not reported by GRI G4 guidance.
(2) The statement of external assurance is located in Section 3.8 page 129.

Material Aspects	Indicators, Disclosure on Management Approach (DMA)	Omissions	External Assurance (2)	Coverage	Boundary Within Technip	Boundary Outside Technip
Supplier Environmental Assessment (Sustainability in the Supply Chain (1))	G4-DMA: Section 3.6.2 page 112		✓	Fully		Clients, Suppliers, Subcontractors
	G4-EN32: Section 3.6.2.B page 113		✓	Partly		
CATEGORY: SOCIAL						
Sub-Category: Labor practices and decent work						
Employment	G4-DMA: Section 3.4.1 page 70		✓	Fully	Employees	
	G4-LA1: Section 3.4.1.B page 72		✓	Fully		
	G4-LA3: Section 3.4.1.B page 72		✓	Partly		
Occupational Health and Safety	G4-DMA: Section 3.4.6 page 84, Section 3.4.7 page 86 and Section 3.4.8 page 88		✓	Fully	Employees	Contracted workforce
	G4-LA6: Section 3.4.6 page 84 and Section 3.4.7 page 86		✓	Fully		
	G4-LA8 Section 3.4.5 page 83		✓	Fully		
Training and Education (Employee development (1))	G4-DMA: Section 3.4.2 page 73		✓	Fully	Employees	
	G4-LA9: Section 3.4.2.A page 74		✓	Fully		
	G4-LA11: Section 3.4.2 page 73		✓	Fully		
Diversity and equal opportunity	G4-DMA: Section 3.4.3 page 79		✓	Fully	Employees	
	G4-LA12 Section 3.4.3.A page 79		✓	Fully		
Supplier Assessment for Labor Practices (Sustainability in the supply chain (1))	G4-DMA: Section 3.6.2 page 112		✓	Fully		Clients, Suppliers, Subcontractors
	G4-LA14: Section 3.6.2.B page 113		✓	Partly		
Sub-Category: Human rights						
Investment	G4-DMA: Section 3.6.3 page 116		✓	Fully	Employees	Contracted workforce, Local communities, Clients, Suppliers, Subcontractors, NGOs
	G4-HR2: Section 3.6.3 page 116		✓	Partly		
Non-discrimination	G4-DMA: Section 3.6.3 page 116		✓	Fully	Employees	Contracted workforce, Local communities, Clients, Suppliers, Subcontractors, NGOs
	G4-HR3: Section 3.6.3.A page 116		✓	Partly		
Freedom of Association and Collective Bargaining	G4-DMA: Section 3.6.3 page 116		✓	Fully	Employees	Contracted workforce, Local communities, Clients, Suppliers, Subcontractors, NGOs
	G4-HR4: Section 3.6.3.A page 116		✓	Fully		

(1) Aspect identified as material by Technip stakeholders but not reported by GRI G4 guidance.
(2) The statement of external assurance is located in Section 3.8 page 129.

Material Aspects	Indicators, Disclosure on Management Approach (DMA)	Omissions	External Assurance [2]	Coverage	Boundary Within Technip	Boundary Outside Technip
Child Labor	G4-DMA: Section 3.6.3 page 116		✓	Fully	Employees	Contracted workforce, Local communities, Clients, Suppliers, Subcontractors, NGOs
	G4-HR5: Section 3.6.3.A page 116		✓	Partly		
Forced or Compulsory Labor	G4-DMA: Section 3.6.3 page 116		✓	Fully	Employees	Contracted workforce, Local communities, Clients, Suppliers, Subcontractors, NGOs
	G4-HR6: Section 3.6.3.A page 116		✓	Partly		
Assessment	G4-DMA: Section 3.6.3 page 116		✓	Fully	Employees	Contracted workforce, Local communities, Clients, Suppliers, Subcontractors, NGOs
	G4-HR9: Section 3.6.3 page 116		✓	Partly		
Supplier Human Rights Assessment	G4-DMA: Section 3.6.3 page 116		✓	Fully		Clients, Suppliers, Subcontractors
	G4-HR10: Section 3.6.3.C page 117		✓	Partly		
Sub-Category: Society						
Local Communities	G4-DMA: Section 3.6.1 page 109		✓	Partly		Local communities, NGOs
	G4-SO1: Section 3.6.4 page 118		✓	Fully		
	G4-SO2: Section 3.6.4 page 118		✓	Fully		
Anti-corruption	G4-DMA: Section 3.2.3 page 57		✓	Fully	Employees	Contracted workforce, Clients, Suppliers, Subcontractors, Investors, Shareholders, Authorities
	G4-SO4: Section 3.2.3 page 57		✓	Partly		

(1) Aspect identified as material by Technip stakeholders but not reported by GRI G4 guidance.
(2) The statement of external assurance is located in Section 3.8 page 129.

Material Aspects	Indicators, Disclosure on Management Approach (DMA)	Omissions	External Assurance [2]	Coverage	Boundary Within Technip	Boundary Outside Technip
Supplier Assessment for Impacts on Society (Sustainability in the supply chain [1])	G4-DMA: Section 3.6.2 page 112		✓	Fully		Clients, Suppliers, Subcontractors
	G4-SO9: Section 3.6.2.B page 113		✓	Fully		
Sub-Category: Product Responsibility						
Product and Service Labelling (Client satisfaction [1])	G4-DMA: Section 3.3.2 page 61		✓	Fully		Clients
	G4-PR5: Section 3.3.2 page 61		✓	Fully		
OTHER ASPECTS						
Risk & crisis management [1]	G4-DMA: Section 2 page 30		✓	Partly		Local communities, Clients, Investors, Shareholders
Asset integrity and emergency preparedness [1]	G4-DMA: Section 3.3.4 page 64		✓	Partly	Fleet, Industrial sites, Construction sites	Local communities, Clients, Subcontractors
Responsible marketing & sales [1]	G4-DMA: Section 3.2.5 page 58		✓	Fully		Clients, Suppliers
Compliance with laws & regulations [1]	G4-DMA: Section 3.2 page 56		✓	Fully		Clients, Suppliers, Investors, Shareholders, Authorities
Security practices [1]	G4-DMA: Section 3.4.7 page 86		✓	Partly	Employees, Offices	Contracted workforce, Local communities, Clients, Suppliers, Subcontractors
Product safety [1]	G4-DMA: Section 3.3.3 page 62		✓	Fully		Local communities, Clients, Suppliers
Innovative technology [1]	G4-DMA: Section 3.3.5 page 65		✓	Fully		Clients, Suppliers
Fair and long-term business relations [1]	G4-DMA: Section 3.2.5 page 58		✓	Fully		Clients, Suppliers
Corporate governance and integrity [1]	G4-DMA: Section 3.2.1 page 56 and Section 4 page 132		✓	Fully		Clients, Investors, Shareholders, Authorities

(1) Aspect identified as material by Technip stakeholders but not reported by GRI G4 guidance.
(2) The statement of external assurance is located in Section 3.8 page 129.

3.8. REPORT OF THE INDEPENDENT THIRD PARTY

Report by one of the Statutory Auditors, Appointed as an Independent Third Party, on the Consolidated Environmental, Labor and Social Information Presented in the Management Report

GRI G4-32, G4-33

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2015

To the Shareholders,

In our capacity as Statutory Auditor of Technip, appointed as an independent third party and certified by COFRAC under number 3-1060[(1)], we hereby present to you our report on the consolidated human resources, environmental and social information for the year ended December 31, 2015, included in the management report (hereinafter the "CSR Information"), pursuant to article L. 225-102-1 of the French Commercial Code *(Code de commerce).*

Company's Responsibility

The Board of Directors is responsible for preparing a Company's management report including the CSR Information required by article R. 225-105-1 of the French Commercial Code in accordance with the procedures used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the Company's head office.

Independence and Quality Control

Our independence is defined by regulatory texts, the French Code of ethics *(Code de déontologie)* of our profession and the requirements of article L. 822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the Statutory Auditor

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R. 225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work involved seven persons and was conducted between September 2015 and February 2016 during a 12 week period. We were assisted in our work by our CSR experts.

We performed our work in accordance with the French professional standards and with the order dated May 13, 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000[(2)] concerning our conclusion on the fairness of CSR Information.

1. Attestation Regarding the Completeness of CSR Information

NATURE AND SCOPE OF OUR WORK

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R. 225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, *i.e.,* the Company, its subsidiaries as defined by article L. 233-1 and the controlled entities as defined by article L. 233-3 of the French Commercial Code within the limitations set out in the methodological information.

(1) Whose scope is available at www.cofrac.fr.
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

CONCLUSION

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

Pursuant to your request, we verified that environmental, social and societal information of the Reference Document report is present in accordance with the GRI (Global Reporting Initiative) Sustainability Reporting Guidelines G4 version – Core option.

2. Conclusion on the Fairness of CSR Information

NATURE AND SCOPE OF OUR WORK

We conducted around ten interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important [3]:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities selected by us (4) on the basis of their activity, their contribution to the consolidated indicators, their location and risk analysis, we conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents on average 20% of headcount and between 18% and 79% of quantitative environmental data disclosed.

For the remaining consolidated CSR information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

CONCLUSION

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Neuilly-sur-Seine, March 10, 2016

One of the Statutory Auditors
PricewaterhouseCoopers Audit

Édouard Demarcq	Sylvain Lambert
Partner	Partner in charge of the Sustainable Development department

(3) ***Quantitative environmental data:*** *Wastewater effluent; Air emissions (GHG scopes 1 & 2, NO_x and SO_x); Environmental incidents; Hazardous waste and non-hazardous waste; Water consumption; Energy consumption.*
Quantitative social data: *Breakdown of total workforce per category, breakdown of employees on the payroll according to geographic zone, age and gender; Payroll employees: hires and departures, reasons of departures; Breakdown of expatriates by home office; Breakdown according to gender, per professional category and geographic zone; Absenteeism rate; Total recordable case frequency (TRCF); Lost time injury frequency (LTIF); Serious incident and fatality frequency (SIFF); Number of occupational illness; Lost workday severity rate; Training hours, number of employees on payroll who benefited from at least one training during the year; Social dialogue; number of agreements in place and signed within the year.*
Qualitative data: *Biodiversity; Raw material management; Training strategy; Compensation and benefits; Diversity and equal opportunity; Health; Safety; Security; Fair practices; Relationships with local communities.*

(4) ***Construction yards:*** *Etileno XXI (Mexico).*
Fabrication plants: *Vitoria (Brazil), Açu (Brazil).*
Vessels: *Global 1201 (United Kingdom), Apache 2 (United Kingdom), Orelia (United Kingdom).*
Offices: *Paris-La Défense (France), Aberdeen (Scotland), Rio de Janeiro (Brazil).*

#4 CORPORATE GOVERNANCE

COMPLIANCE WITH CODE

GRI G4-DMA, G4-34

Pursuant to Article L. 225-37 of the French Commercial Code, the Company states that it refers to and voluntarily complies in full with the AFEP-MEDEF corporate governance code for listed companies, which is a combination of the AFEP-MEDEF report of October 2003, the AFEP-MEDEF recommendations of January 2007 and October 2008 on the compensation of executive directors of listed companies and the recommendation of April 2010 on the increase women serving on boards (the "AFEP-MEDEF Code" which was last updated in November 2015). The AFEP-MEDEF Code is available on the MEDEF's website (www.medef.fr).

At the request of the Company, an independent corporate governance consultant reviewed Section 4 of this Reference Document and has confirmed that the Company complies with the AFEP-MEDEF Code.

4.1. ADMINISTRATIVE, MANAGEMENT, SUPERVISORY BODIES AND SENIOR MANAGEMENT

4.1.1. Board of Directors

a. Composition of the Board of Directors

As of February 29, 2016, the Board of Directors comprised 12 members. It does not comprise any directors representing employees or employee shareholders. Six of the directors are not of French nationality and five are women. In accordance with Article 6 of the AFEP-MEDEF Code, the Board regularly examines the balance in its composition, notably regarding the fair representation of women and men, and a diversity of nationality and skill.

The average age of the directors is 59.

The term of office of Board members is set at four years, which is consistent with the recommendations made by the AFEP-MEDEF Code (Article 14).

In compliance with the recommendations of the AFEP-MEDEF Code and based on an amendment of the Articles of Association adopted by the Company's Combined Shareholders' Meeting of April 27, 2007, to permit smooth transitions in Board renewal and to prevent "renewal en masse" (Article 14), the Board of Directors, at its meeting of April 27, 2007, introduced a rolling renewal system, pursuant to which one-half of its members' terms of office will be renewed every two years.

The French Law dated January 27, 2011, on the fair representation of women and men within Board of Directors' meetings sets the conditions for a more balanced representation of men and women within the governing bodies of large companies. Since the Annual Shareholders' Meeting of April 25, 2013, Technip reached, ahead of schedule, the second threshold of 40% to be achieved in 2016 (Article 6.4 of the AFEP-MEDEF Code).

In accordance with the AFEP-MEDEF Code recommendations, the qualification of "independent Director" is discussed and reviewed every year by the Board of Directors upon the recommendation of the Nominations and Remunerations Committee (Article 9.3 of the AFEP-MEDEF Code).

At its meeting of February 22, 2016, the Nominations and Remunerations Committee reviewed the qualification of the Company's Board members as "independent director" in light of the definition and criteria used in the AFEP-MEDEF Code, which state that: "A director is independent when he or she has no relationship of any kind whatsoever with the corporation, its group or the management of either that is such as to color his or her judgment.

Accordingly, an independent director is understood to be not only as a non-executive director, *i.e.*, one not performing management duties in the corporation or the group, but also as one devoid of any particular bonds of interest (significant shareholders, employee, other) with them" (Article 9.1 of the AFEP-MEDEF Code)."

Furthermore, an independent director must not (Article 9.4 of the AFEP-MEDEF Code):

- be an employee or executive director of the corporation, or an employee or director of its parent or a company that it consolidates, and not having been in such a position for the previous five years;
- be an executive director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director of the corporation (currently in office or having held such office for less than five years) is a director;
- be a customer, supplier, investment banker or commercial banker that is material for the corporation or its group, or for a significant part of whose business the corporation or its group accounts;
- be related by close family ties to an executive director;
- have been an auditor of the corporation within the previous five years;
- have been a director of the corporation for more than 12 years. Loss of the status of independent director on the basis of this criterion should only occur upon expiry of the term of office during which the 12-year limit is reached.

The Nominations and Remunerations Committee presented its conclusions to the Board of Directors, which approved them at its meeting on February 23, 2016.

As of February 29, 2016, the Board comprised nine independent members out of 12 members. It therefore exceeds the recommendations made in the AFEP-MEDEF Code, which stipulates that half of the Board members should be independent in widely-held companies that have no controlling shareholders (Article 9.2 of the AFEP-MEDEF Code).

As of February 29, 2016, the Board of Directors comprised the following members:

Name Main position Professional address Age – Nationality	Position within the Board of Directors	Term
Thierry Pilenko Technip's Chairman and Chief Executive Officer 89, avenue de la Grande Armée – 75116 Paris 58 – French	Technip's Chairman and Chief Executive Officer	Date of first appointment: April 27, 2007. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
C. Maury Devine Corporate Director 1219 35th Street NW Washington – DC 20007 – USA 65 – American	Senior Independent Director Independent Director	Date of first appointment: April 28, 2011. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
Pascal Colombani Chairman of the Board of Directors of Valeo 43, rue Bayen – 75017 Paris 70 – French	Independent Director	Date of first appointment: April 27, 2007. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
Leticia Costa Partner at Prada Assessoria Empresarial Ltda Rua Tenente Negrão, 140 – 14th floor – cj 141 – 04530-030 – São Paulo – SP – Brazil 55 – Brazilian	Independent Director	Date of first appointment: April 28, 2011. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
Marie-Ange Debon Senior Executive Vice-President of SUEZ Group and Chief Executive Officer of the International Division Tour CB21 – 16, place de l'Iris – 92040 Paris La Défense 50 – French	Director	Date of first appointment: July 20, 2010. Date of last appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.
Manisha Girotra Chief Executive Officer of Moelis & Company India Private Limited Suite 3103 – Hotel Four Seasons Dr E. Moses Road, Worli – Mumbai 400018 – India 46 – Indian	Independent Director	Date of first appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.
Alexandra Bech Gjørv Chief Executive Officer of Stiftelsen SINTEF Postboks 4760 Sluppen NO-7465 Trondheim – Norway 50 – Norwegian	Independent Director	Date of first appointment: October 23, 2012. Date of last appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.
Gérard Hauser Corporate Director 89, avenue de la Grande Armée – 75116 Paris 74 – French	Independent Director	Date of first appointment: April 30, 2009. Date of last appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.
Didier Houssin Chairman and Chief Executive Officer of IFP Énergies nouvelles 1 et 4 avenue de Bois-Préau – 92852 Rueil-Malmaison Cedex 59 – French	Director	Date of first appointment: February 23, 2016. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
John O'Leary Chief Executive Officer of Strand Energy Strand Energy – PO Box 38396 – Dubai Industrial Park – Dubai – United Arab Emirates 60 – Irish	Independent Director	Date of first appointment: April 27, 2007. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
Joseph Rinaldi Partner in Davis Polk & Wardwell Davis Polk & Wardwell – 450 Lexington Avenue – New York NY 10017 – USA 58 – Australian and Italian	Independent Director	Date of first appointment: April 30, 2009. Date of last appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.
Pierre-Jean Sivignon Deputy Chief Executive Officer and Chief Financial Officer of the Carrefour Group 33, avenue Émile Zola – TSA 55 555 - 92649 Boulogne-Billancourt 59 – French	Independent Director	Date of first appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.

To the Company's knowledge, no close family relationships exist between the members of the Company's Board of Directors.

b. Biographies of the Directors

Thierry Pilenko is Chairman and Chief Executive Officer of Technip. Before joining Technip in 2007, Thierry Pilenko was Chairman and Chief Executive Officer of Veritas DGC, a seismic services company based in Houston. While at Veritas DGC he successfully managed its merger with the *Compagnie Générale de Géophysique*.

Prior to this appointment, Thierry Pilenko held various management and executive positions with Schlumberger where he started in 1984 as a geologist. He held several international positions in Europe, Africa, the Middle East and Asia before becoming President of Schlumberger GeoQuest in Houston and subsequently Managing Director of SchlumbergerSema in Paris until 2004.

Thierry Pilenko holds degrees from France's Nancy School of Geology (1981) and the IFP School (1982).

Pascal Colombani is a graduate of *École normale supérieure* (Saint-Cloud) and holds a doctorate in Nuclear Physics. His career has been balanced between research and industry: he started as a research associate at the French National Centre for Scientific Research (CNRS) then joined Schlumberger where he spent almost 20 years in various management positions in Europe, the USA, and Japan. In this last assignment, while President of Schlumberger KK in Tokyo, he also initiated the implantation of an R&D centre in China. Director of Technology at the French Ministry of Research from 1997 to 1999, he became Chairman and Chief Executive Officer of the French Atomic Energy Commission (CEA) in 2000 until December 2002. He initiated the restructuring of the CEA industrial holdings, resulting in the creation of AREVA in 2000, the nuclear engineering conglomerate. He chaired the Supervisory Board of AREVA until 2003. Pascal Colombani is Chairman of the Advisory Board of A.T. Kearney in Paris and a member of the European Advisory Board of JPMorgan Chase. He is also non-executive chairman of the Board of Directors of Valeo, a member of the board of Alstom, Scia-Saint-Honoré, and chairman of the Board of Noordzee Helikopters Vlaanderen (NHV) in Belgium. He is a member of the French Academy of Technologies and of the French National Strategic Council for Research.

Leticia Costa is a partner in Prada Assessoria since 2010. She currently serves as Board member of Localiza, the largest car rental company in Brazil and Marcopolo, a bus body manufacturer, also in Brazil and Mapfre, the Spanish insurer. Additionally, she is a member of the Audit Committee for Votorantim Cimentos and Votorantim Metais, both privately held companies in Brazil. She has served as a board member of Gafisa, one of the main construction companies in Brazil and Sadia, a food manufacturer in Brazil. In 1986, she joined Booz & Company (formerly Booz Allen Hamilton) and in 1994, became a Vice President and in 2001 was appointed President of the operations in Brazil. She also served the firm's Board of Directors. At Booz & Company, Leticia Costa completed a wide range of assignments from strategy development to implementation in Europe and Latin America, and also conducted studies in North America and Asia. Prior to joining Booz & Company, she worked from 1982 to 1984 as a systems analyst for Indústrias Villares S.A. She was the Dean of Graduate Programs at Insper between 2011 and 2015.

Leticia Costa has a MBA from Cornell University and a BCs in Industrial Engineering from *Escola Politécnica* of the University of São Paulo.

Marie-Ange Debon is Senior Executive Vice-President of the SUEZ Group and Chief Executive Officer of the International Division since April 2013. Before, she held the position of General Secretary. Prior to joining Suez Environnement in 2008, Marie-Ange Debon has served in various positions in both the public and private sectors: Auditor and Special Advisor to the French Audit Commission *(Cour des comptes)* from 1990 to 1994, Senior Executive Vice President of France 3 from 1994 to 1998. In November 1998, Marie-Ange Debon joined Thomson as Deputy Chief Financial Officer and later served as General Secretary. She was a member of the *Collège de l'Autorité des marchés financiers* (the French Financial Market Authority) from 2008 to 2014.

Marie-Ange Debon is a graduate of HEC, ENA and has a Master's Degree in Law.

C. Maury Devine is a member of the Board of Directors of FMC Technologies (NYSE: FTI), of John Bean Technologies (NYSE: JBT) and Valeo (FR.PA). She chairs the Audit Committee of FMC Technologies and Nominating and Governance Committee of all three companies.

She is a member of the Council on Foreign Relations and is a member of the independent Nominating and Governance Committee of Petroleum Geo Services.

She served as Vice-Chairman of the Board of Det Norske Veritas (DNV) from 2000 to 2010, and was a fellow at Harvard University's Belfer Center for Science and International Affairs between 2000 and 2003.

C. Maury Devine also held various positions in ExxonMobil Corporation between 1987 and 2000, notably President and Managing Director of ExxonMobil's Norwegian affiliate from 1996 to 2000 and Secretary of Mobil Corporation from 1994 to 1996.

From 1972 to 1987, she held various assignments in the US government notably in the US Department of Justice, the White House and the Drug Enforcement Administration.

C. Maury Devine is a graduate of Middlebury College, the University of Maryland and Harvard University (Masters of Public Administration).

Manisha Girotra has been Chief Executive Officer (CEO) of Moelis & Company India, a global investment bank based in Mumbai since 2012.

Prior to joining Moelis, she had a 16-year career with UBS where she was most recently CEO & Country Head in India managing its investment bank, commercial bank, markets, equity research and wealth management divisions. From 1994 until 1996, Manisha Girotra was Head for North India at Barclays Bank, responsible for marketing and credit support to corporates and managing the relationship with the government. Between 1992 and 1994, she worked for ANZ Grindlays Bank.

In 2011, Manisha Girotra was nominated to *Fortune* magazine's and she has appeared in *Business Today's* 25 Most Powerful Women in Business in India for the past five years.

Manisha Girotra graduated from the Delhi School of Economics (M.A. Economics) in 1992.

Alexandra Bech Gjørv is the Chief Executive Officer of Sintef, Scandinavia's largest independent research foundation, working primarily with applied science. She was until 2015 a partner in the law firm Hjort (Norway) and also chaired the public July 22, 2011 Commission on the terrorist attacks. She began her career in law firms before joining Norsk Hydro ASA from 1993 to 2007 where she held a number of positions, including Executive Vice President HR and HSE and Senior Vice-President, New Energy. She then moved to Statoil ASA as Senior Vice-President, New Energy from 2007 until 2010 before joining Hjort in 2010.

Alexandra Bech Gjørv graduated from the University of Oslo (Norway). She also holds a diploma in legal studies from Oxford University (UK) and has studied at Suffolk Law School in Boston (USA), after which she was admitted to practice law in New York in 1993.

Gérard Hauser was Chairman and Chief Executive Officer of Nexans from June 2000 to June 2009. He joined Alcatel in 1996 and became President of its Cable and Component Sector in 1997 and Member of the Executive Committee of Alcatel. From 1975 till 1996, he worked for the Pechiney Group, as Chairman and Chief Executive Officer of Pechiney World Trade first and of Pechiney Rhénalu later; he was later appointed Senior Executive Vice President of American National Can and member of the Group Executive Board.

From 1965 till 1975, Gérard Hauser covered several senior positions in the Philips Group.

Didier Houssin was appointed Chairman and CEO of IFP Énergies nouvelles on April 8, 2015.

Prior to this, from December 2012 to April 2015, he was Director of Sustainable Energy Policy and Technology at the International Energy Agency (IEA). In this role, he was responsible for the development of low-carbon technologies and energy transition (ETP scenarios to 2050, technology roadmaps, carbon capture and sequestration and the IEA's international RD&D network). From July 2007 to October 2012, he was Director of Energy Markets and Security at the IEA. In this role, he was responsible for analyzing energy markets, in particular oil, gas, electricity and renewable energies, and overseeing security of supply.

Before joining the IEA, Didier Houssin had gained broad experience in numerous positions both in the French Government and the private industrial sector. He was Managing Director of BRGM, the French Geological Survey, with a wide range of managerial responsibility over the 850-strong group, from 2004 to 2007. He was Director of Energy and Mineral Resources at the French Ministry of Economy and Finance from 1997 to 2004. From 1987 to 1990, he held a position in European Affairs at Total, where he was responsible for developing EU strategy. From 1983 to 1987, he had international positions at the French Ministry of the Industry.

Didier Houssin graduated from the *École Nationale d'Administration* (ENA) (1983) and has a Master in International Law from the Paris Sorbonne University. He also has a degree in Political Science from the *Institut d'études politiques* in Paris (1977).

John O'Leary has, since January 2007, held the post of Chief Executive Officer of Strand Energy (Dubai), a company involved in seeking out investment and development opportunities in the oil and gas sector and also sits on the Supervisory Boards of Huisman Itrec and Jumbo Shipping. From 2004 to 2006, he was a partner in Pareto Offshore ASA, a Norwegian company specialized in advising customers in the exploration/production sector. In 1985, he joined the Forasol-Foramer group where he successively held the posts of Development and Partnerships Manager (1985-1989) and Vice Chairman for Marketing (1990-1997). After the takeover in 1997 of Forasol-Foramer by Pride International, a company specialized in onshore and offshore drilling, he became the President of the new group until 2004. He began his career as a trader in the Irish National Petroleum Corporation (1979-1980) before joining Total as a drilling engineer (1980-1985).

John O'Leary is a graduate of Trinity College in Dublin, the University College in Cork as well as the *Institut Français du Pétrole.*

Joseph Rinaldi is a partner in the international law firm of Davis Polk & Wardwell. He advises on mergers and acquisitions transactions, corporate governance and securities and corporate law. From 2002 to 2007 he was the senior partner in the Paris office of Davis Polk & Wardwell after joining it in 1984 and becoming a partner in 1990.

Joseph Rinaldi graduated from the University of Sydney, Australia, with first class honors in 1979, and in 1981 received his LL.B, with first class honors, from the University of Sydney, where he was a member of the editorial committee of the *Sydney Law Review.* He received an LL.M from the University of Virginia School of Law in 1984. He is admitted to practice law in New York.

Pierre-Jean Sivignon is, since February 2015, Deputy Chief Executive Officer and Chief Financial Officer of the group Carrefour in charge of the supervision of the Financial Services, of Spain, Italy, Brazil and Argentina.

Pierre-Jean Sivignon began his career in 1979 with the firm Peat Marwick Mitchell. In 1982, he joined the Schlumberger group, where he held various positions in the Financial Department of the Dowell Schlumberger Oilfield Services division (in Europe and Africa), then became General Manager of the Bank and Industry division (in Paris) and, finally, Group Treasurer in Paris and New York. From 2001 to 2005, he was Chief Financial Officer and member of the Executive Committee of Faurecia group based in Paris. Pierre-Jean Sivignon joined the Philips Group (in Amsterdam) in May 2005, where he held the positions of Chief Financial Officer and member of the Executive Committee until March 2011. In September 2011, he became Chief Financial Officer of Carrefour Group in Paris.

He was also member of the Board of Directors of Imerys Group until 2013. He graduated from *École Supérieure des Sciences Économiques* (ESSEC) Paris.

Patrick Picard is Secretary of the Board of Directors.

c. Offices Held by Board Members, Current as of December 31, 2015 and over the Past Five Years (1)

First name	Last name	Current offices	Expired offices in the last five years
Thierry	Pilenko	-	Director of Hercules Offshore* (USA) Member of the Supervisory Board of Peugeot S.A.* Director of CGG* (formerly CGGVeritas)
Pascal	Colombani	Chairman of the Board of Directors of Valeo* Director of Alstom* Board Member of Nordzee Helikopters Vlaanderen NHV (Belgium) Chairman of TII Strategies Board Member of Siaci-Saint Honoré	Director of Rhodia* Director of British Energy (United Kingdom) Non Executive Director of Energy Solutions* (USA)
Leticia	Costa	Board Member of Marcopolo S.A.* (Brazil) Board Member of Localiza S.A.* (Brazil) Member of the Audit Committee of Votorantim Metais S.A. and of Votorantim Cimentos S.A. (Brazil) Board Member of Martins S.A. (Brazil) Board Member of Mapfre BB (Brazil) Board Member of Mapfre S.A. (Spain)	Member of the Strategic Committee of Bermatech S.A. Dean Graduate Programs / Insper Instituto de Ensino e Pesquisa (Brazil) Member of the Audit Committee of Votorantim Industrial (Brazil) Board Member of Gafisa S.A.* (Brazil) Board Member of Sadia S.A.* (Brazil)
Marie-Ange	Debon	Mandates in various companies in SUEZ* Group: Lydec (Morocco), Ondeo Industrial Services, Suez Recycling & Recovery Pacific Pte Ltd (Singapore), Suez North America Inc (USA), Sembsita Australia Pty Ltd (Australia), Degrémont Acting on behalf of CELIZAN, GrDF	Board Member of Hisusa (Spain) Board Member of Groupama Board Member of Suez Water Inc. (USA) and of some of its subsidiaries
C. Maury	Devine	Chairman of the Audit Committee and Member of the Nominations and Governance Committee of FMC Technologies* (USA) Member of the Audit Committee and of the Nominations and Governance Committee of JBT Corporation* (USA) Member of independent Nomination Committee of Petroleum Geo Services* (Norway)	Vice-Chairman of the Board of DNV/GL (former Det Norske Veritas) (Norway)
Manisha	Girotra	Director and Chief Executive Officer of Moelis & Company India Private Limited (India) Director of Novartis India (India) Director of Mindtree (India) Director of Ashok Leyland (India) Trustee of Neurology Foundation & Trust (India)	Director and Chief Executive Officer of UBS AG (India) Director of KPIT Cummins (India)
Alexandra Bech	Gjørv	Chief Executive Officer of Stiftelsen SINTEF (Norway) Deputy Board Member of Anobe AS (Norway)	Member of the Board of Advokatfirmaet Hjort DA (Norway) General Manager of Sarepta Energi (Norway) Chairwoman of Eidsiva Energi AS* (Norway) Board Member of Norske Skog AS* (Norway) Vice-Chairwoman of the Board of Norwegian Broad Casting (NRK) (Norway)
Gérard	Hauser	Director of Delachaux President of the Supervisory Committee of Stromboli Director of Mecaplast (Monaco) Director of Alstom*	Director of Ipsen* Director of Faurecia* Director of Nexans*
Didier	Houssin	Chairman and Chief Executive Officer of IFP Énergies nouvelles Board Member of CGG* Chairman of TUCK Foundation	
John	O'Leary	Board Member of Vantage Drilling Company* (USA) Member of the Supervisory Board of Huisman-Equipment (Netherlands) Member of the Supervisory Board of Jumbo Shipping (Netherlands)	Board Member of MIS* (United Arab Emirates)
Joseph	Rinaldi	-	-
Pierre-Jean	Sivignon	Director of Carrefour* Group companies: Carrefour Finance (Belgium), Carrefour Italia (Italy), Carrefour Banque, Carrefour Sabanci* (Turkey) and Adana Gayrimenkul Gelistirme ve Isletme Anonim Sirteki (Turkey) Chairman of Atacadão SA (Brazil), Director acting on behalf of a legal entity within Carrefour* Group companies: Centros Comerciales Carrefour (Spain) Member of the Supervisory Board of Carrefour Nederland BV (Netherlands)	Director of Imerys Chairman of Carrefour Property France Director of Carrefour* Group companies: Carrefour Property España (Spain), Carrefour Property Development Majid Al Futtaim Hypermarkets (United Arab Emirates), Presicarre (Taiwan) Member of the Supervisory Board of PT Carrefour Indonesia (Indonesia) Director acting on behalf of a legal entity in Carrefour Marinopoulos (Greece) and GS SpA (Italy) Director of Adanabir Gayrimenkul Gelistirme Ve Isletme Anonim Sirketi (Turkey)

(1) This table does not include offices held by members of the Company's Board of Directors or the primary employment of the Board members of the Company. These positions are presented in Section 4.1.1.a of this Reference Document.

* Listed companies.

4.1.2. Policies and Practices of the Board of Directors

a. Policies and Practices

The Board of Directors' practices are governed by internal rules, as approved by the Board of Directors on May 21, 2003. These rules are periodically updated (they were last updated on February 23, 2016). Each of the four special Committees has its own rules that define its specific duties, responsibilities and practices.

A Directors' Charter, approved on May 21, 2003 (as amended on February 23, 2016) outlines the rights and responsibilities of the Company's directors and is distributed to each director at the start of his or her term of office, together with the Board's internal rules. Each director undertakes to exercise his or her independent analysis, judgment and action, and to actively participate in the work of the Board of Directors. Each director must inform the Board of any potential conflicts of interest and must clearly express, where applicable, his or her opposition to any matter under consideration by the Board of Directors.

In addition, the Charter provides that the Directors are subject to the Group's Rules of Good Conduct in relation to the communication and use of privileged information (last updated on July 24, 2012) and that they are required to refrain from trading in any of the Company's securities whenever the Directors are in possession of material, non public information, as well as during the 30 calendar days prior to the public announcement of the consolidated annual and half-year results and during the 15 calendar days prior to the public announcement of the consolidated results for the first and third quarters and ending at the close of the third trading day on Euronext Paris following such public announcement, or later in the event the Company communicates at a later date.

Each director is required to notify the Company and the AMF of any transactions with respect to the Company's securities, which are carried out either directly or indirectly, on his or her behalf or on behalf of a third party.

In accordance with the recommendations of the AFEP-MEDEF Code, the Directors' Charter provides that each Director will be provided with training sessions on the Company's specificities, its operations and its business sectors, to the extent he or she considers it necessary (Article 13).

Excerpt from the Board of Directors' internal rules, as updated by the Board of Directors on February 23, 2016 [(1)]:

The Board determines the direction of the Company's operations and oversees their implementation. Subject to the powers expressly assigned to the shareholders' meetings, and within the scope of the corporate purpose, it shall take up any and all issues affecting the Company's proper operation and shall decide in its meetings any issues concerning it.

The non-exhaustive list of the Board of Directors' duties is as follows:

- to appoint the Chairman, the Chief Executive Officer and the Executive Vice Presidents *(Directeurs Généraux Délégués);*
- to appoint a Senior Independent Director who is to be selected from amongst the list of independent Directors recommended by the Ethics and Governance Committee for a renewable two-year term. The appointment of a Senior Independent Director is mandatory when a single person fills the positions of Chairman of the Board and Chief Executive Officer. The Senior Independent Director duties are the following:
  - to assist the Chairman in the organization and the functioning of the Board and its Committees,
  - to request at any time the Chairman and Chief Executive Officer to hold a meeting of the Board of Directors on a pre-determined agenda,
  - to fully participate at every meeting of the several specialized Board's Committees,
  - to bring to the attention of the Chairman and of the Board of Directors any potential conflict of interests that he/she has identified,
  - to chair the debates of the Board of Directors' meeting organized at least once a year to assess the performance, to set the objectives and the remuneration of the Chairman and Chief Executive Officer outside of his presence. This meeting of the Board of Directors takes place once the Senior Independent Director has carried out the annual performance appraisal of the Chairman and Chief Executive Director, and
  - to have access to documents and information deemed necessary for the accomplishment of his/her duties;
- to define Technip's strategy with the assistance of the Strategic Committee;
- to discuss, with the assistance of the Strategic Committee, major transactions considered by the Group, to determine the conditions subject to which such transactions will be undertaken and to provide its prior approval to significant transactions that depart from the strategy announced by the Company;
- to remain informed of all important events concerning Technip's business, in particular, investments and divestitures in an amount exceeding 3% of the value of shareholders' equity;
- to remain regularly informed as to the Company's financial position, its treasury position and its commitments;
- to proceed with checks and verifications that it deems appropriate and to ensure, in particular:
  - with the assistance of the Audit Committee, that entities subject to internal control function properly and that the Statutory Auditors perform their work in a satisfactory manner, and
  - that the specialized Committees that it has created function properly;
- to monitor the quality of disclosure provided to shareholders and to the financial markets through the financial statements that it reviews and the annual report, or in the case of major transactions;
- to convene and set the agenda for Shareholders' Meetings;
- to establish, on an annual basis, upon Nominations and Remunerations Committee's proposal the list of Directors considered "independent" pursuant to the corporate governance standards and recommendations applicable in France, as well as, where applicable, in the markets where the Company's securities are traded; and
- to authorize regulated agreements and security interests, guarantees and warranties given by the Company.

(1) In accordance with Article 1.3 of the AFEP-MEDEF Code, the Board of Directors' internal rules are available on the Company's website.

The Board of Directors meets at least four times a year, or more frequently as may be required by circumstances.

Directors may attend the Board of Directors' meetings physically, or be represented by proxy or, in all cases where it is legally authorized, participate by videoconference or other means of telecommunication that meet the technical qualifications provided for by applicable regulations.

Directors may speak French or English at meetings of the Board of Directors and its Committees.

The Board of Directors may establish specialized Committees and determine their composition and responsibilities. Committees that are established will exercise their activities under the direction of the Board of Directors.

The Board of Directors determines the terms of payment of Directors' fees *(jetons de présence)* and may allocate additional directors' fees to directors who are members of Board Committees, subject to the total amount approved by the Shareholders' Meeting.

The Board of Directors formally evaluates its operating policies at intervals of no more than three years. In addition, it holds an annual discussion on its operations.

b. The Board of Directors' Work in 2015

During financial year 2015, the Board of Directors met 11 times among which one meeting was under the form of a strategic seminar of one day and a half in December 2015. The attendance rate for all Directors was 95%. The average duration of the Board of Directors' meetings was approximately three hours and a half.

Members of the Board of Directors	Attendance rate of the meetings of the Board of Directors in 2015
Thierry Pilenko	100%
Olivier Appert	100%
Pascal Colombani	100%
Leticia Costa	100%
Marie-Ange Debon	91%
C. Maury Devine	100%
Manisha Girotra	82%
Alexandra Bech Gjørv	91%
Gérard Hauser	82%
John O'Leary	100%
Joseph Rinaldi	100%
Pierre-Jean Sivignon	91%

In accordance with the recommendations of the AFEP-MEDEF Code, the internal rules of the Board of Directors provide that Directors who are external to the Company (neither executive Directors nor employees) have the option to meet periodically, to the extent they consider it necessary, outside the presence of the one "in-house" Director of the Company, *i.e.,* Thierry Pilenko (Article 10.4). External Directors thus meet at least once a year, in particular, in order to assess the performance of the Chairman and Chief Executive Officer.

Directors receive all of the information that may be useful to the exercise of their duties, pursuant to the given agenda, prior to each Board meeting. Documents for these purposes, which are to be reviewed in a Board meeting are made available to Board members the week before the meeting in compliance with the rule that the Company establish. Since the end of 2011 the directors receive, in a secure manner, all the documents relating to a Board meeting on a tablet computer provided by the Company.

Each Board meeting is minuted in French, and such draft minutes are included amongst the documents sent to directors in advance of the subsequent Board meeting, and they are submitted for the Board's approval at the beginning of the meeting.

In 2015, after reviewing the reports of the Audit Committee, the Strategic Committee, the Nominations and Remunerations Committee and the Ethics and Governance Committee regarding matters that fall within the scope of their respective scope, the Board of Directors worked on matters including the following:

- Financial and accounting matters:
  - review and setting of the annual accounts and consolidated financial statements for the financial year 2014, the first half-year consolidated financial statements for financial year 2015, upon the Audit Committee's recommendation and the Statutory Auditors' opinions;
  - review of draft press releases announcing the financial results under the period reviewed;
  - review of the half-year report and 2015 interim financial information upon the Audit Committee's recommendation;
  - review of the 2016 budget and the investment plan;
  - review of the cash flow forecasts; and
  - assessment of the provisional management accounts.
- Preparation of the Annual Shareholders' Meeting:
  - the notice of the meeting, determination of the agenda and draft resolutions; and
  - review of the Reference Document and setting of the information of the Management Report of the Board of Directors, of the Annual Financial Report, of the Chairman's Report on Internal Control and of the Society and Environment Report included in the Reference Document;
  - review and validation of the non-binding opinion on the components of the compensation of the Chairman and Chief Executive Officer ("say on pay") to be presented to the shareholders.
- Decisions, in particular regarding:
  - the determination of the Chairman and Chief Executive Officer's compensation and of its objectives for 2015;
  - the composition of the special committees of the Board of Directors;
  - the list of directors qualified as "independent directors";
  - the distribution of directors' fees;
  - the implementation of the authorization of 2015 Annual General Meeting relating to repurchase of shares;
  - the grant of one tranche of options, the grant of one tranche of performance shares, the recording of the share capital increase resulting from the exercise of the share subscription options, the recording of the share capital increase resulting from the payment of the dividend in shares, the recording of the share capital increase resulting from the implementation of an increase of capital in the context of a Group Employee Plan; and
  - the authorization to issue parent company guarantees.
- Review, in particular, of the information and the strategy on the Group's operations.

At the end of each Board meeting, Directors only, including the Chairman and Chief Executive Officer meet (executive sessions). To optimize the participation to such sessions, it can be decided to put them before the meeting of the Board of Directors. In all cases when debates personally relate to the Chairman and

Chief Executive Officer (assessment of his performance, set up of his compensation, renewal of his mandates etc), directors met without the presence of the latter. Furthermore, the last Board of Directors' meeting of 2015 decided that directors meet on a regular basis without the presence of the Chairman and CEO, the sole executive director of the Company.

In 2015, the Senior Independent Director actively participated in the work of the Board of Directors and its Committees including the ones of which he is not a designated member, as permitted by the internal rules of the Board. He attended several meetings of the Audit Committee.

Furthermore, he was in contact with the Chairman and CEO on a regular basis during the financial year, in order notably to prepare the meetings of the Board. He had exchanges with the Chairman and CEO on operational issues of the Group and on the evolution of some persons belonging to the top management. In addition, the Senior Independent Director held Thierry Pilenko's annual performance appraisal meeting and set his objectives for the year to come.

C. Maury Devine replaced Gérard Hauser in such position on April 23, 2015.

4.1.3. Committees of the Board of Directors

In order to assist in the performance of its duties, the Board of Directors has established four special Committees: an Audit Committee, a Nominations and Remunerations Committee and a Strategic Committee, which were formed in 2003, and an Ethics and Governance Committee which was formed in 2008.

The formation of the Audit Committee and the Nominations and Remunerations Committee satisfies the recommendations of the AFEP-MEDEF Code pursuant to which the examination by the Board of Directors of the annual accounts, the monitoring of any internal audit and the compensation policy should each be subject to the preparatory work performed by a special Board Committee (Article 15). The Board established two other special Committees: the Strategic Committee and the Ethics and Governance Committee to address specific matters as permitted by the AFEP-MEDEF Code (Article 15).

a. The Audit Committee

As of February 29, 2016, the Audit Committee's members were as follows:

Member	Title	Date of first appointment
Pierre-Jean Sivignon	Chairman*	April 25, 2013
Pascal Colombani	Member	October 23, 2012
Marie-Ange Debon	Member	October 26, 2010
Alexandra Bech Gjørv	Member	October 23, 2012
Joseph Rinaldi	Member	April 23, 2015

* Chairman since April 24, 2014

The Committee's internal charter provides that the Audit Committee must comprise at least three Directors appointed by the Board of Directors, with at least two thirds qualifying as independent according to the criteria of the AFEP-MEDEF Code. In considering the appointment of Directors to the Audit Committee, the Board of Directors carefully reviews their independence and ensures that at least one member has specific qualifications in financial and accounting matters, as required by Article L. 823-19 of the French Commercial Code.

As of February 29, 2016, due to their education and professional experience, qualifications in financial and accounting matters, all of the Audit Committee members satisfied the requirements of Article L. 823-19 of the French Commercial Code which provides that at least one member of the Audit Committee shall have such skills and the requirements of Article 16.1 of the AFEP-MEDEF Code. 80% of the Audit Committee's members were independent Directors, *i.e.,* a proportion greater than that required pursuant to the recommendations of the AFEP-MEDEF Code, pursuant to which the proportion of independent Directors should be at least two thirds (Article 16.1) and by Article L. 823-19 of the French Commercial Code according to which at least a member of the Audit Committee must be independent. In accordance with the AFEP-MEDEF Code, the Audit Committee does not include as a member the Chairman and Chief Executive Officer who is the sole executive Director (Article 16.1).

The Committee appoints its Chairman and its Secretary.

On December 17, 2003, the Board of Directors adopted the internal rules of the Audit Committee and updated them on February 17, 2015.

Function of the Audit Committee

In accordance with law (Article L. 823-19 of the French Commercial Code) and Article 16 of the AFEP-MEDEF Code, the primary function of the Audit Committee is to enable the Board of Directors to ensure the quality of internal control and the integrity of the disclosure made to the Company's shareholders and to the financial markets.

The Audit Committee monitors issues relating to the preparation and control of accounting and financial information. In particular, it is mainly responsible for:

- monitoring the process for the preparation of financial information;
- monitoring the effectiveness of internal control and risk management systems, in particular:
  - evaluating internal control procedures as well as any measures adopted to fix any significant problems encountered,
  - reviewing the scope of work for internal and external auditors, and
  - assessing the relevance of risk analysis procedures;
- monitoring the legal verification by Statutory Auditors' of the annual accounts and the Consolidated Financial Statements, especially:
  - analyzing the assumptions used in closing the accounts and reviewing the Company's financial statements and the consolidated annual and interim financial statements or information prior to the Board of Directors' review by remai-

ning informed of the Company's financial situation, liquidity and commitments,
  - evaluating the relevance of the adopted accounting principles and methods in collaboration with the Statutory Auditors, and
  - at some time between the end of the financial year and the date on which the Audit Committee reviews a draft of the financial statements, discussing the relevance of the adopted accounting principles and methods, the effectiveness of accounting control procedures and any other relevant matters with Technip's Chairman and Chief Executive Officer and Group Chief Financial Officer;
- issuing a recommendation to the Shareholders' Meeting in relation to the appointment and compensation the Statutory Auditors;
- ensuring the independence of the Statutory Auditors, in particular, by:
  - recommending procedures to be followed when engaging the Statutory Auditors for purposes other than the auditing of the financial statements to guarantee the independence of the auditing provided by the Statutory Auditors, in accordance with rules, regulations and recommendations applicable to Technip, and ensuring that such procedures are appropriately followed, and
  - authorizing all engagements of the Statutory Auditors for purposes other than in connection with the auditing of the financial statements;
- reviewing the conditions applicable to the use of derivative products;
- remaining informed of major legal proceedings on a periodic basis;
- examining the procedures required to be implemented regarding the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, as well as documents sent anonymously and confidentially by employees raising concerns regarding questionable accounting or auditing matters;
- generally, advising and preparing all appropriate recommendations on the above matters.

Operating Procedures

The Audit Committee may interview the Company's Chairman and Chief Executive Officer and any operational or functional business heads or visit any sites in order to perform its duties, in accordance with Article 16.3 of the AFEP-MEDEF Code. In particular, the Committee may interview persons involved in the preparation or control of the accounts (Group Chief Financial Officer and main managers of the Financial Division, the Audit Director, and Group General Counsel).

The Audit Committee also interviews the Statutory Auditors, and may do so outside the presence of Company representatives.

The Audit Committee can call upon outside experts as needed making sure they have the requisite skills and independence.

Directors who are not members of the Committee can freely attend the Committee's meetings however this participation does not entitle them to receive Directors' fees in this respect.

Audit Committee Work Report

The Chairman of the Audit Committee presents to the Board of Directors a written report so that the Board is fully informed regarding the Committee's work.

If, over the course of exercising its duties, the Committee detects a material risk that appears as though it has not been adequately addressed, the Committee's Chairman must immediately report it to the Chairman and Chief Executive Officer.

The Committee prepares for the Board of Directors each year an assessment of its operating policies, in accordance with the requirements of its internal rules, and proposes improvements to its operating practices.

The Committee's internal rules require it to meet at least four times per year, in particular, to review the annual Consolidated Financial Statements and quarterly financial information.

During financial year 2015, the Committee met six times with an attendance rate of 100%.

In 2015, the Audit Committee's work included the review of the following main matters:

- the proposed candidates for the renewal of the mandates of the Statutory Auditors;
- the 2015 Internal Audit Plan;
- the 2015 audit budget;
- the Statutory Auditors' fees;
- the results of the Internal Control works in 2014;
- the results of the Internal Audit works in the second half of 2014;
- the results of the Internal Audit works performed during the first half of 2015 as well as the status of remediation plan for audit mission performed in the second half of 2014;
- the annual financial statements for 2014 and the financial information for the fourth quarter of 2014;
- financial information for the first quarter of 2015;
- financial information for the second quarter of 2015 and of the Consolidated Financial Statements for the first half of 2015;
- financial information for the third quarter of 2015;
- the review of the presentation of accounting standards evolution;
- the monitoring of tax risks;
- the status of specific contracts to be monitored;
- the review of treasury matters and forex exposure management;
- the review of Enterprise risk management report relevant to first quarter 2015.

Compensation

With the exception of reimbursement for expenses, Audit Committee members may not receive any compensation from the Company or its subsidiaries, other than (i) directors' fees *(jetons de présence)* for their services as a director and as a member of the Audit Committee and, where applicable, (ii) compensation and pension income for work previously performed for the Company, but not dependent on future services.

Directors' fees allocated in 2015 and 2014 are discussed in Section 4.2.1 (Table 3 and b) of this Reference Document.

b. The Nominations and Remunerations Committee

In compliance with the AFEP-MEDEF Code, the remunerations policy and the nominations of directors and officers *(mandataires sociaux)* is reviewed by a unique committee, the Nominations and Remunerations Committee (Article 17).

As of February 29, 2016, the Nominations and Remunerations Committee's members were as follows:

Member	Title	Date of first appointment
Gérard Hauser	Chairman	June 23, 2010
C. Maury Devine	Member	April 28, 2011
John O'Leary	Member	April 25, 2013

The Committee's internal charter provides that the Committee must comprise at least three directors appointed by the Board of Directors, the majority of whom must be independent.

The Chairman and Chief Executive Officer, the only executive director, is not a member of the Committee.

As of February 29, 2016, all members of the Nominations and Remunerations Committee were independent directors, which surpasses the recommendations of the AFEP-MEDEF Code, according to which the majority of the Committee's members must be independent directors and none of whom can be an executive director (Articles 17.1 and 18.1). Furthermore, in accordance with Article 18.1, the Chairman of the Committee is an independent director.

The Committee appoints its Chairman and its Secretary.

On May 21, 2003, the Board of Directors adopted the internal rules of the Nominations and Remunerations Committee and updated them on February 18, 2009.

Function of the Nominations and Remunerations Committee

In accordance with the AFEP-MEDEF Code, the Nominations and Remunerations Committee carries out preparatory work regarding the appointment of new Board members and corporate officers, the compensation policy and the policy for granting share subscription or share purchase options and performance shares to executive Directors, Directors, and Senior Officers (Articles 17 and 18).

The Committee is mainly responsible for the following:

- making recommendations to the Board of Directors for the appointment of Directors, the Chairman, the Chief Executive Officer and Executive Vice Presidents *(Directeurs Généraux Délégués)*, where applicable; and
- examining executive compensation policies implemented within the Group and the compensation of senior management, proposing the compensation of the Chairman, the Chief Executive Officer and Executive Vice Presidents and, where applicable, and preparing any reports that the Company is required to establish on the foregoing.

Its main duties include the following:

a) With respect to appointments:

1. presenting recommendations to the Board of Directors regarding the composition of the Board of Directors and its Committees;
2. proposing to the Board of Directors, on an annual basis, a list of Directors of the Company qualified as "independent Directors" pursuant to applicable recommendations in France and of the regulated markets on which the Company's securities are traded;
3. designing a plan for the replacement of, and assisting the Board of Directors in the choice and evaluation of, the Chairman, the Chief Executive Officer and Executive Vice Presidents, where applicable;
4. setting forth a list of persons it may recommend for appointment as Directors;
5. setting forth a list of Directors it may recommend for appointment as a member of a Committee of the Board of Directors; and
6. preparing and presenting the annual report to the Board of Directors on the Nominations and Remunerations Committee's work.

b) With respect to compensation:

1. to consider the principal objectives proposed by the General Management in relation to the remuneration of the supervisors who are not corporate officers of the Company or the Group, including performance shares and share subscription or share purchase options and other plans based upon the value of their contribution ("equity-based plans");
2. to suggest to the Board of Directors proposals for:
   - the compensation, retirement and health plans, benefits in kind and other financial rights, including the form of severance of the Company's Chairman, Chief Executive Officer and Executive Vice Presidents, where applicable,
   - the Committee will propose amounts, compensation structures and, in particular, rules for determining the variable portion of compensation, after taking into account the Company's strategy, objectives and financial results as well as market practices, and
   - the grant of performance shares and share purchase and share subscription options and, in particular, those granted to the Chairman, the Chief Executive Officer and Executive Vice Presidents, where applicable;
3. reviewing the compensation of the members of the Executive Management, including in the form of performance share plans, share purchase and share subscription option plans, equity-based plans, retirement and health plans and benefits-in-kind;
4. reviewing and proposing to the Shareholders' Meeting the total amount of Directors' fees, to fix their distribution among Board of Directors and Special Committees' members, as well as the terms and conditions for the reimbursement of expenses incurred by Directors;
5. preparing and presenting the reports provided for by the internal rules of the Board of Directors; and
6. preparing any other recommendations regarding compensation, which may be requested at any time by the Board of Directors or the Executive Management.

Generally, the Committee advises and provides all appropriate recommendations on the above issues.

The Committee's proposals are presented to the Board of Directors.

Operating Procedures

The Nominations and Remunerations Committee may seek proposals from the Company's Chairman and Chief Executive Officer.

The Company's Chairman and Chief Executive Officer may attend the Committee's meetings without the right to cast a vote, except for those meetings during which matters relating to him are discussed.

Directors who are not members of the Committee can freely attend the Committee's meetings however this participation does not entitle them to receive Directors' fees in this respect.

Subject to confidentiality requirements in respect of its discussions, the Committee may request that the Chairman and Chief Executive Officer benefit from the assistance of any Company executives whose expertise may be facilitate a decision with respect to an item on the Committee's agenda.

Nominations and Remunerations Committee Work Report

The Chairman of the Nominations and Remunerations Committee presents to the Board of Directors a written report so that the Board is fully informed regarding the Committee's work.

The Committee reviews a draft Company's report on executive compensation as well as any reports on all matters within the scope of its duties as required by applicable regulations.

The Committee presents to the Board of Directors an assessment each year of its operating policies, in accordance with its internal rules, and suggests improvements to its operating practices.

The Committee's internal rules require it to meet at least twice per year.

During financial year 2015, the Committee met three times with an attendance rate of 100%.

In 2015, the Nominations and Remunerations Committee's work mainly focused on proposals to the Board of Directors on the following matters:

- General:
  - appraisal of the Committee's operation and work in 2015.
- With respect to appointments:
  - list of Directors qualified as independent Directors;
  - amendments to the composition of Board Committees.
- With respect to compensation:
  - compensation for the Chairman and Chief Executive Officer and more precisely the non-binding opinion on the components of his compensation ("say on pay") to be presented to the shareholders;
  - 2015 objectives of the Chairman and Chief Executive Officer;
  - compensation for the members of the Executive Committee;
  - draft text for inclusion in the Reference Document with respect to the compensation of executives;
  - allocation of options and performance shares for the Chairman and Chief Executive Officer and the principal executives;
  - review of the incentive plan: TIRP 2015;
  - results of the performance conditions for incentive plans effective in 2015;
  - first analysis of the conditions of TIRP 2016;
  - audit of incentive plans;
  - distribution of Directors' fees for 2015.

Compensation

Members of the Nominations and Remunerations Committee may not receive from the Company or its subsidiaries, with the exception of reimbursement for expenses, any compensation other than (i) Directors' fees *(jetons de présence)* for their services as Director and member of the Committee, and, where applicable, (ii) retirement and pension income for work previously performed for the Company, but not dependent on future services.

The Directors' fees allocated in 2015 and 2014 are detailed in Section 4.2.1 (Table 3 and b) of this Reference Document.

c. The Strategic Committee

As of February 29, 2016, the Strategic Committee's members were as follows:

Member	Title	Date of first appointment
Pascal Colombani	Chairman	April 27, 2007
Joseph Rinaldi	Vice-Chairman	June 23, 2010
Manisha Girotra	Member	June 14, 2013
Gérard Hauser	Member	April 30, 2009
Didier Houssin	Member	February 23, 2016
John O'Leary	Member	June 14, 2013

The Committee's internal charter provides that the Committee must be comprised of at least three directors appointed by the Board of Directors.

As of February 29, 2016, more than 80% of the Strategic Committee's members were independent directors.

The Committee appoints its Chairman and its Secretary.

On May 21, 2003, the Board of Directors adopted the internal rules of the Strategic Committee and updated them on February 18, 2009.

Function of the Strategic Committee

The Strategic Committee assists the Board of Directors in examining and making decisions regarding important transactions involving the Group's main strategic orientations.

In order to assist the Company's Board of Directors, the Strategic Committee's main duties include the review of the following matters:

- the Group's global strategy, as proposed by the Company's Chairman and Chief Executive Officer;
- the Group's annual investment budget;
- any major asset acquisitions (as well as any associated financing) or asset divestments; and
- any transactions proposed by the Company's Chairman and Chief Executive Officer that may present a significant business risk.

The Committee's proposals are presented to the Board of Directors.

Operating Procedures

The Strategic Committee may seek proposals from the Company's Chairman and Chief Executive Officer. The Company's Chairman and Chief Executive Officer attends every meeting.

Directors who are not members of the Committee can freely attend the Committee's meetings however this participation does not entitle them to receive directors' fees in this respect.

The Committee may request that the Chairman and Chief Executive Officer benefit from the assistance of any Company executives whose expertise may facilitate a decision with respect to an item on the Committee's agenda.

Strategic Committee Work Report

The Chairman of the Strategic Committee presents a written report to the Board of Directors so that the Board is fully informed regarding the Committee's work.

The Committee presents an annual assessment of its operating policies, in accordance with the requirements of its internal rules, and proposes improvements to its operating practices.

The Committee's internal rules require it to meet at least twice per year.

During financial year 2015, the Committee met twice with an attendance rate of 100%

In 2015, the Strategic Committee's work mainly focused on the following matters:

- the assessment of the Oil and Gas market environment;
- the Group's external growth policy;
- the implementation of key initiatives from the three-year outlook; and
- the 2016 budget as well as the scenario of the mid-term plan.

Compensation

With the exception of reimbursement for expenses, Strategic Committee members may not receive any compensation from the Company or its subsidiaries, other than (i) Directors' fees *(jetons de présence)* for their services as Director and as member of the Strategic Committee, where applicable, (ii) compensation and pension income for work previously performed for the Company, but not dependent on future services.

Directors' fees allocated in 2015 and 2014 are detailed in Section 4.2.1 (Table 3 and b) of this Reference Document.

d. The Ethics and Governance Committee

As of February 29, 2016, the Ethics and Governance Committee's members were as follows:

Member	Title	Date of first appointment
C.Maury Devine	Chairman*	April 25, 2013
Leticia Costa	Member	April 23, 2015
Alexandra Bech Gjørv	Member	April 25, 2013
Didier Houssin	Member	February 26, 2016
John O'Leary	Member	April 23, 2015

* Chairman since April 24, 2014.

The Committee's internal charter provides that the latter must be comprised of at least three Directors appointed by the Board of Directors.

As of February 29, 2016, 75% of the Ethics and Governance Committee's members were independent directors.

The Committee appoints its Chairman and its Secretary.

On December 9, 2008, the Ethics and Governance Committee's internal rules were approved by the Board of Directors and updated them on December 14, 2011.

Function of the Ethics and Governance Committee

The Committee assists the Board of Directors in promoting best practices of governance and ethics within the Group.

The Committee's main duties include:

- developing and recommending to the Board of Directors principles regarding corporate governance applicable to the Company and to monitor their implementation;
- monitoring compliance with principles of ethical conduct and discussing all matters that the Board of Directors (or its Chairman) may refer to it for examination;
- proposing methods for the evaluation of Board practices and monitoring their implementation based on the following:
  - the Board of Directors must, once per year, dedicate an item in its agenda to discussion on its operating procedures, and
  - a formal assessment must be performed at least once every three years; and
- proposing to the Board of Directors the name of a Director selected amongst independent Directors for the role of Senior Independent Director.

Operating Procedures

Directors who are not members of the Committee can freely attend the Committee's meetings however this participation does not entitle them to receive Directors' fees in this respect.

The Committee may request that the Chairman and Chief Executive Officer benefit from the assistance of any Company executives whose expertise may facilitate the decision with respect to an item on the Committee's agenda.

Ethics and Governance Committee Work Report

The Ethics and Governance Committee presents to the Board of Directors a written report so that the Board is fully informed regarding the Committee's work.

The Committee presents an annual assessment of its operating policies, in accordance with the requirements of its internal rules, and proposes improvements to its operating practices.

The Committee's internal rules require it to meet at least twice per year.

During financial year 2015, the Committee met twice with an attendance rate of 100%.

In 2015, the Ethics and Governance Committee's work mainly focused on his proposals to the Board of Directors on the following matters:

- With respect to Ethics:
  - activity Report submitted by teams dedicated to ethics;
  - follow up of actions initiated the previous years regarding risk country specificities;
  - report on the implementation on the three-year review program regarding validations of commercial consultants.
- With respect to Governance:
  - in-depth Board of Directors assessment and actions plan;
  - Annual General Meeting road show feed back.

Compensation

With the exception of reimbursement for expenses, Ethics and Governance Committee members may not receive any compensation from the Company or its subsidiaries, other than (i) Directors' fees *(jetons de présence)* for their services as Director and as member of the Ethics and Governance Committee, where applicable, (ii) compensation and pension income for work previously performed for the Company, but not dependent on future services.

Directors' fees allocated in 2015 and 2014 are discussed in Section 4.2.1 (Table 3 and b) of this Reference Document.

4.1.4. Corporate Governance: Evaluation of the Board of Directors and its Committees

In accordance with the provisions of its internal rules and with the provisions of the AFEP-MEDEF Code (Article 10), the Board of Directors conducted on February 17, 2015, a global review of its own operation policies as well as those of its committees and concluded that they were all functioning properly.

Furthermore, the Board of Directors pursued the implementation of the recommendations contained in the last in-depth evaluation which was conducted in 2014 with the assistance of an external consultant. On December 9, 2015, the Board of Directors made an implementation progress especially pointing out the following:

- a specific focus on the follow up of strategic issues especially with the meeting of the Board of Directors in strategic seminar of one day and a half in December 2015;
- the use of a new software for the directors to make documents available;
- a better interaction between directors and members of Committees;
- a strengthening of the operational involvement of the Ethics and Governance Committee with the appointment of John O'Leary in this Committee.

4.1.5. Contracts between the Board Members and the Company or one of the Group's Company

Neither of the members of the Board of Directors, nor the Chairman and Chief Executive Officer have in place any service agreement with the Company or one of its subsidiaries, which provide for the granting of benefits pursuant to such an agreement.

4.1.6. The Company's management

a. The Chairman and Chief Executive Officer

The Ordinary Shareholders' Meeting of April 23, 2015 renewed Thierry Pilenko for the second time as a director for a four-year term expiring after the Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.

At its meeting of April 23, 2015, the Board of Directors (i) renewed Thierry Pilenko as Chairman of the Board of Directors, (ii) reelected to combine the offices of Chairman and Chief Executive Officer of the Company into one office, after having determined that this form of organization was the most appropriate to the Company in the light of his two previous mandates, and (iii) renewed Thierry Pilenko as Chairman and Chief Executive Officer for the duration of his term of office with the Board of Directors. Technip had reinforced existing control mechanisms in creating a function of Senior Independent Director whose missions are detailed in Section 4.1.2 of the Reference Document of the Company for the year ended December 31, 2015. The Internal Rules of the Board of Directors which were last amended in 2015 indicated that the appointment of a Senior Independent Director is mandatory when a single person fills the positions of Chairman of the Board and Chief Executive Officer. On April 23, 2015, the Board of Directors entrusted this position to C. Maury Devine for a period of two years until the date of the Shareholders' Meeting approving the financial statements for the year ending December 31, 2016.

As of December 31, 2015, the Board of Directors had appointed no Executive Vice President *(Directeur Général Délégué)*.

b. The Executive Committee (Excom)

The Excom assists the Chairman and Chief Executive Officer in his management duties.

As of February 29, 2016, the members of the Executive Committee were as follows:

Member	Title	Date of appointment to the Excom
Thierry Pilenko	Chairman and CEO	01/15/2007
Knut Boe	President North Sea Canada	01/13/2014
John Mark Freeman	Group General Counsel	10/16/2015
Hallvard Hasselknippe	President Subsea	01/13/2014
Thierry Parmentier	Group Human Resources Director	06/22/2009
Nello Uccelletti	President Onshore/Offshore	01/01/2008
Marco Villa	President EMIA	02/19/2016
Julian Waldron	Group Chief Financial Officer	10/28/2008

The Excom prepares decisions for submission to Technip's Board of Directors, concerning, in particular, the approval of the financial statements, the development of objectives and budgets, strategic orientations and the acquisitions or divestitures of assets and companies. It reviews the progress of major contracts and important investment decisions and also reviews plans and recommendations relating to internal auditing, IT and telecommunications, human resources and asset management issues.

It met 15 times in 2015.

4.1.7. Statements on the Administrative, Management and Supervisory Bodies and the Senior Management

a. Absence of Fraud Judgment, Bankruptcy Procedure, Criminal or Official Sanction

To the Company's knowledge over the past five years:

- no judgment for fraud has been rendered against a member of the Board of Directors or the Chairman and Chief Executive Officer;
- none of the members of the Board of Directors or the Chairman and Chief Executive Officer has been, the subject of a bankruptcy, sequestration or liquidation procedure as a member of an administrative, management or supervisory body or as a Chief Executive Officer;
- no criminal and/or official public sanction has been made against any of the members of the Board of Directors of the Company or the Chairman and Chief Executive Officer by any regulatory authority (including professional organizations); and
- none of the members of the Board of Directors or the Chairman and Chief Executive Officer has been prevented by any tribunal from acting as a member of an executive board or a supervisory board of an issuer or to participate in the management or conduct of the business of an issuer.

b. Absence of Potential or Recognized Conflicts of Interests

To the Company's knowledge no potential or recognized conflicts of interest exist between Technip and its directors in respect of the duties they owe to the Company and their private interests.

To the Company's knowledge no arrangement or understanding with major shareholders, customers, suppliers or others exists according to which one Board member was selected in such quality.

To the Company's knowledge, excluding what is described in Sections 4.1.1, 4.1.3, 4.2.1, 4.3.1, 4.3.3 and 4.3.4 of this Reference Document, there are no restrictions agreed by the members of the Board of Directors or the Management concerning the transfer of their holding in the Company's share capital.

c. Loans and Guarantees Granted to Directors

The Company has not granted any loans or guarantees to a member of the Board of Directors, including the Chairman and Chief Executive Officer.

4.2. COMPENSATION AND BENEFITS

4.2.1. Compensation and Other Benefits Granted to Directors

a. Tables Regarding Compensation of Executive Directors

The tables below provide details in a uniform manner for the compensation of the Chairman and Chief Executive Officer, as executive director, the other directors and the first 10 employees in the Group (other than directors and officers *(mandataires sociaux))*, in accordance with the AMF Recommendation dated December 22, 2008, on information to be disclosed on the compensation of executive directors of listed companies issued following the AFEP-MEDEF recommendations of October 2008 on the compensation of executive directors of listed companies that are included in the AFEP-MEDEF corporate governance code, which was revised in November 2015 (the "AFEP-MEDEF Code").

The total amount of compensation, stock options and performance shares granted to the Chairman and Chief Executive Officer as executive director, for the financial years 2014 and 2015 is as follows:

1. Summary table of the compensation, stock options and shares accruing to Thierry Pilenko, Chairman and Chief Executive Officer, as executive director

In Euro	2014 financial year	2015 financial year
Thierry Pilenko, Chairman and Chief Executive Officer		
Compensation due in respect of the financial year	1,984,608	1,980,000
Valuation of the stock options awarded during the financial year (a)	-	598,422
Valuation of the performance shares awarded during the financial year (b)	-	1,001,990
TOTAL	**1,984,608**	**3,580,412**

(a) The valuation assumptions regarding these options are described in Note 20 (h) of the Group Consolidated Financial Statements (see Section 6.1 of this Reference Document).

(b) The valuation assumptions regarding these shares are described in Note 20 (i) of the Group Consolidated Financial Statements (see Section 6.1 of this Reference Document).

The total amount of compensation that fell due and was paid, as well as all other benefits granted to the Chairman and Chief Executive Officer, as executive director, over financial years 2014 and 2015 is as follows:

2. Summary table of the compensation of Thierry Pilenko, Chairman and Chief Executive Officer

	2014 financial year		2015 financial year	
Thierry Pilenko, Chairman and Chief Executive Officer *In Euro*	Due	Paid	Due	Paid
Fixed compensation	900,000	900,000	900,000	900,000
Variable compensation (a)	904,608	904,608	900,000	900,000
Extraordinary compensation (b)	180,000	180,000	180,000	180,000
Directors' fees (c)	-	-	-	-
Fringe benefits (d)	4,211	4,211	4,211	4,211
TOTAL	**1,988,819**	**1,988,819**	**1,984,211**	**1,984,211**

(a) The amount due is based on a variable reference compensation; on a year N basis, it can vary from 0% to 200% of the N-1 basis of the annual compensation. For more details on the variable compensation, see Section 4.2.1 of this Reference Document.

(b) Due amount for the 2011 Cash Plan (paid in 2014) and the 2012 Cash Plan (paid in 2015).

(c) Thierry Pilenko does not receive any directors' fees for the positions he holds as a company director or in the Group's companies.

(d) Since 2014, a complementary health insurance was subscribed for Thierry Pilenko including repatriation insurance.

Under the 2012 Plan, the definitive acquisition is governed by the arithmetical average of the two best of the three metrics (TRCF, OIFRA, Order intake) over the fiscal years 2012, 2013, 2014.

The rate of achievement for each of these criteria is given in the table hereafter. Therefore the definitive acquisition under the 2012 Cash Plan reaches 100%.

Cash Plan	Rate of achievement*	Actual
Group Safety performance: TRCF (Total Recordable Case Frequency) (1)	100%	0.23
Group OIFRA	100%	€2.470 Bn
Group Order Intake	100%	€38.068 Bn

(1) The frequencies are calculated by 200,000 hours worked.
* Performance capped to 100% for the computation.

The gross individual amounts of directors' fees for financial year 2014, which were paid in January 2015, and for financial year 2015, which were paid in January 2016 to each Board member were as follows:

3. Directors' fees table

Board members	Directors fees for the 2014 financial year *(in Euro)*	Directors fees for the 2015 financial year *(in Euro)*
Olivier Appert	49,860	59,020
Pascal Colombani	79,360	78,020
Leticia Costa	77,360	74,020
Marie-Ange Debon	59,360	66,520
C. Maury Devine	84,860	88,687
Manisha Girotra	60,360	58,020
Alexandra Bech Gjørv	71,360	72,020
Gérard Hauser	88,860	73,353
John O'Leary	76,860	74,020
Joseph Rinaldi	73,360	77,520
Pierre-Jean Sivignon	74,360	78,520
Thierry Pilenko	-	-
TOTAL	**795,960**	**799,720**

Directors (other than the Chairman and Chief Executive Officer) do not receive any other compensation from the Company or other companies of the Group.

The total amount of share purchase options or share subscription options granted during financial year 2015 to the Chairman and Chief Executive Officer, as executive director, by the Company or by any Group company is as follows:

4. Share purchase options or share subscription options granted by the Company during the financial year 2015 to the executive director

Name of the executive director	Number and date of the plan	Nature of the options (purchase or subscription)	Valuation of the options according to the method used for the consolidated financial statements	Number of options awarded during the financial year	Exercise price	Exercise period
Thierry Pilenko	Plan 2015 September 7, 2015	subscription	€598,422 (a)	110,000 (b)	€ 47.83	09/07/2019 until 09/07/2023

(a) The valuation assumptions regarding these options are described in Note 20 (h) of the Group's Consolidated Financial Statements (see Section 6.1 of this Reference Document).

(b) The number of share subscription options granted by the Board of Directors on September 7, 2015, is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2015, 2016 and 2017 in terms of Total Shareholder Return (TSR), Operating Income from Recurring Activities (OIFRA) and Return on Capital Employed (ROCE).

The share purchase options or share subscription options exercised during financial year 2015 by the Chairman and Chief Executive Officer, as executive director are as follows:

5. Share subscription or purchase options exercised during financial year 2015 by the executive director

Name of the executive director	Number and date of the plan	Number of options exercised during the financial year	Exercise price	Award year
Thierry Pilenko	2009 Plan June 15, 2009	109,000	€ 34.70	2009

Thierry Pilenko, the Company's only executive director, does not engage in any risk hedging transactions with respect to the share purchase options or share subscription options that were granted to him, in accordance with recommendations of the AFEP-MEDEF Code (Article 23.2.4).

In addition, the Board of Directors fixed for the Chairman a holding rule for stock options which have been granted to him since 2007 corresponding to 25% of the realized net gain.

The total amount of performance shares granted by the Company to the Chairman and Chief Executive Officer, as executive director, during financial year 2015 is as follows:

6. Performance shares granted during the 2015 financial year to the executive director

Name of the executive officer	Number and date of the plan	Number of performance shares granted (purchase or subscription)	Valuation of shares according to the method used for the consolidated financial statements	Acquisition date	Availability date	Performance conditions
Thierry Pilenko	Plan 2015 September 7, 2015	33,000	€1,001,900 [(a)]	September 7, 2019	September 7, 2019	see [(b)] hereafter

(a) The valuation assumptions regarding these shares are described in Note 20 (i) of the Group's Consolidated Financial Statements (see Section 6.1 of this Reference Document).

(b) The number of performance shares granted by the Board of Directors on September 7, 2015, is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2015, 2016 and 2017 in terms of Health/Safety/Environment (HSE), Operating Income from Recurring Activities (OIFRA) and Net Cash Generated From Operational Activities.

The total amount of performance shares which became available for the Chairman and Chief Executive Officer, as executive director, during financial year 2015 is as follows:

7. Performance shares which became available for each executive director for financial year 2015

Name of the executive director	Number of performance shares which became available in 2015	Price	Grant date	Acquisition date, subject to compliance with the conditions set by the Board of Directors	Plan number
Thierry Pilenko	25,000 (*)	€58.56	June 15, 2012	June 15, 2015 (1)	2012 Plan Tranche 1

(*) The acquisition of the performance shares granted by the Board of Directors on June 15, 2012 was conditional upon the achievement of a Reference Performance to be measured on 2012, 2013 and 2014 fiscal years by the results of the Group over three consecutive years in terms of Health/Safety/Environment (HSE), Operating Income From Recurring Activities (OIFRA) and Net Cash Generated from Operational Activities metric. In accordance with Plan's rules, 100% of the shares have been acquired.

(1) These shares are unavailable for a period of two years i.e. until June 15, 2017 (refer to Section 4.3.4 of this Reference Document for a complete description of the performance share plans).

Performance criteria for 2012 Plan of performance shares are described in Section 4.3.4 of this Reference Document.

Thierry Pilenko, the Company's sole executive director, does not engage in any risk hedging transactions with respect to the performance shares that were granted to him, in accordance with recommendations of the AFEP-MEDEF Code (Article 23.2.4).

In addition, the Board of Directors fixed for the Chairman and Chief Executive Officer a holding rule for performance shares which have been granted since 2007 corresponding to 25% of the realized net gain.

Furthermore, complying with recommendations of the AFEP-MEDEF Code, the Board of Directors decided that, on acquisition of performance shares, Thierry Pilenko will be required to purchase a number of shares of the Company corresponding to 5% of the acquired performance shares. This requirement will not apply to Thierry Pilenko as long as he owns Technip shares for a value equal to at least 100% of his net base compensation (the said compensation being that of the year preceding the acquisition of the performance shares, and the value of Technip share being that of the close of market of the day before the performance shares were acquired).

8. History of share subscription options and share purchase options and information on share subscription and share purchase options

	2009 Plan	2010 Plan Tranche 1	2010 Plan Tranche 2	2010 Plan Tranche 3
	Subscription options	Subscription options	Subscription options	Subscription options
Date of Shareholders' Meeting	April 30, 2009	April 29, 2010	April 29, 2010	April 29, 2010
Date of Board of Directors' meeting	June 15, 2009	June 23, 2010	December 15, 2010	March 4, 2011
Number of options granted	1,093,175 (1)	1,102,300 (2)	19,400 (2)	81,300 (3)
Subscription price per option	€34.70	€51.45	€63.23	€72.19
Option exercise start date	June 15, 2013	June 23, 2014	December 15, 2014	March 4, 2015
Expiry date*	June 15, 2015	June 23, 2016	December 15, 2016	March 4, 2017
Total number of options available for subscription as of December 31, 2015	0	776,293	17,400	69,400
Number of options that may be subscribed as of December 31, 2015 by the Chairman and Chief Executive Officer, corporate officer (*mandataire social*)**	0	109,000	NA	NA
Number of options subscribed as of December 31, 2015	993,589	234,907	0	0
Number of options canceled as of December 31, 2015	99,586	91,100	2,000	11,900

* All the plans are subject to certain restrictions limiting the exercise of options in the event the employee or the manager ceases to work for the Company.

** The other directors and officers (*mandataires sociaux*) of the Company are not beneficiaries of Plans.

(1) The number of subscription options granted by the Board of Directors on June 15, 2009 was subject to a satisfactory performance for its shareholders over the period 2009-2012. This performance was measured by the progression of the Group's Consolidated Income in relation to a representative sample of the Group's competitors. No options can be exercised by the Chairman and Chief Executive Officer if the progression of the Group's Operating Income is less than that of each of the companies included in the sample. In accordance with the Plan rules, since the progression of the Group's Consolidated Income is superior or equal to the Final Reference Index, 100% of the options granted can be subscribed.

(2) The number of subscription options granted by the Boards of Directors on June 23, 2010 and December 15, 2010 was subject to a satisfactory performance over for its shareholders the period 2010-2013. This performance was measured by the progression of the Group's Consolidated Income in relation to a representative sample of the Group's competitors. 50% of the granted shares were subject to the level of achievement of the aforementioned performance recorded at the option exercise start date. No options can be exercised by the Chairman and Chief Executive Officer if the progression of the Group's Operating Income is less than that of each of the companies included in the sample. In accordance with the Plan rules, since the progression of the Group's Consolidated Income is superior or equal to the Final Reference Index, 100% of the options granted can be subscribed.

(3) The number of subscription options granted by the Board of Directors on March 4, 2011 was subject to a satisfactory performance for its shareholders over the period 2011-2014. This performance was measured by the progression of the Group's Consolidated Income in relation to a representative sample of the Group's competitors. 50% of the granted shares are subject to the level of achievement of the aforementioned performance recorded at the option exercise start date. No options can be exercised by the Chairman and Chief Executive Officer if the progression of the Group's Operating Income is less than that of each of the companies included in the sample. In accordance with the Plan rules, since the progression of the Group's Consolidated Income is superior or equal to the Final Reference Index, 100% of the options granted can be subscribed.

2011 Plan Tranche 1	2011 Plan Tranche 2	2011 Plan Tranche 3	2012 Plan Tranche 1	2012 Plan Tranche 2	2013 Plan Tranche 1	2013 Plan Tranche 2	2015 Plan
Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options
April 28, 2011	April 28, 2011	April 28, 2011	April 26, 2012	April 26, 2012	April 25, 2013	April 25, 2013	April 24, 2014
June 17, 2011	December 14, 2011	March 2, 2012	June 15, 2012	December 12, 2012	June 14, 2013	January 10, 2014	September 7, 2015
339,400 (4)	53,900 (4)	49,007 (4)	284,700 (5)	35,350 (5)	323,200 (6)	16,520 (6)	568,561 (7)
€72.69	€66.94	€78.39	€74.54	€87.13	€85.73	€68.47	€47.83
June 17, 2015	December 14, 2015	March 2, 2016	June 15, 2016	December 12, 2016	June 14, 2017	January 10, 2018	September 7, 2019
June 17, 2018	December 14, 2018	March 2, 2019	June 15, 2019	December 12, 2019	June 14, 2021	January 10, 2022	September 7, 2023
316,320	41,696	46,007	245,800	34,950	287,500	16,520	568,561
70,000	NA	NA	55,000	NA	50,000	NA	110,000
0	0	0	0	0	0	0	0
23,080	12,204	3,000	38,900	400	35,700	0	0

(4) The number of subscription options granted by the Boards of Directors on June 17, 2011, December 14, 2011 and March 2, 2012 was subject to a Reference Performance to be measured for the years 2011, 2012 and 2013. This performance was measured by the outcome reached by the Group in terms of the Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return on Capital Employed (ROCE). No options can be exercised by the Chairman and Chief Executive Officer if the Reference Performance, as defined in the Plan rules, is lower than 75%. On February 17 2015, the Board of Directors validated the plan's performance. This performance was measured at 94.4% on the portion which was submitted to risk.

(5) The number of subscription options granted by the Boards of Directors on June 15, 2012 and December 12, 2012 was subject to a Reference Performance to be measured for the years 2012, 2013 and 2014. This performance was measured by the outcome reached by the Group in terms of the Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return on Capital Employed (ROCE). No options can be exercised by the Chairman and Chief Executive Officer if the Reference Performance, as defined in the Plan rules, is lower than 75%.

(6) The number of subscription options granted by the Boards of Directors on June 14, 2013, January 10 and December 10, 2014 is subject to a Reference Performance to be measured for the years 2013, 2014 and 2015. This performance will be measured by the outcome reached by the Group in terms of the Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return on Capital Employed (ROCE). No options can be exercised by the Chairman and Chief Executive Officer if the Reference Performance, as defined in the Plan rules, is lower than 75%.

(7) The number of subscription options granted by the Board of Directors on September 7, 2015 is subject to a Reference Performance to be measured for the years 2015, 2016 and 2017. This performance will be measured by the outcome reached by the Group in terms of the Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return on Capital Employed (ROCE). No options can be exercised by the Chairman and Chief Executive Officer if the Reference Performance, as defined in the Plan rules, is lower than 75%.

The share purchase or share subscription options granted to and exercised by the 10 employees (other than directors and officers *(mandataires sociaux)*) with the largest number of options during financial year 2015 are as follows:

9. Share purchase or share subscription options granted to and exercised by the 10 employees (other than directors and officers) with the largest number of options

Share purchase or share subscription options granted to and exercised by the 10 employees (other than directors and officers) with largest number of options	Total number of granted shares/of shares subscribed or purchased	Weighted average price	Plan number
Options granted during the year by the issuer or by any company included in the grant perimeter to the 10 employees of the issuer or any company included in the grant perimeter, in receipt of the largest number of options (aggregate information)	182,000	€47.83	September 7, 2015 [(a)]
Options held on the issuer and the aforementioned companies exercised during the year by the 10 employees of the issuer or another Group company having bought or subscribed to the highest number of options (aggregate information)	79,300	€40.9310	June 15, 2009 June 23, 2010

(a) The number of shares resulting from the exercise of share purchase or share subscription options granted by the Board of Directors on September 7, 2015 is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2015, 2016 and 2017 in terms of Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return On Capital Employed (ROCE).

Other information regarding the Chairman and Chief Executive Officer, executive director is detailed in the following table:

10. Other information regarding the executive director

	Employment contract	Supplementary retirement plan	Compensations or benefits due or potentially due in case of suspension or change in the functions	Compensations relating to a non-compete agreement*
Thierry Pilenko	No	Yes [(a)]	No	Yes [(b)]

* For further details regarding commitments concluded with Thierry Pilenko, please refer to Section 7.6 of this Reference Document.
(a) See Section 4.2.1 of this Reference Document.
(b) See Section 4.2.1 of this Reference Document.

b. Directors' Fees

The Shareholders' Meeting of April 25, 2013 set the amount of directors' fees allocated to members of the Board of Directors at €800,000 for each of financial years 2013, 2014 and 2015. The amount actually paid in 2015 was €799,720. In accordance with the recommendations of the AFEP-MEDEF Code, directors' fees include a variable portion to be paid depending on the attendance rate at meetings of the Board and its Committees (Article 21.1 of the AFEP-MEDEF Code).

The amount of directors' fees *(jetons de présence)* for financial years 2014 and 2015 which were allocated to each Board member are detailed in Table 3 of Section 4.2.1 of this Reference Document.

The Board of Directors of December 8-9, 2015 approved the following distribution of directors' fees for 2015:

- a fixed amount of €359,700 distributed equally among Board members (with the exception of the Chairman and Chief Executive Officer (CEO) who does not receive directors' fees from the Company and its subsidiaries) *i.e.* €32,700 per director, adjusted, if needed, on a prorata basis;
- an additional amount of €2,000 per Board meeting distributed among directors (other than the Chairman and CEO), depending on the attendance rate of the Board members for 2015, plus €500 when the attendance to the meeting requires travel within a continent or plus €2,000 when the attendance to the meeting requires transoceanic or transcontinental travel;
- an additional amount, for 2015, distributed among directors, depending on the attendance rate of the directors to the meetings of the Committees (other than the Chairman and CEO) as follows:
  - €1,500 per meeting of the Strategic Committee, the Nominations and Remunerations Committee, the Ethics and Governance Committee, with a supplementary amount of €8,000 for each of the Chairmen of these three Committees, adjusted, if needed, on a prorata basis,
  - €2,000 per meeting of the Audit Committee with a supplementary amount of €12,000 for the Chairman of this Committee, adjusted, if needed, on a prorata basis,
  - €10,000 for the Senior Independent Director, adjusted, if needed, on a prorata basis.

c. Compensation of the Chairman and Chief Executive Officer

The compensation of the Company's Chairman and Chief Executive Officer is determined by the Board of Directors, upon the recommendation of the Nominations and Remunerations Committee (Article 23.1 of the AFEP-MEDEF Code).

Every year, Technip retains external and independent consultants (Hay and Towers Watson), who are chosen by the Nominations and Remunerations Committee, to analyze the following market practices:

1. CAC 40 companies excluding financial companies (35 companies in 2015);
2. Industrial and engineering companies belonging to CAC 40 and SBF 80 (33 companies in 2015);
3. European oil companies (nine companies in 2015); and
4. US oil companies based in Texas (20 companies in 2015).

The compensation of the Chairman and Chief Executive Officer is composed of both a fixed and a variable portion.

For 2015, the aggregate amount of compensation paid by the Company to Thierry Pilenko amounted to €1,984,211 (see Section 4.2.1, Table 2, for further details).

In accordance with Article 23.2.2 of the AFEP-MEDEF Code, the fixed portion is reviewed at relatively long intervals since the base gross compensation (fixed portion) of Thierry Pilenko has remained unchanged since 2011.

The variable portion of compensation is based on the fixed compensation for the previous year. For 2015, the target variable portion is equal to 120% of the annual base compensation. In accordance with Article 23.2.3 of the AFEP-MEDEF Code, the variable portion of the compensation is subject to precise and predetermined objectives. 70% of the target variable portion is linked to the financial performance of the Group (quantitative criteria) and 30% is linked to the achievement of individual objectives (qualitative criteria). These objectives are in part directly linked to Technip's strategy and cannot be detailed for confidentiality reasons.

The share of the variable portion is linked with a financial target (70% of the total) and broken down into two objectives:

- up to 50% on the Group operating income budgeted for 2015: the share of the variable portion is (i) nil if real performance is below 75% of the budgeted amount (minimum level), (ii) between 0% and 120% for a performance equal to 75% to 100% of the budgeted amount, (iii) between 120% and 150% for a performance equal to 100% to 110% of the budgeted amount, (iv) between 140% and 160% for a performance equal to 110% to 120% of the budgeted amount and (v) between 150% and 200% for a performance equal to 110% to 125% of the budgeted amount (maximum level); and
- up to 20% on the percentage of gross margin on order intake: the share will be: (i) nil if real performance is below 75% of the budgeted amount (minimum level), and (ii) between 0% and 100% for a performance equal to 75% to 100% of the budgeted amount (maximum level).

The share of the variable portion corresponding to the individual objectives is composed as follows:

- strategic criteria linked to the strategic development of the Group and to Quality;
- HSE (Health/Safety/Environment) criteria which is key to the Group;
- criteria linked to human resources such as diversity including gender diversity, management and talents development, succession plan.

If the Group current operating income achieved is superior to the budgeted objective, a multiplier rate is calculated, up to a maximum of 2. It is then applied to the other variable portion criteria to calculate the final variable share for 2015, which is capped at 200% of the target variable portion.

Based on the actual rate of achievement of objectives set for 2015, the variable compensation of Thierry Pilenko as mentioned hereabove has been calculated as follows. It was considered by the Nominations and Remunerations Committee on February 22, 2016 and set by the Board of Directors on February 23, 2016:

Weight	Nature	Scale	Effective realization	Weighted realization	Actual amounts
70%	Financial objectives: (OIFRA, gross margin on order intake)	0 to 200%	120-130% (*)	71.2%	€768,921
30%	Individual objectives	0 to 200%	76.7%	23.4%	€252,646
100%				94.6%	€1,021,567 (**)

(*) The acceleration triggered above 100% is equal to 2.1%. It has not been applied during the 2015 year as described below.

(**) The strict application of mathematical formulas for calculating the variable portion led to an amount of €1,021,567. Taking into account the difficult context in the industry, on request of the Chief Executive Officer, the Board of Directors on February 23, 2016, on the recommendation of the Nominations and Remunerations Committee, reduced the amount due.

The variable portion due to Thierry Pilenko for financial year 2015 is thus €900,000 and will be paid in 2016. It represents 12 months of his annual base salary.

Thierry Pilenko does not receive any directors' fees for the positions he holds as a director of the Company or in the Group companies.

Thierry Pilenko benefits from a supplementary health insurance and a repatriation insurance.

In compliance with Article 23.2.6 of the AFEP-MEDEF Code, the annual replacement ratio at retirement should not be higher that 45% of the reference income ie 21.5%. The ratio for Thierry Pilenko complies with this condition.

110,000 stock options and 33,000 performance shares were granted to Thierry Pilenko over financial year 2015 corresponding to 0.12% of the share capital as of the day of the General Meeting dated April 23, 2015.

The Board of Technip, on the recommendation of the Nominations and Remunerations Committee, has decided that the grant of the long term incentive plans for the Chairman & CEO *(mandataire social)* could represent a face value up to 330% of his annual gross base salary, the value being the one used in the accounting norms (IFRS). The 2015 grant represented 177% of the annual gross base salary.

In compliance with Article 23.2.6 of the AFEP-MEDEF Code, there is no specific retirement plan for Thierry Pilenko as Chairman and Chief Executive Officer. The Chairman and CEO is a beneficiary from the supplementary retirement plan for Group executives, with fixed contributions as well as from the Company's existing supplementary retirement plan for Executive Committee (Excom) members. Both schemes are detailed in the Report of the Chairman of the Board of Directors on the Internal Control (see Section 4.4.2 of this Reference Document).

In financial year 2015, Thierry Pilenko exercised 109,000 share subscription options (Table 5). It should be noted that the compensation policy for the Chairman and Chief Executive Officer, who is the only executive director *(dirigeant mandataire social),* is at risk: 100% of the granted shares, options and differed compensation is subject to performance conditions.

In addition, the Board of Directors fixed for the Chairman and Chief Executive Officer a holding rule for performance shares and stock options which have been granted since 2007 corresponding to 25% of the realized net gain, thus complying with Article 23.2.1 of the AFEP-MEDEF Code.

Furthermore, complying with recommendations of the AFEP-MEDEF Code, the Board of Directors decided that, on acquisition of performance shares, Thierry Pilenko will be required to purchase a number of shares of the Company corresponding to 5% of the acquired performance shares. This requirement will not apply to Thierry Pilenko as long as he owns Technip shares for a value equal to at least 100% of his net base compensation (the said compensation being that of the year preceding the acquisition of the performance shares, and the value of Technip share being that of the close of market of the day before the performance shares were acquired).

Thierry Pilenko is not a beneficiary of any share subscription warrants issued by the Company or any other company of the Group.

In the context of the renewal of the mandate of Thierry Pilenko, the Board of Directors on April 23, 2015, upon recommendation of the Nominations and Remunerations Committee, proposed a worldwide non-compete agreement for a 24-month period. In compliance with Article 23.2.5 of the AFEP MEDEF Code and according to this agreement, Thierry Pilenko could receive an amount corresponding to two years of gross fixed annual compensation paid (gross fixed compensation plus variable compensation). The basis of calculation would be the average of the gross annual compensation paid over the last three years, the payment of which would be paid on a monthly basis.

4.2.2. Compensation and Retirement Commitments of the Group's Principal Executives

a. Compensation of the Group's Principal Executives

In 2015, the total amount of all direct and indirect compensation paid by the Group's French and foreign companies to all of the Group's principal executives on payroll on December 31, 2015, (*i.e.,* the six members of the Excom of the Group) amounted to €3,836,926. The variable portion represented 33.5% of the overall amount.

The charges relating to share purchase and share subscription options, as well as performance shares, granted to the Company's executive officers, and accounted for in 2015, amounted to €3,081,470.

b. Retirement Commitments

In 2015, payment made by Group companies under supplementary retirement plans applicable to the principal executives discussed above amounted to €0.1 million. The recorded expense related to the retirement income guarantee plan for Executive Committee members amounted to €1.6 million in 2015.

As of December 31, 2015, the amount for retirement commitments for Executive Committee members amounted to €5.5 million.

4.3. PARTICIPATING INTERESTS AND SHARE SUBSCRIPTION OPTIONS OR SHARE PURCHASE OPTIONS HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND OTHER CORPORATE OFFICERS *(MANDATAIRES SOCIAUX)*

4.3.1. Summary Statement of the Transactions Listed Under Article L. 621-18-2 of the French Monetary Code during Financial Year 2015

The table below is a summary statement (in conformity with Article 223-26 of the AMF General Regulation) of the transactions made by members of the Board of Directors and other corporate officers *(mandataires sociaux)* during financial year 2015, as referred to under Article L. 621-18-2 of the French Monetary and Financial Code:

Surname and Name	Position	Financial Instrument	Date and place of transaction	Type of transaction	Quantity	Unit Price	Transaction value
Olivier Appert	Director	Shares	03/03/2015 Euronext Paris	Purchase	43	€ 57.96	€2,492.28
Thierry Pilenko	Chairman and Chief Executive Officer	Shares	05/04/2015 Euronext Paris	Disposal	89,000	€62.5219	€5,564,449.57
Thierry Pilenko	Chairman and Chief Executive Officer	Stock options	05/04/2015 Euronext Paris	Exercise of stock options	109,000	€34.7	€3,782,300
Julian Waldron	Group Chief Financial Officer	Stock options	05/07/2015 Euronext Paris	Exercise of stock options	25,000	€34.7	€867,500
Julian Waldron	Group Chief Financial Officer	Shares	05/07/2015 Euronext Paris	Disposal	20,000	€63.95	€1,279,000

4.3.2. Company's Shares Held by Directors

Pursuant to Article 14 of the Company's Articles of Association, effective as of the date of this Reference Document, each Director is required to hold at least 400 Company shares in registered form, to comply with the recommendations of the AFEP-MEDEF Code (Article 14), which provide that a Director should hold a fairly significant number of shares.

As of February 29, 2016, to the Company's knowledge, each of the Board members held the following number of shares in registered form:

Member of the Board of Directors	Number of Technip shares held as of 02/29/2016
Thierry Pilenko	208,500
Pascal Colombani	415
Leticia Costa	400
Marie-Ange Debon	415
C. Maury Devine	400
Manisha Girotra	400
Alexandra Bech Gjørv	400
Gérard Hauser	2,076
John O'Leary	800
Joseph Rinaldi	400
Pierre-Jean Sivignon	400
TOTAL	**214,606**

Being appointed by the Board of Directors of February 23, 2016, Didier Houssin is currently buying the 400 shares to comply with Technip Articles of Association.

4.3.3. Company Share Subscription Options or Share Purchase Options

The table below presents an overview of the information related to share subscription options and share purchase options granted by the Company and outstanding as of December 31, 2015.

History of share subscription and share purchase options granted and related information

	2009 Plan	2010 Plan Tranche 1	2010 Plan Tranche 2	2010 Plan Tranche 3	2011 Plan Tranche 1
	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options
Date of Shareholders' Meeting	April 30, 2009	April 29, 2010	April 29, 2010	April 29, 2010	April 28, 2011
Date of Board of Directors' meeting	June 15, 2009	June 23, 2010	December 15, 2010	March 4, 2011	June 17, 2011
Number of options granted	1,093,175 (1)	1,102,300 (2)	19,400 (2)	81,300 (3)	339,400 (4)
Subscription price per option	€34.70	€51.45	€63.23	€72.19	€72.69
Option exercise start date	June 15, 2013	June 23, 2014	December 15, 2014	March 4, 2015	June 17, 2015
Expiry date*	June 15, 2015	June 23, 2016	December 15, 2016	March 4, 2017	June 17, 2018
Total number of options available for subscription as of December 31, 2015	-	776,293	17,400	69,400	316,320
Number of options that may be subscribed as of December 31, 2015 by:					
• the Chairman and Chief Executive Officer, corporate officer (*mandataire social*)**	-	109,000	NA	NA	70,000
• the 10 employees having the largest number of options granted	-	120,000	17,400	8,800	86,370
Number of options subscribed as of December 31, 2015	993,589	234,907	0	0	0
Number of options canceled as of December 31, 2015	99,586	91,100	2,000	11,900	23,080
Number of beneficiaries	1,568	2,168	11	313	126

* All the plans are subject to certain restrictions limiting the exercise of options in the event the employee or the manager ceases to work for the Company.

** The other *mandataires sociaux* are not beneficiaries of Plans.

(1) The number of subscription options granted by the Board of Directors on June 15, 2009 was subject to a satisfactory performance for its shareholders over the period 2009-2012. This performance was measured by the progression of the Group's Consolidated Income in relation to a representative sample of the Group's competitors. No options can be exercised by the Chairman and Chief Executive Officer if the progression of the Group's Operating Income is less than that of each of the companies included in the sample. In accordance with the Plan rules, since the progression of the Group's Consolidated Income is superior or equal to the Final Reference Index, 100% of the options granted can be subscribed.

(2) The number of subscription options granted by the Boards of Directors on June 23, 2010 and December 15, 2010 was subject to a satisfactory performance over for its shareholders the period 2010-2013. This performance was measured by the progression of the Group's Consolidated Income in relation to a representative sample of the Group's competitors. 50% of the granted shares are subject to the level of achievement of the aforementioned performance recorded at the option exercise start date. No options can be exercised by the Chairman and Chief Executive Officer if the progression of the Group's Operating Income is less than that of each of the companies included in the sample. In accordance with the Plan rules, since the progression of the Group's Consolidated Income is superior or equal to the Final Reference Index, 100% of the options granted can be subscribed.

(3) The number of subscription options granted by the Board of Directors on March 4, 2011 was subject to a satisfactory performance for its shareholders over the period 2011-2014. This performance was measured by the progression of the Group's Consolidated Income in relation to a representative sample of the Group's competitors. 50% of the granted shares are subject to the level of achievement of the aforementioned performance recorded at the option exercise start date. No options can be exercised by the Chairman and Chief Executive Officer if the progression of the Group's Operating Income is less than that of each of the companies included in the sample. In accordance with the Plan rules, since the progression of the Group's Consolidated Income is superior or equal to the Final Reference Index, 100% of the options granted can be subscribed.

Potential Dilution

As of December 31, 2015, assuming the performance criteria have been satisfied in full, the total number of shares that may be issued pursuant to the exercise of outstanding share subscription options described in the tables above was 3,109,093 shares with a par value of €0.7625, representing approximately 2.68% of the Company's share capital as of that date.

As of February 29, 2016, the potential dilutive effect of the outstanding share subscription options amounted to 2.68% of the Company's share capital.

The share purchase options or share subscription options granted to, or exercised by, each director and officer during financial year 2015 are detailed in Tables 4 and 5 in Section 4.2.1 of this Reference Document.

The share purchase options or share subscription options granted to and exercised by the 10 employees of the Company (other than directors and officers *(mandataires sociaux)*) with the largest number of options during financial year 2015 are detailed in Table 9 in Section 4.2.1 of this Reference Document.

2011 Plan Tranche 2	2011 Plan Tranche 3	2012 Plan Tranche 1	2012 Plan Tranche 2	2013 Plan Tranche 1	2013 Plan Tranche 2	2015 Plan
Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options
April 28, 2011	April 28, 2011	April 26, 2012	April 26, 2012	April 25, 2013	April 25, 2013	April 24, 2014
December 14, 2011	March 2, 2012	June 15, 2012	December 12, 2012	June 14, 2013	January 10, 2014	September 7, 2015
53,900 (4)	49,007 (4)	284,700 (5)	35,350 (5)	323,200 (6)	16,520 (6)	568,561 (7)
€66.94	€78.39	€74.54	€87.13	€85.73	€68.47	€47.83
December 14, 2015	March 2, 2016	June 15, 2016	December 12, 2016	June 14, 2017	January 10, 2018	September 7, 2019
December 14, 2018	March 2, 2019	June 15, 2019	December 12, 2019	June 14, 2021	January 10, 2022	September 7, 2023
41,696	46,007	245,800	34,950	287,500	16,520	568,561
NA	NA	55,000	NA	50,000	NA	110,000
30,618	11,407	71,000	18,150	76,000	13,220	182,000
0	0	0	0	0	0	0
12,204	3,000	38,900	400	35,700	0	0
36	92	161	38	176	16	145

(4) The number of subscription options granted by the Boards of Directors on June 17, 2011, December 14, 2011 and March 2, 2012 was subject to a Reference Performance to be measured for the years 2011, 2012 and 2013. This performance was measured by the outcome reached by the Group in terms of the Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return on Capital Employed (ROCE). No options can be exercised by the Chairman and Chief Executive Officer if the Reference Performance, as defined in the Plan rules, is lower than 75%. On February 17, 2015, the Board of Directors validated the plan's performance. This performance was measured at 94.4% on the portion which was submitted to risk.

(5) The number of subscription options granted by the Boards of Directors on June 15, 2012 and December 12, 2012 is subject to a Reference Performance to be measured for the years 2012, 2013 and 2014. This performance will be measured by the outcome reached by the Group in terms of the Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return on Capital Employed (ROCE). No options can be exercised by the Chairman and Chief Executive Officer if the Reference Performance, as defined in the Plan rules, is lower than 75%.

(6) The number of subscription options granted by the Boards of Directors on June 14, 2013, January 10 and December 10, 2014 is subject to a Reference Performance to be measured for the years 2013, 2014 and 2015. This performance will be measured by the outcome reached by the Group in terms of the Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return on Capital Employed (ROCE). No options can be exercised by the Chairman and Chief Executive Officer if the Reference Performance, as defined in the Plan rules, is lower than 75%.

(7) The number of subscription options granted by the Board of Directors on September 7, 2015 is subject to a Reference Performance to be measured for the years 2015, 2016 and 2017. This performance will be measured by the outcome reached by the Group in terms of the Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return on Capital Employed (ROCE). No options can be exercised by the Chairman and Chief Executive Officer if the Reference Performance, as defined in the Plan rules, is lower than 75%.

4.3.4. Awards of Performance Shares Pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code

The following table sets forth information relating to performance share grants outstanding as of December 31, 2015:

Performance Share Plans	2009 Plan Tranche 3	2010 Plan Tranche 1	2010 Plan Tranche 2	2010 Plan Tranche 3	2011 Plan Tranche 1
Date of Shareholders' Meeting	April 30, 2009	April 29, 2010	April 29, 2010	April 29, 2010	April 28, 2011
Date of Board of Directors' Meeting	February 16, 2010	June 23, 2010	December 15, 2010	March 4, 2011	June 17, 2011
Number of shares granted	100,100 (1)	883,900 (2)	13,800 (2)	86,300 (3)	355,900 (4)
Share acquisition date of the tax residents	February 16, 2013	June 23, 2013	December 15, 2013	March 4, 2014	June 17, 2014
Share acquisition date of the non-tax residents	February 16, 2014	June 23, 2014	December 15, 2014	March 4, 2015	June 17, 2015
Expiry date of the holding period (conversion of shares) for the tax residents	February 16, 2015	June 23, 2015	December 15, 2015	March 4, 2016	June 17, 2016
Expiry date of the holding period (conversion of shares) for the non-tax residents	February 16, 2014	June 23, 2014	December 15, 2014	March 4, 2015	June 17, 2015
Remaining shares available for acquisition as of December 31, 2015	-	-	-	-	-
Number of shares that may be acquired as of December 31, 2015 by:					
• the Chairman and Chief Executive Officer	NA	0	NA	NA	0
• the top 10 employees	NA	NA	NA	NA	NA
Number of shares acquired as of December 31, 2015	87,550	799,000	12,300	73,800	331,450
Grants canceled as of December 31, 2015 or as of any acquisition date before December 31, 2015 during the 2015 financial year	12,550	84,900	1,500	12,500	24,450
Number of beneficiaries	306	2,174	11	317	1,196

(1) The number of performance shares granted by the Board of Directors of February 16, 2010 was subject to a satisfactory performance for its shareholders over the period 2009/2012. This performance was measured by the progression of the Group's Consolidated Operating Income in relation to a representative same of Group's competitors. 50% of the shares granted are subject to the level of achievement of the aforementioned performance recorded at the share acquisition start date. The result of the calculation of the performance over the period 2009/2012 was superior or equal to the Reference Index. As a consequence and according to the Plan rules, 100% shares were acquired.

(2) The number of performance shares granted by the Boards of Directors of June 23, 2010 and December 15, 2010 was subject to a satisfactory performance for its shareholders over the period 2009/2012. This performance was measured by the progression of the Group's Consolidated Operating Income in relation to a representative same of Group's competitors. 50% of the shares granted were subject to the level of achievement of the aforementioned performance recorded at the share acquisition start date except in the case of the Chairman and Chief Executive Officer to whom no shares would be granted if the progression of the Group's Operating Income would be less than that of each of the companies included in the sample. The result of the calculation of the performance over the period 2009/2012 was superior or equal to the Reference Index. As a consequence and according to the Plan rules, 100% shares were acquired.

(3) The number of performance shares granted by the Board of Directors of March 4, 2011 was subject to a satisfactory performance for its shareholders over the period 2010/2013. This performance was measured by the progression of the Group's Consolidated Operating Income in relation to a representative same of Group's competitors. 50% of the shares granted were subject to the level of achievement of the aforementioned performance recorded at the share acquisition start date. The result of the calculation of the performance over the period 2010/2013 was superior or equal to the Reference Index. As a consequence and according to the Plan rules, 100% shares were acquired.

(4) The number of performance shares granted by the Boards of Directors in their meetings on June 17, 2011 and December 14, 2011 was subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2011, 2012 and 2013. The Reference Performance took into consideration the results obtained by the Group in terms of Health/Safety/Environment (HSE), Operating Income from Recurring Activities (OIFRA) and Net Cash Generated from Operational Activities. 50% of the shares granted were subject to the level of achievement of the Reference Performance of various thresholds recorded at the share acquisition start date. However, in the case of the Chairman and Chief Executive Officer and Excom members shares are only granted depending on the achievement of Reference Performance thresholds. The result of the calculation of the performance over the period 2011/2013 was superior or equal to the Reference Performance. As a consequence and according to the Plan rules, 100% shares were acquired.

Technip performance shares granted to, and acquired by, the Company's directors and officers *(mandataires sociaux)* during financial year 2015 are detailed in Tables 6 and 7 in Section 4.2.1 of this Reference Document.

2011 Plan Tranche 2	2011 Plan Tranche 3	2012 Plan Tranche 1	2012 Plan Tranche 2	2013 Plan Tranche 1	2013 Plan Tranche 2	2014 Plan Tranche 1	2014 Plan Tranche 2
April 28, 2011	April 28, 2011	April 26, 2012	April 26, 2012	April 25, 2013	April 25, 2013	April 24, 2014	April 24, 2014
December 14, 2011	March 2, 2012	June 15, 2012	December 12, 2012	June 14, 2013	January 10, 2014	December 10, 2014	September 7, 2015
37,050 (4)	49,357 (5)	430,150 (6)	126,892 (6)	492,500 (7)	73,700 (7)	50,400 (8)	290,736 (9)
December 14, 2014	March 2, 2015	June 15, 2015	December 12, 2015	June 14, 2016	January 10, 2017	December 10, 2018	September 7, 2019
December 14, 2015	March 2, 2016	June 15, 2016	December 12, 2016	June 14, 2017	January 10, 2018	December 10, 2018	September 7, 2019
December 14, 2016	March 2, 2017	June 15, 2017	December 12, 2017	June 14, 2018	January 10, 2019	December 10, 2018	September 7, 2019
December 14, 2015	March 2, 2016	June 15, 2016	December 12, 2016	June 14, 2017	January 10, 2018	December 10, 2018	September 7, 2019
-	32,107	247,300	102,739	457,400	71,150	50,400	290,736
NA	NA	25,000	NA	30,000	NA	NA	33,000
NA	6,000	48,500	18,900	57,500	16,750	37,200	43,600
28,650	12,900	151,650	12,400	500	0	0	0
8,400	4,350	31,300	11,753	34,750	2,550	0	120
57	221	1,295	588	1,474	280	16	727

(5) The number of performance shares granted by the Board of Directors of March 2, 2012 was subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2011, 2012 and 2013. The Reference Performance took into consideration the results obtained by the Group in terms of Health/Safety/Environment (HSE), Operating Income from Recurring Activities (OIFRA) and Net Cash Generated from Operational Activities. The result of the calculation of the performance over the period 2011/2013 was superior or equal to the Reference Performance. As a consequence and according to the Plan rules, 100% shares were acquired.

(6) The number of performance shares granted by the Boards of Directors of June 15, 2012 and December 12, 2012 was subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2012, 2013 and 2014. The Reference Performance took into consideration the results obtained by the Group in terms of Health/Safety/Environment (HSE), Operating Income from Recurring Activities (OIFRA) and Net Cash Generated from Operational Activities. 50% of the shares granted are subject to the level of achievement of the Reference Performance of various thresholds recorded at the share acquisition start date. However, in the case of the Chairman and Chief Executive Officer and Excom members shares are only granted depending on the achievement of Reference Performance thresholds. The result of the calculation of the performance over the period 2012/2014 was superior or equal to the Reference Performance. As a consequence and according to the Plan rules, 100% shares were acquired.

(7) The number of performance shares granted by the Boards of Directors of June 14, 2013 and January 10, 2014 is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2013, 2014 and 2015. The Reference Performance will take into consideration the results obtained by the Group in terms of Health/Safety/Environment (HSE), Operating Income from Recurring Activities (OIFRA) and Net Cash Generated from Operational Activities. 50% of the shares granted are subject to the level of achievement of the Reference Performance of various thresholds recorded at the share acquisition start date. However, in the case of the Chairman and Chief Executive Officer and Excom members shares are only granted depending on the achievement of Reference Performance thresholds.

(8) The number of performance shares granted by the Board of Directors of December 10, 2014 is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2014, 2015 and 2016. The Reference Performance will take into consideration the results obtained by the Group in terms of Health/Safety/Environment (HSE), Operating Income from Recurring Activities (OIFRA) and Net Cash Generated from Operational Activities. 50% of the shares granted are subject to the level of achievement of the Reference Performance of various thresholds recorded at the share acquisition start date. However, in the case of the Chairman and Chief Executive Officer and Excom members shares are only granted depending on the achievement of Reference Performance thresholds.

(9) The number of performance shares granted by the Board of Directors of December 10, 2014 is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2014, 2015 and 2016. The Reference Performance will take into consideration the results obtained by the Group in terms of Health/Safety/Environment (HSE), Operating Income from Recurring Activities (OIFRA) and Net Cash Generated from Operational Activities. 50% of the shares granted are subject to the level of achievement of the Reference Performance of various thresholds recorded at the share acquisition start date. However, in the case of the Chairman and Chief Executive Officer and Excom members shares are only granted depending on the achievement of Reference Performance thresholds.

Assessment of performance criteria of the 2012 Performance Share Plan (which is detailed in the above table) for final award in 2015

According to the 2012 Plan, the final award is subject to the arithmetic mean of the two best criteria out of the three criteria (TRCF, OIFRA, Net Cash From Operational Activities) which is calculated over the years 2012, 2013 and 2014.

The achievement and the success rate for each of the three criteria are detailed in the below table. As a consequence, 100% of the granted options could be subscribed.

Criteria	Achievement Rate*	Success Rate
TRCF (1)	100%	0.23
OIFRA	100%	€2.470 Bn
Net Cash From Operational Activities	100%	€2.618 Bn

* Performance capped to 100% for the computation.
(1) The frequencies are calculated by 200,000 hours worked.

The following table shows the number of Technip performance shares granted to the 10 employees of the Group (other than directors and officers *(mandataires sociaux))* who were granted the largest number of performance shares during the year 2015 as well as the number of performance shares acquired by these persons during the same year:

Performance shares granted to first 10 non-director and non-officer employees	Total number of performance shares	Average Weighted price	Grant date	Acquisition date, subject to compliance with the conditions set by the Board of Directors	Plan number
Performance shares granted during financial year 2015 by the issuer or by any company included in the grant perimeter, to the 10 employees of the issuer and of any company included within the grant perimeter who were granted the largest number of performance shares (aggregate information)	43,600	€46.56	September 7, 2015*	September 7, 2019	2015 Plan
Performance shares of the issuer or of the aforementioned companies that were acquired during financial year 2015 by the 10 employees of the issuer or of these companies who have the largest number of performance shares (aggregate information)	49,000	€56.16	June 17, 2011 December 14, 2011 June 15, 2012	June 17, 2015 December 14, 2015 June 15, 2016	2011 Plan Tranche 1 2011 Plan Tranche 2 Plan 2012 Tranche 1

* The number of performance shares granted by the Board of Directors on September 7, 2015 is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2015, 2016 and 2017. The Reference Performance will take into consideration the results obtained by the Group in terms of Health/Safety/Environment (HSE), Operating Income from Recurring Activities (OIFRA) and Net Cash Generated from Operational Activities.

4.4. REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON INTERNAL CONTROL PROCEDURES

Report of the Chairman of the Board of Directors to the Shareholders' Meeting on the Board Composition, Conditions for the Preparation and Organization of its Work, the Board's Internal Control Procedures and Risk Management Procedures Put in Place by the Company (Article L. 225-37 of the French Commercial Code)

This report was prepared pursuant to the provisions of Article L. 225-37 of the French Commercial Code. Its purpose is to describe the composition of the Board of Directors as well as the application of the principle of fair representation of women and men within the Board of Directors, the conditions of the preparation and the organization of the Board of Directors' work, to present the rules and principles decided upon by the Board of Directors for the compensation and benefits of any nature awarded to corporate representatives, as well as the internal control and risk management procedures implemented by the Group, in particular those procedures relating to the preparation and processing of accounting and financial information for the annual and consolidated accounts.

This report aims to provide a description of the work completed, undertaken or scheduled by the Company. It does not in any case intend to demonstrate that the Company has control over all of the risks it is facing.

This report refers to the Management Report included in the Reference Document of the Company for the financial year ended December 31, 2015, regarding the disclosure of information referred to in Article L. 225-100-3 of the French Commercial Code on the structure of the Company's share capital and on facts that may have an impact in the event of a tender offer.

This report has been prepared by the Chairman of the Board of Directors of the Company together with the Group Internal Control Department and Group Legal Division. The outline was presented for comments to the Internal Control Steering Committee and reviewed by the various departments of the Group Finance and Control Division. The report was reviewed by the Audit Committee on February 22, 2016, and approved by the Board of Directors of the Company on February 23, 2016.

When used in this report, the terms "Technip" and "Group" refer collectively to Technip SA, the Group's parent company, and to all its directly and indirectly consolidated subsidiaries located both in and outside France.

The term "Company" refers exclusively to Technip SA, the Group's parent company.

Compliance with Code

In accordance with Article L. 225-37 of the French Commercial Code, the Company declares that it voluntarily refers to and enforces the AFEP-MEDEF corporate governance code on listed companies of December 2008, resulting from the consolidation of the AFEP-MEDEF report of October 2003 and the AFEP-MEDEF recommendations of January 2007 and October 2008 concerning the compensation of executive directors of listed companies, and the recommendation of April 2010 concerning increasing women's presence on Boards of Directors (hereinafter the "AFEP-MEDEF Code"). The AFEP-MEDEF Code, last updated in November 2015, is available on the MEDEF website (www.medef.fr).

At the Company's request, an independent corporate governance consultant has reviewed this Report and has confirmed that the Company complies with the provisions of the AFEP-MEDEF Code.

1. Composition of the Board of Directors and Conditions for the Preparation and Organization of its Work

1.1. Composition of the Board of Directors and its Committees

As of December 31, 2015, the Board of Directors comprised 12 members. It does not include any directors representing employees or employee shareholders. It comprises five women and six directors of a nationality other than French. Since the Annual General Meeting on April 25, 2013, Technip met in advance the second threshold of 40% to be achieved in 2016 (Article 6.4 of the AFEP-MEDEF Code) regarding the fair representation of women and men. In accordance with Article 6 of the AFEP-MEDEF Code, the Board regularly examines the balance in its composition, notably regarding the fair representation of women and men, nationalities and skills diversity.

Pursuant to Article 14-4 of the Company's Articles of Association, the term of Board members is set at four years. This duration respects the recommendations of Article 14 of the AFEP-MEDEF Code.

In accordance with the recommendations of Article 14 of the AFEP-MEDEF Code, in order to facilitate a smooth renewal of the Board and to prevent "renewal en masse", and resulting from the resolution adopted at the Company's Combined Shareholders' Meeting on April 27, 2007, the Board of Directors, at its meeting on the same day, introduced a rolling renewal system, pursuant to which one-half of its members' terms of office should be renewed every two years.

In accordance with the recommendations of the AFEP-MEDEF Code, the characterization of "independent director" of Board members of the Company is discussed and reviewed every year by the Board of Directors upon the Nominations and Remunerations Committee's proposal (Article 9.3 of the AFEP-MEDEF Code).

At its meeting on February 16, 2015, the Nominations and Remunerations Committee reviewed the characterization of "independent director" of the Company's Board members which were in office at the date of this Committee with regard to the definition and criteria used in the AFEP-MEDEF Code. This review was also made on February 22, 2016.

Therefore a director is independent when he or she has no relationship of any kind whatsoever with the corporation, its Group or the management of either that is such as to influence his or her judgment (Article 9.4). This means that the independent director shall not:

- be an employee or executive director of the corporation, or an employee or director of its parent or a company that it consolidates, and not having been in such a position for the previous five years;
- be an executive director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director of the corporation (currently in office or having held such office going back five years) is a director;
- be a customer, supplier, investment banker or commercial banker that is material for the corporation or its group, or for a significant part of whose business the corporation or its group accounts;
- be related by close family ties to an executive director;
- have been an auditor of the corporation within the previous five years;
- have been a director of the corporation for more than 12 years. Loss of the status of independent director on the basis of this criterion should only occur upon expiry of the term of office during which the 12-year limit is reached.

The Nominations and Remunerations Committee presented its conclusions regarding the independence of the directors to the Board of Directors which adopted them at its meeting on February 17, 2015.

As of December 31, 2015, the Board of Directors was composed of nine independent members. It therefore exceeds the recommendations of the AFEP-MEDEF Code, which stipulates that one-half of the Board members must be independent in companies where the share capital is widely held and with no controlling shareholders (Article 9.2).

As of December 31, 2015, the members of the Board of Directors were as follows:

Name Main position Professional address Age – Nationality	Position within the Board of Directors	Term
Thierry Pilenko Technip's Chairman and Chief Executive Officer 89, avenue de la Grande Armée – 75116 Paris 58 – French	Technip's Chairman and Chief Executive Officer	Date of first appointment: April 27, 2007. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
C. Maury Devine Corporate Director 1219 35th Street NW Washington – DC 20007 – USA 64 – American	Senior Independent Director Independent Director	Date of first appointment: April 28, 2011. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
Olivier Appert* General Delegate of the National Academy of Technologies of France Grand Palais – Avenue Franklin Roosevelt – Porte C 75008 66 – French	Director	Date of first appointment: May 21, 2003. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
Pascal Colombani Chairman of the Board of Directors of Valeo 43, rue Bayen – 75017 Paris 70 – French	Independent Director	Date of first appointment: April 27, 2007. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
Leticia Costa Partner at Prada Assessoria Empresarial Ltda Rua Tenente Negrão, 140 – 14th floor – cj 141 – 04530-030 – São Paulo – SP – Brazil 55 – Brazilian	Independent Director	Date of first appointment: April 28, 2011. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
Marie-Ange Debon Senior Executive Vice-President of SUEZ Group and Chief Executive Officer of the International Division Tour CB21 – 16, place de l'Iris – 92040 Paris La Défense 50 – French	Director	Date of first appointment: July 20, 2010. Date of last appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.
Manisha Girotra Chief Executive Officer of Moelis & Company India Private Limited Suite 3103 – Hotel Four Seasons Dr E. Moses Road, Worli – Mumbai 400018 – India 46 – Indian	Independent Director	Date of first appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.
Alexandra Bech Gjørv Chief Executive Officer of Stiftelsen SINTEF Postboks 4760 Sluppen NO-7465 Trondheim – Norway 50 – Norwegian	Independent Director	Date of first appointment: October 23, 2012. Date of last appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.
Gérard Hauser Corporate Director 89, avenue de la Grande Armée – 75116 Paris 74 – French	Independent Director	Date of first appointment: April 30, 2009. Date of last appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.
John O'Leary Chief Executive Officer of Strand Energy Strand Energy – PO Box 38396 – Dubai Industrial Park – Dubai – United Arab Emirates 60 – Irish	Independent Director	Date of first appointment: April 27, 2007. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
Joseph Rinaldi Partner in Davis Polk & Wardwell Davis Polk & Wardwell – 450 Lexington Avenue – New York NY 10017 – USA 58 – Australian and Italian	Independent Director	Date of first appointment: April 30, 2009. Date of last appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.
Pierre-Jean Sivignon Deputy Chief Executive Officer and Chief Financial Officer of the Carrefour Group 33, avenue Emile Zola – TSA 55 555 - 92649 Boulogne-Billancourt 59 – French	Independent Director	Date of first appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.

* Didier Houssin, Chairman and Chief Executive Officer of IFP Énergies nouvelles, was appointed by the Board of Directors on February 23, 2016 to replace Olivier Appert who resigned.

The other offices held by Board members, as of February 29, 2016, are indicated in Section 4.1.1 c to the Reference Document of the Company for the year ended December 31, 2015.

In order to assist it in fulfilling its duties and responsibilities, the Board of Directors has established four special Committees: an Audit Committee and a Nominations and Remunerations Committee, thereby complying with the recommendations made in the AFEP-MEDEF Code (Articles 16, 17 and 18); a Strategic Committee and an Ethics and Governance Committee in order to meet specific concerns as permitted by the AFEP-MEDEF Code (Article 15).

As of December 31, 2015, the four committees members were as follows:

Audit Committee

Member	Title	Date of first appointment
Pierre-Jean Sivignon	Chairman*	April 25, 2013
Pascal Colombani	Member	October 23, 2012
Marie-Ange Debon	Member	October 26, 2010
Alexandra Bech Gjørv	Member	October 23, 2012
Joseph Rinaldi	Member	April 23, 2015

* Chairman since April 24, 2014.

All of the Audit Committee members have, due to their education and professional experience, qualifications in financial and accounting matters which goes beyond the requirements of Article L. 823-19 of the French Commercial Code which directs that at least one member of the Audit Committee shall have such experience and qualifications. 80% of the Audit Committee members are independent directors, *i.e.,* more than two thirds of its members as required by the recommendations of the AFEP-MEDEF Code (Article 16.1) and by Article L. 823-19 of the French Commercial Code which directs that at least one member of the Audit Committee shall be independent. In accordance with the AFEP-MEDEF Code, the Chairman and Chief Executive Officer, the only executive officer, is not a member of the Audit Committee (Article 16.1).

Nominations and Remunerations Committee

Member	Title	Date of first appointment
Gérard Hauser	Chairman	June 23, 2010
C. Maury Devine	Member	April 28, 2011
John O'Leary	Member	April 25, 2013

As permitted by Article 17 of the AFEP-MEDEF Code, there is a unique committee for nominations and remunerations. All of the Nominations and Remunerations Committee members are independent directors, which goes beyond the AFEP-MEDEF's recommendations that state a Committee should be comprised of a majority of independent directors (Articles 17.1 and 18.1). In addition, in accordance with Article 18.1, the Committee is chaired by an independent director.

Strategic Committee

Member	Title	Date of first appointment
Pascal Colombani	Chairman	April 27, 2007
Joseph Rinaldi	Vice Chairman	June 23, 2010
Olivier Appert*	Member	May 21, 2003
Manisha Girotra	Member	June 14, 2013
Gérard Hauser	Member	April 30, 2009
John O'Leary	Member	June 14, 2013

* Didier Houssin replaced Olivier Appert as member of this Committee on February 23, 2016.

More than 80% of the members of the Strategic Committee were independent directors.

Ethics and Governance Committee

Member	Title	Date of first appointment
C. Maury Devine	Chairwoman*	April 25, 2013
Olivier Appert**	Member	December 9, 2008
Leticia Costa	Member	April 23, 2015
Alexandra Bech Gjørv	Member	April 25, 2013
John O'Leary	Member	April 23, 2015

* Chairwoman since April 24, 2014.
** Didier Houssin replaced Olivier Appert as member of this Committee on February 23, 2016.

80% of the Ethics and Governance Committee members were independent directors.

General Management of the Company

The Ordinary Shareholders' Meeting of April 23, 2015 renewed Thierry Pilenko for the second time as a director for a four-year term expiring after the Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.

At its meeting of April 23, 2015, the Board of Directors (i) renewed Thierry Pilenko as Chairman of the Board of Directors, (ii) reelected to combine the offices of Chairman and Chief Executive Officer of the Company into one office, after having determined that this form of organization was the most appropriate to the Company in the light of the two previous mandates, and (iii) renewed Thierry Pilenko as Chairman and Chief Executive Officer for the duration of his term of office with the Board of Directors. Technip had reinforced existing control mechanisms in creating a function of Senior Independent Director whose missions are detailed in Section 4.1.2 of the Reference Document of the Company for the year ended December 31, 2015. The Internal Rules of the Board of Directors which were last amended in 2015 indicated that the appointment of a Senior Independent Director is mandatory when a single person fills the positions of Chairman of the Board and Chief Executive Officer. On April 23, 2015, the Board of Directors entrusted this position to C. Maury Devine for a period of two years until the date of the Shareholders' Meeting approving the financial statements for the year ending December 31, 2016.

As of December 31, 2015, the Board of Directors had appointed no Executive Vice President *(Directeur Général Délégué).*

1.2. Company Shares Held by the Directors

Pursuant to Article 14 of the Articles of Association effective as of December 31, 2015, each director is required to hold at least 400 Company shares in registered form. Therefore, in accordance with Article 20 of the AFEP-MEDEF Code, each director is the personal shareholder of a fairly significant number of shares in relation to the attendance fees received by the directors.

As of December 31, 2015, to the Company's knowledge, each of the Board members holds the following number of shares in registered form:

Members of the Board of Directors	Number of Technip shares held as of 12/31/2015
Thierry Pilenko	208,500
Olivier Appert	1,045
Pascal Colombani	415
Leticia Costa	400
Marie-Ange Debon	415
C. Maury Devine	400
Manisha Girotra	400
Alexandra Bech Gjørv	400
Gérard Hauser	2,076
John O'Leary	800
Joseph Rinaldi	400
Pierre-Jean Sivignon	400
TOTAL	**215,651**

1.3. Role and Practices of the Board of Directors

Role and Powers of the Board of Directors

The Board of Directors determines the direction of the Company's operations and oversees its implementation. Subject to the powers expressly assigned to the Shareholders' Meetings, and within the scope of the corporate purpose, it shall take up any and all issues affecting the Company's proper operation and shall decide on any issues concerning it in its meetings.

The Board of Directors' functioning is ruled by an Internal Charter, which was approved by the Board of Directors on May 21, 2003, and is periodically updated (last updated February 23, 2016). The internal rules as a whole can be found on the Company's website and an extract can be read in Section 4.1.2 of the Reference Document of the Company for the year ended December 31, 2015 in compliance with the requirements of Article 1.3 of the AFEP-MEDEF Code.

In accordance with Article 17-3 of the Company's Articles of Association, the Board of Directors performs controls and verifications it deems appropriate.

It ensures, with the assistance of the Audit Committee in particular, that internal control entities function properly, that the Statutory Auditors are carrying out their work in a satisfactory manner and that the Board Committees it has created function properly.

The Board may establish special Committees and determine their composition and responsibilities. These Committees perform their activities under the Board of Directors' responsibility. As of December 31, 2015, the Board was assisted by four Committees: the Audit Committee, the Nominations and Remunerations Committee, the Strategic Committee and the Ethics and Governance Committee.

In accordance with Article 10.3 of the AFEP-MEDEF Code, the Board's Internal Charter provides that it formally assesses its operating policies, at regular intervals of no more than three years. In addition, it organizes a discussion regarding its operations once a year.

Practice of the Board of Directors

A. MEETINGS AND REPORTS OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors organizes and administers the work of the Board of Directors, on which he gives a report at the Shareholders' Meeting.

The Board of Directors meets at least four times a year, or more frequently as may be required by the circumstances. During the 2015 financial year, the Board met 11 times among which one meeting was under the form of a strategic seminar of one day and a half in December 2015. The attendance rate for all directors was 95%.

The average duration of a Board of Directors' meeting was approximately three hours and a half.

After reviewing the reports of each of the Audit Committee, the Strategic Committee, the Nominations and Remunerations Committee and the Ethics and Governance Committee on issues within the scope of their respective missions, the Board of Directors worked in 2015, among others, on the following matters:

- Financial and accounting matters:
  - review and setting of the annual accounts and consolidated financial statements for the financial year 2014, the first half-year consolidated financial statements for financial year 2015, upon the Audit Committee's recommendation and the Statutory Auditors' opinion;
  - review of draft press releases announcing the financial results under the period reviewed;
  - review of the half-year report and 2015 interim financial information upon the Audit Committee's recommendation;
  - review of the 2016 budget and the investment plan;
  - review of the cash flow forecast; and
  - assessment of the provisional management accounts.

- Preparation of the Annual Shareholders' Meeting:
  - the notice of the meeting, determination of the agenda and draft resolutions; and
  - review of the Reference Document and setting of the information of the Management Report of the Board of Directors, of the Annual Financial Report, of the Chairman's Report on Internal Control and of the Society and Environment Report included in the Reference Document;
  - review and validation of the non-binding opinion on the components of the compensation of the Chairman and Chief Executive Officer ("say on pay") to be presented to the shareholders.
- Decisions, in particular regarding:
  - the determination of the Chairman and Chief Executive Officer's compensation and of its objectives for 2015;
  - the composition of the special Committees of the Board of Directors;
  - the list of directors qualified as "independent directors";
  - the distribution of directors' fees;
  - the implementation of the authorization of 2015 Annual General Meeting relating to repurchase of shares;
  - the grant of one tranche of options, the grant of one tranche of performance shares, the recording of the share capital increase resulting from the exercise of the share subscription options, the recording of the share capital increase resulting from the payment of the dividend in shares, the recording of the share capital increase resulting from the implementation of an increase of capital in the context of a Group Employee Plan; and
  - the authorization to issue parent company guarantees.
- Review, in particular, of the information and the strategy on the Group's operations.

At the end of each Board meeting, directors only, including the Chairman and Chief Executive Officer meet (executive sessions). To optimize the participation to such sessions, it can be decided to put them before the meeting of the Board of Directors. In all cases when debates personally relate to the Chairman and CEO (assessment of his performance, set up of his compensation, renewal of his mandate etc), directors met without the presence of the latter. Furthermore, the last Board of Directors' meeting in 2015 decided that directors meet on a regular basis without the presence of the Chairman and CEO, the only executive director of the Company.

B. ASSESSMENT OF THE BOARD OF DIRECTORS

In accordance with the provisions of its internal rules and with the provisions of the AFEP-MEDEF Code (Article 10), the Board of Directors conducted on February 17, 2015, a global review of its own operation policies as well as those of its Committees and concluded that they were all functioning properly.

Furthermore, the Board of Directors pursued the implementation of the recommendations contained in the last in-depth evaluation which was conducted in 2014 with the assistance of an external consultant. On December 9, 2015, the Board of Directors made an implementation progress especially pointing out the following:

- a specific focus on the follow up of strategic issues especially with the meeting of the Board of Directors in strategic seminar of one day and a half in December 2015;
- the use of a new software for the directors to make documents available;
- a better interaction between directors and members of Committees;
- a strengthening of the operational involvement of the Ethics and Governance Committee with the appointment of John O'Leary in this Committee.

C. RIGHT TO INFORMATION AND COMMUNICATION FOR DIRECTORS

The Chairman of the Board of Directors monitors the proper functioning of the Company's bodies and ensures, in particular, that directors are in a position to perform their duties. The Chairman of the Board of Directors must send to each director all documents which are necessary to perform their duties.

Directors receive all the information which is useful to the exercise of their duties in accordance with the agenda prior to each Board meeting. To this end, the Company complies with its internal rules that provide that documents to be reviewed in a Board meeting are circulated the week before the meeting.

Furthermore, the Chairman has exchanges, on a regular basis and when necessary, with directors between meetings of the Board.

The Directors' Charter adopted on May 21, 2003, as amended on February 23, 2016, provides that each director must be carefully prepared for Board meetings and Committees' meetings, that he or she is a member of, and has an obligation to review the documentation made available to him or her. He or she can request the Chairman of the Company, the Chief Executive Officer and the Executive Vice Presidents, for any and all additional information that he or she deems necessary or useful. In compliance with Article 13 of the AFEP-MEDEF Code, if he or she believes this is necessary, a director can ask for training on the specifics of the Company, its work and its business sector.

D. LIMITATION OF THE POWERS OF THE CHIEF EXECUTIVE OFFICER

In accordance with Article 19-1 of the Company's Articles of Association, the Board of Directors delegated to the Chairman and Chief Executive Officer all authority granted by French law with the ability to delegate such authority in specific areas.

1.4. Specific Provisions Regarding the Participation in General Shareholders' Meeting

Shareholders' Meetings (Article 23 of the Articles of Association)

CONVENING AND HOLDING OF SHAREHOLDERS' MEETINGS – DELIBERATIONS

Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by a Director so appointed by the Board of Directors, or failing which, the Shareholders' Meeting shall appoint a Chairman.

The vote tellers' functions are performed by two shareholders who are present and who agree to perform these duties, and who have by themselves or by proxy the largest number of votes.

The presiding Committee appoints a secretary, who must be chosen from outside the members of the Meeting.

It is to be noted that directors are yearly invited to assist to General Meeting. Most of the time, they are effectively present since the Board of Directors regarding the financial information of the first quarter holds two days before the General Meeting and the General Meeting is each year followed by a meeting of the Board of Directors.

PARTICIPATION

All shareholders may, in accordance with the conditions set forth under applicable laws and regulations, either personally attend the Shareholders' Meetings, cast an absentee vote, or be represented by another shareholder or by their spouse or civil partner. Moreover, they may be represented by any other natural or legal person of his or her choice.

The right to participate in Shareholders' Meetings arises through the registration of the shares in the name of the shareholder, or his or her intermediary registered on his or her behalf pursuant to Article L. 228-1 of the French Commercial Code, as of 00:00 a.m. (Paris time) on the second business day preceding the Shareholders' Meeting, in accordance with applicable regulations.

Any legal entity that is a shareholder may participate in the Shareholders' General Meetings through its legal representatives or by any other person appointed by it for this purpose.

The shareholders may, subject to the conditions set forth under applicable laws and regulations, send their proxy and mail voting form for any Shareholders' Meeting, either in paper form, or, subject to the decision of the Board of Directors at the time at which the Shareholders' Meeting is convened, by electronic means.

When using a proxy and mail voting form or casting an absentee vote electronically, the electronic signature may result from a procedure allowing for the reliable identification of the shareholder, evidencing the link between the signature and the form to which it is affixed.

The Board of Directors may decide, at the time that the Shareholders' Meeting is convened, that the shareholders may participate in the Shareholders' Meeting *via* videoconference or by other means of telecommunication, including the internet, subject to the regulations applicable at the time of their use.

All shareholders who participate in the Shareholders' Meeting by one of the aforementioned means shall be deemed present for the purposes of the quorum and for the calculation of a majority.

The Company will be able, in accordance with applicable regulations, to use electronic communication instead of communication by post in order to satisfy the formalities specified by the regulations.

DOUBLE VOTING RIGHTS (ARTICLE 12 OF THE ARTICLES OF ASSOCIATION)

Since November 24, 1995, double voting rights, taking into account the fraction of the share capital that they hold, have been attributed to all fully paid-up shares which have been registered in the name of the same shareholder for at least two years.

In the event of an increase in share capital by capitalization of reserves, profits or premiums, double voting rights shall also be granted as from the time of their issue to registered shares. They will be granted free of charge to a shareholder in respect of their existing shares, entitling such shareholder to the benefit of the double voting right.

Registered shares benefiting from double voting rights that are converted into bearer form, for any reason whatsoever, shall lose such double voting rights.

2. Rules and Principles Determined by the Board of Directors for the Compensation and Benefits of the Corporate Representatives

2.1. Compensation of the Chairman and Chief Executive Officer

The compensation of the Company's Chairman and Chief Executive Officer is determined by the Board of Directors, upon the recommendation of the Nominations and Remunerations Committee (Article 23.1 of the AFEP-MEDEF Code).

Every year, Technip retains external and independent consultants (Hay and Towers Watson), who are chosen by the Nominations and Remunerations Committee, to analyze the following market practices:

1. CAC 40 companies excluding financial companies (35 companies in 2015);
2. Industrial and engineering companies belonging to CAC 40 and SBF 80 (33 companies in 2015);
3. European oil companies (nine companies in 2015); and
4. US oil companies based in Texas (20 companies in 2015).

The compensation of the Chairman and Chief Executive Officer is composed of both a fixed and a variable portion.

In accordance with Article 23.2.2 of the AFEP-MEDEF Code, the fixed portion is reviewed at relatively long intervals since the base gross compensation (fixed portion) of Thierry Pilenko has remained unchanged since 2011.

The variable portion of compensation is based on the fixed compensation for the previous year. For 2015, the target variable portion is equal to 120% of the annual base compensation. In accordance with Article 23.2.3 of the AFEP-MEDEF Code, the variable portion of the compensation is subject to precise and predetermined objectives. 70% of the target variable portion is linked to the financial performance of the Group (quantitative criteria) and 30% is linked to the achievement of individual objectives (qualitative criteria). These objectives are directly linked to Technip's strategy and cannot be disclosed for confidentiality reasons.

The share of the variable portion which is linked with a financial target (70% of the total) is broken down into two objectives:

- up to 50% on the Group operating income budgeted for 2015: the share of the variable portion is (i) nil if real performance is below 75% of the budgeted amount (minimum level), (ii) between 0% and 120% for a performance equal to 75% to 100% of the budgeted amount, (iii) between 120% and 150% for a performance equal to 100% to 110% of the budgeted amount,

(iv) between 140% and 160% for a performance equal to 110% to 120% of the budgeted amount and (v) between 150% and 200% for a performance equal to 110% to 125% of the budgeted amount (maximum level); and

- up to 20% on the percentage of gross margin on order intake: the share will be: (i) nil if real performance is below 75% of the budgeted amount (minimum level) and (ii) between 0% and 100% for a performance equal to 75% to 100% of the budgeted amount (maximum level).

The share of the variable portion corresponding to the individual objectives is composed as follows:

- strategic criteria linked to the strategic development of the Group and to Quality;
- HSE (Health/Safety/Environment) criteria which is key to the Group;
- criteria linked to human resources such as gender diversity, management and talents development, succession plan.

If achieved Group current operating income is superior to the budgeted objective, a multiplier rate is calculated, up to a maximum of 2. It is then applied to the other variable portion criteria in order to calculate the 2015, final variable share, which is capped at 200% of the target variable portion.

Based on the actual rate of achievement of objectives set for 2015 the variable compensation of Thierry Pilenko as mentioned hereabove has been calculated as follows, after examination by the Nominations and Remunerations Committee on February 22, 2016 and after setting by the Board of Directors on February 23, 2016:

Weight	Nature	Scale	Effective realization	Weighted realization
70%	Financial objectives (OIFRA, gross margin on order intake)	0 to 200%	120-130%(*)	71.2%
30%	Individual objectives	0 to 100%	76.7%	23.4%
100%				94.6%

(*) The acceleration triggered above 100% is equal to 2.1%. It has not been applied during the 2015 year as described below.

The variable portion due to Thierry Pilenko for the financial year 2015 will be paid in 2016.

Thierry Pilenko does not receive any directors' fees for the positions he holds as a director of the Company or in the Group companies.

Thierry Pilenko benefits from a supplementary health insurance and a repatriation insurance.

In compliance with Article 23.2.6 of the AFEP-MEDEF Code, there is no specific retirement plan for Thierry Pilenko as the Chairman and Chief Executive Officer.

The Chairman and Chief Executive Officer benefits from a defined contribution supplemental retirement plan for Group executives. In compliance with Decree No. 2016-182 of February 23, 2016, below is a description of the main features of the defined contribution supplemental retirement plan for the benefit of Thierry Pilenko:

- title of the commitment: defined-benefit collective pension scheme;
- reference to the applicable statutory regime of the scheme: Article 83 of the French General Tax Code;
- conditions to benefit from the scheme and other eligibility conditions: the beneficiary must be an employee having an annual gross base salary four times higher than the French Social Security ceiling (*i.e.* a gross annual amount of €152,160 for 2015);
- methods for determining the reference salary under the scheme and calculating the rights of beneficiaries: gross annual base salary capped at eight times the yearly French Social Security ceiling (*i.e.* €304,320 gross annually for 2015);
- vesting features: quarterly in arrears;
- if applicable, existence of a ceiling, formula and conditions to the ceiling calculation: 8% of the annual base gross salary capped at eight times the ceiling of the French Social Security (*i.e.* 8% of €304,320 gross and annual for 2015);
- funding terms and conditions: employer's contribution paid to an insurance company;
- estimated amount of the annual annuity payment at the end of the reporting period: €7,295 gross and annually; and
- tax and social charges levied on the scheme: contribution used to calculate the tax basis with the fixed 20%-rate (*"forfait social"*).

The Chairman and Chief Executive Officer also benefits from the Company's supplemental retirement plan for Executive Committee (Excom) members. In compliance with the provisions of Decree No. 2016-182 of February 23, 2016, below is a description of of the main features of the supplemental retirement plan with defined-benefit scheme for the benefit of Thierry Pilenko:

- title of the commitment: defined-benefit pension scheme;
- reference to the applicable statutory regime of the scheme: Article 39 of the French General Tax Code;
- conditions to benefit from the scheme and other eligibility conditions:
  - be a Comex member for a minimum period of five years,
  - the retirement income guarantee will only be due in the following events: a departure from the Company after his 60th birthday; a departure from the Company as a result of a 2nd or 3rd category disability (as defined under French law); a departure from the Company after his 55th birthday provided that such departure is not the result of gross misconduct or negligence *(faute grave* or *faute lourde)* on his part and that the beneficiary performs no subsequent professional activity after leaving the Company and until he benefits from a pension under the general French Social Security scheme;
- methods for determining the reference salary specified by the scheme and calculating the rights of beneficiaries: the reference gross salary will be the annual average of gross compensation actually paid to the beneficiary during the five years preceding the effective date of his departure from the Company;
- vesting features: annually; 1.8% per year of service, on the 4th tranche of gross annual compensation paid, *i.e.,* exceeding eight times the French Social Security ceiling, which is compliant with Article 23.2.6 of the AFEP-MEDEF Code. Due to the date of renewal of Thierry Pilenko's mandate, no performance conditions could apply to this scheme as of this date;
- if applicable, existence of a ceiling, formula and conditions to the ceiling calculation: a seniority of up to 15 years;

- funding terms and conditions: employer's contribution paid to an insurance company;
- estimated amount of the annual annuity payment as of December 31, 2015: €292,452 gross and annually; and
- tax and social charges levied on the scheme: the Company has elected the pre-financing "Fillon option" equal to 24%.

In compliance with Article 23.2.6 of the AFEP-MEDEF Code, the annual replacement ratio at retirement should not be higher that 45% of the reference income *i.e.* 21.5%. The ratio for Thierry Pilenko complies with this condition.

110,000 stock options and 33,000 performance shares were granted to Thierry Pilenko over financial year 2015 corresponding to 0.12% of the share capital as of the day of the General Meeting dated April 23, 2015.

The Board of Technip, on the recommendation of the Nominations and Remunerations Committee, has decided that the grant of the long term incentive plans for the Chairman & CEO *(mandataire social)* could represent a face value up to 330% of his annual gross base salary, the value being the one used in the accounting norms (IFRS). The 2015 grant represented 177% of the annual gross base salary.

In financial year 2015, Thierry Pilenko exercised 109,000 share subscription options. It should be noted that the compensation policy for the Chairman and Chief Executive Officer, who is the only executive director *(dirigeant mandataire social)*, is at risk: 100% of the granted shares, options and differed compensation is subject to performance conditions.

In addition, the Board of Directors fixed for the Chairman and Chief Executive Officer a holding rule for performance shares and stock options which have been granted since 2007 corresponding to 25% of the realized net gain, thus complying with Article 23.2.1 of the AFEP-MEDEF Code.

Furthermore, complying with recommendations of the AFEP-MEDEF Code, the Board of Directors decided that, on acquisition of performance shares, Thierry Pilenko will be required to purchase a number of shares of the Company corresponding to 5% of the acquired performance shares. This requirement will not apply to Thierry Pilenko as long as he owns Technip shares for a value equal to at least 100% of his net base compensation (the said compensation being that of the year preceding the acquisition of the performance shares, and the value of Technip share being that of the close of market of the day before the performance shares were acquired).

Thierry Pilenko is not a beneficiary of any share subscription warrants issued by the Company or any other company of the Group.

In the context of the renewal of the mandate of Thierry Pilenko, the Board of Directors on April 23, 2015, upon recommendation of the Nominations and Remunerations Committee, proposed a worldwide non-compete agreement for a 24-month period. In compliance with Article 23.2.5 of the AFEP-MEDEF Code and according to this agreement, Thierry Pilenko could receive an amount corresponding to two years of gross fixed annual compensation paid (gross fixed compensation plus variable compensation). The basis of calculation would be the average of the gross annual compensation paid over the last three years, the payment of which would be paid on a monthly basis.

2.2. Directors' Fees Granted to Members of the Board of Directors

The Shareholders' Meeting of April 25, 2013 set the amount of directors' fees allocated to members of the Board of Directors for each of the financial years 2013, 2014 and 2015 at €800,000.

In compliance with Article 21.1 of the AFEP-MEDEF Code, the Board of Directors determines the terms of payment of directors' fees *(jetons de présence)* including a significant variable portion. On the proposal of the Nominations and Remunerations Committee, the Board of Directors finalized the distribution of Directors' fees for 2015 as follows:

- both a fixed amount and an amount depending on the attendance rate at Board of Directors' meetings, plus an amount which is different depending if the attendance to the meeting requires travel inside the same continent or transoceanic or transcontinental travel;
- an amount paid according to attendance rate at the committees' meetings;
- an additional fixed amount is awarded to the Senior Independent Director and Chairmen of the Committees adjusted, if needed, on a prorata basis.

Directors (other than the Chairman and Chief Executive Officer) do not receive any other compensation from the Company or companies of the Group.

3. Information Required Pursuant Article L. 225-100-3 of the French Commercial Code

Information required pursuant to Article L. 225-100-3 of the French Commercial Code is reported in the following sections of the Reference Document of the Company for the year ended December 31, 2015: Sections 1.7.2, 2, 4.1.1, 4.2, 6.3.7, 7.2.4, 7.3.2, 7.3.3, 7.3.6 and 7.4 of said Reference Document.

4. Internal Control Procedures and Risk Management Procedures Put in Place by the Company

The Group is structured around two business segments, Subsea and Onshore/Offshore, to which report the Regions and the Business Units responsible for the operational units and projects placed under their responsibility. Business segment management are responsible, within their area of responsibility for leading the business, the projects and the operations in accordance with the strategic objectives defined by the Board of Directors and the General Management. The functional departments help the General Management to monitor activities and to define norms and standards of control.

The Group functional departments include, among other, the HSE and safety department as well as the Corporate Risk Management department which report directly to the Chairman and CEO, the Finance Department to which report among other the Group Internal Audit, the Internal Control and the Information Systems and Telecommunication Department, the Group General Counsel to which report, among other the Compliance department and Insurances, and the Human Resources department to which report Sustainable Development Department.

Internal Control and risk management systems contribute in a complementary way to the control of the activities and to the achievement of the Group objectives.

In order to manage inherent risks in its business, the Group maintains internal control and risk management procedures and tools which are organized according to a three levels structure: Group, Regions/Business units, Operational Unit/Project. These tools that have gradually developed and are based on the fundamental concept of a Project.

The Chairman and Chief Executive Officer, assisted by the Group Chief Financial Officer (Group CFO), ensures that effective control measures are deployed within the Group and that possible dysfunctions related to internal controls are subject to appropriate corrective measures. The Audit Committee of the Company monitors the assessment of internal control procedures as well as all measures for any significant issues encountered, which is defined by the Group, based on the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) revised in 2013. This framework is considered equivalent to the reference framework of the of the French Financial Market Authority (*Autorité des marchés financiers*, AMF).

In this framework, internal control is a process intended to provide reasonable assurance that the objectives related to operations, reporting and compliance with applicable laws and regulations are achieved. As for any internal control systems, it cannot provide an absolute guarantee that all risks are completely controlled or eliminated.

The internal control and risk management process cover refer to the processes of the consolidated entities.

Under these internal control principles, which are part of the corporate governance organization, the Audit Committee is responsible for monitoring the efficiency of internal control and risk management systems, assisted by the Corporate Risk Management department and the Internal Audit and Internal Controls departments. These rules are particularly designed to allow the Board of Directors to ensure that internal control is effective and published information available to shareholders and financial market is reliable.

4.1. Internal Control Procedures within the Group

This report addresses the five internal control components defined by COSO, *i.e.*, control environment, risk assessment procedure, control activities, information and communication and internal control monitoring.

Control Environment

The control environment is based primarily on the Group values (Do the right thing, Trust the team, Encouraging a fair return for all, Take it further) and the six charters which follow these values and refer to ethics, health and safety at work, social and environmental responsibility, quality and security of people and goods. Furthermore, the Group is committed to supporting and promoting the principles of the "Global Compact", a United Nations program regarding human rights, labor, environment and ethics within its sphere of influence.

INTEGRITY AND ETHICS

The Group's values and business principles set out in the Values and the charters as well as the in the business integrity guide are circulated to employees and available on Group intranet site.

The Group is committed to reflecting its Values as well as the Ethics Charter in staff operations and its relationship with stakeholders, such as contractors, suppliers and partners in all countries where the Group operates.

The Ethics and Compliance Committee is composed of senior managers from across the Group and reports directly to Technip's Chairman and Chief Executive Officer. It ensures proper adherence to the Group's Ethics Charter and all internal regulations derived therefrom. It makes proposals to the Chairman and Chief Executive Officer and to the Board in respect of ethics and compliance. The Ethics and Compliance Committee also organizes reports from Regional managers on the application of the Charter. In addition, any employee can address an issue to the Ethics and Compliance Committee on any subject relating to the principles provided in the Ethics Charter. A whistleblowing procedure provides a structure to report potential conflicts or incidents in financial, accounting and anti-bribery areas. The Ethics and Compliance Committee is chaired by the Group Chief Compliance Officer.

At executive level, directors and senior managers have signed the "Code of Ethics applicable to the Group's Directors, Executive Management and Senior Financial Officers". This code is an addendum to the Ethics Charter setting forth specific rules applying to them in terms of conflict of interest, public reporting, compliance and personal responsibility. Senior Management has circulated a "No Gift Instruction" note explaining the procedure for the acceptance of a gift in a professional environment to employees worldwide and communicates the "Rules of Good Conduct relating to the communication and the use of privileged information".

Annual employee appraisals refer to "analysis of skills and professional behavior" with individual commitment to ethical values.

OVERSIGHT RESPONSIBILITY

The Board of Directors places a great deal of importance on its composition and that of its Committees. It relies on the work of the Nominations and Remunerations Committee which Chairman and Chief Executive Officer is not a member, in accordance with the AFEP-MEDEF Code (Article 17.1 and 18.1) to ensure a high rate of independence, diversity and a complementarity in competencies of their director's profiles.

Technip has reinforced its existing control mechanisms with the creation in 2010 of the Senior Independent Director's function whose missions are detailed in Section 4.1 of this Reference Document.

The directors are required to comply with the Directors' Charter and to abide by the Group Values that are formulated in Technip's Group Values Charter. They must also follow the Rules of Good Conduct relating to the communication and use of privileged information by corporate officers, executives and employees of the Group.

The four special Committees set up by the Board of Directors have their own Charter describing their respective duties, responsibilities and practices.

Each of these Committees is comprised of at least three directors appointed by the Board of Directors.

Their work is presented to the Board of Directors in a written report.

For more information about governance bodies assignment and practices, please refer to the Section 4.1 of the Reference Document of the Company for financial year ended December 31, 2015.

STRUCTURE, AUTHORITY AND RESPONSIBILITY

General Management ensures that the Regions and Business Units in charge of the management of the operational units and the projects execute, control and periodically assess the Group activities. General Management regularly reviews the relevance of the organizational structure so as to be able to adapt them quickly to changes in the activities and in the environment in which these are carried out.

The operational management is responsible for controlling the operations and maintaining and effective and updated internal control, support functions (such as Finance, Legal, Human Resources) assist operational management in the development of the operations and Internal Audit provides recommendations to improve the efficiency of the internal control system and the operational procedures.

The accountability system is defined and formalized at all levels of the organization through organization notes, organization charts, appointment notes, job descriptions and delegation of powers. Each Region / Business Unit has established, in accordance with policies and standards defined by the Group and published on the intranet site, rules of delegation of powers and procedures that apply within its specific scope of responsibilities.

Organizational structures and delegations of powers are as well defined and formalized within each significant project organization.

TRAINING AND RETENTION OF EMPLOYEES

The Group Human Resources policy is based primarily on the Group's Values and especially the Social charter as well as on the policies and standards defined by the Group and published on the intranet site, the Group developed a referential of pivotal jobs that define for each main function the level of competencies needed to fulfilled the various positions in the organization. Within each organization, the job descriptions define the competencies and expertise necessary for employees to carry out their functions effectively.

The Group's Human Resources function shapes, with the support of its the Regional organization, policies aimed at attracting talents, as well as policies for employee training, coaching, assessment of retention such as annual appraisals, training programs and compensation and benefits schemes.

ACCOUNTABILITY

The Board of Directors, with the support of the Audit Committee, ensures that the internal control functions are operating properly.

The Chairman and Chief Executive Officer implements the objectives determined by the Board of Directors. The Chairman and Chief Executive Officer is at the head of the Group's corporate management and is assisted by the Executive Committee (Excom).

The Chairman and Chief Executive Officer and the Excom have a central coordination role that has a major influence on the control environment and sets the "tone at the top". Through their responsibilities, they ensure that internal control procedures are in place and operative.

The Chairman and Chief Executive Officer is assisted by two specialized Committees:

- the Ethics and Compliance Committee: responsible for assisting the Chairman and Chief Executive Officer for ensuring proper adherence to the Group's Ethics Charter and anti-corruption and other compliance policies and procedures; and
- the Disclosure Committee: responsible for assisting the Chairman and Chief Executive Officer and the Group CFO in their duties to ensure compliance with the laws and regulations applicable to listed companies, to give a true and fair view of the financial statements. This Committee meets four times a year.

Applying the Group's strategic objectives, its organizational structure is based on Regions and Business Units with full operations, projects and P&L accountability, The Regions and the Business Units are assisted by the Group's support functions and may be involved in one or several Business Segments (*i.e.* Subsea or Onshore/Offshore).

Risk Management

All risks faced by the Group (risks related to the Group, its operations and industry, as well as regulatory and legal risks, industrial and environmental risks, credit/counter-party risks, liquidity risks and market risks as detailed in Section 2 of this Reference Document of the Company for the year ended December 31, 2015) are subject to risk assessment and risk management measures at different levels of the organization, from the Corporate Divisions to the relevant Regions, Operational entities and Projects.

SPECIFICATION OF OBJECTIVES

To implement the strategic options defined by the Board of Directors, the General Management ensures that objectives are defined at the various levels of the organization with regard to operations, reporting and compliance.

Operational objectives focus on achievement of the best standards regarding health and safety, with in particular the continuous development of the Pulse Program, on the objectives of order intake and realization of projects, as well as on the optimized and efficient use of human, financial and technical resources. They are in particular defined during budgetary processes and long term plan and are monitored regularly as part of the Business and Operations Reviews led by the General Management with the Regions and the Business Units.

IDENTIFICATION, ANALYSIS AND MANAGEMENT OF RISKS

The risk management is based on a three levels organization, a Group central organization which encompasses the Corporate Risk Management, the Group Internal Audit, and the Group Divisions, Regional and Project organizations.

CORPORATE RISK MANAGEMENT

Since June 2015, the Group's Risk Management function has been separated from the Internal Audit organization and combined with the Corporate Finance and Proposal Group function. It continues to report to the Group CFO. This function is responsible for providing an integrated approach of risk assessment, risk management as well as an early Identification of risks on projects at call for tender and bidding stage in close coordination with the Regions and the Business Units, as well as ensuring that the Risk Management organization is monitored at appropriate levels across the Group, which encompasses the monitoring of processes, tools and risk assessment.

His mission is to focus on Project risks with an aim to ensure that appropriate tools and processes are defined, reviewed and implemented consistently across the Group and in all Regions, Business Units and segments of activity. It is also responsible for monitoring the Portfolio and Enterprise Risk Management processes which are being reviewed and implemented across the Group. He participates in the identification and assessment of major risks faced by the Group and ensures the follow up and the implementation of the risk management strategy.

GROUP INTERNAL AUDIT

The Group Internal Audit assists the Group CFO in assessing and improving the effectiveness of risk management, control and governance processes. It is carried out within the framework defined by Technip in the Internal Audit Charter and in compliance with the Internal Audit Plan issued at the beginning of each year and validated by the Executive Committee. This Plan considers the mapping of operations and risks, as well as the rotation of audits performed. It is also presented to and validated by the Audit Committee of the Board of Directors.

The Group Internal Audit monitors the implementation of the remediation action plans defined in the audit reports.

GROUP DIVISIONS

Under the authority of the Company's Chairman and Chief Executive Officer (CEO), the Group's structure is based on a number of Corporate Divisions. Each division helps to assess and mitigate the risks faced by the Group in its respective area of responsibility.

- In an effort to assess and manage risks with respect to the Group's operations, the President Onshore/Offshore and the President Subsea are responsible for the entire operational organization covering the business and operations for respectively the Onshore/ Offshore and Subsea segments. This includes commercial operations, Business Development, key accounts, tendering coordination and all operational assets and related resources as well as technology development. Since February 1, 2015, the Onshore-Offshore President and the Subsea President directly report to the Chairman and Chief Executive Officer.
- The Group General Counsel, to whom the Legal Division and the Corporate Secretary Office report, is responsible for all legal matters within the Group and for the definition of the Group's legal strategy and policy. He also prepares and oversees, among other things, the Group's contracting policies, assesses the terms and legal risks of contracts, manages any litigation proceedings arising from the performance of contracts and is in charge of the subscription and renewal of insurance policies in order in particular to minimize the contractual risks faced by the Group. Finally, he follows up on real estate issues within the Group.
- The Group Chief Compliance Officer reports to the Group General Counsel and the Company's Board of Directors through the Ethics and Governance Committee. The Group Chief Compliance Officer makes regular reports and recommendations concerning compliance to the Group General Counsel, Chairman and Chief Executive Officer and the Technip Ethics and Governance Committee. The Group Chief Compliance Officer may raise certain issues to the Chairman of the Technip Ethics and Governance Committee. Finally, the Group Chief Compliance Officer is also responsible for ensuring the application of the Ethics Charter and the effective implementation and enforcement of applicable anti-corruption and compliance policies.
- The Human Resources Division is responsible for managing the Group's human resources (recruitment, training, career and skills management, and compensation) in order to ensure that the Group attracts and retains the necessary personnel and participates in its professional development.
- The Communication Division, except for financial communications, reports to the Chairman and CEO.

- The Quality Health and Safety (QHSE) Department, the Global Procurement Department and the Group Business Cooperation Department have a double reporting line to the Presidents Onshore/Offshore and Subsea.
- The Finance and Control Division, under the supervision of the Group CFO, monitors the financial engineering of Projects. It also prepares statutory and consolidated financial statements as well as management accounts, is in charge of internal control, treasury management, tax management, audit and risk management, financial communications and investor relations. It also monitors the Information Technology Divisions.
- The Security Department, reporting to the Chairman and CEO, is among others in charge of carrying out independent IT security audits and more generally all necessary security audits within the Group, ensuring the implementation of relevant Master Security plans dedicated to Projects and insuring coherence and efficiency of the business continuity plan for Regions, headquarters and Projects.

REGIONAL ORGANIZATION

The Group organization is based on the "Principle of Regionality", which delegates managerial responsibility to the appropriate level. Day-to-day operations are under the responsibility of the Regions and the Business Units.

As the Group's core operational unit, each Region is defined by a territory, its operational resources (commercial and execution) and its projects. Each Region is responsible for their Profit and loss which requires full entrepreneurial leeway for operational decision making in respect of project execution and client relations.

The Subsea Division which reports directly to the President Subsea is responsible for the strategic management of Research and Development, fleet and manufacturing plants including expansion plans. Project management is handled by the Regions.

The Consultancy activities relative to subsea engineering and Project Management such as Genesis and PMC are gathered within two Business Units, Genesis and Project Management Consultancy, which report respectively to the President Subsea and the President Onshore/Offshore. They operate with the support, in addition to their own workforce, of the resources of Regions.

RISK MANAGEMENT OF PROJECTS

Risk assessment is conducted by the Group Divisions then across the Regions and the other components of the Group, down to the level of each individual Project. The assessment is structured through tools and procedures as defined by Corporate Finance Proposal Group and Corporate Risk Management and developed throughout the Group.

Before bidding for a Project, Technip conducts a cost evaluation and analyzes the technical, commercial, financial and legal aspects of the Project.

In Project where the services of a local partner are needed, the Technip Compliance Policy requires an investigation into the background and reputation of its prospective partners, to give it a factual basis for concluding that the partner is capable of performing the services and will do so in a manner that fully complies with Technip's Anti-Corruption Policy.

Regional Bid Authorization procedures have been implemented to define applicable authority thresholds and approval levels within each Region's scope of responsibility (Region or Corporate). Each bid must be authorized by the management through an Authorization To Tender ("ATT"). Once the bid is submitted, the previous cost evaluation and financial and legal analysis are updated. The contract cannot be entered into without an Authorization To Commit ("ATC").

In addition to the risk assessment process at tender stage, risks are regularly assessed during the Project execution phase, through especially Project reviews.

Control Operations

In order to give reasonable insurance that risks related to financial reporting, operations and the Group's assets are mitigated, control activities are at all levels, in Regions, projects and within all Corporate functions throughout the Group.

PRINCIPLE FOR SELECTION AND DEVELOPMENT OF CONTROLS

In particular, these control activities aim to ensure that the following principles are followed:

- organizational structures and responsibilities are defined and documented, business objectives are reviewed, key performance indicators are monitored, tenders and newly appointed partners are duly authorized, regular Project and asset reviews are conducted at the entity, regional or Group level, and client invoicing is monitored and approved;
- the segregation of incompatible tasks are monitored with respect to custody of assets, authorization of transactions and recording and control procedures, with the aim of reducing the risk of error or fraud;
- budgets and forecasts are reviewed according to Group objectives;
- reconciliations of physical assets are performed to ensure the corresponding accounts accurately reflect the reality;
- the Group Controlling Department prepares and distributes to the entire Group formal procedures for financial reporting in the form of quarterly statements and accounting rules, in accordance with accounting standards. Significant estimates and other significant accounting assessments are subject to a systematic review and comply with accounting standards and are consistent with current practices within the Group;
- competency and experience requirements for key personnel are defined and documented; standards and procedures are applied for the entire employment contract cycle. Training/orientation is provided to newly hired personnel and personnel turnover is monitored. Checks and reconciliations are performed in the payroll chain from the calculation of pay, to pay slip issuance up until payment;
- the delegation of authority for decision-making and the Group's commitments towards third parties are formalized, regularly reviewed and updated. Permanent procedures are managed, adjusted and reviewed.

- prospective suppliers are identified and selected on the basis of comparison charts approved by authorized personnel according to delegation rights and powers. Commitments are duly authorized, invoices reconciled with work undertaken/goods delivered and approved. Payments are verified and accounting records are checked;
- in relation to IT security, controls exist to ensure that data is accessible to authorized persons, data is not changed by unauthorized actions, usage is logged, relevant users are identified and data is not accessed by unauthorized persons. Controls ensure that key users validate changes and are the only ones authorized to request the start of production.

POLICIES AND PROCEDURES

Management of the Group's reference documentation and related framework is coordinated by the Group Quality department. Permanent procedures and policies are categorized according to five different levels: the Golden Book, Group Operating Principles and Standards, Group Instructions, Group Business Guidelines and Regions' Management Principles and Responsibilities. These documents are available on the Group intranet.

- The Golden Book is intended to give a comprehensive overview of the three themes which underpin the Group's management principles and responsibilities:
  - the Group's Core Values, encompassing its Ethics, Social, Environmental, Health and Safety, Security and Quality Charters, and its Quality, Risk, Health Safety and Environmental Policies;
  - the Core Management Principles and structure of the Group, including the role of the Regions; and
  - the role of Corporate Functions.

  The management principles in this Golden Book are valid for all entities controlled by the Group and are applied throughout the Group.
- The Group Operating Principles and Standards (GOPS) and Group Instructions are a collection of the general instructions, rules and procedures which are applicable throughout the Group. The GOPS are classified into sections, each section being related to one corporate function. In addition to the GOPS, Group Instructions may be issued from time to time by the members of the Executive Committee or people acting on their behalf. Group Instructions are more detailed instructions in specialized areas that help in the implementation of the GOPS in the day-to-day business.
- To facilitate compliance with the GOPS, Corporate Functions issue and communicate Group Business Guidelines, that provide non-binding guidance to promote the use of "best practices" and support Operating Centers to improve their operational performance.
- According to the requirements stated in the Golden Book, GOPS and Group Instructions are mandatory across the Group and provide the overriding framework with which the Regions conduct their operational autonomy. Regions also issue their own detailed Management Principles and Responsibilities, as do their sub-divisions (Business Units, Projects).

Each Corporate Function is responsible for performing a yearly review of its GOPS in order to verify that they still adequately match the business objectives, implementing modifications or even cancelation if needed. Group Quality & Methods (GQM), reporting to the Group QHSE Director, participates in these reviews and facilitates their formalization. These reviews highlight topics and areas which audits should focus upon.

At Regional level, effective implementation of GOPS is raised as a standard agenda item in the planned Quality Management Reviews.

Information and Communication

Information and Communication is an integral part of the Group's internal control framework as the Group is committed to reflecting its Values and internal control practices in staff operations and its relationship with stakeholders, such as suppliers and partners in all countries where the Group operates.

INTERNAL COMMUNICATION

The Group has implemented information release procedures and processes based in particular on internet portal facilities accessible by any employee which give access to Group's Values, Charters, Policies, and Procedures in force across the Group as well as to the ethics and individual behaviors policies that rule the business and to which each employee is required to comply with.

A professional alert system is in place and allows Group employees to raise to the Ethic and Compliance Committee any concern related to finance, reporting and prevention against fraud and corruption likely to represent a risk for the Group.

In 2015, to answer the increase in external fraud attempts, the Group has launched an information program that aims at increasing employees' awareness of fraudsters' processes and relevant answers and behaviors to make and follow to protect the Group assets. An e-learning training program has been implemented to ensure the training of a largest number of employees to the best practices in this matter.

With respect to the Group's knowledge base and talent, Technip University strives to promote expertise and maximize know-how, develop managerial skills, promote multicultural environment and facilitate integration.

EXTERNAL COMMUNICATION

The circulation of information and public relations within the Group (except for financial communication) are coordinated and monitored by the Communication Department.

The external communication of material information concerning the Group business and achievements is prepared as part of the internal procedures put in place by the Communication Department.

The Investor Relations Department focuses on financial communication and ensures that investors and the public receive accurate, precise and fairly presented information on the Group's financial and operating performance, in accordance with French law and the French Financial Market Authority's (AMF) General Regulation.

INFORMATION AND COMMUNICATION SYSTEMS

The Information Technology (IT) Department (among others) has the responsibility for improving IT and communication tools ensuring the security of systems and data and the consistency of IT systems in all Group's entities.

In 2015, a global IT organization has been implemented with the aim to strengthen convergence and harmonization of IT systems used for Subsea and Onshore/Offshore projects as well as IT applications used by support functions.

Monitoring

ORGANIZATION

Internal control is monitored at all levels within the Group. The roles of major stakeholders are described below.

Audit Committee

The Audit Committee has a central oversight role to ensure that the internal control system is in place, operative and efficient as this enables the Board of Directors to ensure the quality of internal controls as well as the integrity of the information disclosed to shareholders and financial markets.

The annual Internal Control assessment report and the Report of the Chairman of the Board of Directors to the Shareholders' Meeting on internal control and risk management procedures implemented by the Company were presented to the Audit Committee.

Management

The Group's Management is responsible for the implementation and evaluation of internal control procedures. Management, at different levels of the decision-making process, Group, Regions and business Units, Operational entities and Projects maintains internal control documentation in relation with its activities.

The management is responsible for ensuring that controls operate effectively and for oversighting the assessment of their operating effectiveness on a self-assessment basis. This self-assessment is performed through questionnaires for the control environment and through design assessment and operating effectiveness testing of controls described in risk and control matrices for business transactional processes and IT-related controls (Information Technologies).

As part of the annual evaluation process, each Regions' President and CFO, as well as the managers of the Corporate Function, are required to represent by way of a letter of affirmation that, to their knowledge, the internal control system has operated effectively during the reporting period. Each deficiency is reported in that letter and must be followed by a remediation plan. In addition, each signatory is required to confirm at the end of the third quarter that the remediation plans determined in the previous year's assessment have been implemented.

Group Internal Audit

The Group Internal Audit has an independent and objective function and is in charge of evaluating the proper operation of the Group in all areas and provides its management with an assurance on the level of control of its operations. In particular, it evaluates the relevance and effectiveness of internal control systems through audits of specific Projects, Regions, Processes and transverse topics at Group level. It contributes to the improvement of the Group's operations through its recommendations.

It is centralized at Group level and audit work is conducted by a team of 16 auditors (end of 2015). The Senior Vice President Group Audit reports to the Executive Committee on the work performed, particularly on the effectiveness of the internal controls of the domains reviewed. The implementation of recommendations made by the Group Internal Audit is closely followed up. The summary results of the internal audit reports and the status of implementation of the recommendations are also communicated to the Audit Committee of the Board of Directors.

Internal Control

The Internal Control function is organized according to three circles: Group, Regions and Business Units, and Operational entities and Projects.

The Internal Control Function's objective is to ensure that the processes designed to limit potential misstatements in financial statements, errors and fraud, are properly executed in compliance with rules, procedures and instructions.

The internal control organization operates according to a decentralized model. The Group corporate team contributes to the definition of the Group internal control framework designed by operational and support functions according to the values and objectives pursued by the Group and is responsible, within the framework of the yearly self-assessment process, for circulating the aforementioned reference framework, organizing and managing the yearly self-assessment campaign, reporting on the assessment results and monitoring the implementation of the remediation actions.

To meet these objectives the Group corporate organization is supported by Regional correspondents responsible for managing the process in the operational entities and the projects within their scope of responsibilities which, on their turn, are supported by a network of internal control correspondents within such entities and projects. These correspondents are in charge to describe and document the local controls implemented in coordination with the process owners, to assess their effectiveness and as the case may be to make sure that remediation plans are defined and implemented to remedy the identified deficiencies.

The main objectives of the self-assessment process are to support Regions and Corporate Functions to improve their control mechanisms, and to ensure that they have appropriate and robust verification and certification procedures in the scope covered by the self-assessment.

The Group Corporate Internal Control Department has a staff of four people that are supported by a network of 40 regional and local correspondents which for the majority of them cumulate their internal control responsibilities with other functions.

Specific tasks undertaken by the Internal Control Function on the key processes affecting the accuracy of the Group's financial reporting are further described in Section 4.2 of this Report.

The progress and results of the internal control evaluation are regularly coordinated and consolidated by the Group Internal Controlling Department and presented to the Group and Region's management.

The Group's long term objective is to ensure an adaptation and a continuous analysis and improvement of internal control mechanisms.

INTERNAL CONTROL ASSESSMENT PROCESS

A detailed documentation and a thorough and formalized assessment of internal controls are performed on a yearly basis in each significant organization of the Group from General Management organizations to Regions, Entities and Projects.

In 2015, the Group has implemented a new integrated software that supports the entire self-assessment process from the documentation of the framework through the self-assessment of the controls, the creation of the deficiencies and the monitoring of the related remediation actions.

The objectives pursued with the implementation of the new software are to strengthen the self-assessment process by the creation of a new evaluation step, formalized In the tool, which aims at performing the design assessment of the controls before moving to the testing step, reinforce the accountability of the internal control actors, regional and local correspondents, with validation workflows embedded in the tool and finally to benefit from the new flexibilities provided by an integrated tool for monitoring self-assessment campaign and analyzing self-assessment results.

The scope of self-assessment is reviewed each year and derives from an analysis of a combination of Operational entities and processes that are significant to the Group Financial reporting.

The self-assessment process is based on a set of risks and control matrices covering the following domains:

- the control Environment (assessed on the basis of questionnaires): Business and Organization, Finance, Human Resources, Permanent Procedures and Policies, Corporate Bodies, Ethics and Integrity, Internal Audit and Information Systems;
- the Business processes (assessed on the basis of tests): revenues, purchasing and procurement, payroll, capital expenditure, inventories, manufacturing and engineering, subcontracting, cost control, treasury, financial control, consolidation and tax;
- Information Technology (assessed on the basis of tests): security, operations and change management.

The thoroughness and level of detail in the assessment is adapted to the size and importance of each entity. Entities with the most contribution and/or risk must provide more information and answer more questions in the self-assessment process than those with less contribution or risk.

Where the results of the self-assessment indicate that controls are not at the required level either in design, operation or documentation, corrective action plans are required to be put in place. Each action plan must have a detailed timetable to complete the action and update the required control. The progress of action plans is regularly followed.

Results are consolidated and analyzed by the Group Internal Controlling Department. They are detailed to the Audit Committee in the context of the annual closing of Group's financial statements.

The Statutory Auditors have performed the specific and necessary verifications of the internal control in their capacity of auditors regarding the annual and consolidated financial statements and if needed, they communicate the result of their work to the Audit Committee.

4.2. Internal Control Procedures Related to the Preparation and Processing of Financial and Accounting Information

The objective of the internal control procedures regarding financial and accounting information is to ensure that the accounting, financial and management information submitted to the Group's corporate bodies and by its affiliates, as well as Group financial reporting and consolidation, reflect the Group's position in a true and fair manner.

Under the responsibility of the Group CFO, production of financial information is organized and carried out by the Group Controlling Department and relies on data provided by the different Business Finance Functions located in each entity or Region.

Accounting Standards

The consolidated financial statements of Technip are established according to the accounting standards of IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standard Board) and adopted by the European Union as of the date when the Board of Directors reviewed the accounts. IFRS principles are reflected in the GOPS and guidelines. The Group Controlling Department drafts and distributes to the entire Group the formal procedures for the production of financial information, in the form of quarterly instructions and accounting rules, in compliance with the published accounting standards.

The principles for estimates and other accounting judgments are subject to a systematic review for conformity with the accounting rules and for consistency with the practices in force within the Group. The Group's positions about changes in Generally Accepted Accounting Principles (GAAP) are subject to discussions with the Statutory Auditors and are subject to a detailed presentation to the Audit Committee.

Accounting Procedures

The main applicable procedures for the preparation of the consolidated financial statements are based on three tools:

- the Group Consolidation Reporting of Accounts Manual updated every year and communicated to all participants in the consolidation process;
- the GOPS relating to IFRS updated regularly and available on the Group's intranet; and
- the closing instructions sent out prior to each consolidation phase, which address the scope of consolidation, the timetable for submitting data, the specific issues requiring attention at year end and the main changes in accounting regulations and standards.

Accounts Closing Process

It is the responsibility of the local CFO to supervise the financial reporting process and the preparation of quarterly consolidation by the finance Directors of each entity while respecting the financial calendar prepared and circulated to Regions by the Group Controlling Department. The CFOs of the Regions monitor the financial reporting process for the entities within their scope of responsibility.

The accounts of the subsidiaries are prepared according to the Group accounting standards. An integrated IT application is used to consolidate the financial statements of the Group. When reporting packages are submitted for consolidation, each entity acknowledges the receipt of instructions, the package approval by the local CFO, the application of the Group Chart of Accounts Manual as well as of Group Accounting Principles.

An internal certification process is implemented to ensure the Region CFOs are responsible for the quality of the financial information prepared relating to their perimeter scope of responsibilities. Region CFOs are required to confirm by email that, to the best of their knowledge, the contribution to the Group's consolidated income from companies within their scope of consolidation as recorded in the consolidation software, as well as the management accounts as they appear in the internal reporting software system (Together), constitute a complete and accurate presentation of the operating results and order intake of the Region. This sign-off procedure applies to annual and half-yearly closings.

On a quarterly basis, the Group Controlling Department establishes the consolidated financial statements, *i.e.,* the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows.

For the preparation of consolidated financial statements, the Group Controlling Department relies foremost on the input of the Region CFOs, Group Tax and Legal Entities and Treasury as well as its own monthly follow up of Key Projects for the Group. The Group Controlling Department ensures a full analysis of project results and their impact on the financial statements. The Treasury Department analyzes the Group's cash position and the Group Tax and Legal Entities Department calculates the recorded taxes, deferred tax assets and liabilities and monitors the tax proof process with the Group Controlling Department.

The Statutory Auditors perform a review of the quarterly financial information with cut-off dates as of March 31, June 30 and September 30. The limited examination of the half-year condensed accounts as of June 30 is subject to a report of the external auditors with respect to the financial information of the first six months of the year.

The financial statements as of December 31 are subject to detailed audit procedures that are foremost formalized by the Report of the Statutory Auditors.

The quarterly financial statements, the half-year accounts and the financial statements for the year ended December 31 are presented to the Audit Committee and approved by the Board of Directors.

Annual Assessment Process of Procedures for the Production of the Group Financial Statements and Other Accounting and Financial Information

The assessment of the effectiveness of the internal controls and procedures for the preparation of accounting and financial information is part of the Group Internal Control's annual appraisal. The referential of the Group controls is regularly adapted to the activities changes of the Group and its risks.

The tasks carried out consist of:

- selecting and identifying the entities and processes that make a significant contribution to the preparation of the Group's accounting and financial information;
- documenting processes considered important for the preparation of the financial statements;
- identifying the risks associated with these processes to help improve fraud prevention;
- defining and documenting the existence of key controls to cover these major risks;
- assessing the effectiveness and implementation of controls through the analysis performed by the Group Internal Control system on test results obtained through the self-assessment internal control testing.

4.5. INTERNAL CONTROL PROCEDURES RELATED TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Ernst & Young et Autres
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1

Statutory Auditors' Report, Prepared in Accordance with Article L. 225-235 of the French Commercial Code, on the Report Prepared by the Chairman of the Board of Directors of Technip

Year ended December 31, 2015

To the Shareholders,

In our capacity as Statutory Auditors of Technip, and in accordance with Article L. 225-235 of the French Commercial Code *(Code de commerce),* we hereby report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code *(Code de commerce)* for the year ended December 31, 2015.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on the internal control and risk management procedures implemented by the Company and to provide the other information required by article L. 225-37 of the French Commercial Code *(Code de commerce)* relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- confirm that the report also includes the other information required by article L. 225-37 of the French Commercial Code *(Code de commerce).* It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on the Internal Control and Risk Management Procedures Relating to the Preparation and Processing of the Accounting and Financial Information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L. 225-37 of the French Commercial Code *(Code de commerce).*

Other Information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by Article L. 225-37 of the French Commercial Code *(Code de commerce).*

Neuilly-sur-Seine and Paris-La Défense, March 10, 2016

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit — Ernst & Young et Autres

Édouard Sattler — Édouard Demarcq — Jean-Christophe Goudard

#5 OVERVIEW OF THE GROUP'S ACTIVITIES

SOMMAIRE TEMPORAIRE DE PLACEMENT

5.1. TECHNIP'S BUSINESS IN 2015

5.1.1. Technip in 2015

GRI G4-4, G4-8, G4-13

A. Subsea

Technip's Subsea division had a successful start to the year, securing new contracts in regions around the world. In January, it won two subsea contracts in the Gulf of Mexico with Stone Energy Corporation leveraging on its unique Subsea vertical integration. Technip was awarded both a flexible pipe supply contract and an installation contract for the Amethyst field, located on Mississippi Canyon 26. The first contract includes the detailed engineering, procurement, fabrication, assembly and testing of a 5-inch production static riser as well as all associated hardware. The second award covers the installation of the pipe as a tieback to the Pompano fixed platform, in approximately 395 meters of water depth.

In February, following on from the contract awarded by Total E&P UK for the Edradour Subsea Development, located approximately 75 kilometers North West of the Shetland Islands in UK waters, Technip was awarded an additional scope of work for the parallel development of the nearby Glenlivet field. The Glenlivet scope of work comprises fabrication and installation of production pipeline; supply and installation of steel tube umbilical, manufactured at Technip Umbilicals facility in Newcastle and supply and installation of flexible tails from Technip's manufacturing plant, Flexi France. The installation of the pipes will be carried out by vessels from the Group fleet. Once again, this illustrates Technip's resources, its strong vertical positioning and local content.

In March, Technip was awarded a significant contract by Tupi BV, a consortium comprised of Petrobras Netherland BV (PNBV, 65%), BG (25%) and Galp (10%), for the ongoing development of the Lula Alto field, located in the Santos Basin pre-salt area in Brazil. The contract covers the supply of around 200 kilometers of flexible pipes and associated equipment, including gas lift, gas and water injection, and gas export and production lines. These highly technological flexible pipes are designed to meet pre-salt challenges with water depths of up to 2,500 meters and high pressures. Lula Alto, an important project for Technip in Brazil, contributed positively to the workload of Technip's plants. The technical requirements of this project once again confirmed the Group's strong position as regards the flexible pipes for the development of pre-salt fields.

In April, Technip won a brownfield subsea contract for the Triton floating production storage and offloading (FPSO) vessel, operated by Dana Petroleum, located in the central North Sea. This field is located 193 kilometers east of Aberdeen, at a water depth of approximately 90 meters. This FPSO produces oil and gas from different fields which are tied back to the FPSO vessel *via* subsea facilities comprising of a series of pipelines and manifolds. As part of the replacement of existing subsea assets, Technip's scope of work covers project management and engineering, including the installation of two flexible risers; the fabrication and installation of one dynamic umbilical riser; the removal and recovery of existing assets at the FPSO vessel; and additional installation, repair and maintenance works. This contract illustrates a true collaboration with the client resulting from the work Technip had already undertaken on Triton.

In May, Technip was awarded a lump-sum contract by BP Exploration & Production Inc. for the design, engineering, fabrication, installation and pre-commissioning of the new production pipeline systems on the south side of the Thunder Horse production drilling quarters unit. At a water depth of approximately 1,900 meters, the current field development is located in the Mississippi Canyon, in the ultra-deepwater Gulf of Mexico environment. This award follows Technip's execution of several phases of the Thunder Horse development since 2003, culminating with the installation of the Gulf of Mexico's first plastic-lined water injection pipelines in December 2014.

During the summer, Technip won two subsea contracts. Technip was awarded a lump-sum contract by Chevron North America Exploration and Production Company, a division of Chevron U.S.A. Inc., for decommissioning the brownfield development and installing new subsea equipment supporting a floating production system located in Mississippi Canyon, Gulf of Mexico, in a water depth of approximately 2,000 meters. The scope of work includes project management and engineering, de-commissioning of existing equipment, fabrication and installation (including risers), flowline and pipeline end terminations, gas lift umbilicals, replacement manifold and associated hardware, jumpers, and pre-commissioning and testing.

In July, Technip was awarded an engineering, procurement, construction, installation and commissioning contract by Petronas Carigali for the tie-in of Petronas' first Floating Liquefied Natural Gas facility to the KAKG-A platform in the Kanowit field, situated 200 kilometers off the coast of Bintulu, East Malaysia, at a water depth of approximately 80 meters. The contract covers the procurement and installation of a 3.2 kilometer flexible flowline between the existing KAKG-A central processing platform in the Kanowit field and the PFLNG1 riser. This contract enabled Technip to benefit from a competitive solution due to Technip's unique vertically integrated value chain for subsea infrastructures, from the design and manufacture of the flexible pipes up to its installation, using Technip assets. The PFLNG1 vessel, which will produce 1.2 million tons of LNG per year, will play a significant role in Petronas' efforts to unlock gas reserves in Malaysia's remote and stranded fields to help meet the growing demand for gas.

In September, also in Malaysia, Technip won an engineering, procurement, installation and commissioning contract awarded by Petronas Carigali Sdn Bhd. for its D18 project. The project covers the procurement and installation of two water injection flexible pipes totaling 9.5 kilometers in length. The flexible pipes will connect the three fixed jacket platforms that form the existing D18 infrastructure, situated off the coast of Sarawak, at a water depth of 36 meters. This contract is part of the five-year Framework Agreement entered into with Petronas in late 2014 and is in line with Technip's strategy of strengthening its partnerships with existing clients to drive cost optimization.

In October, the Subsea segment entered into a number of new contracts. First, Technip's wholly-owned subsidiary, Technip Umbilicals Ltd., and Angoflex Ltda. (owned jointly with Sonangol) were awarded a contract by ENI S.p.A. to supply umbilicals to the Block 15/06 East Hub Development, situated off the coast of Angola. This field is located approximately 350 kilometers north of Luanda, at water depths of up to 600 meters. The contract includes project management and the manufacture of approximately 15 kilometers of dynamic and static steel tube umbilicals. This new contract follows another project awarded to Technip last year for the fabrication and installation of flexible and rigid pipelines at Block 15/06, further reinforcing Technip's relationship with ENI.

Technip was awarded a contract by Shell Offshore Inc. ("Shell") for the development of subsea infrastructure for the Stones project. The contract includes two subsea production tie-backs to the Floating Production, Storage and Offloading (FPSO) vessel. The Stones field is located in the Walker Ridge area in the US Gulf of Mexico, at a water depth of 2,930 meters along the pipe lay route. The contract covers: engineering of the required second pipeline end terminations (PLETs); fabrication of the PLETs and anchor piles; and installation of the subsea production system, including associated project management, engineering and stalk fabrication.

In Malaysia, Technip was awarded an important subsea contract by JX Nippon Oil and Gas Exploration (Malaysia) Ltd in the Layang field, Block SK10, situated off the coast of Sarawak, Malaysia at a water depth of 85 meters. The contract covers the engineering, procurement, fabrication, installation and commissioning of three flexible pipes totaling 9.9 kilometers in length. The flexible pipes consist of two production risers and flowlines and one gas export riser and flowline, connecting shallow water platforms to a new FPSO. This award demonstrates the competitiveness of Technip's flexible pipe technology for shallow water developments and the advantages of Technip's unique subsea integrated approach as a one-stop solution for cost-effective field developments.

In October, Technip was awarded a substantial contract by Libra Oil & Gas BV in Brazil, a consortium led by Petrobras Netherland BV (40%) and partners: Shell (20%), Total (20%), CNOOC (10%) and CNPC (10%). The project includes the supply of flexible pipes to the Libra Extended Well Test field, located in the Santos Basin pre-salt area. This is one of the first development phases of the giant Libra field. The contract includes the supply of high-end flexible pipes: designed for the production of the Libra field oil, they are the first 8" oil production pipes to be installed in the pre-salt area. This demonstrates once again Technip´s technological leadership and reinforces the flexible pipes' suitability for the ultra-deepwater and harsh conditions of Brazilian pre-salt fields. Winning this contract is the result of strong R&D and engineering efforts to overcome the pre-salt technical challenges using a flexible pipes solution.

In December, Technip was awarded a contract by Deep Gulf Energy II, LLC for the development of the Odd Job field. As the field is located in the Mississippi Canyon in the Gulf of Mexico, in water depths ranging from 1,330 to 1,825 meters, this contract relies on Technip's expertise to deal with ultra-deepwater challenges. Technip's operational center, based in Houston, Texas, United States, will oversee the project. The riser and flowline system will be fabricated at the Group's spool base in Mobile, Alabama, United States. The offshore installation is expected to be performed in the summer of 2016 by Technip's vessel the *Deep Blue,* one of the world's largest ultra-deepwater pipe lay and subsea construction vessels.

B. Onshore/Offshore

In 2015, due to its strong and leading petrochemical technologies, Technip's Onshore/Offshore segment was awarded a contract by Qingdao Soda Ash Industrial New Material & Technology Company to provide the technology, engineering, selected critical equipment and technical services for a 500 KTA ethylbenzene styrene monomer plant to be located in China. The plant's products will be used for manufacturing a broad range of plastics. Badger's superior technology, coupled with Technip's reputation, experience and competitive tender were key factors in winning this contract.

In February, Technip was awarded a substantial contract on a lump-sum turnkey basis by Duslo a.s. to develop the engineering, procurement and construction of a new ammonia production unit in the existing fertilizer complex located in the Slovak Republic. Based on Haldor Topsoe's last generation technology, the new unit will have a capacity of 1,600 tons per day of ammonia. It will incorporate the most advanced engineering and technological solutions for minimum energy consumption and reduction of pollutant emissions. Winning this contract confirms Technip's leading position in the fertilizer sector.

In April, Technip and its consortium partner Chinese Offshore Oil Engineering Company (COOEC) were awarded a front end engineering design (FEED) contract by CNOOC Limited for two tension leg platforms (TLPs) for the Liuhua 11-1 and 16-2 joint development project located in the South China Sea. The contract covers the design and engineering of the topsides (including two drilling rigs), hulls, mooring and riser systems. This contract is in line with the Group's strategy of early involvement to respond as best as possible to client requirements.

Tipiel S.A., Technip's subsidiary in Colombia, was awarded a front-end design and detailed engineering contract by the Consorcio Constructor Ductos del Sur on a lump-sum basis. The contract covers the development of a new gas pipeline to transport gas from the Camisea field to Southern Peru. Launched by the Peruvian government, the project consists of more than 1,700 kilometers of gas pipeline. It aims to improve the existing Peruvian Energy Network, contributing to the development of an Energy Node and Petrochemical Hub in Southern Peru. This contract reflects the importance of working with the client from an early stage to help design an optimized project execution scheme.

Also in April, Technip, in partnership with a Japanese engineering consultant UNICO, was awarded a Project Management Consultancy (PMC) contract by South Refineries Company (SRC) – Ministry of Oil, to upgrade the Basra refinery in Iraq. The project will aim at increasing the gasoline production capacity through the installation of a new fluid catalytic cracking unit and associated units. Technip PMC gathers all the know-how and expertise acquired by the Group over the years in executing challenging projects around the world, and this new award continues to reinforce the Group's position in PMC in the Middle East.

In June, Technip, in a consortium with Petrovietnam Technical Services Corporation (PTSC), was awarded an engineering, procurement, construction and commissioning contract by PetroVietnam Fertilizer and Chemicals Corporation. The project covers the revamping of the ammonia plant at the existing Phu My Fertilizer Complex, located in Vietnam. The plant upgrade will increase the current ammonia output at the Phu My Fertilizer complex by 20% using Haldor Topsoe technology. Having engineered and built the initial Phu My Fertilizer Complex, which was successfully commissioned in 2004, this award reinforces Technip's long-lasting relationship and demonstrates the client's continued confidence in Technip as a significant player in the fertilizer sector.

Technip's offshore operations had a strong summer in the Asia Pacific, first winning a detailed topside engineering and procurement services contract awarded by Jurong Shipyard Pte Ltd. The project is part of a conversion of a shuttle tanker into a floating, production, storage and offloading (FPSO) vessel, which is being built at the Jurong Shipyard in Singapore. Technip will design the FPSO's topsides based on its experience in a full range of offshore facilities. The FPSO will be based in the Libra field, off the coast of Brazil, at a water depth of approximately 2,500 meters. Once completed, it will have a capacity of 50,000 barrels of oil per day and 4 million cubic meters of natural gas per day.

Secondly, the Technip Samsung Consortium was awarded two contracts by Shell for the Browse floating liquefied natural gas (FLNG) project in Australia, operated by Woodside. The Browse project covers the realization and installation of three FLNG units to develop the three fields in the Browse Basin, 425 kilometers North of Broome, Western Australia. The Browse project will capitalize on Shell's FLNG experience, as well as on Woodside's offshore and subsea development expertise. The first contract awarded to the Technip Samsung Consortium covers the front-end engineering design (FEED) elements of the Browse FLNG project, taking into account the composition of the gas, local weather conditions and factors specific to each of the three fields. The second contract covers the engineering, procurement, construction and installation of the three FLNG units of the Browse project. This contract is subject to the final investment decision of the client at the end of the FEED contract. While FLNG represents a breakthrough in the industry, Technip's teams worldwide have played a key role in this technology since its inception by bringing together its unique combination of expertise – not only in floating units, but also in subsea developments and liquefaction facilities.

Also in July, Technip won a Project Management Consultancy (PMC) Services contract awarded by TAP for a project designed to transport gas from the Shah Deniz field to the European market. The TAP project scope includes an approximately 870-kilometer-long pipeline, which will start from the tie-in with the TANAP portion of the Southern Gas Corridor project at the Greece/Turkey border. The pipeline will then go through Greece and Albania, across the Adriatic Sea subsea and end in Italy, where it will connect to the Italian natural gas network. The project aims at enhancing the security of supply as well as diversifying gas resources in the European market. The PMC contract awarded to Technip will cover the onshore portion of the pipeline from Greece to Albania and in Italy. The services will include the overall project and site management, procurement and subcontracting for all the EPC packages throughout the engineering, procurement and construction phases, as well as warranty management and the project close-out.

During the summer, Technip also announced two joint agreements in Egypt. The first was between Technip Italy S.p.A., SACE and Midor (Middle East Oil Refinery) for the front end engineering design to modernize and expand the MIDOR refinery near Alexandria, Egypt. The investment has an estimated total value of 1.4 billion USD and aims to improve the production quality of the plant, considered the most advanced on the African continent, by increasing its refining capacity. In due course, Technip will take responsibility for the EPC phase of the project.

The second joint agreement announced was with Egyptian General Petroleum Corporation (EGPC) and Assiut Oil Refining Company (ASORC) for the modernization project of the Assiut refinery in Upper Egypt, designed to refine the "bottom of the barrel". The investment has an estimated total value of 1.5 billion USD and aims to maximize diesel production. It will introduce the most modern refinery technologies in Upper Egypt and satisfy the growing local demand for petroleum products. At the date of the announcement and in accordance with the agreement, Technip started work on the front end engineering design for this project and provided support to ensure project financing.

In the autumn, Technip continued to build on its onshore success, winning an important contract awarded by Unipetrol a.s. on a lump-sum turnkey basis. The contract covers the engineering, procurement and construction (EPC) of a new Polyethylene Plant in the complex located in Litvinov, Czech Republic. Based on INEOS technology, the new unit will have a capacity of 270,000 t/y high density polyethylene.

In October, Technip was awarded an important contract by Tecnicas Reunidas to supply three hydrogen reformers as part of the hydrogen production facility at PETRONAS' Refinery and Petrochemical Integrated Development (RAPID) project located in the state of Johor in Malaysia. As the heart of the hydrogen plant, the reformers will produce 344,500 Nm^3/h of hydrogen and syngas products. The supply of the reformers is based on Technip's proprietary top-fired steam methane reforming technology. Early involvement represents a strategic focus for Technip. Prior to the supply of the hydrogen reformers, Technip was involved in the front-end engineering design for the RAPID project.

At the end of October, Technip announced that it had entered into a contract to supply its proprietary ethylene technology and Process Design Package (PDP) to PTTGC America LLC (PTTGCA), a subsidiary of PTT Global Chemical, Thailand's largest integrated petrochemical and refining company, for a 1,000 KTA grassroots ethane cracker to be located in Belmont County, Ohio in the

USA. The plant, which will use low cost ethane from the region's shale deposits, will be part of a major shale-based petrochemical complex to be built by PTTGCA. Key technology components include Technip's proprietary USC® furnaces (preferred for their high-capacity, low-cost gas cracking capabilities) as well as Technip's well-established ethylene recovery system.

In November, Technip was awarded a contract by CHS Inc., to provide proprietary technology and engineering, procurement, and construction for a 40,000 m^3/h grassroots hydrogen plant at the CHS Refinery in Laurel, Montana, United States. The design will utilize Technip's high efficiency top-fired steam reforming technology to produce high purity hydrogen and export steam, as well as the latest nitrogen oxide reduction technology to ensure minimum emissions. The award reinforces Technip's strategic focus on early involvement in projects with the Group's steam reforming technology as a key differentiator. Previously, Technip provided a steam reformer and a parallel reformer for the CHS Refinery in Laurel, Montana, United States. Technip also completed two hydrogen projects for the CHS Refinery in McPherson, Kansas, United States.

Technip was awarded a lump-sum contract to supply its proprietary technology, detailed engineering and procurement services for a reformer for a hydrogen plant. The plant is located near the STAR Aegean Refinery to be built in Izmir, Aliaga, Turkey. The reformer, which is the heart of a hydrogen plant, will produce hydrogen product and high quality export steam to be used by the refinery. Again, the decision to intervene in the early stages of the project is a strategic choice on the part of Technip. Having provided basic engineering for the complete hydrogen plant, the Group will now perform the detailed engineering and supply of the reformer, based on Technip's proprietary top-fired steam methane reforming technology. With over 260 hydrogen units licensed worldwide, Technip has been consistently recognized as the market leader in the design and supply of hydrogen reformers and hydrogen production plants.

Finally, in December, Technip was awarded by Unipetrol a lump-sum contract to supply four cracking furnaces for their ethylene plant in Zaluzi in the Czech Republic. The project covers the engineering, supply and construction of the furnaces, including the associated pipe-rack. These new furnaces will replace damaged units at the site. Two furnaces will be based on Technip's proprietary SMK™ coil technology and the two others on Technip's proprietary GK6® coil technology. During the last 10 years, SMK™ coil technology has been applied in more than 100 furnaces, and GK6® coil technology in more than 76 furnaces.

C. Corporate

In January, Technip operations in Brazil, France and Italy, including flexible pipe manufacturing plants in Brazil and France and the Group's headquarters, were certified to the EDGE (Economic Dividends for Gender Equality) global standard for gender equality in the workplace. EDGE is the leading global assessment methodology and business certification standard for gender equality applicable across all industries and countries. This independent certification, awarded by a third party auditor, underlines Technip's commitment to Gender Diversity as one of its strategic priorities and showcases the Group's dedication to encouraging and valuing diversity as a key business success driver.

Technip has made significant progress in gender equality in recent years, especially with (i) the creation of a governance structure consisting of a Gender Equality steering committee and an advisory committee, (ii) the organization of its first global Gender Equality forum and (iii) the work with EDGE in Brazil, France and Italy. There are plans to include additional countries of the Group in the EDGE assessment and certification process throughout 2015.

In March, Technip was one of the first five companies in the world certified as a Global Top Employer 2015. The Global Certification is a new recognition delivered by the Top Employers Institute. This independent certification underlines the quality and consistency of Technip's human resources (HR) practices and policies around the globe. It also recognizes that the Company strives to continuously improve its employment practices. It also showcases Technip's dedication to develop talent throughout the organization by globally creating the optimum conditions for employees to grow professionally.

This year, Technip has also been certified as a Top Employer in 24 individual countries – Australia, Brazil, China, Colombia, France, Germany, India, Indonesia, Italy, Malaysia, Mexico, Norway, Portugal, Qatar, Russia, Singapore, Spain, Thailand, the Netherlands, United Arab Emirates, United Kingdom, United States, Venezuela and Vietnam – as well as in three regions: Asia Pacific, Europe and Latin America. This certification in these various regions throughout the world is a clear example of how Technip has harmonized its operations in a way which has not only benefited its employees but also its operational efficiency on a global scale.

Moreover, in March, FMC Technologies Inc. and Technip entered into an agreement to form an exclusive alliance and to launch Forsys Subsea: a 50/50 joint venture that unites the skills and capabilities of two subsea industry leaders. This alliance redefines the way subsea fields are designed, delivered and maintained. On June 1, 2015, the parties closed the transaction making Forsys Subsea operational. Forsys Subsea has a total workforce of 320 people and is supported by the employees of FMC Technologies and Technip. The company is headquartered in London, with regional hubs in Oslo, Houston, Paris, Rio de Janeiro, and Singapore.

The rationale behind this alliance and new joint venture is to bring the industry's most talented subsea professionals together early in the project concept phase. Forsys Subsea has the technical capabilities, products and systems to significantly reduce the cost of subsea field development and provide the technology to maximize performance over the life of the field. By combining the industry-leading technologies of the parent companies, Forsys Subsea will reduce the interfaces of the subsea umbilical, riser and flowline systems (SURF), and subsea production and processing systems (SPS). It will also simplify the seabed layout, reducing complexity, accelerating time to first oil, and maximizing sustainable peak production. This unique combination drives a new approach to how equipment design and installation methods converge in a new generation of subsea architecture. In 2015, Forsys Subsea announced three front end engineering design contracts for subsea developments.

In July, Technip announced that it will accelerate its cost reduction and efficiency of its cost basis by launching a restructuring plan in response to the prolonged and harsh downturn in the oil and gas market. The Group will reduce its global workforce by approximately 6,000 and will pursue the streamlining of its operations, started in 2014, to focus on its core assets and operations.

In December, Technip announced that its entities in Australia, Malaysia, United Kingdom, United Arab Emirates and United States have been certified to the EDGE (Economic Dividends for Gender Equality) global standard for gender equality in the workplace. These five additional certifications follow those obtained last year by Technip in Brazil, France and Italy. To reach this achievement, Technip in Australia, Malaysia (including the flexible pipe and umbilical manufacturing plant), United Kingdom, United Arab Emirates and United States has undergone an extensive analysis of each local entity's policies, practices and data in terms of gender equality. The study was complemented by a survey of employees in each of these entities. The increase from three to eight EDGE certified countries during 2015 is a significant achievement, demonstrating quantifiable progress towards Technip's gender equality aims.

Also in December, Technip announced the completion of "Technip Capital 2015", a share capital increase Offer reserved for employees who are members of the Technip Group Savings Plan (PEG). This plan was initially announced earlier in September 2015. Further to the Technip share capital increase reserved for employees, ("Technip Capital 2012"), the Technip Capital 2015 Offer is a continuation of the Group's policy to further involve its staff in the Group's future and performance. The "Technip Capital 2015" Offer took place from September 21 to October 9, 2015, with a subscription price per share, including a 20% discount, of €38.16 and was a real success.

In 2015, employees in the following 20 countries benefited from the Technip Capital 2015 Offer: Germany, Australia, Brazil, Canada, Spain, the United Arab Emirates, the United Kingdom, the United States, France, Greece, India, Indonesia, Italy, Malaysia, Mexico, Norway, the Netherlands, Portugal, Singapore and Thailand. For employees in the United Kingdom, the offer took the form of an offer to purchase existing treasury shares through a Share Incentive Plan under English law.

D. Main Acquisitions and Disposals in 2015

Technip's external growth policy aims to consolidate the Group's leadership in its markets by strengthening its geographic positions, technological portfolio, resources, and capabilities in critical areas for successful project execution.

In financial year 2015, Technip completed the following major transactions:

On March 22, FMC Technologies Inc. and Technip entered into an agreement to form an exclusive alliance and to launch Forsys Subsea, a 50/50 joint venture that unites the skills and capabilities of two subsea industry leaders. This alliance will redefine the way subsea fields are designed, delivered and maintained. Forsys Subsea has a total workforce of around 320 people with the following objectives:

- early involvement with operators in the concept selection phase of front-end engineering and design, when the ability to influence cost is greatest;
- promote the integrated design of Subsea Production Systems (SPS), Subsea Umbilicals, Risers and Flowlines (SURF) to reduce complexity;
- integrated life-of-field well surveillance, monitoring, data interpretation and advisory services to increase field performance; and
- collaboratively develop R&D programs to drive technological innovations that increase efficiency and reduce development costs.

On May 29, 2015, Technip acquired the remaining Doftech DA's shares from DOF Subsea AS, therefore becoming the sole owner of the *Deep Arctic* (former *Skandi Arctic*), a diving support vessel.

In October, in accordance with the Group's strategy to rationalize and optimize its fleet, Technip divested the *Deep Constructor*, a pipelay and multipurpose subsea construction vessel originally built in the early 80's.

During the fourth quarter of 2015, Technip took a controlling stake in Marine Offshore AS, a Norwegian company and former subsidiary of Dr. Techn. Olav Olsen AS (which still remains a minority shareholder). This acquisition gives Technip access to two floating concrete platform technologies that will prepare the Group to be technically and commercially ready to compete in the Arctic Market. Together, the two Groups expect to jointly develop and promote these technologies, and collaborate on brownfield initiatives.

Also, during the fourth quarter, in the context of active streamlining of its activities, the Group pursued its restructuring and cost reduction efforts, and completed the sale of its engineering centers in Antwerp (Belgium), and Lagos (Nigeria).

5.1.2. Presentation of the Adjusted Financial Statements Included in the Reference Document

The following section presents Technip's adjusted results and Statements of Financial Position ("Group Adjusted Accounts") for the two financial years ended December 31, 2015, and December 31, 2014. In Note 3 (c) of Section 6.1 of this Reference Document are presented Technip's Consolidated Financial Statements, which have been prepared in accordance with the IFRS, and the reconciliation to the adjusted data.

The presentation below is to be read with the entire Reference Document, including the Consolidated Financial Statements as per IFRS and appended Notes, as presented in Section 6.1 of this Reference Document.

Main Changes in the Scope of Consolidation

(See Note 2 to the Consolidated Financial Statements for the financial year ended December 31, 2015.)

Main Variations

YEAR ENDED DECEMBER 31, 2015

On May 29, 2015, Technip acquired the remaining 50% of Doftech DA's shares from DOF Subsea AS. As a consequence, Doftech DA previously consolidated by equity method is consolidated at 100% by global integration. In addition, Technip becomes the sole owner of the *Deep Arctic* (ex-*Skandi Arctic*), a diving support vessel specially designed to meet the North Sea market requirements.

YEAR ENDED DECEMBER 31, 2014

On April 30, 2014, Technip sold the totality of its fully owned subsidiary Technip TPS, specialized in engineering and construction for the industry, to the WSP Group (WSP is one of the world's leading professional services firms) for a total amount of €12.1 million as of December 31, 2014.

On June 3, 2014, September 26, 2014 then on December 4, 2014, Technip sold the totality of its 75% of investment in Seamec to HAL Offshore Limited, India at a consideration of 97 Indian rupees per share (translating to a total amount of €31.4 million as of December 31, 2014).

Seamec Limited and its 100% subsidiary Seamec International FZE are not anymore consolidated in Technip Group accounts as of December 31, 2014.

On December 30, 2014, Technip acquired the technology Zimmer®. Based in Frankfurt, Germany, Technip Zimmer GmbH constitutes the new polymers technology business of Technip. This activity is integrated through Technip Stone & Webster Process Technology, the Onshore global business unit formed in 2012 to manage the Company's expanding portfolio of downstream process technologies.

Technip Zimmer GmbH's business includes technologies for the processing of polyesters and polyamides, research and development facilities, and a team of around forty skilled engineers, researchers and project teams.

The new polymers business will diversify and strengthen Technip's portfolio of downstream technologies in its Onshore segment.

No material impact was recognized following the completion of the purchase price allocation performed in 2015 and the final goodwill recognized in the consolidated financial statements as of December 31, 2015 for the acquisition of the technology Zimmer® amounts to €62.4 million.

Other Variations

On October 12, 2015, Technip divested its 100% ownership in the company Technip Benelux NV (Belgium).

The Group also decided to dispose its 39% share in the company Crestech (Nigeria) to its partner Highcrest Technologies Ltd.

There is no other significant change in the scope of consolidation compared to December 31, 2014.

Reporting by Business Segment and by Geographical Area

Reporting by Business Segment

The three business segments as reported to the main operating decision-maker, the Group Executive Committee, are therefore organized as following:

- the Subsea segment includes the design, manufacture, procurement and installation of subsea equipment;
- the Onshore/Offshore segment includes the entire engineering and construction business for petrochemical and refining plants, the facilities for developing onshore oil and gas fields (including gas treatment units, liquefied natural gas (LNG) units and onshore pipelines), as well as the design and construction of fixed or floating facilities and surface installations; and
- the Corporate segment includes holding company activities and central services rendered to Group subsidiaries, including IT services and reinsurance activity.

Adjustment items relate to the integration for their respective shares of incorporated entities linked to construction contracts in joint arrangements.

Joint arrangements in which the Group hold investments could be classified in two categories: those set up for the purpose of fulfilling a defined construction contract and those set up to build and operate vessels, principally flexible pipeline installation vessels (PLSVs) in Brazil. The fulfillment of contracts in joint arrangement being the core business of Technip, the Group should continue to release its contracts in partnership for their respective shares, whatever the legal structuration of the joint arrangement and whether or not the constitution of an incorporated legal entity is scheduled to host partly or fully the contract. The objective is to disclose all relevant financial information to the Group management and to the different participants of the financial markets.

Entities holding pipeline installation vessels should remain consolidated as equity affiliates as their management and operational methods intrinsically corresponds to the concept of joint ventures as described in IFRS 11.

Reporting by Geographical Area

From a geographical standpoint, Technip's reporting of its operating activities and performance is based on the following five geographical areas:

- Europe, Russia and Central Asia;
- Africa;
- Middle-East;
- Asia Pacific; and
- Americas (including Brazil).

5.1.3. Changes in Backlog, Order Intake and Adjusted Revenues

Changes in Backlog

Backlog is an indicator showing the remaining revenues of all ongoing contracts.

As of December 31, 2015, the backlog amounted to €16,970.2 million compared to €20,936.2 million as of December 31, 2014. The decrease of approximately €4 billion (-19%) was mostly driven by the Subsea segment, as shown in the table below:

Backlog by Business Segment

In millions of Euro	As of December 31, 2015	As of December 31, 2014	Variation
Subsea	7,309.4	9,727.8	-25%
Onshore/Offshore	9,660.8	11,208.4	-14%
TOTAL BACKLOG	**16,970.2**	**20,936.2**	**-19%**

Backlog by Geographical Area

	Europe, Russia, Central Asia			Africa			Middle-East			Asia Pacific			Americas			Total	
In millions of Euro		%	Var.		%	Var.		%	Var.		%	Var.		%	Var.		Var.
Backlog As of December 31, 2015	8,506.4	50%	-2%	2,984.3	18%	-32%	727.8	4%	-42%	1,619.5	10%	-38%	3,132.2	18%	-20%	16,970.2	-19%
Backlog As of December 31, 2014	8,724.3	42%	109%	4,415.1	21%	59%	1,259.2	6%	-21%	2,611.8	12%	-1%	3,925.8	19%	-9%	20,936.2	35%

The split by geographical area remained all in all unchanged in 2015. The Europe, Russia and Central Asia area, despite a slight decrease compared to 2014, remained the first contributor to Group backlog by virtue mainly of the Yamal project in Russia, the contract for the construction of an ammoniac plant in Slovakia, the contract for a new polyethylene unit in Czech Republic and contracts in the North Sea such as Edradour and Åsgard IMR. The Americas area, despite a decrease compared to 2014, became the second contributor to Group backlog, thanks to high scale engineering and construction projects for the petrochemical industry in the United States and the contracts for highly technological flexible supply in Brazil. The Africa area, the third contributor to Group backlog, reduced compared to 2014 due to the execution progress of the huge contracts such as Block 15 in Angola, T.E.N. in Ghana and Moho North in Congo. The backlog in Middle East and Asia Pacific areas contracted compared to 2014.

The main contributors to Group backlog as of December 31, 2015 are presented by geographical area and by business segment in the table below:

Main Contributors to Backlog as of December 31, 2015	Europe, Russia, Central Asia	Africa	Middle-East	Asia Pacific	Americas
Subsea	• Quad 204 for BP (North Sea) • Edradour for Total (North Sea) • Kraken for Enquest (North Sea) • IMR (inspection, maintenance and repair) services for Åsgard Subsea Compression for Statoil (North Sea)	• Installation services and umbilicals supply for Kaombo project for Total (Angola) • Moho North for Total (Congo) • T.E.N. for Tullow (Ghana) • Block 15/06 for ENI (Angola) • Umbilical supply for the Block 15/06 East Hub development for ENI (Angola)*	• Installation services of Rashid C pipelines for DPE (United Arab Emirates)	• Jangkrik for ENI (Indonesia) • Wheatstone for Chevron (Australia) • Bangka for Chevron (Indonesia) • Flexible supply for the Layang field for Nippon Oil (Malaysia)*	• Flexible supply for Iracema Sul, Iracema Norte, Lula Alto* and Libra* fields for Petrobras (Brazil) • Accelerated production system of Mariscal Sucre Dragon for PDVSA (Venezuela) • Additional development of subsea infrastructure for the Stones project for Shell in the Gulf of Mexico (United States)* • Thunder Horse South Expansion for BP in the Gulf of Mexico (United States)* • Decommissioning of the Blind Faith brownfield development and installation of new subsea equipment for Chevron in the Gulf of Mexico (United States)* • Development of subsea infrastructure of the South Santa Cruz and Barataria fields for Deep Gulf Energy III, LLC (DGE) in the Gulf of Mexico (United States)*
Onshore/Offshore	• Liquefied natural gas facility for Yamal LNG (Russia) • Martin Linge platform for Total (North Sea) • Construction of an ammoniac plant for Duslo (Slovakia) • Reformer for the STAR hydrogen plant for TSGI (Turkey)* • Polyethylene plant in the Litvinov complex for Unipetrol (Czech Republic)* • Four cracking furnaces for an ethylene plant for Unipetrol (Czech Republic)*	• Early works for the modernization and expansion of the MIDOR refinery near Alexandria for MIDOR (Egypt) *	• Super complex of Umm Lulu for Adma Opco (United Arab Emirates)	• Prelude FLNG *(Floating Liquefied Natural Gas)* for Shell (Australia) • FEED (Front-End Engineering Design) for three FLNG *(Floating Liquefied Natural Gas)* units of the Browse Basin for Shell (Australia)* • Three hydrogen reformers for the RAPID project for Petronas (Malaysia)* • Revamp contract of an ammonia unit at the Phu My fertilizer complex for Petrovietnam (Vietnam)*	• Polyethylene plant for CPChem in Old Ocean (United States) • Ethane cracker for Sasol in Louisiana (United States) • Juniper Platform for BP (Trinidad) • Hydrogen plant for CHS in Montana (United States)* • Hydrogen plant for Air Products in Baytown, Texas (United States)*

* New contract.

Changes in Order Intake

Order intake by business segment in 2015, compared to 2014, is presented in the table below:

In millions of Euro	As of December 31, 2015	As of December 31, 2014	Variation
Subsea	3,105.8	6,837.3	-55%
Onshore/Offshore	4,459.3	8,458.5	-47%
TOTAL ORDER INTAKE	**7,565.1**	**15,295.8**	**-51%**

The order intake is significantly lower in 2015 than the 2014 record order intake.

In the Subsea segment, the order intake remained low. In the Gulf of Mexico, the order intake comprised of the award of an additional contract for the development of subsea infrastructure for the Stones project, the gain of a contract for the decommissioning of the Blind Faith brownfield development and the installation of new subsea equipment, a project for the new production pipeline systems for the Thunder Horse platform, and the award of a contract for the development of the South Santa Cruz and Barataria fields. In Brazil, the demand remained sustained for new highly technological flexible pipes and associated equipment for pre-salt development, notably for the Libra and Lula Alto fields. In the North Sea, order intake included the contract for the Triton Floating Production Storage and Offloading (FPSO). In Asia Pacific order intake was mostly driven by Malaysian projects with the contract for the supply of flexible pipes for the D18 project and the contract for umbilical supply for the Layang field. Finally, a contract was awarded for umbilical supply for the Block 15/06 East Hub development in Angola.

In the Onshore/Offshore segment, the order intake comprised the award of an engineering, procurement and construction contract for four cracking furnaces for an ethylene plant in Czech Republic, following the award of a contract for the construction of a polyethylene unit in the Litvinov complex. In Turkey, a contract was awarded for the supply of a reformer for the STAR hydrogen plant. Early works for the modernization and expansion of the MIDOR refinery near Alexandria in Egypt, and the front-end engineering design (FEED) for three FLNG units of the Browse Basin in Australia were also awarded. A revamp contract of an ammonia plant at a fertilizer complex was awarded in Vietnam, and a contract for the supply of three hydrogen reformers was attributed to the RAPID project in Malaysia. In the United States, order intake included two contracts for hydrogen plants, one located in Montana, the other located in Baytown, Texas. Finally, reimbursable contracts and project management consultancy (PMC) services contributed to the order intake, with this award of the Trans Adriatic Pipeline project in Greece and the gain of the contract for the upgrading of the Basra refinery.

The main 2015 order intake is presented as "new contract" in the above backlog table by geographical area and by business segment.

Changes in Adjusted Revenues

Revenues on contracts at completion include:

- the initial selling price;
- every additional clause, variation order and modification ("changes") to the initial contract if it is probable that these changes could be reliably measured and that they are accepted by the client; and
- the financial result of treasury management related to construction contracts is recorded together with the revenues when the corresponding treasury management is completely separate from the central treasury and that contracts generate a significant net cash position.

Revenues on ongoing contracts are 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 revenues are considered to be reliable.

The table below shows adjusted revenues by business segment for the years ended December 31, 2015 and December 31, 2014:

	Subsea			Onshore/Offshore			Total	
In millions of Euro		%	Var.		%	Var.		Var.
2015 Adjusted Revenues	5,876.0	48%	20%	6,332.7	52%	8%	12,208.7	14%
2014 Adjusted Revenues	4,880.4	46%	20%	5,844.1	54%	12%	10,724.5	16%

The increase in adjusted revenues in 2015 by €1,484.2 million compared to 2014 (+14%) was mainly driven by the Subsea segment. Despite this, the relative weight of each segment remained balanced.

The estimated impact of foreign exchange rates on adjusted revenues was positive in 2015, €701.3 million, essentially driven by the appreciation of the US dollar (+16%) against the Euro. The estimated impact in 2014 was negative, €(147.3) million.

Adjusted revenues by business segment

The main contributors to Group adjusted revenues by business segment are listed in a synthesis table below.

SUBSEA

The strong increase (+20%) in Subsea revenues was mainly produced by the high activity in Africa with important contracts such as Moho North, Block 15/06, T.E.N. and Kaombo. Project activity in the North Sea also largely contributed to the increase in Subsea revenues with projects such as Quad, Kraken and Åsgard. Activity volume remained high in Asia Pacific with Wheatstone and Jangkrik, as well as in Brazil with the contracts to supply highly technological flexible pipes for Iracema Sul and Sapinhoa Norte pre-salt fields.

ONSHORE/OFFSHORE

The increase in Onshore/Offshore revenues reached 8% mainly driven by the Yamal project in Russia for which all modules scheduled for shipment in 2015 were delivered, by key milestones achieved in the yards for the SK 316 and Malikai projects in Malaysia and for the Prelude FLNG project in Korea, and by the progress on the construction of the CPChem polyethylene plant in Texas and of the petrochemical complex of Ethylene XXI in Mexico.

Adjusted revenues by geographical area

The following table shows adjusted revenues by geographical area for the years ended December 31, 2015 and December 31, 2014:

	Europe, Russia, Central Asia			Africa			Middle-East			Asia Pacific			Americas			Total	
In millions of Euro		%	Var.		%	Var.		%	Var.		%	Var.		%	Var.		Var.
2015 Adjusted Revenues	4,516.6	37%	35%	1,852.4	15%	52%	958.0	8%	-20%	2,036.9	17%	4%	2,844.8	23%	-5%	12,208.7	14%
2014 Adjusted Revenues	3,348.9	31%	23%	1,219.7	11%	55%	1,199.9	11%	25%	1,962.5	18%	1%	2,993.5	29%	4%	10,724.5	16%

The principal contributors to Group adjusted revenues by geographical area are listed in the synthesis table below.

EUROPE, RUSSIA AND CENTRAL ASIA

Europe, Russia and Central Asia remained the first contributor to the Group adjusted revenues in 2015, with a revenue growth of 35% compared to 2014. The year's performance was particularly impacted by the Yamal project in Russia, for which all the modules scheduled for shipment in 2015 were delivered, by the hand-over of the Burgas refinery to the client in Bulgaria, and by the ramp-up on engineering phases for the construction of the Duslo ammoniac plant in Slovakia. In the North Sea, activity remained strong on projects such as Quad 204, Åsgard, Kraken, Edradour, Dong Hejre and Martin Linge.

AFRICA

Africa's contribution to the Group adjusted revenues sharply increased (+52%) compared to 2014, thanks to a strong ramp-up on Subsea projects in West Africa with the installation phases on Moho North in Congo and Block 15/06 in Angola and engineering and procurement activities on T.E.N. in Ghana and Kaombo in Angola.

MIDDLE-EAST

Middle-East's contribution to the Group adjusted revenues strongly decreased in 2015 (-20%) compared to 2014. Construction started on the Umm Lulu complex in Abu Dhabi and fabrication continued for the FMB platforms in Qatar. The construction of the halobutyl unit in Saudi Arabia was completed. Project Management Consultancy (PMC) services also contributed with contracts such as the Nasr Phase II Full Field Development in United Arab Emirates.

ASIA PACIFIC

Asia Pacific's contribution to the Group revenues remained stable in 2015 compared to 2014, mainly due to milestones achieved for the construction of the Prelude FLNG in Australia and the construction of the platforms for Malikai and Block SK 316 projects in Malaysia. Engineering and procurement also continued on the Jangkrik project in Indonesia while offshore works were performed on the Wheatstone project in Australia. The construction of the Mangalore Purified Terephtalic Acid (PTA) plant continued in India. Project Management Consultancy (PMC) services also contributed with the RAPID project.

AMERICAS

Americas' contribution to the Group revenues remained stable in 2015 as compared to 2014, thanks to strong demand for flexible supply in Brazil, to the completion of Julia and Kodiak projects in the Gulf of Mexico, to the construction of the topsides for the Juniper project in Trinidad and Tobago and the progress on the polyethylene plants for CPChem in Texas and on an ethane cracker for Sasol in Louisiana. The construction of the Ethylene XXI petrochemical complex in Mexico neared completion.

Major Contributors to 2015 Group Adjusted Revenues Split by Business Segment and Geographical Area

Principal Contributors to 2015 Adjusted Revenues	Europe, Russia, Central Asia	Africa	Middle-East	Asia Pacific	Americas
Subsea	• Quad 204 for BP (North Sea) • Åsgard Compression for Statoil (North Sea) • Kraken for EnQuest (North Sea) • Edradour for Total (North Sea)	• Block 15/06 for ENI (Angola) • Moho North for Total (Congo) • T.E.N. for Tullow (Ghana) • Kaombo for Total (Angola)	• Installation services of Rashid C pipelines for DPE (United Arab Emirates)	• Wheatstone for Chevron (Australia) • Jangkrik for ENI (Indonesia)	• Flexibles supply of Iracema Sul, Iracema Norte, Sapinhoa Norte and Lula Alto fields for Petrobras (Brazil) • Julia for Exxonmobil (Gulf of Mexico) • Kodiak for DGE (Gulf of Mexico) • Juniper (Subsea scope) for BP (Trinidad and Tobago)
Onshore/Offshore	• Burgas Refinery for Lukoil (Bulgaria) • Martin Linge platform for Total (North Sea) • Liquefied natural gas facility for Yamal LNG (Russia) • Construction of an ammonia plant for Duslo (Slovakia)		• FMB platforms for Qatar Petroleum (Qatar) • Halobutyl unit for Kemya (Saudi Arabia) • Umm Lulu super complex for ADMA-OPCO (United Arab Emirates) • Project Management Consultancy (PMC) services for Nasr Phase II Full Field Develoment for Adma-Opco (United Arab Emirates)	• Prelude FLNG *(Floating Liquefied Natural Gas)* for Shell (Australia) • Malikai Deepwater TLP *(Tension Leg Platform)* for Shell (Malaysia) • Block SK 316 platform for Petronas (Malaysia) • RAPID (Refinery and Petrochemical Integrated Development) UIO (Utilities, Interconnecting and Offsites) and PMC (Project Management Consultancy) for Petronas (Malaysia)	• Petrochemical complex Ethylene XXI for Braskem Idesa (Mexico) • Polyethylene plant for CPChem in Old Ocean (United States) • Ethane cracker for Sasol in Louisiana (United States) • Juniper (Offshore scope) for BP (Trinidad and Tobago)

5.1.4. Presentation of Adjusted Operating Costs and Income

Adjusted Cost of Sales

In 2015, adjusted cost of sales amounted to €10,727.0 million, compared to €9,210.3 million in 2014 (+16%). In comparison, revenues increased by 14% between 2014 and 2015.

Gross margin rate goes from 14.1% in 2014 to 12.1% in 2015.

The main components of cost of sales were as follows:

- purchases and external charges: €7,816.6 million, representing 73% of cost of sales. This line item includes equipment purchases and construction subcontracting;
- payroll expenses: €2,317.3 million, representing 21% of cost of sales;
- amortization and depreciation of fixed assets: €296.6 million, representing 3% of cost of sales; and
- long-term rental costs: €296.5 million, representing 3% of cost of sales.

The 2015 adjusted cost of sales by business segment were as follows:

In millions of Euro	Subsea	Onshore/ Offshore	Total
2015 Adjusted Cost of Sales	(4,757.7)	(5,969.3)	(10,727.0)
2015 % Adjusted Gross Margin	19.0%	5.7%	12.1%

The Subsea segment represented 44% of 2015 adjusted cost of sales, which was stable compared to 43% in 2014, and the Onshore/Offshore segment represented 56% of 2015 adjusted cost of sales, compared to 57% in 2014.

The nature of the cost of sales varies from one segment to another. The Subsea segment is involved in manufacturing flexible pipes, in construction and installation, and therefore requires industrial assets (plants, pipelay vessels) and a labor force for production, whereas the Onshore/Offshore segment is involved in engineering, which requires few industrial assets under Technip's ownership (other than the construction yard of Pori in Finland). Onshore/Offshore external costs include equipment purchases and subcontracted construction work, while the Subsea segment builds some of its own equipment, then transports it and installs it with its pipelay vessels.

Adjusted Research and Development Costs

Adjusted research and development costs amounted to €86.1 million in 2015, compared to €82.6 million in 2014, *i.e.* an increase of €3.5 million (+4.2%). This growth was mainly driven by the Subsea segment with large efforts made to improve technologies necessary to the development of underwater oil and gas fields and with cost reduction programs on subsea field development.

Adjusted Selling and Administrative Costs

Adjusted selling costs amounted to €214.5 million in 2015 compared to €221.1 million in 2014, decreasing by 3.0% at 1.8% of adjusted revenues. Administrative costs amounted to €404.0 million in 2015 compared to €423.8 million in 2014, decreasing by 4.7% at 3.3% of adjusted revenues. The decrease of selling and administrative costs is due to the reduction of total headcount, the reduction of fleet of vessels, and the closure of non-essential activities.

Adjusted Other Operating Income/Expenses

Adjusted other operating income amounted to €20.6 million in 2015, compared to €31.0 million in 2014 and adjusted other operating expenses amounted to €(15.5) million, compared to €(11.4) million in 2014. The result was a net income of €5.1 million in 2015, compared to a net income of €19.7 million in 2014.

In 2015, adjusted other operating income comprised mainly of net proceeds from disposal of property, plant and equipment for €3.1 million resulting essentially from the sale of the Group ROV assets and a vessel. The insurance premiums, re-insurance premiums and reversals of provisions for charges recognized by Technip's captive re-insurers, amounted to €11.3 million in 2015 (compared to €11.5 million in 2014). The adjusted other operating income for a €6.2 million are mainly established of diverse subsidies received.

Recorded in adjusted other operating expenses, the sinister expenses and the provision for sinister of captive re-insurers reach €11.7 million in 2015 and €7.2 million in 2014.

Adjusted Share of Income/(Loss) of Equity Affiliates

Adjusted share of Income/(Loss) of Equity Affiliates represents an income of €20.2 million in 2015 and an income of €18.2 million in 2014.

5.1.5. Comments on the Operating Results Adjusted for the Financial Year Ended December 31, 2015, Compared to the Financial Year Ended December 31, 2014

Adjusted Operating Income/(Loss) from Recurring Activities after Income/(Loss) of Equity Affiliates (OIFRA)

Adjusted OIFRA was €802.4 million in 2015 compared to €824.6 million in 2014 (-3%). Adjusted OIFRA included a €184.4 million one-off charge linked to the restructuring plan announced by Technip on July 6, 2015. Restated from this one-off charge, the adjusted underlying OIFRA amounts to €986.8 million.

The estimated impact of foreign exchange rates on adjusted OIFRA was positive in 2015, €63.9 million, essentially driven by the appreciation of the US Dollar (+16%) against the Euro. In 2014, the estimated impact was negative, €(12.0) million.

Adjusted OIFRA by Business Segment

In millions of Euro	Subsea	Var.	Onshore/ Offshore	Var.	Corporate	Var.	Non Allocable	Total	Var.
2015 Adjusted OIFRA after Income/(Loss) of Equity Affiliates	851.1	34%	33.9	-88%	(82.6)	-5%	-	802.4	-3%
% Adjusted OIFRA after Income/(Loss) of Equity Affiliates in 2015	**14.5%**		**0.5%**		-		-	**6.6%**	
2015 Adjusted Operating Income	851.1	34%	32.7	-88%	(82.6)	-5%	(468.6)	332.6	-56%
% Operating Income in 2015	**14.5%**		**0.5%**		-		-	**2.7%**	
2014 Adjusted OIFRA after Income/(Loss) of Equity Affiliates	635.1	10%	276.2	-21%	(86.7)	-6%	-	824.6	-1%
% Adjusted OIFRA after Income/(Loss) of Equity Affiliates in 2014	**13.0%**		**4.7%**		-		-	**7.7%**	
2014Adjusted Operating Income Restated	633.9	10%	271.1	-23%	(86.7)	-6%	(67.3)	751.0	-10%
% Adjusted Operating Income in 2014	**13.0%**		**4.6%**		-		-	**7.0%**	

The Subsea segment confirmed its leadership as largest contributor to Group adjusted OIFRA after Income/(Loss) of Equity Affiliates. In a more challenging market environment, this performance reflects a high utilization of Group assets (vessels and manufacturing plants) and a strong project execution worldwide. Overall, the vessel utilization rate was 80% in 2015, same as in 2014.

The Onshore/Offshore segment suffered from very challenging market conditions. To respond to this degradation, a €184.4 million one-off charge was booked in 2015, linked to the restructuring plan announced by Technip on July 6, 2015. As a result, the operating margin rate of the segment strongly deteriorated, from 4.7% in 2014 to 0.5% in 2015.

The Corporate segment recorded an adjusted operating loss of €82.6 million in 2015, compared to a loss of €86.7 million in 2014.

A €450.9 million one-off charge linked to the restructuring plan announced by Technip on July 6, 2015 was booked in non-current operating result and reported as non-allocable.

Adjusted OIFRA by Geographical Area

The main contributors split by geographical area are listed in a synthesis table below.

Europe, Russia and Central Asia

This area became the second contributor to Group results in 2015, decreasing as compared to 2014. The OIFRA was generated by the good execution of Subsea projects in the North Sea. The progress of Onshore/Offshore projects located in Eastern Europe and in Russia also contributed to the area's OIFRA.

Africa

This area grew in 2015 as compared to 2014, thanks to the progress on major Subsea projects in Angola, in Ghana and in Congo.

Middle-East

The OIFRA strongly deteriorated in 2015 as compared to 2014.

Asia Pacific

This area remained the third contributor to Group results in 2015, with a strong increase as compared to 2014, driven mainly by Onshore/Offshore projects in Malaysia and in Australia.

Americas

This area became the first contributor to Group results in 2015. The performance in the Subsea segment remained high thanks to the good project execution in the Gulf of Mexico as well as high activity in manufacturing units, particularly for the pre-salt developments in Brazil. The Onshore/Offshore segment also contributed to the area's OIFRA mainly thanks to the progress on large contracts for the petrochemical industry in the United States and in Mexico.

Main Contributors to 2015 Group Adjusted OIFRA Split by Business Segment and Geographical Area

Main Contributors to 2015 Adjusted OIFRA	Europe, Russia, Central Asia	Africa	Middle-East	Asia Pacific	Americas
Subsea	• Bøyla for Marathon (North Sea) • Quad 204 for BP (North Sea) • Compression stations services of Åsgard for Statoil (North Sea) • Kraken for EnQuest (North Sea)	• Block 15/06 for ENI (Angola) • Moho North for Total (Congo) • T.E.N. for Tullow (Ghana) • Kaombo for Total (Angola)	• Jalilah for DPE (United Arab Emirates)	• Wheatstone for Chevron (Australia)	• Flexibles supply of Iracema Sul, Iracema Norte, Sapinhoa Norte and Lula Alto fields for Petrobras (Brazil) • Julia for Exxonmobil (Gulf of Mexico)
Onshore/Offshore	• Burgas Refinery for Lukoil (Bulgaria) • Liquefied natural gas facility for Yamal LNG (Russia)			• Prelude FLNG *(Floating Liquefied Natural Gas)* for Shell (Australia) • Block SK316 platform for Petronas (Malaysia) • PTA plant for JBF (India)	• Petrochemical complex Ethylene XXI for Braskem Idesa (Mexico) • Polyethylene plant for CPChem in Old Ocean (United States) • Ethane cracker for Sasol in Louisiana (United States)

Adjusted Result from Sale of Activities

In 2015, the Group did not sell any activity.

In 2014, the adjusted result from sales of activities for a total amount of (5.5) is exclusively composed of impacts of disposals of the following consolidated investments:

- Technip TPS, fully-owned French subsidiary totally disposed on April 30, 2014, and
- Seamec, which all of Group investment share of 75% was sold successively on June 3, September 26, and December 4, 2014.

The net proceeds from these operations, net of cash disposal, amounted €24.6 million.

Adjusted Result from Non-Current Activities

In 2015, non-current expenses for an aggregate amount of €(469.8) million were booked and were mainly recognized for €(450.9) million following the launch of a restructuring plan announced by Technip on July 6, 2015.

In 2014, non-current expenses for an aggregate amount of €(68.1) million were mainly recognized for the closure costs of the Group Offshore Wind activity, restructuring costs and a transaction paid within the framework of a negotiation concerning a claim on contracts dating more than five years.

Adjusted Underlying Operating Income

Adjusted underlying operating income amounted to €986.8 million in 2015 (8.1% of adjusted revenues), compared to €751.0 million in 2014 (7.0% of adjusted revenues), *i.e.*, a €235.8 million increase (31%). The split by business segment can be detailed as follows:

- Subsea: €851.1 million (compared to €633.9 million in 2014), *i.e.*, an operating margin of 14.5% in 2015 (compared to 13.0% in 2014);
- Onshore/Offshore: €218.3 million (compared to €271.1 million in 2014), *i.e.*, an operating margin of 3.4% in 2015 (compared to 4.6% in 2014);
- Corporate and non-attributable: a negative contribution of €82.6 million in 2015, compared to a negative contribution of €154.0 million in 2014 (see Note 3 to the Consolidated Financial Statements for the financial year ended December 31, 2015).

Adjusted Financial Result

Net adjusted financial result in 2015 was a loss of €(157.4) million, compared to a loss of €(128.5) million in 2014. This variation was mainly driven by:

- the decrease in net foreign exchange result: the net foreign exchange loss amounted to €61.1 million in 2015, compared to a gain of €24.3 million in 2014;
- the depreciation MHB stakes of €28.0 million in 2015 *versus* €68.0 million in 2014.

Financial expenses amounted to €(789.1) million and included mainly the foreign exchange loss for €(603.0) million, interests on bond loans for €(69.0) million, financial charges related to other borrowings and bank overdrafts for €(47.9) million and financial expenses related to long-term employee benefit plans for €(7.4) million and the depreciation MHB stakes of €(28.0) million.

Financial income amounted to - 631.7 million and included mainly the foreign exchange gain for - 558.2 million, interests from treasury management for - 41.9 million (primarily proceeds from the disposal of marketable securities and interest on term deposits, the financial income related to long-term employee benefit plans for - 3.2 million and the net proceeds from disposal of financial assets for - 28.1 million.

Adjusted Income Tax

Adjusted Income tax expense amounted to €119.0 million in 2015, compared to €180.1 million in 2014, for pre-tax earnings of €175.2 million. Technip's effective tax rate in 2015 was 67.9%, while applicable French tax rate was 38% in 2015.

Net Income Attributable to Minority Interests

Adjusted net income attributable to minority interests was a €11.1 million gain in 2015, compared to a €5.8 million gain in 2014.

Net Income

Adjusted net income attributable to shareholders of the parent company amounted to €45.1 million in 2015, compared to €436.6 million in 2014, *i.e.*, a decrease of €391.5 million (-89.7%). It represented 0.4% of Group revenues, compared to 4.1% in 2014.

Earnings per Share

Adjusted earnings per share calculated on a diluted basis amounted to €0.39 in 2015, compared to €3.65 in 2014. The average number of shares calculated on a diluted basis amounted to 114,887 thousands of shares to be compared to 125,271 thousands of shares in the 2014 calculation. As of December 31, 2015, the conversion of potential ordinary shares related to share subscriptions options, performance shares and convertible bonds would increase earnings per share. These potential ordinary shares shall then be treated as anti-dilutive and therefore excluded from the calculation of the diluted earnings per share.

Basic adjusted earnings per share were €0.39 in 2015, compared to €3.89 in 2014.

5.1.6. Change in the Adjusted Statement of Financial Position between the Year Ended December 31, 2015 and the Year Ended December 31, 2014

Adjusted Non-Current Assets

Fixed Assets

Net intangible assets amounted to €3,582.6 million as of December 31, 2015, compared to €3,496.5 million as of December 31, 2014. They primarily consisted of €3,478.0 million in net goodwill. As of December 31, 2015, impairment tests performed on the net book value of goodwill did not result in the accounting of an impairment loss. In 2015, there is no significant movement, thus the goodwill has not changed, as in 2014.

Net tangible assets amounted to €2,576.7 million as of December31, 2015, compared to €2,501.4million as of December31, 2014 (+3.0%). They principally included the vessels used in Subsea operations, with a carrying value of €1,471.6 million and machinery and equipment for €556.4 million. The increase in net value of €75.3 million in 2015 was mainly driven by new investments made in the financial year for €271.3million, reduced primarily by yearly amortization and depreciation expenses of €343.2 million.

Capital expenditures amounted to €294.9 million in 2015, compared to €375.6 million in 2014 (-21.5%). These investments were primarily related to machinery and equipment (€39.7 million), vessels (€20.8 million), plus assets under construction (€162.7 million).

Pledged fixed assets amounted to €111.7million as of December 31, 2015. No assets are subject to a capital lease.

Other Non-Current Assets

The other non-current assets included mainly:

- deferred tax assets for €481.8 million as of December 31, 2015, compared to €391.0 million as of December 31, 2014, *i.e.* a €90.8 million increase;
- investments in Malaysia Marine and Heavy Engineering Holdings Berhad (MHB), recognized as "Available-for-Sale Financial Assets" for an amount of €29.0 million as of December 31, 2015. A €28.0 million depreciation was recognized in profit and loss accounts as the fair value revaluation of the MHB stakes.

Adjusted Current Assets

The "Construction contracts" items include accumulated costs incurred on contracts, as well as the margin recognized on the basis of the contract's percentage of completion, less payments received from clients, with the net balance appearing as an asset or a liability depending on whether the balance is a debit or a credit.

The line item "Construction Contracts – Amounts in Assets" shown on the asset side amounted to €652.0 million as of December 31, 2015, compared to €756.3 million as of December 31, 2014.

The line item "Construction Contracts – Amounts in Liabilities" amounted to €2,308.2 million as of December 31, 2015, compared to €2,258.2 million as of December 31, 2014.

These changes are related to the progress made on various contracts.

Inventories, trade receivables and other receivables amounted to €3,366.5 million in 2015, compared to €3,297.0 million in 2014 (+2.1%).

The cash and cash equivalents position increased from €3,738.3 million in 2014 to €4,501.4 million in 2015 (+20.4%). Technip also had sufficient available resources to finance, if necessary, operating and investing activities (see "Financing Structure" in Section 5.1.7 of this Reference Document). Cash generated from operating activities amounted to €1,043.3 million in 2015, compared to €867.5 million in 2014.

Adjusted Provisions

As of December 31, 2015, adjusted provisions amounted to €678.7 million, compared to €561.2 million in 2014 (+20.9%). As of December 31, 2015, these amounts consisted of provisions for contract risks (€268.4 million compared to €196.2 million in 2014), provisions for pensions and other long-term employee benefits (€247.2 million compared to €273.9 million in 2014), provisions for taxes (€22.2 million compared to €21.1 million in 2014) and provisions for claims recorded by Technip's captive reinsurers (€19.6 million).

Financial Debts

As of December 31, 2015, Technip's adjusted financial debts amounted to €2,563.1 million, of which €937.1 million were current financial debts. Adjusted debt in 2015 decreased by €49.9 million (-1.9%) compared to 2014 (€2,613.0 million as of December 31, 2014) due to repayments on Brazilian loans.

As of December 31, 2015, the non-current financial debts amounted to €1,626.0 million, principally comprising one convertible bond for €481.2 million (2011 OCEANE), private placements for €869.1 million and bank borrowings for €273.7 million essentially to one Brazilian subsidiary for the purpose of pre-financing exports and re-financing investments.

As of December 31, 2015, the current financial debts amounted to €937.1 million, mainly comprising convertible bonds for €550.0 million and commercial papers for €200.0 million.

5.1.7. Changes in Adjusted Net Cash Position and in Adjusted Cash Flows for the Financial Year Ended December 31, 2015, and the Financial Year Ended December 31, 2014

The following tables present extracts of Technip's adjusted financial statements for the two financial years ended December 31, 2015, and December 31, 2014. In the Note 3 (c) of the Section 6.1 of this Reference Document are presented Technip's consolidated financial statements, which have been prepared in accordance with the IFRS (International Financial Reporting Standards), and the reconciliation to the adjusted data.

Technip's adjusted net cash position as of December 31, 2015, and as of December 31, 2014, was as follows:

	December, 31	
In millions of Euro	2015 Adjusted	2014 Adjusted
Cash	1,945.7	1,928.9
Cash Equivalents	2,555.7	1,809.4
Total Cash and Cash Equivalents	**4,501.4**	**3,738.3**
Convertible Bonds	1,033.2	1,002.8
Private Placement	869.1	868.1
Commercial Papers	200.0	156.0
Other Financial Debts	460.8	586.1
Total Financial Debts	**2,563.1**	**2,613.0**
ADJUSTED NET TREASURY	**1,938.3**	**1,125.3**

As of December 31, 2015, Technip's adjusted net cash position amounted to €1,938.3 million compared to €1,125.3 million as of December 31, 2014 *i.e.* a €813.0 million increase, which principally resulted from cash generated from operating activities.

There is no significant restriction on cash transfers between the Company and its subsidiaries.

Adjusted Net Cash Generated from Operating Activities

Adjusted net cash generated from operating activities amounted to €1,043.3 million in 2015, compared to €867.5 million in 2014. This increase resulted mainly from the change in working capital needs.

Free cash flow amounted to €481.2 million in 2015, compared to €762.6 million in 2014.

The change in working capital needs amounted to €562.1 million in 2015, compared to €104.9 million in 2014.

Adjusted Net Cash Used in Investing Activities

Adjusted net cash used in investing activities decreased by €81.7 million from €(385.1) million in 2014 to €(303.4) million in 2015:

- In 2015, capital expenditures related to property, plant and equipment and intangible assets amounted to €294.9 million, compared to €375.6 million in 2014.
- In 2015, proceeds from sales of assets amounted to €24.5 million, compared to €86.0 million in 2014. In 2015, proceeds from disposals of tangible and intangible assets amounted to €23.3 million principally stemmed from the disposal of remote operating vehicles (ROV) equipment and vessels. The €1.2 million proceeds from disposals of financial assets is related to the sales of the consolidated shares of Technip Benelux NV, fully-owned Belgium subsidiary totally disposed on October 12, 2015, and Crestech (Nigeria), which all of Group investment share of 39% was sold on December 15, 2015.
- The decrease of €2.3 million in cash position due to financial assets acquisition came from capital increase of equity affiliates carried out by the Group.
- The acquisition costs of consolidated companies, net of cash acquired, decreased by €28.1 million from €58.8 million in 2014, related to acquisition cost of acquisition cost of Zimmer® Technologies and to a lesser extent acquisition costs of Kanfa AS and Inocean AS, to €30.7 million in 2015, mainly due to the increase of Technip's detention in Technip Doftech DA.

Net Cash Generated from Financing Activities

In 2015, adjusted net cash generated from financing activities amounted to €(113.8) million, compared to €(159.4) million in 2014.

The increase in financial debts by €84.4 million in 2015 is primarily driven by the use for BRL81.0 million of credit facilities on behalf of BNDES for financing Açuflex plant, additional commercial paper for €44.0 million and other credit facilities.

Financial debt decreased by €197.8 million in 2015, resulting primarily from the repayments of credit facilities on behalf of BNDES entered into by the Group's Brazilian subsidiary Flexibras Tubos Flexiveis totaling BR200.0 million and other decrease, to some, in credit facilities granted to equity affiliates.

Dividend paid in 2015 amounted to €88.9 million paid in cash, compared to €206.5 million in 2014. In 2015, dividends paid to minority interests amounted to €5.8 million. In 2015, capital increases amounted to €94.3 million, as a result of the exercise of share subscription options for €21.3 million and capital increase reserved for employees for €73.0 million. The amount cashed out for purchasing treasury shares for employees is not material in 2015.

5.1.8. Changes in Shareholders' Equity and Financing between the Financial Year Ended December 31, 2015 and the Financial Year Ended December 31, 2014

Shareholders' Equity

Equity attributable to the Group amounted to €4,536.4 million as of December 31, 2015, compared to €4,363.4 million as of December 31, 2014. This increase primarily resulted from the net income realized over the period (€45.1 million), the capital increase (€231.2 million) and the increase in foreign currency translation reserve (€123.0 million) partly offset by the dividend paid in 2015 (€225.8 million, *i.e.* €2.0 per share) and the decrease in fair value reserves (€48.7 million).

As of the date of this Reference Document, there are no restriction on the use of capital that had any impact over the 2015 financial year or may significantly affect Technip's business.

Financing Structure

As of December 31, 2015, the Group had various unutilized financing sources for an aggregate amount of €1,347.7 million that allow it to meet its general financing needs. These facilities are not secured by any of the Group's assets. They contain covenant and default provisions that are standard for such financing, from Technip and some of its affiliates, and do not include any financial ratio. These credit agreements do not include early payment provisions in case of deterioration of the borrower's credit rating.

The expected sources of funding which will be necessary to honor the main on-going investments in progress or considered are presented in the sections 1.4.4 and 2.6 of the present Reference Document.

As of December 31, 2015, the debt is essentially issued at fixed rate. The fixed rate debt mainly comprises the two convertible bonds, the private placements, drawings on subsidized export finance loans granted to one of the Brazilian subsidiaries for the purpose of pre-financing exports and re-financing investments and finally the commercial papers issued by Technip.

Over the financial year 2015, the average rate of the fixed rate debt was 4.0% compared to 3.9% in 2014. Over the same period, the average rate of the Group's overall debt (fixed and floating rate) was 4.7% compared to 3.9% per year in 2014. The average rate of debt is calculated by dividing the amount of financial expenses for the financial year (excluding bank fees not expressly related to the debt) and the average outstanding debt for the financial year.

5.2. RECENT EVENTS AND PROSPECTS

5.2.1. Events between January 2015 and the Reference Document Publication Date

The information presented below is taken from Technip's 2016 press releases, which are available in their entirety on the Group's website (www.technip.com). The following is a summary to be read in conjunction with the quantified information included in these press releases, where applicable.

January 2016

Technip was awarded a contract by Air Products to provide technology, engineering and procurement services for a grassroots hydrogen plant in Baytown, Texas, USA. The 3.5 million standard cubic meters per day plant will produce hydrogen and carbon monoxide (CO) to be supplied to customers from Air Products' established Gulf Coast Hydrogen and CO Pipeline Networks.

The plant will be built through the global hydrogen alliance between Air Products and Technip. It will feature Technip's proprietary high efficiency steam methane reforming (SMR) technology to produce high purity hydrogen, carbon monoxide and export steam. It will also use the latest nitrogen oxide reduction technology to reduce emissions.

Serimax, which is a subsidiary of Vallourec (a world leader in offshore & onshore welding solutions), and Technip, signed on January 11, 2016 an agreement in principle in order to achieve a strategic partnership in the domain of pipeline welding. In this respect, Technip, a long-lasting customer of Serimax, would acquire a minority stake in Serimax.

Technip and Serimax will combine their expertise and will deploy the Serimax welding technology at Technip' spoolbases and S-lay vessels.

This will allow both partners to:

- offer high end competitive capabilities to address operators' capital investment constraints for future projects;
- invest in joint R&D programs and innovative reel-lay welding solutions to meet the growing technical challenges of projects;
- increase operational performance through enhanced productivity, improved scheduling and higher integration of the value chain.

February 2016

Technip has been awarded a lump sum contract by Deep Gulf Energy III, LLC for the development of the South Santa Cruz and Barataria fields. These ultra-deepwater fields are located in Mississippi Canyon, offshore New Orleans, in the Gulf of Mexico, in approximately 2,000 meters of water depth.

The contract consists of:

- project management and engineering services;
- fabrication and installation of approximately 23 kilometers of pipe-in-pipe flowline;
- design, fabrication and installation of flowline end terminations;
- fabrication and installation of jumpers;
- pre-commissioning for the flowline.

Covering all aspects of the field development from engineering to design, manufacturing and installation, this new award highlights Technip's unique vertical integration in the subsea business environment.

Technip was awarded by Statoil ASA two lump sum contracts for infield pipeline construction for the Johan Sverdrup Development and the Oseberg Vestflanken 2 projects.

The Johan Sverdrup field is one of the largest oil fields in the North Sea and was discovered late 2011. The first development phase is targeted to be on-stream in 2019.

The Oseberg Vestflanken 2 project is a development of the oil and gas structures Alfa, Gamma and Kappa, approximately located at 8 kilometers northwest of the Oseberg field center.

The contracts awarded to Technip cover:

- fabrication and installation of 29 kilometers of plastic lined 16" water injection flowlines for Johan Sverdrup;
- fabrication and installation of 7.5 kilometers of 14" production pipeline and 9 kilometers of 10" gas injection pipeline for Oseberg Vestflanken 2.

Technip was awarded a contract by KGHM to provide engineering and procurement services for a 480 metric ton per day Dorr Oliver FluoSolids® roaster system for the Glogow I Copper Smelter Optimization Project in Glogow, Poland.

Based on Technip's proprietary technology, this system will include the roaster, dry concentrate feeder and calcine cooler. These components will remove organic carbon and sulfide sulfur from copper concentrate. This will reduce smelter emissions and improve copper production at the site. The system also includes in-bed steam coils for cogeneration of electricity.

In addition to proprietary technology and equipment, Technip will provide erection supervision, commissioning, startup and training assistance to KGHM.

Technip has entered into a contract to supply its proprietary ethylene technology, Process Design Package, technical services and proprietary equipment to SP Olefins (Taixing) Co. Ltd, a subsidiary of SP Chemicals, for a 650 KTA grassroots gas cracker. Located in Taixing, Jiangsu Province, China, the plant will use low cost ethane and propane from North America. It will be part of SP Olefins 1,100 KTA Light Hydrocarbon Utilization Project.

Key proprietary technology components include:

- Technip's USC® furnaces and Heat-Integrated Rectifier System®;
- Technip's Ripple Trays and Wet Air Oxidation process.

March 2016

Technip Angola Engenharia Limitada, a joint venture between Technip and Sonangol, was awarded by Total E&P Angola a three-year engineering services contract. This contract covers services for the existing Girassol, Pazflor, Dalia and CLOV floating production storage and offloading (FPSO) units and associated subsea field development. These FPSOs are located in Block 17, offshore Angola.

The scope of work can comprise engineering, technical assistance, management, supervision and coordination, as well as procurement-related activities.

5.2.2. Prospects

In 2015, Technip showed itself to be resilient and proactive in an unprecedented market environment, executing on key projects for its clients, progressing on its cost reduction program and advancing its strategy.

2015 Performance

Technip closed 2015 successfully with revenue and underlying operating profit from recurring activities (OIFRA) in line with its guidance.

- Order intake was €2.8 billion in the fourth quarter and €7.6 billion in 2015. Most importantly, the quality and diversity of these orders have been maintained and Technip is positioned for the years ahead as lead contractor at FEED stage on a number of important projects.
- Its operations generated more than €1 billion of cash flow over the year, supported by the strong profitability of Subsea. Technip ended the year with €1.9 billion of adjusted net cash supported by discipline in capex (€272 million net) and strong working capital management (positive €562 million).
- The accelerated cost reduction plan announced in July 2015 has already delivered some €270 million of savings whilst investment in R&D is up and the performance of our Onshore/Offshore segment improved after a difficult start to the year. The Group is able to increase its fixed cost savings from €830 million expected for 2017 to around €1 billion.
- Technip delivered a series of projects for its clients with a strong safety performance: Halobutyle elastomer facility in Saudi Arabia; Burgas Refinery in Bulgaria; subsea developments as Julia in the US Gulf of Mexico and Bøyla in Norway. Ongoing major projects such as Yamal LNG progressed well.
- Strategically, the alliance with FMC Technologies is meeting its targets, with the Forsys Subsea JV having won two contracts in 2015 and another in 2016 on Trestakk field for Statoil.

The diversified backlog of €17 billion, with €7.3 billion in Subsea and €9.7 billion in Onshore/Offshore, combined with higher cost savings, focus on working capital management and lower net capex will help the Group protect its margins and cash flow in the coming years.

Market outlook

Given the oil price outlook, macro-economic and geopolitical uncertainties, Technip does not expect a material change in its clients' priorities over the next 12-18 months. Their capex on new projects will remain substantially below 2014 levels with more resilience in downstream compared to upstream:

- Downstream: refining and (petro)chemical companies are more profitable in the current environment and Technip is seeing continued interest worldwide in investing, revamping and upgrading. This will benefit its technology, equipment and consulting businesses and support the improving performance of its Onshore/Offshore segment in the next couple of years.
- Upstream: Technip may see momentum on a few strategic developments, but oil and gas operators are currently focused on completing major projects launched over the past three to five years. The completion of these should provide cash flow headroom which would enable investment to resume, to compensate inevitable reservoir depletion. Most important, the significant improvements on project economics brought by early engagement (notably by Genesis and the Forsys Subsea JV) is increasing client confidence in upstream project returns. Therefore, front-end work for upstream developments should gain momentum from late 2016 into 2017 with larger project investment decisions following on thereafter.

Strategic priorities: broadening Technip's portfolio of solutions

Technip's strategy in recent years has built a broadly-based business with drivers beyond just large onshore, offshore and subsea projects. As a result, 22 per cent of its 2015 adjusted revenue and 30 per cent of its underlying EBITDA come from technology, equipment and consulting activities across its two segments – a fundamental change compared to five years ago. Technip intends to continue to invest in these areas, directly and through its alliances.

To conclude, there will be a premium in this period on being able to compete for the work available on an integrated yet flexible basis and in a way which demonstrates tangible benefits for its clients. Technip will continue to seek early stage engagement with clients, committing to drive costs out through the application of technology, simplicity and standardization, and to an efficient use of our own supply chain. Internally, the Group is controlling its costs, its cash, its projects and its capex, maintaining a strong balance sheet and therefore its capacity to reinforce its leadership. Overall, Technip is ready to seize opportunities in this unprecedented market environment – to win projects, gain new markets, retain and recruit the best talents – and create long-term value for all its stakeholders.

Full Year 2016 Outlook

- Adjusted Subsea revenue between €4.7 billion and €5.0 billion, adjusted operating income from recurring activities between €640 million and €680 million;
- Adjusted Onshore/Offshore revenue between €5.7 billion and €6.0 billion, adjusted operating income from recurring activities between €240 million and €280 million.

5.3. DIVIDEND DISTRIBUTION POLICY

The Combined Shareholders' Meeting of April 23, 2015 approved the payment to shareholders of a dividend of €2.00 per share for the financial year ended December 31, 2014, which represented a total distribution of €225,769,324. An option to receive the dividend payment in shares being offered to shareholders, the amount paid in cash has then reached €88,897,346 for the financial year ended December 31, 2014.

For the past three years, the amount of dividend per share eligible for the 40% French tax credit is as follows:

Year	Dividend per Share	Amount of the Distribution Eligible for the 40% Tax Credit
2012	€1.68	€1.68
2013	€1.85	€1.85
2014	€2.00	€2.00

Based on the Group's robust balance sheet as of December 31, 2015 and its important and quality backlog, the Board of Directors decided to propose for approval at the Combined Shareholders' Meeting to be held on April 28, 2016, to maintain a dividend of €2 per share for the 2015 year.

The shareholders will have the option of a scrip alternative benefiting from a 10% discount. Whether in shares or in cash, the payment will be made on May 26, 2016.

The payment of dividends, managed by Société Générale, will be made to financial intermediaries empowered to pay such dividends to the relevant shareholders.

Citibank will manage the payment of dividends to ADR (American Depositary Receipt) holders.

Under French law, dividends that are not claimed within five years of the date of payment will revert to the French State.

#6 FINANCIAL STATEMENTS

6.1. GROUP CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015

GRI G4-13, G4-17

6.1.1. Consolidated Statement of Income

	Notes	12 months 2015	2014
Revenues	4(a)	**10,337.9**	**10,073.9**
Cost of Sales	4(b)	(8,892.2)	(8,606.3)
Gross Margin		**1,445.7**	**1,467.6**
Research and Development Costs	4(c)	(86.1)	(82.6)
Selling Costs		(214.5)	(221.1)
Administrative Costs	4(d)	(403.9)	(423.6)
Other Operating Income	4(e)	20.3	31.0
Other Operating Expenses	4(f)	(15.5)	(11.4)
Operating Income/(Loss) from Recurring Activities		**746.0**	**759.9**
Share of Income/(Loss) of Equity Affiliates	11	54.6	40.3
Operating Income from Recurring Activities after Income/(Loss) of Equity Affiliates		**800.6**	**800.2**
Income/(Charges) from Disposals of Activities	4(g)	-	(5.5)
Income/(Charges) from Non-Current Activities	4(h)	(469.8)	(68.1)
Operating Income/(Loss)		**330.8**	**726.6**
Financial Income	5(a)	625.5	450.0
Financial Expenses	5(b)	(783.1)	(577.3)
Income/(Loss) before Tax		**173.2**	**599.3**
Income Tax Expense	6	(117.0)	(156.9)
Income/(Loss) from Continuing Operations		**56.2**	**442.4**
NET INCOME/(LOSS) FOR THE YEAR		**56.2**	**442.4**
Attributable to:			
Shareholders of the Parent Company		45.1	436.6
Non-Controlling Interests		11.1	5.8
Earnings per Share *(in Euro)*	8	0.39	3.89
Diluted Earnings per Share *(in Euro)*	8	0.39	3.65

6.1.2. Consolidated Statement of Other Comprehensive Income

	Notes	12 months 2015	2014
Net Income/(Loss) for the Year		56.2	442.4
Other Comprehensive Income			
Other Comprehensive Income to be Reclassified to Statement of Income in Subsequent Periods:		*49.5*	*16.5*
Exchange Differences on Translating Entities Operating in Foreign Currency		122.1	239.6
Fair Value Adjustment on Available-for-Sale Financial Assets	20(d)	-	19.7
Income Tax Effect	20(d)	-	(0.7)
Cash Flow Hedging	20(d)	(91.0)	(348.1)
Income Tax Effect	20(d)	18.4	106.0
Other Comprehensive Income not being Reclassified to Statement of Income in Subsequent Periods:		*12.2*	*(71.3)*
Actuarial Gains/(Losses) on Defined Benefit Plans	20(d)	17.1	(89.0)
Income Tax Effect	20(d)	(4.9)	17.7
COMPREHENSIVE INCOME FOR THE YEAR		**117.9**	**387.6**
Attributable to:			
Shareholders of the Parent Company		119.4	381.4
Non-Controlling Interests		(1.5)	6.2

6.1.3. Consolidated Statement of Financial Position

Assets

In millions of Euro	Notes	As of December 31, 2015	As of December 31, 2014
Property, Plant and Equipment, Net	9	2,574.9	2,500.8
Intangible Assets, Net	10	3,582.5	3,496.5
Investments in Equity Affiliates	11	131.4	195.6
Other Financial Assets	12	221.2	202.6
Deferred Tax Assets	6(c)	430.4	366.0
Available-for-Sale Financial Assets	13	29.0	57.0
Total Non-Current Assets		**6,969.4**	**6,818.5**
Inventories	14	431.3	355.7
Construction Contracts – Amounts in Assets	15	637.6	755.1
Advances Paid to Suppliers		160.4	294.7
Derivative Financial Instruments	26	47.1	46.6
Trade Receivables	16	1,668.2	1,719.9
Current Income Tax Receivables		220.3	158.9
Other Current Receivables	17	589.2	581.6
Cash and Cash Equivalents	18	2,919.1	2,685.6
Total Current Assets		**6,673.2**	**6,598.1**
Assets Classified as Held for Sale	19	26.4	3.2
TOTAL ASSETS		**13,669.0**	**13,419.8**

Equity and Liabilities

In millions of Euro	Notes	As of December 31, 2015	As of December 31, 2014
Share Capital	20(a)	90.8	86.9
Share Premium		2,162.1	1,934.8
Retained Earnings		2,477.4	2,260.1
Treasury Shares	20(c)	(55.2)	(96.9)
Foreign Currency Translation Reserves		103.8	(19.2)
Fair Value Reserves	20(d)	(287.6)	(238.9)
Net Income		45.1	436.6
Total Equity Attributable to Shareholders of the Parent Company		**4,536.4**	**4,363.4**
Non-Controlling Interests		8.5	11.8
Total Equity		**4,544.9**	**4,375.2**
Non-Current Financial Debts	21	1,626.0	2,356.6
Non-Current Provisions	22	242.0	231.6
Deferred Tax Liabilities	6(c)	175.4	196.2
Other Non-Current Liabilities	25	32.2	40.6
Total Non-Current Liabilities		**2,075.6**	**2,825.0**
Current Financial Debts	21	937.1	256.4
Trade Payables	24	2,480.4	2,312.9
Construction Contracts – Amounts in Liabilities	15	908.4	1,256.1
Derivative Financial Instruments	26	334.4	300.5
Current Provisions	22	433.7	326.3
Current Income Tax Payables		200.0	137.7
Other Current Liabilities	25	1,754.5	1,629.7
Total Current Liabilities		**7,048.5**	**6,219.6**
Total Liabilities		**9,124.1**	**9,044.6**
Liabilities Directly Associated with the Assets Classified as Held for Sale	19	-	-
TOTAL EQUITY AND LIABILITIES		**13,669.0**	**13,419.8**

6.1.4. Consolidated Statement of Cash Flows

	Notes	12 months 2015	2014
Net Income/(Loss) for the Year (including Non-Controlling Interests)		56.2	442.4
Adjustments for:			
Amortization and Depreciation of Property, Plant and Equipment	9	324.9	263.8
Amortization and Depreciation of Intangible Assets	10	21.1	19.5
Non-Cash Convertible Bond Expense		30.2	29.2
Charge related to Share-based Payment and Employee Savings Plans ("Plans d'Épargne Entreprise")	4(i)	40.5	40.0
Non-Current Provisions (including Pensions and other Long-Term Employee Benefit Plans)		136.4	(35.4)
Share of (Income)/Loss of Equity Affiliates (net of Distributed Dividends)		(35.7)	(31.9)
Net (Gains)/Losses on Disposal of Assets and Investments		(31.8)	(7.1)
Deferred Income Tax (Credit)/Expense	6(a)	(63.8)	1.8
		478.0	722.3
(Increase)/Decrease in Working Capital Requirement		153.0	(597.3)
Net Cash Generated from/(Used in) Operating Activities		**631.0**	**125.0**
Purchases of Property, Plant and Equipment	9	(280.3)	(359.6)
Proceeds from Disposal of Property, Plant and Equipment	4(e)	23.2	56.6
Purchases of Intangible Assets	10	(13.0)	(15.4)
Proceeds from Disposal of Intangible Assets	4(e)	0.1	4.7
Acquisitions of Financial Assets		(2.3)	(36.7)
Proceeds from Disposal of Financial Assets	4(g)	1.2	24.6
Acquisition Costs of Consolidated Companies, net of Cash Acquired	2	(30.7)	(58.8)
Net Cash Generated from/(Used in) Investing Activities		**(301.8)**	**(384.6)**
Increase in Borrowings		84.4	216.9
Decrease in Borrowings		(197.8)	(136.9)
Capital Increase		94.3	11.7
Share Buy-Back	20(c)	-	(41.8)
Dividends Paid	20(g)	(88.9)	(206.5)
Dividends Paid to Non-Controlling Interests		(5.8)	(2.8)
Net Cash Generated from/(Used in) Financing Activities		**(113.8)**	**(159.4)**
Net Effects of Foreign Exchange Rate Changes		18.9	117.0
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**234.3**	**(302.0)**
Cash and Cash Equivalents as of January 1	18	2,685.6	2,989.1
Bank Overdrafts as of January 1		(0.9)	(2.4)
Cash and Cash Equivalents as of December 31	18	2,919.1	2,685.6
Bank Overdrafts as of December 31		(0.1)	(0.9)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**234.3**	**(302.0)**

Interest paid in 2015 amounted to €84.0 million compared to €70.4 million in 2014.

Interest received in 2015 amounted to €29.0 million compared to €18.4 million in 2014.

Income taxes in 2015 amounted to €169.8 million compared to €216.4 million in 2014.

6.1.5. Consolidated Statement of Changes in Shareholders' Equity

In millions of Euro	Share Capital	Share Premium	Retained Earnings	Treasury Shares	Foreign Currency Translation Reserves	Fair Value Reserves	Net Income – Parent Company	Share-holders' Equity – Parent Company	Share-holders' Equity – Non-Controlling Interests	Total Share-holders' Equity
As of January 1, 2014	**86.7**	**1,923.3**	**1,972.1**	**(133.6)**	**(259.5)**	**4.7**	**563.1**	**4,156.8**	**17.3**	**4,174.1**
Net Income 2014	-	-	-	-	-	-	436.6	436.6	5.8	442.4
Other Comprehensive Income	-	-	-	-	239.2	(294.4)	-	(55.2)	0.4	(54.8)
Comprehensive Income 2014	**-**	**-**	**-**	**-**	**239.2**	**(294.4)**	**436.6**	**381.4**	**6.2**	**387.6**
Capital Increase	0.2	11.5	-	-	-	-	-	11.7	-	11.7
Appropriation of Net Income 2013	-	-	563.1	-	-	-	(563.1)	-	-	-
Dividends	-	-	(206.5)	-	-	-	-	(206.5)	-	(206.5)
Treasury Shares	-	-	(58.3)	36.7	-	-	-	(21.6)	-	(21.6)
Valuation of Share-based Payment and Employee Savings Plans ("Plans d'Épargne Entreprise")	-	-	40.0	-	-	-	-	40.0	-	40.0
Other (*)	-	-	(50.3)	-	1.1	50.8	-	1.6	(11.7)	(10.1)
As of December 31, 2014	**86.9**	**1,934.8**	**2,260.1**	**(96.9)**	**(19.2)**	**(238.9)**	**436.6**	**4,363.4**	**11.8**	**4,375.2**
Net Income 2015	-	-	-	-	-	-	45.1	45.1	11.1	56.2
Other Comprehensive Income	-	-	-	-	123.0	(48.7)	-	74.3	(12.6)	61.7
Comprehensive Income 2015	**-**	**-**	**-**	**-**	**123.0**	**(48.7)**	**45.1**	**119.4**	**(1.5)**	**117.9**
Capital Increase	3.9	227.3	-	-	-	-	-	231.2	-	231.2
Appropriation of Net Income 2014	-	-	436.6	-	-	-	(436.6)	-	-	-
Dividends	-	-	(225.8)	-	-	-	-	(225.8)	-	(225.8)
Treasury Shares	-	-	(35.6)	41.7	-	-	-	6.1	-	6.1
Valuation of Share-based Payment and Employee Savings Plans ("Plans d'Épargne Entreprise")	-	-	40.5	-	-	-	-	40.5	-	40.5
Other (*)	-	-	1.6	-	-	-	-	1.6	(1.8)	(0.2)
AS OF DECEMBER 31, 2015	**90.8**	**2,162.1**	**2,477.4**	**(55.2)**	**103.8**	**(287.6)**	**45.1**	**4,536.4**	**8.5**	**4,544.9**

(*) Includes effects of purchases of non-controlling interests and reclassifications due to changes in the consolidation scope.

6.1.6. Notes to the Consolidated Financial Statements

Technip's principal businesses are as follows:

- lump sum or cost-to-cost engineering service contracts performed over a short period;
- engineering, manufacturing, installation and commissioning service contracts lasting approximately 12 months; and
- turnkey projects related to complex industrial facilities with engineering, procurement, construction and start-up in accordance with industry standards and a contractual schedule. The average duration of these contracts is three years, but can vary depending on the contract.

The consolidated financial statements of the Group are presented in millions of Euros, and all values are rounded to the nearest hundreds of thousands, except when otherwise indicated. The consolidated financial statements of the Group for the financial year ended December 31, 2015 were approved by the Board of Directors on February 23, 2016.

CONTENTS

Note 1 Accounting Principles

A. Accounting Framework

In accordance with the European Union's regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements of Technip ("the Group") for financial year 2015 were prepared as of December 31, 2015 in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and endorsed by the European Union as of February 23, 2016, the date of the meeting of the Board of Directors that approved the consolidated financial statements. These standards are available on the website of the European Union (http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm).

Effective Standards, that Apply to the Group

The adoption of new standards, amendments and interpretations that had mandatory application for periods starting after January 1, 2015, had no significant impact on the financial situation and performance of the Group.

IFRIC 21 "LEVIES"

In accordance with the European Union's regulation No. 634/2014 released on June 13, 2014, IFRIC 21 "Levies" on operating tax recognition was adopted. IFRIC 21 is effective for annual periods beginning on or after June 17, 2014 and retrospectively applied for all prior periods. The Group has then applied this interpretation since January 1, 2015. No material impact on the Group consolidated statement of income and the consolidated shareholders' equity as of December 31, 2015 was recorded.

Standards Effective after December 31, 2015

Technip financial statements as of December 31, 2015 do not include the possible impact of standards published as of December 31, 2015 but which application is mandatory as per European Union as from financial years subsequent to the current year.

IFRS 9 "FINANCIAL INSTRUMENTS"

On July 24, 2014, the IASB released the final version of the IFRS 9 with respect to financial instruments, which should be applicable as of January 1, 2018. Aiming at replacing IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

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.

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.

The Group is currently assessing the potential impacts of these three latest standards on its consolidated financial statements. These standards have not yet been adopted by the European Union.

B. Consolidation Principles

In accordance with IFRS 10 "Consolidated Financial Statements", are consolidated using the global integration method 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.

Where holding more than 50% of voting rights in an entity, the control exists when the voting rights held are substantive and provide the Group with the current ability to direct the relevant activities.

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 significant 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, net of possible depreciation.

The list of the main Group's consolidated companies and their respective method of consolidation is provided in Note 2 (c) – Scope of consolidation as of December 31, 2015.

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 Rules and Policies

The consolidated financial statements were prepared in accordance with the IFRS.

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.

All assets are valued under the historical cost convention, except for financial assets and derivative financial instruments, which are measured at fair value.

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.

(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 (v) – Deferred income tax) as well as the valuation of defined benefit plans described in Note 1-C (u). 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 31 – Litigation and contingent liabilities.

Goodwill, valued 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. Technip 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 recorded 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.

Revenues on contracts at completion include:

- 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; and
- financial result on contracts when the corresponding cash management is completely separate from the central treasury and that contracts generate a significant net cash position.

Revenues on ongoing contracts are 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 revenues are 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 revenues 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 and Financial Instruments

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 Euro 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 period(s) in which the specified hedged transaction affects the income statement;
- the changes in fair value of derivative financial instruments that qualify as hedging 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, Technip 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, Technip 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 purchase method. Identifiable assets are depreciated over their estimated useful lives.

The goodwill, of which measurement results in difference between the acquisition price 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. Goodwill is no longer amortized as per IFRS 3.

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 should be accounted for in profit and loss statement, with no impact on goodwill.

The net value of intangible assets is subject to impairment tests performed on a regular basis, using the discounted cash flow method on the basis of the estimates of cash flows generated by the activities on which these goodwill are allocated, these estimates correspond to the most likely assumptions adopted by the Board of Directors. Impairment tests are based on estimates in terms of growth rates, operating margin rates, discount rates and corporate tax rates. The assumptions used are based on the three-year business plans for each activity that have been approved by the Board of Directors.

As a general rule, these business plans are determined in accordance with the Group accounting methods to establish its consolidated historical statements. The backlog and backlog scheduling forecasts, the investments in production capabilities, fleet and other logistic capabilities, as well as the internal and external market studies are critical to the elaboration of Technip's business plans.

The goodwill and corresponding assets and liabilities are allocated to the appropriate activities (Onshore/Offshore/Subsea, corresponding to the Group CGUs).

Goodwill impairment analysis is performed during the fourth quarter of each financial year or whenever there is an indication that an asset may be impaired.

Actual figures may differ from projections. If calculations show that an asset shall be impaired, an impairment expense is recognized.

(e) Segment Information

INFORMATION BY BUSINESS SEGMENT

As per IFRS 8, an operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the entity's chief operating decision maker; and
- for which distinct financial information is available.

The three business segments as reported to the main operating decision-maker, the Group Executive Committee, are organized as following:

- the Subsea segment includes the design, manufacture, procurement and installation of subsea equipment;
- the Onshore/Offshore segment includes the entire engineering and construction business for petrochemical and refining plants as well as facilities for developing onshore oil and gas fields (including gas treatment units, liquefied natural gas (LNG) units and onshore pipelines). It also includes the renewable energies and the engineering and construction of non-petroleum facilities; as well as the design and construction of fixed or floating facilities and surface installations; and
- the Corporate segment includes holding company activities and central services rendered to Group subsidiaries, including IT services and reinsurance activities.

The items related to segment result disclosed by Technip in its business segment information are the "Operating Income/(Loss) from Recurring Activities" and the "Operating Income/(Loss)". As a result, the segment result does not include financial income and expenses (except financial result on contracts) or income tax expense (because of shared treasury and tax management). Segment assets do not include asset items related to the latter, such as current and deferred income tax assets. Similarly, segment liabilities do not include liability items that are not connected to segment result, such as current and deferred income tax liabilities.

Adjustment items relate to the integration for their respective shares of incorporated entities linked to construction contracts in joint arrangements.

Joint arrangements in which the Group hold investments could be classified in two categories: those set up for the purpose of fulfilling a defined construction contract and those set up to build and operate vessels, principally flexible pipeline installation vessels (PLSVs) in Brazil. The fulfillment of contracts in joint arrangement being the core business of Technip, the Group should continue to release its contracts in partnership for their respective shares, whatever the legal structuration of the joint arrangement and whether or not the constitution of an incorporated legal entity is scheduled to host partly or fully the contract. The objective is to disclose all relevant financial information to the Group management and to the different participants of the financial markets.

Entities holding pipeline installation vessels should remain consolidated as equity affiliates as their management and operational methods intrinsically corresponds to the concept of joint ventures as described in IFRS 11.

INFORMATION BY GEOGRAPHICAL AREA

From a geographical standpoint, operating activities and performances of Technip are reported on the basis of five areas, as follows:

- Europe, Russia and Central Asia;
- Africa;
- Middle East;
- Asia Pacific; and
- Americas.

The items related to segment result disclosed by Technip in its geographical segment information are the "Operating Income/(Loss) from Recurring Activities" and the "Operating Income/(Loss)".

Consequently, the segment result does not include financial income and expenses (except for the financial result on contracts), or income tax expense. Segment assets do not include asset items related to the latter, such as deferred and current tax assets.

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

(f) Operating Income from Recurring Activities and Operating Income

The whole share of income/(loss) of equity affiliates has been reclassified to operating income, these companies' operations being in the continuation of the Group activity.

Income/(Charges) from disposals of consolidated companies (or group of assets and liabilities) disposed or to be disposed are identified in a separate item under operating income/(loss).

Income/(Charges) from non-current activities principally comprise restructuring costs, impairment losses on non-current tangible or intangible assets (or group of assets), as well as other operating income and charges such as provisions related to litigations.

As per IAS 1, these two last items only include impacts from operations and transactions that should be unusual in terms of nature and/or material in terms of amounts and that the Group deems necessary to disclose distinctly to ensure reliability and relevance of its financial information.

(g) Financial Result on Contracts

The financial result of cash management related to construction contracts is recorded together with the revenues when the corresponding treasury management is completely separate from the Central treasury and that contracts generate a significant net cash position.

(h) 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.

(i) 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 period, after deducting treasury shares.

Diluted earnings per share amounts are calculated by dividing the net profit of the period, 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.

(j) 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 are carried at their historical cost or at their fair value in case of business combinations.

As per IAS 16, Technip 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	6 to 10 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 amortized over a period of three to five years.

Amortization 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.

(k) 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 period 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.

(l) Other Financial Assets

Other financial assets are recorded at fair value or at historical cost, as of the transaction date, if they cannot be measured reliably. In the latter case, impairment is recorded if the recoverable value is lower than the historical cost. 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.

NON-CONSOLIDATED 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.

RECEIVABLES RELATED TO INVESTMENTS

This item comprises loans and advances through current accounts granted to non-consolidated or equity affiliates.

SECURITY DEPOSITS AND OTHERS

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

(m) Available-for-Sale Financial Assets

Investments in listed companies which are not consolidated are recorded in this line item. 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.

(n) Inventories

Inventories are recognized at the lower of cost and market value with cost being principally determined on a weighted-average cost basis.

Provisions for depreciation are recorded when the net realizable value of inventories is lower than their net book value.

(o) 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.

(p) 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.

(q) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in bank and in hand, as well as marketable 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. Marketable securities are measured at their market value at period-end. Any change in fair value is recorded in the income statement.

(r) Treasury Shares

Treasury shares are recorded as a deduction to equity at their acquisition cost. Any gain or loss related to the sale of treasury shares is recognized directly in equity without affecting the income statement.

(s) Grants of Share Subscription Options, Share Purchase Options and Performance Shares

In accordance with IFRS 2, share subscription options, share purchase options and performance share grants constitute a benefit to the beneficiaries and represent additional compensation paid by the Group. This supplementary benefit is recognized as follows: the fair value of the granted options and shares which correspond to the services rendered by the employees against the options and shares received is determined at the grant date and recorded as an expense against the equity line item over the vesting period.

The fair value of the share subscription options, the share purchase options or the performance share grants is determined using the Cox Ross Rubinstein binomial model. The model takes into account the features of the option plan (exercise price, vesting period and exercise period) and the market data at the grant date (risk-free rate, expected volatility of the share price, estimated dividends, share price at grant date). Regarding the assessment of volatility, historical measures performed on the share price show great discrepancies depending upon the periods and the maturity chosen. In order to achieve a reliable measure of the future volatility, Technip decided to use an approach that consists in comparing measures of historical volatility over periods of one year, two years, three years and five years on the one hand and the share's implied volatility on the other.

All share subscription option, share purchase option and performance share plans are exclusively settled in shares.

IFRS 2 applies to share-based payment plans granted after November 7, 2002 and not vested before January 1, 2005.

(t) Capital Increase Reserved for Employees

In compliance with IFRS 2, instruments awarded under employee share purchase plans are measured at fair value, estimated at the grant date based on the discount awarded to employees and the non-transferability period applicable to the shares subscribed.

The cost of employee share purchase plans is recognized in full in the statement of income and offset against consolidated equity, without any impact on total equity.

(u) Provisions (Current and Non-Current)

Accrued liabilities are recognized 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 convertible bonds, in the currency used for benefit payment, and whose life 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).

(v) 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.

When a tax consolidation mechanism is in place for companies in a given country, the deferred tax calculation takes into account the individual tax situation of each subsidiary located in that country as well as the overall situation of all subsidiaries included in the scope of tax consolidation.

Tax assets and liabilities are not discounted except those whose tax bases are discounted by nature (for instance, pensions).

(w) 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.

(x) 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 classified as held for sale are measured at the lower of either the carrying amount or the fair value less selling costs.

Note 2 Scope of Consolidation

(A) Main Variations

Year Ended December 31, 2015

On May 29, 2015, Technip acquired the remaining 50% of Doftech DA's shares from DOF Subsea AS. As a consequence, Doftech DA previously consolidated by equity method is consolidated at 100% by global integration. In addition, Technip becomes the sole owner of the *Deep Arctic* (ex-*Skandi Arctic*), a diving support vessel specially designed to meet the North Sea market requirements.

Year Ended December 31, 2014

On April 30, 2014, Technip sold the totality of its fully owned subsidiary Technip TPS, specialized in engineering and construction for the industry, to the WSP Group (WSP is one of the world's leading professional services firms) for a total amount of €12.1 million as of December 31, 2014.

On June 3, 2014, September 26, 2014 then on December 4, 2014, Technip sold the totality of its 75% of investment in Seamec to HAL Offshore Limited, India at a consideration of 97 Indian rupees per share (translating to a total amount of €31.4 million as of December 31, 2014).

Seamec Limited and its 100% subsidiary Seamec International FZE are not anymore consolidated in Technip Group accounts as of December 31, 2014.

On December 30, 2014, Technip acquired the technology Zimmer®. Based in Frankfurt, Germany, Technip Zimmer GmbH constitutes the new polymers technology business of Technip. This activity is integrated through Technip Stone & Webster Process Technology, the Onshore global business unit formed in 2012 to manage the Company's expanding portfolio of downstream process technologies.

Technip Zimmer GmbH's business includes technologies for the processing of polyesters and polyamides, research and development facilities, and a team of around forty skilled engineers, researchers and project teams.

The new polymers business will diversify and strengthen Technip's portfolio of downstream technologies in its Onshore segment.

No material impact was recognized following the completion of the purchase price allocation performed in 2015 and the final goodwill recognized in the consolidated financial statements as of December 31, 2015 for the acquisition of the technology Zimmer® amounts to €62.4 million.

(B) Other Variations

On October 12, 2015, Technip divested its 100% ownership in the company Technip Benelux NV (Belgium).

On December 15, 2015, the Group also decided to dispose its 39% share in the company Crestech (Nigeria) to its partner Highcrest Technologies Ltd.

There is no other significant change in the scope of consolidation compared to December 31, 2014.

(C) Scope of Consolidation as of December 31, 2015

As of December 31, 2015, the scope of consolidation consists of 210 entities, out of which 166 are fully consolidated and 44 are consolidated according the equity method.

The table below sets forth the main consolidated entities:

Fully Consolidated Companies	Country	As of December 31, 2015 % Interest	As of December 31, 2015 % Control
Technip	France	Consolidating Company	Consolidating Company
Angoflex SAS	France	100%	100%
Cybernétix	France	100%	100%
Flexi France	France	100%	100%
Seal Engineering	France	100%	100%
Technip Eurocash SNC	France	100%	100%
Technip France	France	100%	100%
Technip Offshore International	France	100%	100%
Technipnet	France	100%	100%
Technip Angola	Angola	60%	100%
Global Offshore Pty Ltd	Australia	100%	100%
Technip Oceania Pty Ltd	Australia	100%	100%
Flexibras Tubos Flexiveis	Brazil	100%	100%
Global Brasil Oleodutos e Servicos Ltda	Brazil	100%	100%
Technip Brasil Engenharia	Brazil	100%	100%
Technip Operadora Portuaria	Brazil	100%	100%
Technip Offshore Finland OY	Finland	100%	100%
Technip Germany	Germany	100%	100%
Technip India	India	100%	100%
PT Global Industries Asia Pacific	Indonesia	100%	100%
PT Technip Indonesia	Indonesia	100%	100%
Technip Italy	Italy	100%	100%
Front End Re	Luxembourg	100%	100%
Asiaflex Products	Malaysia	100%	100%
Technip Far East	Malaysia	100%	100%
Technip Geoproduction (M)	Malaysia	100%	100%
Technip Marine (M) Sdn. Bhd.	Malaysia	100%	100%
Global Offshore Mexico S. de R.L. de C.V.	Mexico	100%	100%
Technip de Mexico S. de R. L. de C.V.	Mexico	100%	100%
Technip Benelux BV	Netherlands	100%	100%
Technip Ships (Netherlands) BV	Netherlands	100%	100%
Technip Offshore (Nigeria)	Nigeria	100%	100%
Technip Chartering Norge AS	Norway	100%	100%
Technip Coflexip Norge AS	Norway	100%	100%
Technip Norge AS	Norway	100%	100%
Technip Chemical Engineering (Tianjin)	People's Republic of China	100%	100%
Technip RUS	Russia	100%	100%
Technip Saudi Arabia	Saudi Arabia	100%	100%
Coflexip Singapore	Singapore	100%	100%
Technip Singapore	Singapore	100%	100%
Technip Engineering (Thailand)	Thailand	100%	100%
Genesis Oil & Gas Consultants Ltd	United Kingdom	100%	100%
Technip E&C Ltd	United Kingdom	100%	100%
Technip UK Ltd	United Kingdom	100%	100%
Technip E&C, Inc.	United States of America	100%	100%
Technip S&W International, Inc.	United States of America	100%	100%
Technip Stone & Webster Process Technology, Inc.	United States of America	100%	100%
Technip Umbilicals Inc.	United States of America	100%	100%
Technip USA Holdings Inc.	United States of America	100%	100%
Technip USA Inc.	United States of America	100%	100%

Consolidated companies under equity method	Country	As of December 31, 2015 % Interest	As of December 31, 2015 % Control
South Tambey LNG	France	50%	50%
Yamgaz	France	50%	50%
Dofcon Navegaçao Ltda	Brazil	50%	50%
Desarrolladora de Etileno, S. de R.L. de C.V.	Mexico	40%	40%
Ethylene XXI Contractors S.A.P.I. de C.V.	Mexico	40%	40%
Etileno XXI Holding BV	Netherlands	50%	50%
Etileno XXI Services BV	Netherlands	40%	40%
Technip Odebrecht PLSV CV	Netherlands	50%	50%
Yamgaz (Shanghai) Co. Ltd	People's Republic of China	50%	50%
Forsys Subsea Ltd	United Kingdom	50%	50%

All consolidated companies close their accounts as of December 31 except Technip India which closes their statutory accounts as of March 31, and Technip South Africa which closes its statutory accounts as of June 30. However, both entities perform an interim account closing as of December 31 for the purpose of Group consolidation.

Note 3 Segment Information

The table below shows information on Technip's reportable business and geographical segments in accordance with IFRS8 (see Note 1-C (e) – Segment information).

(A) Information by Business Segment

	2015							
In millions of Euro	Subsea	Onshore/ Offshore	Corporate	Non Allocable and Eliminations	Total Continuing Operations	Total Adjusted	Adjustments	Total Consolidated
Revenues	5,876.0	6,332.7	-	-	12,208.7	12,208.7	(1,870.8)	10,337.9
Gross Margin	1,118.3	363.4	-	-	1,481.7	1,481.7	(36.0)	1,445.7
Operating Income/(Loss) from Recurring Activities	**832.0**	**32.8**	**(82.6)**	**-**	**782.2**	**782.2**	**(36.2)**	**746.0**
Share of Income/(Loss) of Equity Affiliates	19.1	1.1	-	-	20.2	20.2	34.4	54.6
Operating Income/(Loss) from Recurring Activities after Income/(Loss) of Equity Affiliates	**851.1**	**33.9**	**(82.6)**	**-**	**802.4**	**802.4**	**(1.8)**	**800.6**
Income/(Charges) from Disposals of Activities	-	-	-	-	-	-	-	-
Income/(Charges) from Non-Current Activities	-	(1.2)	-	(468.6)	(469.8)	(469.8)	-	(469.8)
Operating Income/(Loss)	**851.1**	**32.7**	**(82.6)**	**(468.6)**	**332.6**	**332.6**	**(1.8)**	**330.8**
Financial Income/(Expenses)	-	-	-	(157.4)	(157.4)	(157.4)	(0.2)	(157.6)
Income Tax Expense	-	-	-	(119.0)	(119.0)	(119.0)	2.0	(117.0)
NET INCOME/(LOSS) FOR THE YEAR	**NA**	**NA**	**NA**	**NA**	**56.2**	**56.2**	**-**	**56.2**
Segment Assets	5,881.7	7,286.4	1,569.3	-	14,737.4	14,737.4	(1,850.5)	12,886.9
Investments in Equity Affiliates	59.8	38.5	-	-	98.3	98.3	33.1	131.4
Unallocated Assets	-	-	-	700.3	700.3	700.3	(49.6)	650.7
TOTAL ASSETS	**5,941.5**	**7,324.9**	**1,569.3**	**700.3**	**15,536.0**	**15,536.0**	**(1,867.0)**	**13,669.0**
Segment Liabilities (1)	3,333.8	4,931.4	2,342.1	-	10,607.3	10,607.3	(1,858.6)	8,748.7
Unallocated Liabilities (2)	-	-	-	4,928.7	4,928.7	4,928.7	(8.4)	4,920.3
TOTAL LIABILITIES	**3,333.8**	**4,931.4**	**2,342.1**	**4,928.7**	**15,536.0**	**15,536.0**	**(1,867.0)**	**13,669.0**
Other Segment Information								
Backlog (3)	7,309.4	9,660.8	-	-	16,970.2	16,970.2	NA	NA
Order Intake (4)	3,105.8	4,459.3	-	-	7,565.1	7,565.1	NA	NA
Capital Expenditures:								
• Property, Plant and Equipment	255.1	26.7	-	-	281.8	281.8	(1.5)	280.3
• Intangible Assets	6.3	6.8	-	-	13.1	13.1	(0.1)	13.0
Amortization:								
• Property, Plant and Equipment	(257.2)	(27.2)	-	-	(284.4)	(284.4)	0.2	(284.2)
• Intangible Assets	(10.2)	(11.0)	-	-	(21.2)	(21.2)	0.1	(21.1)
Impairment of Assets	-	-	-	(40.7)	(40.7)	(40.7)	-	(40.7)

(1) Segment liabilities allocated to the Corporate segment include financial debts such as bonds and other bank borrowings.
(2) Non allocable liabilities essentially include shareholders' equity.
(3) Corresponds to ongoing contracts to be delivered. The backlog is defined as the difference at a specified date between the aggregate contractual sale price of all contracts in force and the cumulative revenues recognized from these contracts as of that date.
(4) Corresponds to signed contracts which have come into force.

In millions of Euro	2014 Subsea	Onshore/ Offshore	Corporate	Non Allocable and Eliminations	Total Continuing Operations	Total adjusted	Adjustments	Total Consolidated
Revenues	4,880.4	5,844.1	-	-	10,724.5	10,724.5	(650.6)	10,073.9
Gross Margin	898.6	615.6	-	-	1,514.2	1,514.2	(46.6)	1,467.6
Operating Income/(Loss) from Recurring Activities	**624.2**	**268.9**	**(86.7)**	**-**	**806.4**	**806.4**	**(46.5)**	**759.9**
Share of Income/(Loss) of Equity Affiliates	10.9	7.3	-	-	18.2	18.2	22.1	40.3
Operating Income from Recurring Activities after Income/(Loss) of Equity Affiliates	**635.1**	**276.2**	**(86.7)**	**-**	**824.6**	**824.6**	**(24.4)**	**800.2**
Income/(Charges) from Disposals of Activities	-	-	-	(5.5)	(5.5)	(5.5)	-	(5.5)
Income/(Charges) from Non-Current Activities	(1.2)	(5.1)	-	(61.8)	(68.1)	(68.1)	-	(68.1)
Operating Income/(Loss)	**633.9**	**271.1**	**(86.7)**	**(67.3)**	**751.0**	**751.0**	**(24.4)**	**726.6**
Financial Income/(Expenses)	-	-	-	(128.5)	(128.5)	(128.5)	1.2	(127.3)
Income Tax Expense	-	-	-	(180.1)	(180.1)	(180.1)	23.2	(156.9)
NET INCOME/(LOSS) FOR THE YEAR	**NA**	**NA**	**NA**	**NA**	**442.4**	**442.4**	**-**	**442.4**
Segment Assets	6,513.1	5,312.9	2,042.8	-	13,868.8	13,868.8	(1,182.2)	12,686.6
Investments in Equity Affiliates	118.5	38.3	-	-	156.8	156.8	38.8	195.6
Unallocated Assets	-	-	-	574.4	574.4	574.4	(36.8)	537.6
TOTAL ASSETS	**6,631.6**	**5,351.2**	**2,042.8**	**574.4**	**14,600.0**	**14,600.0**	**(1,180.2)**	**13,419.8**
Segment Liabilities (1)	3,059.8	4,603.5	2,205.7	-	9,869.0	9,869.0	(1,165.8)	8,703.2
Unallocated Liabilities (2)	-	-	-	4,731.0	4,731.0	4,731.0	(14.4)	4,716.6
TOTAL LIABILITIES	**3,059.8**	**4,603.5**	**2,205.7**	**4,731.0**	**14,600.0**	**14,600.0**	**(1,180.2)**	**13,419.8**
Other Segment Information								
Backlog (3)	9,727.8	11,208.4	-	-	20,936.2	20,936.2	NA	NA
Order Intake (4)	6,837.3	8,458.5	-	-	15,295.8	15,295.8	NA	NA
Capital Expenditures:								
• Property, Plant and Equipment	330.7	29.5	-	-	360.2	360.2	(0.6)	359.6
• Intangible Assets	6.9	8.5	-	-	15.4	15.4	-	15.4
Amortization:								
• Property, Plant and Equipment	(219.0)	(22.0)	-	-	(241.0)	(241.0)	-	(241.0)
• Intangible Assets	(8.8)	(10.7)	-	-	(19.5)	(19.5)	-	(19.5)
Impairment of Assets	(19.5)	(3.3)	-	-	(22.8)	(22.8)	-	(22.8)

(1) Segment liabilities allocated to the Corporate segment include financial debts such as bonds and other bank borrowings.
(2) Non allocable liabilities essentially include shareholders' equity.
(3) Corresponds to ongoing contracts to be delivered. The backlog is defined as the difference at a specified date between the aggregate contractual sale price of all contracts in force and the cumulative revenues recognized from these contracts as of that date.
(4) Corresponds to signed contracts which have come into force.

(B) Information by Geographical Area

In millions of Euro	2015						
	Europe, Russia, Central Asia	Africa	Middle East	Asia Pacific	Americas	Non Allocable	Total Consolidated
Revenues (1)	2,898.5	1,852.4	958.0	2,036.9	2,592.1	-	10,337.9
Operating Income/(Loss) from Recurring Activities after Income/(Loss) of Equity Affiliates	253.9	149.4	(89.6)	225.0	344.5	(82.6)	800.6
OPERATING INCOME/(LOSS)	**253.9**	**149.4**	**(89.6)**	**225.0**	**344.5**	**(552.4)**	**330.8**
Intangible Assets (excluding Goodwill) (2)	55.9	0.5	-	0.4	47.7	-	104.5
Property, Plant and Equipment (3)	526.4	54.2	0.7	204.7	217.1	1,571.8	2,574.9
Financial Assets (4)	339.1	6.4	(17.7)	25.6	28.2	-	381.6

(1) Includes revenues earned in France: €87.7 million.
(2) Includes intangible assets in France: €52.7 million and in Brazil: €5.1 million.
(3) Includes tangible assets in France: €164.2 million. The fleet of vessels (including vessels under construction) that operate in different geographical areas and therefore cannot be allocated to a specific area is reported under "Non allocable".
(4) Includes financial assets in France: €134.7 million and in United States of America: €11.7 million.

In millions of Euro	2014						
	Europe, Russia, Central Asia	Africa	Middle East	Asia Pacific	Americas	Non Allocable	Total Consolidated
Revenues (1)	3,091.9	1,219.4	1,199.9	1,962.5	2,600.2	-	10,073.9
Operating Income/(Loss) from Recurring Activities after Income/(Loss) of Equity Affiliates	345.1	5.2	72.7	168.8	295.1	(86.7)	800.2
OPERATING INCOME/(LOSS)	**345.1**	**5.2**	**72.7**	**168.8**	**295.1**	**(160.3)**	**726.6**
Intangible Assets (excluding Goodwill) (2)	59.5	0.6	-	1.0	46.7	-	107.8
Property, Plant and Equipment (3)	562.0	55.1	0.9	178.0	315.6	1,389.2	2,500.8
Financial Assets (4)	254.4	1.3	(4.7)	20.2	184.0	-	455.2

(1) Includes revenues earned in France: €90.7 million.
(2) Includes intangible assets in France: €57.5 million and in Brazil: €6.4 million.
(3) Includes tangible assets in France: € 161.9 million. The fleet of vessels (including vessels under construction) that operate in different geographical areas and therefore cannot be allocated to a specific area is reported under "Non allocable".
(4) Includes financial assets in France: €93.1 million and in United States of America: €12.3 million.

(C) Reconciliation between Adjusted and Consolidated Items

As specified in Note 1-C (e) – Segment Information, adjustments items on Group financial statements relate to the integration for their respective shares of incorporated entities linked to construction contracts in joint arrangements. Adjusted financial statements and their reconciliation with consolidated financial statements as per IFRS are disclosed as following.

	12 months		
In millions of Euro	**2015 Adjusted**	Adjustments	**2015 Consolidated**
Revenues	**12,208.7**	**(1,870.8)**	**10,337.9**
Cost of Sales	(10,727.0)	1,834.8	(8,892.2)
Gross Margin	**1,481.7**	**(36.0)**	**1,445.7**
Research and Development Costs	(86.1)	-	(86.1)
Selling Costs	(214.5)	-	(214.5)
Administrative Costs	(404.0)	0.1	(403.9)
Other Operating Income	20.6	(0.3)	20.3
Other Operating Expenses	(15.5)	-	(15.5)
Operating Income/(Loss) from Recurring Activities	**782.2**	**(36.2)**	**746.0**
Share of Income/(Loss) of Equity Affiliates	20.2	34.4	54.6
Operating Income from Recurring Activities after Income/(Loss) of Equity Affiliates	**802.4**	**(1.8)**	**800.6**
Income/(Charges) from Disposals of Activities	-	-	-
Income/(Charges) from Non-Current Activities	(469.8)	-	(469.8)
Operating Income/(Loss)	**332.6**	**(1.8)**	**330.8**
Financial Income	631.7	(6.2)	625.5
Financial Expenses	(789.1)	6.0	(783.1)
Income/(Loss) before Tax	**175.2**	**(2.0)**	**173.2**
Income Tax Expense	(119.0)	2.0	(117.0)
Income/(Loss) from Continuing Operations	**56.2**	**-**	**56.2**
NET INCOME/(LOSS) FOR THE YEAR	**56.2**	**-**	**56.2**
Attributable to:			
Shareholders of the Parent Company	45.1	-	45.1
Non-Controlling Interests	11.1	-	11.1
Earnings per Share *(in Euro)*	0.39	-	0.39
Diluted Earnings per Share *(in Euro)*	0.39	-	0.39

The reconciliation of the net income attributable to shareholders of the Parent Company to the underlying net income, which corresponds to the net income attributable to shareholders of the Parent Company excluding exceptional items, is as following:

	12 months
In millions of Euro	**2015 Adjusted**
Net Income/(Loss) for the Year Attributable to Shareholders of the Parent Company	**45.1**
One-off Charges (*)	635.3
Other Charges	18.9
Financial Result and Tax effect	(112.5)
Underlying Net Income/(Loss) for the Year	**586.8**

(*) Corresponding to the total amount of charges relating to the restructuring plan announced on July 6, 2015.

	12 months		
In millions of Euro	2014 Adjusted	Adjustments	2014 Consolidated
Revenues	**10,724.5**	**(650.6)**	**10,073.9**
Cost of Sales	(9,210.3)	604.0	(8,606.3)
Gross Margin	**1,514.2**	**(46.6)**	**1,467.6**
Research and Development Costs	(82.6)	-	(82.6)
Selling Costs	(221.1)	-	(221.1)
Administrative Costs	(423.8)	0.2	(423.6)
Other Operating Income	31.1	(0.1)	31.0
Other Operating Expenses	(11.4)	-	(11.4)
Operating Income/(Loss) from Recurring Activities	**806.4**	**(46.5)**	**759.9**
Share of Income/(Loss) of Equity Affiliates	18.2	22.1	40.3
Operating Income from Recurring Activities after Income/(Loss) of Equity Affiliates	**824.6**	**(24.4)**	**800.2**
Income/(Charges) from Disposals of Activities	(5.5)	-	(5.5)
Income/(Charges) from Non-Current Activities	(68.1)	-	(68.1)
Operating Income/(Loss)	**751.0**	**(24.4)**	**726.6**
Financial Income	452.8	(2.8)	450.0
Financial Expenses	(581.3)	4.0	(577.3)
Income/(Loss) before Tax	**622.5**	**(23.2)**	**599.3**
Income Tax Expense	(180.1)	23.2	(156.9)
Income/(Loss) from Continuing Operations	**442.4**	**-**	**442.4**
NET INCOME/(LOSS) FOR THE YEAR	**442.4**	**-**	**442.4**
Attributable to:			
Shareholders of the Parent Company	436.6	-	436.6
Non-Controlling Interests	5.8	-	5.8
Earnings per Share *(in Euro)*	3.89	-	3.89
Diluted Earnings per Share *(in Euro)*	3.65	-	3.65

	12 months
In millions of Euro	2014 Adjusted
Net Income/(Loss) for the Year Attributable to Shareholders of the Parent Company	436.6
Other Charges	73.6
Financial Result and Tax effect	54.2
Underlying Net Income/(Loss) for the Year	**564.4**

Assets

In millions of Euro	As of December 31, 2015 Adjusted	Adjustments	As of December 31, 2015 Consolidated
Property, Plant and Equipment, Net	2,576.7	(1.8)	2,574.9
Intangible Assets, Net	3,582.6	(0.1)	3,582.5
Investments in Equity Affiliates	98.3	33.1	131.4
Other Financial Assets	221.3	(0.1)	221.2
Deferred Tax Assets	481.8	(51.4)	430.4
Available-for-Sale Financial Assets	29.0	-	29.0
Total Non-Current Assets	**6,989.7**	**(20.3)**	**6,969.4**
Inventories	431.4	(0.1)	431.3
Construction Contracts – Amounts in Assets	652.0	(14.4)	637.6
Advances Paid to Suppliers	479.3	(318.9)	160.4
Derivative Financial Instruments	47.1	-	47.1
Trade Receivables	1,550.6	117.6	1,668.2
Current Income Tax Receivables	218.6	1.7	220.3
Other Current Receivables	639.5	(50.3)	589.2
Cash and Cash Equivalents	4,501.4	(1,582.3)	2,919.1
Total Current Assets	**8,519.9**	**(1,846.7)**	**6,673.2**
Assets Classified as Held for Sale	26.4	-	26.4
TOTAL ASSETS	**15,536.0**	**(1,867.0)**	**13,669.0**

Equity and Liabilities

In millions of Euro	As of December 31, 2015 Adjusted	Adjustments	As of December 31, 2015 Consolidated
Share Capital	90.8	-	90.8
Share Premium	2,162.1	-	2,162.1
Retained Earnings	2,477.4	-	2,477.4
Treasury Shares	(55.2)	-	(55.2)
Foreign Currency Translation Reserves	103.8	-	103.8
Fair Value Reserves	(287.6)	-	(287.6)
Net Income	45.1	-	45.1
Total Equity Attributable to Shareholders of the Parent Company	**4,536.4**	**-**	**4,536.4**
Non-Controlling Interests	8.5	-	8.5
Total Equity	**4,544.9**	**-**	**4,544.9**
Non-Current Financial Debts	1,626.0	-	1,626.0
Non-Current Provisions	243.0	(1.0)	242.0
Deferred Tax Liabilities	182.9	(7.5)	175.4
Other Non-Current Liabilities	32.1	0.1	32.2
Total Non-Current Liabilities	**2,084.0**	**(8.4)**	**2,075.6**
Current Financial Debts	937.1	-	937.1
Trade Payables	2,891.4	(411.0)	2,480.4
Construction Contracts – Amounts in Liabilities	2,308.2	(1,399.8)	908.4
Derivative Financial Instruments	334.4	-	334.4
Current Provisions	435.7	(2.0)	433.7
Current Income Tax Payables	200.9	(0.9)	200.0
Other Current Liabilities	1,799.4	(44.9)	1,754.5
Total Current Liabilities	**8,907.1**	**(1,858.6)**	**7,048.5**
Total Liabilities	**10,991.1**	**(1,867.0)**	**9,124.1**
Liabilities Directly Associated with the Assets Classified as Held for Sale	-	-	-
TOTAL EQUITY AND LIABILITIES	**15,536.0**	**(1,867.0)**	**13,669.0**

Assets

In millions of Euro	As of December 31, 2014 Adjusted	Adjustments	As of December 31, 2014 Consolidated
Property, Plant and Equipment, Net	2,501.4	(0.6)	2,500.8
Intangible Assets, Net	3,496.5	-	3,496.5
Investments in Equity Affiliates	156.8	38.8	195.6
Other Financial Assets	202.5	0.1	202.6
Deferred Tax Assets	391.0	(25.0)	366.0
Available-for-Sale Financial Assets	57.0	-	57.0
Total Non-Current Assets	**6,805.2**	**13.3**	**6,818.5**
Inventories	357.4	(1.7)	355.7
Construction Contracts – Amounts in Assets	756.3	(1.2)	755.1
Advances Paid to Suppliers	553.6	(258.9)	294.7
Derivative Financial Instruments	46.6	-	46.6
Trade Receivables	1,577.2	142.7	1,719.9
Current Income Tax Receivables	171.4	(12.5)	158.9
Other Current Receivables	590.8	(9.2)	581.6
Cash and Cash Equivalents	3,738.3	(1,052.7)	2,685.6
Total Current Assets	**7,791.6**	**(1,193.5)**	**6,598.1**
Assets Classified as Held for Sale	3.2	-	3.2
TOTAL ASSETS	**14,600.0**	**(1,180.2)**	**13,419.8**

Equity and Liabilities

In millions of Euro	As of December 31, 2014 Adjusted	Adjustments	As of December 31, 2014 Consolidated
Share Capital	86.9	-	86.9
Share Premium	1,934.8	-	1,934.8
Retained Earnings	2,260.1	-	2,260.1
Treasury Shares	(96.9)	-	(96.9)
Foreign Currency Translation Reserves	(19.2)	-	(19.2)
Fair Value Reserves	(238.9)	-	(238.9)
Net Income	436.6	-	436.6
Total Equity Attributable to Shareholders of the Parent Company	**4,363.4**	**-**	**4,363.4**
Non-Controlling Interests	11.8	-	11.8
Total Equity	**4,375.2**	**-**	**4,375.2**
Non-Current Financial Debts	2,356.6	-	2,356.6
Non-Current Provisions	232.9	(1.3)	231.6
Deferred Tax Liabilities	208.6	(12.4)	196.2
Other Non-Current Liabilities	40.5	0.1	40.6
Total Non-Current Liabilities	**2,838.6**	**(13.6)**	**2,825.0**
Current Financial Debts	256.4	-	256.4
Trade Payables	2,444.7	(131.8)	2,312.9
Construction Contracts – Amounts in Liabilities	2,258.2	(1,002.1)	1,256.1
Derivative Financial Instruments	300.5	-	300.5
Current Provisions	328.3	(2.0)	326.3
Current Income Tax Payables	139.6	(1.9)	137.7
Other Current Liabilities	1,658.5	(28.8)	1,629.7
Total Current Liabilities	**7,386.2**	**(1,166.6)**	**6,219.6**
Total Liabilities	**10,224.8**	**(1,180.2)**	**9,044.6**
Liabilities Directly Associated with the Assets Classified as Held for Sale	-	-	-
TOTAL EQUITY AND LIABILITIES	**14,600.0**	**(1,180.2)**	**13,419.8**

In millions of Euro	12 months 2015 Adjusted	Adjustments	2015 Consolidated
Net Income/(Loss) for the Year (including Non-Controlling Interests)	56.2	-	56.2
Adjustments for:			
Amortization and Depreciation of Property, Plant and Equipment	325.1	(0.2)	324.9
Amortization and Depreciation of Intangible Assets	21.2	(0.1)	21.1
Non-Cash Convertible Bond Expenses	30.2	-	30.2
Charges related to Share-based Payment and Employee Savings Plans ("Plans d'Épargne Entreprise")	40.5	-	40.5
Non-Current Provisions (including Pensions and other Long-Term Employee Benefit Plans)	136.5	(0.1)	136.4
Share of (Income)/Loss of Equity Affiliates (net of Distributed Dividends)	(15.7)	(20.0)	(35.7)
Net (Gains)/Losses on Disposal of Assets and Investments	(31.8)	-	(31.8)
Deferred Income Tax (Credit)/Expense	(81.0)	17.2	(63.8)
	481.2	(3.2)	478.0
(Increase)/Decrease in Working Capital Requirement	562.1	(409.1)	153.0
Net Cash Generated from/(Used in) Operating Activities	**1,043.3**	**(412.3)**	**631.0**
Purchases of Property, Plant and Equipment	(281.8)	1.5	(280.3)
Proceeds from Disposal of Property, Plant and Equipment	23.2	-	23.2
Purchases of Intangible Assets	(13.1)	0.1	(13.0)
Proceeds from Disposal of Intangible Assets	0.1	-	0.1
Acquisitions of Financial Assets	(2.3)	-	(2.3)
Proceeds from Disposal of Financial Assets	1.2	-	1.2
Acquisition Costs of Consolidated Companies, net of Cash Acquired	(30.7)	-	(30.7)
Net Cash Generated from/(Used in) Investing Activities	**(303.4)**	**1.6**	**(301.8)**
Increase in Borrowings	84.4	-	84.4
Decrease in Borrowings	(197.8)	-	(197.8)
Capital Increase	94.3	-	94.3
Share Buy-Back	-	-	-
Dividends Paid	(88.9)	-	(88.9)
Dividends Paid to Non-Controlling Interests	(5.8)	-	(5.8)
Net Cash Generated from/(Used in) Financing Activities	**(113.8)**	**-**	**(113.8)**
Net Effects of Foreign Exchange Rate Changes	137.8	(118.9)	18.9
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**763.9**	**(529.6)**	**234.3**
Cash and Cash Equivalents as of January 1	3,738.3	(1,052.7)	2,685.6
Bank Overdrafts as of January 1	(0.9)	-	(0.9)
Cash and Cash Equivalents as of December 31	4,501.4	(1,582.3)	2,919.1
Bank Overdrafts as of December 31	(0.1)	-	(0.1)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**763.9**	**(529.6)**	**234.3**

In millions of Euro	12 months 2014 Adjusted	Adjustments	2014 Consolidated
Net Income/(Loss) for the Year (including Non-Controlling Interests)	442.4	-	442.4
Adjustments for:			
Amortization and Depreciation of Property, Plant and Equipment	263.8	-	263.8
Amortization and Depreciation of Intangible Assets	19.5	-	19.5
Non-Cash Convertible Bond Expenses	29.2	-	29.2
Charges related to Share-based Payment and Employee Savings Plans (“Plans d'Épargne Entreprise”)	40.0	-	40.0
Non-Current Provisions (including Pensions and other Long-Term Employee Benefit Plans)	(35.4)	-	(35.4)
Share of (Income)/Loss of Equity Affiliates (net of Distributed Dividends)	(11.2)	(20.7)	(31.9)
Net (Gains)/Losses on Disposal of Assets and Investments	(7.1)	-	(7.1)
Deferred Income Tax (Credit)/Expense	21.4	(19.6)	1.8
	762.6	(40.3)	722.3
(Increase)/Decrease in Working Capital Requirement	104.9	(702.2)	(597.3)
Net Cash Generated from/(Used in) Operating Activities	**867.5**	**(742.5)**	**125.0**
Purchases of Property, Plant and Equipment	(360.2)	0.6	(359.6)
Proceeds from Disposal of Property, Plant and Equipment	56.7	(0.1)	56.6
Purchases of Intangible Assets	(15.4)	-	(15.4)
Proceeds from Disposal of Intangible Assets	4.7	-	4.7
Acquisitions of Financial Assets	(36.7)	-	(36.7)
Proceeds from Disposal of Financial Assets	24.6	-	24.6
Acquisition Costs of Consolidated Companies, net of Cash Acquired	(58.8)	-	(58.8)
Net Cash Generated from/(Used in) Investing Activities	**(385.1)**	**0.5**	**(384.6)**
Increase in Borrowings	216.9	-	216.9
Decrease in Borrowings	(136.9)	-	(136.9)
Capital Increase	11.7	-	11.7
Share Buy-Back	(41.8)	-	(41.8)
Dividends Paid	(206.5)	-	(206.5)
Dividends Paid to minority interests	(2.8)	-	(2.8)
Net Cash Generated from/(Used in) Financing Activities	**(159.4)**	**-**	**(159.4)**
Net Effects of Foreign Exchange Rate Changes	211.4	(94.4)	117.0
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**534.4**	**(836.4)**	**(302.0)**
Cash and Cash Equivalents as of January 1	3,205.4	(216.3)	2,989.1
Bank Overdrafts as of January 1	(2.4)	-	(2.4)
Cash and Cash Equivalents as of December 31	3,738.3	(1,052.7)	2,685.6
Bank Overdrafts as of December 31	(0.9)	-	(0.9)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**534.4**	**(836.4)**	**(302.0)**

Note 4 Operating Income/(Loss)

The breakdown of the different items of operating income/(loss) by nature is as follows:

(A) Revenues

Revenues break down as follows:

In millions of Euro	2015	2014
Rendering of Services	10,203.8	9,931.0
Sales of Goods	134.1	142.9
TOTAL REVENUES	**10,337.9**	**10,073.9**

In 2015, one client represents more than 10% of Group consolidated revenues. In 2014, no client represented more than 10% of Group consolidated revenues.

(B) Cost of Sales by Nature

Cost of sales comprises the following items:

In millions of Euro	2015	2014
Employee Expenses	(2,208.5)	(1,897.2)
Operating Leases	(296.5)	(247.2)
Amortization and Depreciation of Property, Plant and Equipment	(281.5)	(262.1)
Amortization of Intangible Assets	(14.8)	(11.6)
Purchases, External Charges and Other Expenses	(6,090.9)	(6,188.2)
TOTAL COST OF SALES	**(8,892.2)**	**(8,606.3)**

(C) Research and Development Costs

Research and development costs amounted to €(86.1) million in 2015 compared to €(82.6) million in 2014. No development costs were capitalized during the two financial years disclosed as no project met the requirements for capitalization (see Note 1-C (k) – Intangible assets).

(D) Administrative Costs by Nature

Administrative costs by nature break down as follows:

In millions of Euro	2015	2014
Employee Expenses (*)	(248.6)	(239.0)
Operating Leases	(46.6)	(41.4)
Amortization and Depreciation of Property, Plant and Equipment	(1.6)	(1.7)
Amortization of Intangible Assets	(6.3)	(7.9)
Purchases, External Charges and Other Expenses	(100.8)	(133.6)
TOTAL ADMINISTRATIVE COSTS	**(403.9)**	**(423.6)**

(*) Include charges for share subscription and performance share grants: €(32.6) million in 2015 compared to €(40.0) million in 2014.

(E) Other Operating Income

Other operating income break down as follows:

In millions of Euro	2015	2014
Net Proceeds from Disposal of Property, Plant and Equipment (1)	3.1	7.9
Net Proceeds from Disposal of Intangible Assets	-	4.7
Reinsurance Income	11.3	11.5
Other	5.9	6.9
TOTAL OTHER OPERATING INCOME	**20.3**	**31.0**

(1) Include €23.2 million of proceeds of tangible assets as of December 31, 2015.

(F) Other Operating Expenses

Other operating expenses break down as follows:

In millions of Euro	2015	2014
Reinsurance Costs	(12.4)	(7.2)
Other	(3.1)	(4.2)
TOTAL OTHER OPERATING EXPENSES	**(15.5)**	**(11.4)**

(G) Income/(Charges) from Disposals of Activities

In 2015, the Group has not concluded any sale of activities that could belong to this category.

In 2014, the result from sales of activities for a total amount of €(5.5) million is exclusively composed of impacts of disposals of the following consolidated investments:

- Technip TPS, fully-owned French subsidiary totally disposed on April 30, 2014, and
- Seamec, which all of Group investment share of 75% was sold successively on June 3, on September 26, then on December 4, 2014.

The proceeds from these operations, net of cash disposal, amounted €24.6 million in 2014.

(H) Income/(Charges) from Non-Current Activities

Non-current expenses for an aggregate amount of €(469.8) million were recognized for the financial year ended December 31, 2015, including €(450.9) million in reference to the restructuring plan announced on July 6, 2015. This one-off charge includes all direct and indirect consequences of the restructuring plan, for example asset impairments, lease overhangs, appropriate amounts for disputes with some clients and additional amounts on ongoing projects impacted by this restructuring plan.

In 2014, non-current expenses for an aggregate amount of €(68.1) million were mainly recognized for the closure costs of the Group Offshore Wind activity, restructuring costs and a transaction paid within the framework of a negotiation concerning a claim on contracts dating more than five years.

(I) Employee Expenses

Employee expenses break down as follows:

In millions of Euro	2015	2014
Wages and Salaries	(2,018.4)	(1,769.8)
Social Security Costs	(404.7)	(315.4)
Pension Costs – Defined Contribution Plans	(59.5)	(55.8)
Pension Costs – Defined Benefit Plans	(10.9)	(23.6)
Share Subscription or Purchase Options and Performance Shares	(32.6)	(40.0)
Cash Incentive Plans	(34.4)	(36.7)
Capital Increase Reserved for Employees	(13.0)	-
Other	(41.4)	(7.3)
TOTAL EMPLOYEE EXPENSES	**(2,614.9)**	**(2,248.6)**

Employee expenses only relate to Group employees. Subcontractors' costs are excluded.

Note 5 Financial Income and Expenses

Net financial result as of December 31, 2015 amounted to €(157.6) million compared to €(127.3) million as of December 31, 2014. It breaks down as follows:

(A) Financial Income

In millions of Euro	2015	2014
Interest Income from Treasury Management (*)	41.5	37.8
Dividends from Non-Consolidated Investments	0.3	1.6
Financial Income related to Long-Term Employee Benefit Plans	3.2	7.7
Foreign Currency Translation Gains	552.4	395.4
Inefficient Part of Derivative Instruments, Net	-	7.5
Net Proceeds from Disposal of Financial Assets	28.1	-
TOTAL FINANCIAL INCOME	**625.5**	**450.0**

(*) Mainly results from interest income from short-term security deposits.

(B) Financial Expenses

In millions of Euro	2015	2014
Interest Expenses on Private Placements	(34.8)	(34.9)
Interest Expenses on Convertible Bonds	(34.2)	(33.2)
Fees Related to Credit Facilities	(1.4)	(2.5)
Financial Expenses related to Long-Term Employee Benefit Plans	(7.4)	(15.8)
Interest Expenses on Bank Borrowings and Overdrafts	(47.9)	(32.1)
Depreciation on Financial Assets, Net	(28.4)	(68.4)
Foreign Currency Translation Losses	(597.1)	(318.7)
Changes in Derivative Fair Value, Net	(9.2)	(58.3)
Inefficient Part of Derivative Instruments, Net (*)	(7.1)	-
Other	(15.6)	(13.4)
Total Financial Expenses	**(783.1)**	**(577.3)**
NET FINANCIAL RESULT	**(157.6)**	**(127.3)**

(*) Mainly includes swap points on derivative financial instruments.

Note 6 Income Tax

(A) Income Tax Expense

The income tax expense booked in the statement of income for an amount of €(117.0) million in 2015 is explained as follows:

In millions of Euro	2015	2014
Current Income Tax Credit/(Expense)	(180.8)	(155.1)
Deferred Income Tax Credit/(Expense)	63.8	(1.8)
INCOME TAX CREDIT/(EXPENSE) AS RECOGNIZED IN STATEMENT OF INCOME	**(117.0)**	**(156.9)**
Deferred Income Tax related to Items Booked Directly to Opening Equity	60.3	(50.2)
Deferred Income Tax related to Items Booked to Equity during the Year	13.5	110.5
INCOME TAX CREDIT/(EXPENSE) AS REPORTED IN EQUITY	**73.8**	**60.3**

(B) Income Tax Reconciliation

The reconciliation between the tax calculated using the standard tax rate applicable to Technip and the amount of tax effectively recognized in the accounts is detailed as follows:

In millions of Euro	2015	2014
Net Income from Continuing Operations	56.2	442.4
Income Tax Credit/(Expense) on Continuing Operations	(117.0)	(156.9)
Income Before Tax	**173.2**	**599.3**
At Parent Company Statutory Income Tax Rate of 38%	(65.8)	(227.7)
Differences between Parent Company and Foreign Income Tax Rates	15.1	45.8
Share of Income/(Loss) of Equity Affiliates	16.9	15.3
Additional Local Income Tax and Foreign Tax	(30.4)	(25.8)
Gains/(Losses) Taxable at a Particular Rate	29.0	18.3
Other Non-Deductible Expenses	(38.9)	(26.2)
Deferred Tax Assets not Recognized on Tax Loss of the Year	(42.4)	(32.4)
Adjustments on Prior Year Current Taxes	15.0	3.1
Deferred Tax relating to Changes in Tax Rates	(2.4)	(0.6)
Adjustments on Prior Year Deferred Taxes	(7.6)	71.1
Consolidation Adjustments with no Tax Impact	(10.1)	5.4
Other	4.6	(3.2)
Effective Income Tax Credit/(Expense)	**(117.0)**	**(156.9)**
Tax Rate	*67.6%*	*26.2%*
INCOME TAX CREDIT/(EXPENSE) AS REPORTED IN THE CONSOLIDATED STATEMENT OF INCOME	**(117.0)**	**(156.9)**

The tax rate used for the purpose of the tax proof is 38% in 2015 as in 2014.

In 2015 and 2014, this rate corresponds to the global tax rate applicable to French entities, which splits as follows: 33.33% standard rate of income tax + 3.3% social contribution + 10.7% extraordinary contribution.

(C) Deferred Income Tax

The principles described in Note 1-C (v) – Deferred income tax are explained as follows:

In millions of Euro	As of December 31, 2015	As of December 31, 2014
Tax Losses Carried Forward	65.3	79.5
Margin Recognition on Construction Contracts	77.2	13.7
Provisions for Pensions and other Long-Term Employee Benefits	75.3	74.5
Contingencies related to Contracts	147.0	115.7
Other Contingencies	(9.9)	(9.5)
Temporarily Non-Deductible Expenses	14.4	3.1
Fair Value Losses	91.2	90.1
Other Temporary Differences	24.7	(1.5)
Total Deferred Income Tax Assets	**485.2**	**365.6**
Differences between Taxable and Accounting Depreciation	116.2	100.9
Margin Recognition on Construction Contracts	105.4	88.2
Fair Value Gains	8.6	6.7
Total Deferred Income Tax Liabilities	**230.2**	**195.8**
NET DEFERRED INCOME TAX ASSETS/(LIABILITIES)	**255.0**	**169.8**

In order 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, 2015, the net deferred tax asset of €255.0 million is broken down into a deferred tax asset of €430.4 million and a deferred tax liability of €175.4 million as recorded in the statement of financial position. As of December 31, 2014, the net deferred tax asset of €169.8 million is broken down into a deferred tax asset of €366.0 million and a deferred tax liability of €196.2 million as recorded in the statement of financial position.

(D) Tax Loss Carry-Forwards and Tax Credits

Tax loss carry-forwards not yet recognized as source of deferred tax assets amounted to €446.1 million as of December 31, 2015, compared to €401.2 million as of December31, 2014. The majority of these came from Mexican entities for €126.0 million, Brazilian entities for €124.6 million, a Saudi entity for €79.8 million and a Finnish entity for €53.5 million. As of December 31, 2015, the unrecorded deferred income tax assets corresponding to these tax loss carry-forwards amounted to €126.8 million. All of these tax loss carry-forwards are reportable over an unlimited period of time, except in Finland where there is only a 10-year time limit.

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 2015 and 2014, no activity was closed or sold.

Note 8 Earnings per Share

Diluted earnings per share are computed in accordance with Note 1-C (i) – Earnings per share. Reconciliation between earnings per share before dilution and diluted earnings per share is as follows:

In millions of Euro	2015	2014
Net Income Attributable to Shareholders of the Parent Company	45.1	436.6
Financial Expense on Convertible Bonds, Net of Tax	-	20.6
ADJUSTED NET INCOME FOR DILUTED EARNINGS PER SHARE	**45.1**	**457.2**
In thousands		
Weighted Average Number of Outstanding Shares during the Financial Year (excluding Treasury Shares) used for Basic Earnings per Share	114,887	112,174
Effect of Dilution:		
• Share Subscription Options	-	452
• Performance Shares	-	848
• Convertible Bond	-	11,797
WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES DURING THE FINANCIAL YEAR (EXCLUDING TREASURY SHARES) ADJUSTED FOR DILUTED EARNINGS PER SHARE	**114,887**	**125,271**
In Euro		
Basic Earnings per Share	**0.39**	**3.89**
DILUTED EARNINGS PER SHARE	**0.39**	**3.65**

During the financial years 2015 and 2014, 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 (see Note 21 (b) – Convertible bonds).

In 2015, the average annual share price amounting to €52.67 and the closing price to €45.74, only the 2010 (Part 1) share subscription option plan would be dilutive. However as of December 31, 2015, the conversion of potential ordinary shares related to share subscriptions options, performance shares and convertible bonds would increase earnings per share. These potential ordinary shares shall then be treated as anti-dilutive and therefore excluded from the calculation of the diluted earnings per share.

In 2014, the average annual share price amounted to €68.18 and the closing price to €49.42. As a result, eight share subscription option plans were anti-dilutive: the 2010 (Part 3) plan, as well as 2011, 2012 and 2013 plans.

Note 9 Property, Plant and Equipment (Tangible Assets)

The following tables illustrate the costs, the accumulated amortization and depreciation by type of tangible assets:

In millions of Euro	Land	Buildings	Vessels	Machinery and Equipment	Office Fixtures and Furniture	Assets under Construction	Other	Total
Costs	34.7	497.2	2,145.2	1,076.7	255.0	51.5	222.1	4,282.4
Accumulated Amortization	-	(189.8)	(645.1)	(507.1)	(174.6)	-	(125.9)	(1,642.5)
Accumulated Impairment Losses	(0.8)	(3.3)	(107.7)	(19.1)	-	(8.2)	-	(139.1)
Net Book Value as of December 31, 2014	**33.9**	**304.1**	**1,392.4**	**550.5**	**80.4**	**43.3**	**96.2**	**2,500.8**
Costs	16.3	347.6	2,387.4	1,165.1	280.3	172.3	312.4	4,681.4
Accumulated Amortization	-	(208.2)	(769.6)	(591.2)	(204.1)	(9.5)	(144.1)	(1,926.7)
Accumulated Impairment Losses	(0.8)	(5.2)	(146.2)	(19.1)	(0.3)	(8.2)	-	(179.8)
NET BOOK VALUE AS OF DECEMBER 31, 2015	**15.5**	**134.2**	**1,471.6**	**554.8**	**75.9**	**154.6**	**168.3**	**2,574.9**

Changes in net property, plant and equipment during the two previous financial years break down as follows:

In millions of Euro	Land	Buildings	Vessels	Machinery and Equipment	Office Fixtures and Furniture	Assets under Construction	Other	Total
Net Book Value as of January 1, 2014	**28.5**	**127.7**	**1,312.0**	**421.9**	**75.5**	**286.1**	**101.1**	**2,352.8**
Additions – Acquisitions – Internal Developments	2.4	5.6	112.6	63.9	22.2	112.2	13.0	331.9
Additions – Business Combinations	-	-	-	-	-	-	0.3	0.3
Disposals – Write-off	-	(1.4)	(60.4)	(26.4)	(1.3)	(0.1)	(1.0)	(90.6)
Depreciation Expense for the Year	-	(22.4)	(104.7)	(71.9)	(25.9)	-	(16.1)	(241.0)
Impairment Losses	-	(3.3)	(10.6)	(2.5)	-	(6.4)	-	(22.8)
Net Foreign Exchange Differences	2.4	5.0	124.0	20.9	2.4	10.7	1.8	167.2
Other (1)	0.6	192.9	19.5	144.6	7.5	(359.2)	(2.9)	3.0
Net Book Value as of December 31, 2014	**33.9**	**304.1**	**1,392.4**	**550.5**	**80.4**	**43.3**	**96.2**	**2,500.8**
Additions – Acquisitions – Internal Developments (2)	(0.4)	9.1	20.8	38.5	20.0	162.7	19.2	269.9
Additions – Business Combinations	0.5	1.8	109.4	-	1.5	-	(0.3)	112.9
Disposals – Write-off	-	(0.8)	(7.3)	(24.7)	(0.7)	3.1	(0.4)	(30.8)
Depreciation Expense for the Year	-	(18.4)	(124.5)	(84.1)	(29.5)	(9.5)	(18.2)	(284.2)
Impairment Losses	-	(1.9)	(38.5)	-	(0.3)	-	-	(40.7)
Net Foreign Exchange Differences	1.5	4.0	102.4	(0.2)	(1.2)	(21.6)	(21.9)	63.0
Other (1)	(20.0)	(163.7)	16.9	74.8	5.7	(23.4)	93.7	(16.0)
NET BOOK VALUE AS OF DECEMBER 31, 2015	**15.5**	**134.2**	**1,471.6**	**554.8**	**75.9**	**154.6**	**168.3**	**2,574.9**

(1) The line "Other" is mainly related to the reclassification of assets under construction into the corresponding line items upon their delivery.
(2) The decrease of the tangible assets payables between December 31, 2014, and December 31, 2015, amounted €10.4 million. The cash flows associated with the acquisition of tangible assets equal to €(280.3) million.

Pledged fixed assets amounted to €111.7 million as of December 31, 2015. No assets are subject to a capital lease.

Note 10 Intangible Assets

Costs, accumulated amortization and depreciation by type of intangible assets are as follows:

In millions of Euro	Goodwill	Licenses, Patents and Trademarks	Software	Other	Total
Costs	3,388.7	157.2	139.5	3.0	3,688.4
Accumulated Amortization	-	(108.3)	(81.2)	(2.4)	(191.9)
Accumulated Impairment Losses	-	-	-	-	-
Net Book Value as of December 31, 2014	**3,388.7**	**48.9**	**58.3**	**0.6**	**3,496.5**
Costs	3,478.0	161.4	151.7	4.4	3,795.5
Accumulated Amortization	-	(112.4)	(98.2)	(2.4)	(213.0)
Accumulated Impairment Losses	-	-	-	-	-
NET BOOK VALUE AS OF DECEMBER 31, 2015	**3,478.0**	**49.0**	**53.5**	**2.0**	**3,582.5**

(A) Changes in Net Intangible Assets

Changes in net intangible assets during the two previous financial years break down as follows:

In millions of Euro	Goodwill	Licenses, Patents and Trademarks	Software	Other	Total
Net Book Value as of January 1, 2014	**3,226.1**	**46.6**	**59.2**	**0.7**	**3,332.6**
Additions – Acquisitions – Internal Developments	72.9	-	15.2	-	88.1
Additions – Business Combinations	-	1.0	-	-	1.0
Disposals – Write-off	-	-	-	-	-
Amortization Charge for the Year	-	(3.1)	(16.1)	(0.3)	(19.5)
Impairment Losses	-	-	-	-	-
Net Foreign Exchange Differences (1)	89.7	4.4	0.6	0.1	94.8
Other	-	-	(0.6)	0.1	(0.5)
Net Book Value as of December 31, 2014	**3,388.7**	**48.9**	**58.3**	**0.6**	**3,496.5**
Additions – Acquisitions – Internal Developments (2)	36.5	0.1	11.5	1.4	49.5
Additions – Business Combinations	-	-	0.1	-	0.1
Disposals – Write-off	-	(0.1)	-	-	(0.1)
Amortization Charge for the Year	-	(4.1)	(17.0)	-	(21.1)
Impairment Losses	-	-	-	-	-
Net Foreign Exchange Differences (1)	52.8	2.4	0.5	-	55.7
Other	-	1.8	0.1	-	1.9
NET BOOK VALUE AS OF DECEMBER 31, 2015	**3,478.0**	**49.0**	**53.5**	**2.0**	**3,582.5**

(1) Goodwill is mainly denominated in Euro.

(2) There is no variation of the intangible assets payables between December 31, 2014, and December 31, 2015. The cash flows associated with the acquisition of intangible assets then equal to €(13.0) million.

(B) Goodwill

The following table illustrates the detail of goodwill by business segment:

In millions of Euro	As of December 31, 2015	As of December 31, 2014
Subsea	2,734.8	2,662.1
Onshore/Offshore	743.2	726.6
TOTAL GOODWILL	**3,478.0**	**3,388.7**

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 2015 relied on the business plans covering years 2016 to 2019 for each Cash-Generating Units (Onshore/Offshore and Subsea).

Beyond 2019, the growth rate taken into account was 2.5%, rate 0.5% lower than the one considered for 2014 impairment test. Cash flows were discounted at a rate of 9.5% after tax, rate 0.5% lower than the one considered for 2014 impairment test. The tax rate used in the model was 30.0%, unchanged compared to 2014.

As of December 31, 2015, impairment tests performed on the net book value of goodwill did not result in the accounting of an impairment loss. A 1.0% (100 basis points) decrease in the 2016-2019 operating margin ratio relative to the business plan estimates, the use of a 1.5% (150 basis points) growth rate after 2019, or a plus or minus 1.0% (100 basis points) variation in the discount rate, or a plus or minus 20 days of revenues positive variation in the working capital per year on the business plan, would have no impact on the value of goodwill.

No impairment loss was recorded in 2014.

Note 11 Investments in Equity Affiliates

Financial information (at 100%) of the Joint Ventures as of December 31, 2015, are as follows:

In millions of Euro	As of December 31, 2015	As of December 31, 2014
Data at 100%		
Non-Current Assets	1,457.9	1,383.2
Current Assets	4,359.7	3,259.6
Total Assets	**5,817.6**	**4,642.8**
Total Equity	508.7	361.2
Non-Current Liabilities	850.3	817.1
Current Liabilities	4,458.6	3,464.5
Total Equity and Liabilities	**5,817.6**	**4,642.8**
Revenues	4,889.4	2,223.0
Net Income/(Loss)	473.2	77.1
Other Comprehensive Income	(54.0)	(43.0)
Comprehensive Income for the Year	451.6	22.4
Proportion of Equity method	**131.4**	**195.6**
Cash and Cash Equivalents	1,618.8	1,090.4
Depreciation and Amortization	23.0	19.4

Changes in investments in equity affiliates break down as follows:

In millions of Euro	2015	2014
Carrying Amount of Investments as of January 1	**195.6**	**172.2**
Additions – Business Combinations	2.4	41.2
Disposals	(44.5)	0.6
Share of Income/(Loss) of Equity Affiliates	54.6	40.3
Distributed Dividends	(18.9)	(8.4)
Other Comprehensive Income	(54.1)	(43.5)
Net Foreign Exchange Differences	(3.7)	(6.8)
CARRYING AMOUNT OF INVESTMENTS AS OF DECEMBER 31	**131.4**	**195.6**

Note 12 Other Financial Assets

As of December 31, 2015, 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:

In millions of Euro	As of December 31, 2015 Carrying Amount	As of December 31, 2015 Fair Value	As of December 31, 2014 Carrying Amount	As of December 31, 2014 Fair Value
Non-Consolidated Investments	7.8	7.8	7.9	7.9
Valuation Allowance	(1.3)	(1.3)	(1.1)	(1.1)
Net Value of Non-Consolidated Investments	**6.5**	**6.5**	**6.8**	**6.8**
Loans	91.7	91.7	44.4	44.4
Net Value of Loans	**91.7**	**91.7**	**44.4**	**44.4**
Liquidity Contract	6.2	6.2	0.4	0.4
Net Value of Liquidity Contract	**6.2**	**6.2**	**0.4**	**0.4**
Security Deposits and Other	193.7	193.7	152.9	152.9
Valuation Allowance	(76.9)	(76.9)	(1.9)	(1.9)
Net Value of Security Deposits and Other	**116.8**	**116.8**	**151.0**	**151.0**
TOTAL OTHER FINANCIAL ASSETS, NET	**221.2**	**221.2**	**202.6**	**202.6**

Note 13 Available-for-Sale Financial Assets

In 2010, the Group acquired an 8% stake in Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) for €114.5 million (*i.e.* 128,000,000 shares). Technip's stake in MHB increased by 0.35% in 2011 for €7.1 million (*i.e.* 5,555,000 supplementary shares), then additionally 0.15% in 2012 for €3.2 million (*i.e.* 2,445,000 supplementary shares), totaling 136 million shares. This company is listed in Malaysia (Bursa Malaysia Securities Berhad).

As of December 31, 2015, the MHB available-for-sale financial assets amounted to €29.0 million.

In the financial year ended 2015, a depreciation was booked in the statement of income for €28.0 million.

In millions of Euro	As of December 31, 2015 Carrying Amount	As of December 31, 2015 Fair Value	As of December 31, 2014 Carrying Amount	As of December 31, 2014 Fair Value
Share – Unlisted	-	-	-	-
Share – Listed	29.0	29.0	57.0	57.0
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**29.0**	**29.0**	**57.0**	**57.0**

Note 14 Inventories

The breakdown of inventories is as follows:

In millions of Euro	As of December 31, 2015	As of December 31, 2014
Raw Materials	338.2	284.1
Work in Progress	46.1	32.5
Finished Goods and Merchandise	71.7	61.3
Valuation Allowance	(24.7)	(22.2)
TOTAL NET INVENTORIES	**431.3**	**355.7**

As of December 31, 2015, inventories meant to be used in the next 12 months amounted to €431.3 million.

Note 15 Construction Contracts

The breakdown of construction contracts is as follows:

In millions of Euro	As of December 31, 2015	As of December 31, 2014
Construction Contracts – Amounts in Assets	637.6	755.1
Construction Contracts – Amounts in Liabilities	(908.4)	(1,256.1)
TOTAL NET CONSTRUCTION CONTRACTS	**(270.8)**	**(501.0)**
Costs and Margins Recognized at the Percentage of Completion	14,698.6	12,289.1
Payments Received from Clients	(14,885.9)	(12,657.6)
Accruals for Losses at Completion	(83.5)	(132.5)
TOTAL NET CONSTRUCTION CONTRACTS	**(270.8)**	**(501.0)**

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 Euro	As of December 31, 2015	As of December 31, 2014
Trade Receivables	1,097.7	1,149.6
Contracts – To Be Invoiced	567.5	569.2
Doubtful Accounts	47.3	36.5
Provisions for Doubtful Accounts	(44.3)	(35.4)
TOTAL NET TRADE RECEIVABLES	**1,668.2**	**1,719.9**

Trade receivables are non-interest bearing. Their maturities are linked to the operating cycle of contracts. As of December 31, 2015, the portion of trade receivables that had a maturity of less than 12 months amounted to €1,662.8 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 Euro	2015	2014
Provisions for Doubtful Accounts as of January 1	**(35.4)**	**(36.1)**
Increase	(19.3)	(2.5)
Used Provision Reversals	5.5	1.1
Unused Provision Reversals	6.8	1.4
Effects of foreign exchange and other	(1.9)	0.7
PROVISIONS FOR DOUBTFUL ACCOUNTS AS OF DECEMBER 31	**(44.3)**	**(35.4)**

Note 17 Other Current Receivables

Other current receivables break down as follows:

In millions of Euro	As of December 31, 2015	As of December 31, 2014
Value Added Tax Receivables	178.5	152.0
Other Tax Receivables	131.0	135.5
Receivables from Employees	9.3	7.5
Prepaid Expenses (1)	87.1	122.1
Insurance Indemnities to be Received	-	0.1
Other (2)	183.3	164.4
TOTAL NET OTHER CURRENT RECEIVABLES	**589.2**	**581.6**

(1) Prepaid expenses mainly correspond to insurance costs, as well as building and construction rental expenses.
(2) The line "Other" essentially includes partners' current accounts.

As of December 31, 2015, the portion of other current receivables with a maturity of less than 12 months amounted to €565.1 million. Other current receivables are non-interest bearing.

Note 18 Cash and Cash Equivalents

Cash and cash equivalents break down as follows:

In millions of Euro	As of December 31, 2015	As of December 31, 2014
Cash at Bank and in Hand	1,556.2	1,822.1
Cash Equivalents	1,362.9	863.5
TOTAL CASH AND CASH EQUIVALENTS	**2,919.1**	**2,685.6**
US Dollar	1,039.1	1,123.9
Euro	749.7	658.4
Brazilian Real	268.7	126.4
Australian Dollar	175.6	76.3
Pound Sterling	109.5	209.2
Norwegian Krone	91.3	90.7
Malaysian Ringgit	64.7	95.6
Japanese Yen	3.6	33.9
Other	416.9	271.2
TOTAL CASH AND CASH EQUIVALENTS BY CURRENCY	**2,919.1**	**2,685.6**
Certificates of Deposits	50.0	100.0
Fixed Term Deposits	1,045.4	645.6
Other	267.5	117.9
TOTAL CASH EQUIVALENTS BY NATURE	**1,362.9**	**863.5**

A substantial portion of cash and marketable 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 marketable 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 marketable securities.

Note 19 Assets and Liabilities Held for Sale

As of December 31, 2015, a set of ageing equipment was accounted for as assets held for sale for a total amount of €26.4 million.

As of December 31, 2014, two ageing vessels were accounted for as an asset held for sale for a total amount of €3.2 million.

Note 20 Shareholder's Equity

(A) Changes in the Parent Company's Share Capital

As of December 31, 2015, Technip's share capital consisted of 119,024,484 outstanding shares with a par value of €0.7625 each. Changes since January 1, 2014, break down as follows:

	Number of Shares	Share Capital *(in millions of Euro)*
Share Capital as of January 1, 2014	**113,680,256**	**86.7**
Capital Increase due to Share Subscription Options Exercised	265,061	0.2
Share Capital as of December 31, 2014	**113,945,317**	**86.9**
Capital Increase due to Share Subscription Options Exercised	561,746	0.4
Capital Increase due to Dividend Payment in Shares	2,591,918	2.0
Capital Increase Reserved for Employees	1,925,503	1.5
SHARE CAPITAL AS OF DECEMBER 31, 2015	**119,024,484**	**90.8**

(B) Technip's Shareholders as of December 31

As of December 31, 2015, to the Company's knowledge and based on notices and documents received by the Company, Technip's principal shareholders in percentage of share capital are as follows:

	As of December 31, 2015	As of December 31, 2014
Franklin Resources Inc.	10.80%	7.20%
Banque Publique d'Investissement	5.20%	5.20%
Causeway Capital Management	5.10%	6.50%
Blackrock Inc.	4.65%	4.90%
The Capital Group Companies Inc.	4.20%	4.40%
Oppenheimer Funds Inc.	3.80%	4.20%
IFP Énergies nouvelles	2.40%	2.50%
Baytree Investments Pte Ltd	2.30%	-
Aviva Plc	1.95%	2.05%
Norges Bank Investment Management	1.90%	2.00%
State Street Corporation	1.70%	1.80%
AXA SA	1.60%	-
MFS Investment Management	1.15%	1.50%
Amundi Asset Management	1.10%	2.35%
Group Employees	2.85%	1.80%
Treasury Shares	0.70%	1.20%
Other	48.60%	52.40%
TOTAL	**100.00%**	**100.00%**

(C) Treasury Shares

Changes in treasury shares are as follows:

	Number of Shares	Treasury Shares *(in millions of Euro)*
Treasury Shares as of January 1, 2014	**1,774,751**	**(133.6)**
Shares Acquired pursuant to Liquidity Contract	823,060	(57.9)
Shares Sold pursuant to Liquidity Contract	(793,560)	59.1
Shares Purchased for Employees	610,569	(41.8)
Shares Granted to Employees	(1,050,825)	77.3
Treasury Shares as of December 31, 2014	**1,363,995**	**(96.9)**
Shares Acquired pursuant to Liquidity Contract	1,333,789	(69.4)
Shares Sold pursuant to Liquidity Contract	(1,419,789)	75.4
Shares Purchased for Employees	650	-
Shares Granted to Employees	(459,770)	35.7
TREASURY SHARES AS OF DECEMBER 31, 2015	**818,875**	**(55.2)**

Treasury shares are held in order to serve performance share plans that were granted to employees in 2011, 2012, 2013 and 2014.

(D) Fair Value Reserves

Fair value reserves are as follows:

In millions of Euro	Cash Flow Hedges (IAS 32/39) [1]	Fair Value on Available-For-Sale Financial Assets (IAS 39) [2]	Gains/ (Losses) on Defined Benefit Pension Plans (IAS 19R) [3]	Other	Fair Value Reserves – Parent Company	Fair Value Reserves – Non-Controlling Interests	Total Fair Value Reserves
Fair Value Reserves as of January 1, 2014	**44.2**	**(19.0)**	**(20.6)**	**0.1**	**4.7**	**-**	**4.7**
Gross Effect	(348.1)	19.7	(25.7)	-	(354.1)	-	(354.1)
Tax Effect	106.0	(0.7)	5.2	-	110.5	-	110.5
Other	0.1	-	-	(0.1)	-	-	-
Fair Value Reserves as of December 31, 2014	**(197.8)**	**-**	**(41.1)**	**-**	**(238.9)**	**-**	**(238.9)**
Gross Effect	(79.3)	-	17.1	-	(62.2)	(11.7)	(73.9)
Tax Effect	18.4	-	(4.9)	-	13.5	-	13.5
FAIR VALUE RESERVES AS OF DECEMBER 31, 2015	**(258.7)**	**-**	**(28.9)**	**-**	**(287.6)**	**(11.7)**	**(299.3)**

(1) Recorded under this heading is the efficient portion of the change in fair value of the financial instruments qualified as cash flow hedging (see Note 1-C (c) – Foreign currency transactions and financial instruments).

(2) Corresponding to the revaluation as of December 31, 2014 of MHB shares which were depreciated with the reversal of associated fair value reserves (see Note 13 – Available-for-sale financial assets).

(3) Recorded under this heading the total amount of actuarial gains and losses on Defined Benefit Plans according to the amended IAS 19.

(E) Distributable Retained Earnings

As of December 31, 2015, distributable retained earnings of the parent company amounted to €2,885.9 million, including €2,269.4 million of share capital premiums.

(F) Statutory Legal Reserve

Under French Law, companies must allocate 5% of their statutory net profit to their legal reserve fund each year before dividends may be paid in respect of that year. Funds are allocated until the amount in the legal reserve is equal to 10% of the aggregate nominal value of the issued and outstanding share capital. The legal reserve may only be distributed to shareholders upon liquidation of the Company. As of December 31, 2015, the statutory legal reserve amounted to €9.8 million.

(G) Dividends

At the Annual General Meeting held on April 23, 2015, Technip's shareholders approved the proposed €2.00 per share dividend for the 2014 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 €52.81. 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 22, 2015, Technip announced that the shareholders who have selected the payment of the dividend for financial year 2014 in shares represented 60.5% of Technip's shares.

For the purpose of the payment of the dividend in shares, 2,591,918 new shares were then issued for a total amount of €136.9 million. The dividend paid in cash for the financial year ended December 31, 2014, amounted to €88.9 million.

The recommended dividend in respect of 2015 is €2.00 per share with an option to receive the dividend payment in shares and will be submitted for approval at the Shareholders' General Meeting to be held on April 28, 2016. Given that no decision was taken as of December 31, 2015, no impact was recorded in the 2015 financials.

In 2014, the dividend paid for the financial year ended December 31, 2013, amounted to €206.5 million (*i.e.,* €1.85 per share).

(H) Share Subscription Option Plans and Share Purchase Option Plans

Technip plans

The Board of Directors has granted certain employees, senior executives and Directors or Officers *(mandataires sociaux)* of the Group and its affiliates, share subscription option plans or share purchase option plans at an agreed unit price. The main features and changes in plans that are in place for 2015 and 2014 are as follows:

	Plan 2005	Plan 2008	Plan 2009	Plan 2010			Plan 2011			Plan 2012		Plan 2013		Plan 2015	Total
Number of Options	Parts 1, 2 and 3 Re-granted (1)	Part 1 (2)	Part 1 (1)	Part 1 (1)	Part 2 (1)	Part 3 (1)	Part 1 (1)	Part 2 (1)	Part 3 (1)	Part 1 (1)	Part 2 (1)	Part 1 (1)	Part 1 Re-granted (1)	Part 1 (1)	
Approval Date by Shareholders' General Meeting	Apr. 29, 2005	May 06, 2008	Apr. 30, 2009	Apr. 29, 2010	Apr. 29, 2010	Apr. 29, 2010	Apr. 28, 2011	Apr. 28, 2011	Apr. 28, 2011	Apr. 26, 2012	Apr. 26, 2012	Apr. 25, 2013	Apr. 25, 2013	Apr. 24, 2014	
Grant Date by the Board of Directors	June 12, 2008	July 01, 2008	June 15, 2009	June 23, 2010	Dec. 15, 2010	March 04, 2011	June 17, 2011	Dec. 14, 2011	March 02, 2012	June 15, 2012	Dec 12, 2012	June 14, 2013	January 10, 2014	Sept. 07, 2015	
Options outstanding as of January 1, 2014	**16,000**	**330,275**	**599,436**	**1,020,900**	**17,400**	**72,800**	**331,400**	**44,600**	**48,107**	**278,700**	**34,950**	**322,200**	**-**	**-**	**3,116,768**
Options Granted (Subscription)	-	-	-	-	-	-	-	-	-	-	-	-	16,520	-	16,520
Options exercised (Subscription)	(16,000)	(334,695)	(121,744)	(127,167)	-	-	-	-	-	-	-	-	-	-	(599,606)
Options Cancelled (Purchase/ Subscription)	-	4,420	(300)	(11,600)	-	(2,100)	(700)	(1,000)	(600)	(600)	-	(700)	-	-	(13,180)
Options outstanding as of December 31, 2014	**-**	**-**	**477,392**	**882,133**	**17,400**	**70,700**	**330,700**	**43,600**	**47,507**	**278,100**	**34,950**	**321,500**	**16,520**	**-**	**2,520,502**
Options Granted (Subscription)	-	-	-	-	-	-	-	-	-	-	-	-	-	568,561	568,561
Options exercised (Subscription)	-	-	(455,256)	(106,440)	-	-	-	-	-	-	-	-	-	-	(561,696)
Options Cancelled (Purchase/ Subscription)	-	-	(22,136)	600	-	(1,300)	(14,380)	(1,904)	(1,500)	(32,300)	-	(34,000)	-	-	(106,920)
OPTIONS OUTSTANDING AS OF DECEMBER 31, 2015	**-**	**-**	**-**	**776,293**	**17,400**	**69,400**	**316,320**	**41,696**	**46,007**	**245,800**	**34,950**	**287,500**	**16,520**	**568,561**	**2,420,447**
Strike price *(in Euro)*	59.96	58.15	34.70	51.45	63.23	72.19	72.69	66.94	78.39	74.54	87.13	85.73	68.47	47.83	
Maturity Date	June 12, 2014	July 01, 2014	June 15, 2015	June 23, 2016	Dec. 15, 2016	March 04, 2017	June 17, 2018	Dec. 14, 2018	March 02, 2019	June 15, 2019	Dec. 12, 2019	June 14, 2021	January 10, 2022	Sept. 07, 2023	

(1) Share Subscription option plans exercisable four years from the date of grant and provided certain targets are met.
(2) Share Purchase option plans exercisable four years from the date of grant and provided certain targets are met.

The main features described in the table above take into consideration the following adjustments to the rights of option beneficiaries:

- The Board of Directors resolved to adjust the rights of option beneficiaries as of May 14, 2007, in order to take into account the extraordinary dividend deducted from retained earnings and approved by the Combined Shareholders' Meeting held on April 27, 2007. Consequently exercise prices and option numbers were recalculated for all plans.
- The Board of Directors resolved to adjust the rights of option beneficiaries as of May 14, 2008, in order to take into account the extraordinary dividend deducted from retained earnings and approved by the Combined Shareholders' Meeting held on May 6, 2008. Consequently exercise prices and option numbers were recalculated for all plans.

These options were granted subject to certain targets. This means that the final number of options granted to employees is contingent upon Technip achieving satisfactory performance for its shareholders.

For the 2012 and 2013 plans, 2013 re-granting and 2015 plans, the performance will be respectively measured over the 2012-2014, 2013-2015, 2014-2016 and 2015-2017 periods on the basis of several criteria: Group results in terms of Total Shareholder Return, operating income from recurring activities and return on capital employed.

IFRS 2 accounting charge

In accordance with IFRS 2, the Group recorded a charge of €3.8 million in 2015 related to share subscription and share purchase option plans compared to €6.7 million in 2014.

	Plan 2005	Plan 2008	Plan 2009	Plan 2010			Plan 2011			Plan 2012		Plan 2013		Plan 2015
	Parts 1, 2 and 3 Re-granted	Part 1	Part 1	Part 1	Part 2	Part 3	Part 1	Part 2	Part 3	Part 1	Part 2	Part 1	Part 1 Re-granted	Part 1
Share Price at Grant Date *(in Euro)*	55.81	58.50	36.41	52.00	67.18	71.64	71.39	65.50	83.83	78.80	87.05	85.12	68.71	46.56
Exercise Price (in Euro)	59.96	58.15	34.70	51.45	63.23	72.19	72.69	66.94	78.39	74.54	87.13	85.73	68.47	47.83
Dividend Yield	2.0%	2.0%	3.5%	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	4.5%
Turnover Rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%/2.5%	2.0%/2.5%	2.0%/2.5%
Volatility	34.4%	34.4%	32.9%	39.1%	39.1%	39.1%	32.0%	32.0%	32.0%	34.2%	33.5%	33.8%	33.8%	29.2%
Annual Risk Free Interest Rate														
6 months	5.1%	5.2%	1.5%	0.4%	0.4%	0.4%	1.3%	1.3%	1.3%	0.3%	0.1%	0.1%	0.1%	(0.2)%
1 year	5.4%	5.4%	1.7%	0.5%	0.5%	0.5%	1.5%	1.5%	1.5%	0.3%	0.1%	0.1%	0.1%	(0.2)%
3 years	4.7%	4.7%	2.2%	1.2%	1.2%	1.2%	2.0%	2.0%	2.0%	0.8%	0.2%	0.5%	0.5%	(0.1)%
5 years	4.8%	4.8%	2.9%	1.9%	1.9%	1.9%	2.6%	2.6%	2.6%	1.6%	0.8%	1.0%	1.0%	0.2%
10 years	4.8%	4.8%	3.9%	3.1%	3.1%	3.1%	3.5%	3.5%	3.5%	2.8%	2.1%	2.2%	2.2%	1.1%
Option Fair Value Set at Grant Date *(in Euro)*	14.90	17.30	8.45	13.61	13.61	13.61	14.35/15.05	14.35	14.35	17.58/18.40	21.02	18.59/18.87	13.99	6.01
Maturity Date	June 12, 2014	July 01, 2014	June 15, 2015	June 23, 2016	Dec. 15, 2016	March 04, 2017	June 17, 2018	Dec. 14, 2018	March 02, 2017	June 15, 2019	Déc. 12, 2019	June 14, 2021	January 10, 2022	Sept. 07, 2023

Average share price amounted to €52.67 in 2015 and €68.18 in 2014.

(l) Performance Share Plans

Since 2007, the Board of Directors has granted certain employees, senior executives and Directors or Officers *(mandataires sociaux)* of the Group and its affiliates, free shares subject to Technip achieving satisfactory performances, namely "performance shares". Following are the main features and changes in the plans that were in place for 2015 and 2014:

	Plan 2009	Plan 2010			Plan 2011			Plan 2012		Plan 2013		Plan 2014	Plan 2015	Total
Number of Shares	Part 3	Part 1	Part 2	Part 3	Part 1	Part 2	Part 3	Part 1	Part 2	Part 1	Part 2	Part 1	Part 1	
Approval date by Shareholders' General Meeting	April 30, 2009	April 29, 2010	April 29, 2010	April 29, 2010	April 28, 2011	April 28, 2011	April 28, 2011	April 26, 2012	April 26, 2012	April 25, 2013	April 25, 2013	April 24, 2014	April 24, 2014	
Grant Date by the Board of Directors	Feb. 16, 2010	June 23, 2010	Dec. 15, 2010	March 04, 2011	June 17, 2011	Dec. 14, 2011	March 02, 2012	June 15, 2012	Dec. 12, 2012	June 14, 2013	January 10, 2014	Dec. 10, 2014	Sept. 07, 2015	
Outstanding Shares as of January 1, 2014	**53,100**	**511,600**	**10,800**	**75,500**	**338,050**	**30,050**	**46,157**	**413,100**	**122,192**	**489,150**	**-**	**-**	**-**	**2,089,699**
Shares Granted	-	-	-	-	-	-	-	-	-	-	73,700	50,400	-	124,100
Share Exercised	(51,300)	(505,800)	(10,800)	(22,600)	(124,200)	(6,400)	-	-	(550)	(150)	-	-	-	(721,800)
Shares Cancelled	(1,800)	(5,800)	-	(1,400)	(5,300)	(900)	(550)	(6,850)	(3,503)	(7,800)	(2,250)	-	-	(36,153)
Outstanding Shares as of December 31, 2014	**-**	**-**	**-**	**51,500**	**208,550**	**22,750**	**45,607**	**406,250**	**118,139**	**481,200**	**71,450**	**50,400**	**-**	**1,455,846**
Shares Granted	-	-	-	-	-	-	-	-	-	-	-	-	290,736	290,736
Share Exercised	-	-	-	(51,300)	(207,650)	(22,250)	(12,900)	(151,450)	(11,850)	(50)	-	-	-	(457,450)
Shares Cancelled	-	-	-	(200)	(900)	(500)	(600)	(7,500)	(3,550)	(23,750)	(300)	-	(120)	(37,420)
OUTSTANDING SHARES AS OF DECEMBER 31, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**32,107**	**247,300**	**102,739**	**457,400**	**71,150**	**50,400**	**290,616**	**1,251,712**

From country to country, the vesting period of these plans is either three years from the date of grant (in which case the holding period is two years), or four years from the date of grant (in which case there is no holding period).

Performance shares were granted contingent upon performance conditions. The final number of shares granted to employees is contingent upon Technip achieving satisfactory performance for its shareholders. For the 2011, 2012, 2013, 2014 and 2015 plans, the performance is respectively measured over the 2011-2013, 2012-2014, 2013-2015, 2014-2016 and 2015-2017 periods on the basis of several criteria: Group results in matter of Health/Safety/Environment, operating income from recurring activities and treasury generated from operating activities.

IFRS 2 accounting charge

IFRS 2 applies to the valuation of performance share grants. Consequently, the Group recorded a charge of €28.8 million in 2015 compared to €33.3 million in 2014.

Performance shares granted to employees will be served using treasury shares.

The following table shows assumptions underlying the fair value computation of the plans:

	Plan 2009	Plan 2010			Plan 2011			Plan 2012		Plan 2012		Plan 2014	Plan 2015
	Part 3	Part 1	Part 2	Part 3	Part 1	Part 2	Part 3	Part 1	Part 2	Part 1	Part 2	Part 1	Part 1
Share Price at the Grant Date *(in Euro)*	36.41	52.00	67.18	71.64	71.39	65.50	83.83	78.80	87.05	85.12	68.71	47.00	46.56
Dividend Yield	3.5%	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	4.5%
Turnover Rate (*)	2.0%/ 6.0%	2.0%/ 6.0%	2.0%/ 6.0%	2.0%/ 6.0%	2.0%/ 6.0%	2.0%/ 6.0%	2.0%/ 6.0%	2.0%/ 6.0%	2.0%/ 6.0%	2.0%/ 6.0%	2.0%/ 6.0%	2.0%/ 6.0%	2.0% / 6.0%
Fair Value of Performance Shares Set at Grant Date *(in Euro)* (*)	32.78/ 31.65	47.52/ 46.12	47.52/ 46.12	47.52/ 46.12	67.23/ 65.90	67.23/ 65.90	67.23/ 65.90	74.21/ 72.74	81.98/ 80.36	70.33 / 78.58	53.37	36.50	38.89
Maturity Date	Feb. 16, 2014 15	June 23, 2014 15	Dec. 15, 2014 15	March 4, 2015 16	June 17, 2015 16	Dec. 14, 2015 16	March 2, 2016 17	June 15, 2016 17	Dec. 12, 2016 17	June 14, 2017 18	January 10, 2018 19	Dec. 10, 2018	Sept. 07, 2019

(*) The turnover rate and fair value of performance shares differ from country to country.

Average share price amounted to €52.67 in 2015 and €68.18 in 2014.

(J) Capital Management

Shareholders' equity breaks down into portions attributable to non-controlling interests and to equity holders of the parent company. Equity attributable to equity holders of the parent is equal to the share capital of Technip, the Group's parent company, cumulated results and other reserves, less treasury shares.

Treasury shares are primarily held for the following purposes:

- To serve share option plans or other share plans that were granted to employees, directors or officers of the Company.

  During the financial year ended December 31, 2015, Technip continued its purchases of own shares under the program approved by the Shareholders' General Meeting held on April 24, 2014 and on April 23, 2015, for a period of 18 months and relating to a maximum number of shares not exceeding 8% of the shares comprising the share capital, at a maximum share price of €95 and €85. In all, 650 shares were bought during the period at an average price of €84.96.
- To promote share trading and, in particular, to ensure the liquidity of shares pursuant to a liquidity contract, by an investment service provider. Pursuant to a contract dated February 12, 2010, and for a duration of one year as from this date, tacitly renewable, the Company engaged Kepler Cheuvreux to execute a liquidity contract in compliance with the AMAFI Code of Conduct.

  During the financial year ended December 31, 2015, 1,333,789 shares were purchased and 1,419,789 shares were sold pursuant to the terms and conditions of this liquidity contract.

(K) Non-Controlling Interests

Non-controlling interests amounting to €8.5 million as of December 31, 2015 did not represent a material component of the Group consolidated financial statements in the years ended December 31, 2015, and 2014.

(L) Capital Increase Reserved for Employees

Technip, holding company of the Group, proceeded to a capital increase reserved for employees in 2015. This capital increase was offered to all Technip employees and its subsidiaries.

Benefiting from a subscription price of €38.16, *i.e.* a 20% discount on the reference price of €47.69, employees had the choice to invest in Technip shares through a collective savings vehicle in one or several of the following plans:

- Technip "Classic Plan" subscribed for 225,297 shares. Employees benefit from an employer contribution, but are exposed to the changes in Technip share value;
- Technip "Secure Plan" subscribed for 60,956 shares. Employees benefit from an employer contribution, while guaranteeing the initial investment at the end of a 5-year period, increased by the greater between the capitalized annual return of 1.5% and the protected average increase in Technip share value compared to the reference price;
- Technip "Multiple Plan" subscribed for 1,083,070 shares. Employees benefit from an employer contribution while guaranteeing the initial investment at the end of a 5-year period, increased by the greater between the capitalized annual return of 1.5% and 10.3 times the protected average increase in Technip share value compared to the reference price. For each share bought by the employee, the bank in charge of structuring the operation financed the acquisition of nine additional shares through a banking complement. The initial investment of the employee is guaranteed. The capital guarantee and the multiple of the average increase are obtained through the transfer to the bank of the discount, the dividends and the other financial rights related to the shares.

Holding period for all formulas is five years.

For some countries, depending of the national laws, only one or two of the three plans have been proposed. Terms and conditions of these plans have been adapted depending on local constraints linked to legal, tax or social matters. In some countries, Technip Multiple Plan has been replaced by a SAR plan (Stock Appreciation Rights). In order to hedge these SAR and finance the purchase of a hedging option, the Group issued 556,180 additional shares with the banking counterpart in charge of structuring the operation.

Following this capital increase, Technip issued 1,925,503 new shares on December 17, 2015. The increase in common stock amounted to €1.5 million and the increase in paid-in-surplus to €72.0 million, reduced by €0.5 million net charge for administrative costs related to this operation, for a total net amount of €73.0 million.

The charge recognized by the Group on this capital increase reserved for employees and recorded as payroll expense comprises the IFRS 2 charge corresponding to the lock-up costs for €7.9 million and a €5.1 million charge for the employer contributions paid by Technip depending on the formulas.

In 2014, Technip did not proceed to any capital increase reserved for employees.

Note 21 Financial Debts (Current and Non-Current)

(A) Financial Debts, Breakdown by Nature

Financial debts break down as follows:

	As of December 31, 2015		As of December 31, 2014	
In millions of Euro	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Convertible Bonds	483.2	496.8	1,002.8	1,044.9
Private Placements	869.1	946.0	868.1	991.9
Bank Borrowings	273.7	273.7	485.7	485.7
Total Non-Current Financial Debts	**1,626.0**	**1,716.5**	**2,356.6**	**2,522.5**
Convertible Bonds	550.0	550.0	-	-
Commercial Papers	200.0	200.0	156.0	156.0
Bank Borrowings	160.5	160.5	80.3	80.4
Accrued Interests Payables	26.6	26.7	20.1	20.1
Total Current Financial Debts	**937.1**	**937.2**	**256.4**	**256.5**
TOTAL FINANCIAL DEBTS	**2,563.1**	**2,653.7**	**2,613.0**	**2,779.0**

Convertible bonds include two bonds with an option for conversion and/or exchangeable for new or existing shares (OCEANE) issued on December 2011 and November 2010, along with the convertible debenture of Global Industries, Ltd. issued on July 2007 (see b).

The following private placements are recorded in non-current financial debts:

- on July 27, 2010, Technip achieved a private placement for €200 million (recorded for €198.6 million as of December 31, 2015). The maturity is 10 years; the annual coupon rate is 5.0%;
- on June 14, 2012, Technip achieved a private placement for €150 million (recorded for €149.9 million as of December 31, 2015). The maturity is 10 years; the annual coupon rate is 3.4%;
- on June 14, 2012, Technip achieved a private placement for €100 million (recorded for €95.7 million as of December 31, 2015). The maturity is 20 years; the annual coupon rate is 4.0%;
- on June 15, 2012, Technip achieved a private placement for €75 million (recorded for €74.9 million as of December 31, 2015). The maturity is 15 years; the annual coupon rate is 4.0%;
- on October 7, 2013, Technip achieved a private placement for €100 million (recorded for €96.3 million as of December 31, 2015). The maturity is 20 years; the annual coupon rate is 3.75%;
- on October 16, 2013, Technip achieved a private placement for €130 million (recorded for €128.9 million as of December 31, 2015). The maturity is 10 years; the annual coupon rate is 3.15%;
- on October 18, 2013, Technip achieved a private placement for €125 million (recorded for €124.7 million as of December 31, 2015). The maturity is 10 years; the annual coupon rate is 3.15%.

Bank borrowings and credit facilities principally represent drawings on loans granted to one of the Brazilian subsidiaries for the purpose of pre-financing exports and re-financing investments.

(B) Convertible Bonds

On December 15, 2011, Technip issued a bond with an option for conversion and/or exchangeable for new or existing shares (OCEANE) for €497.6 million, with a maturity date of January 1, 2017.

The OCEANE convertible bond, which was approved by the French Securities Regulator (AMF) on December 7, 2011, has the main following features:

- issued at a price of €96.09 (the number of bonds issued was 5,178,455);
- a coupon of 0.25% payable on January 31 of each year, which amounts to €0.24 per year and per bond. (The first coupon payment on January 31, 2012, amounted to €0.03 per bond);
- a redemption date was set on January 1, 2017, for bonds not converted into shares at such date;
- the option for bondholders to convert their bonds into shares at any time at the ratio of one share for one bond; and
- the option for the Group to call for early redemption of the bonds at any time on or after the third anniversary of the issue date for a price at par plus accrued interests if the quoted value of the share exceeds 130% of the par value of the bond.

As required by IAS 32, the OCEANE convertible bond is recognized in two distinct components:

- a debt component is recognized at amortized cost for an initial amount of €420.4 million, net from its share of issuing costs. The effective rate is 3.7%. As of December 31, 2015, the debt component amounted to €481.1 million; 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 for an amount of €73.1 million and net of corresponding deferred taxes. This value is not revalued but will be adjusted to take into account the conversion of bonds.

On November 17, 2010, Technip issued a bond with an option for conversion and/or exchangeable for new or existing shares (OCEANE) for approximately €550.0 million, with a maturity date of January 1, 2016.

The OCEANE convertible bond, which was approved by the French Securities Regulator (AMF) on November 9, 2010, has the main following features:

- issued at a price of €83.10 (the number of bonds issued was 6,618,531);
- a coupon of 0.50% payable on January 31 of each year, which amounts to €0.42 per year and per bond. (The first coupon payment on January 31, 2011, amounted to €0.09 per bond);
- a redemption date was set on January 1, 2016, for bonds not converted into shares at such date;
- the option for bondholders to convert their bonds into shares at any time at the ratio of one share for one bond; and
- the option for the Group to call for early redemption of the bonds at any time on or after the third anniversary of the issue date for a price at par plus accrued interest if the quoted value of the share exceeds 130% of the par value of the bond.

As required by IAS 32, the OCEANE convertible bond is recognized in two distinct components:

- a debt component is recognized at amortized cost for an initial amount of €480.9 million, net from its share of issuing costs. The effective rate is 3.2%. As of December 31, 2015, the debt component amounted to €550.0 million; 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 for an amount of €63.3 million and net of corresponding deferred taxes. This value is not revalued but will be adjusted to take into account the conversion of bonds.

On July 27, 2007, Global Industries, Ltd. issued a convertible debenture for a total amount of USD325 million (recorded for €251.2 million as of December 31, 2011). This bond came along with an annual interest rate of 2.75% and a maturity date of August 1, 2027. On January 11, 2012, Global Industries, Ltd. reimbursed a principal amount of USD322.6 million (corresponding to 99.3% of outstanding bonds) and paid USD3.9 million in interests to the bondholders. As of December 31, 2015, the remaining amount is recorded for €2.1 million.

(C) Analysis by Type of Interest Rate

Analysis by type of interest rate after yield management is as follows:

In millions of Euro	**As of December 31, 2015**	As of December 31, 2014
Fixed Rate	2,385.3	2,419.7
Floating Rate	177.8	193.3
TOTAL FINANCIAL DEBTS	**2,563.1**	**2,613.0**

As of December 31, 2015, the debt was essentially issued at fixed rate. The fixed rate debt mainly comprised the two convertible bonds, private placements, drawings on subsidized export finance loans granted to one of the Brazilian subsidiaries for the purpose of pre-financing exports and refinancing investments, and finally the commercial paper issued by Technip.

Over the financial year 2015, the average rate of the fixed rate debt was 4.0% compared to 3.9% in 2014. Over the same period, the average rate of the Group's overall debt (fixed and floating rate) was 4.7% compared to 3.9% per year in 2014. The average rate of debt is calculated by dividing the amount of financial costs for the fiscal year (excluding bank fees not expressly related to the debt) and the average outstanding debt for the fiscal year.

(D) Analysis by Currency

Analysis by currency is as follows:

In millions of Euro	As of December 31, 2015	As of December 31, 2014
Euro	2,119.2	2,046.0
Brazilian Real	389.5	564.9
Norwegian Krone	48.5	-
US Dollar	2.2	2.0
Other	3.7	0.1
TOTAL FINANCIAL DEBTS	**2,563.1**	**2,613.0**

(E) Schedule of Financial Debts

The schedule of financial debts is as follows:

In millions of Euro	2016	2017	2018	2019	2020	2021 and beyond	Total
Fixed Rate	916.1	560.1	10.5	9.1	207.7	681.8	2,385.3
Floating Rate	21.0	13.8	89.7	13.8	13.8	25.7	177.8
TOTAL FINANCIAL DEBTS AS OF DECEMBER 31, 2015	**937.1**	**573.9**	**100.2**	**22.9**	**221.5**	**707.5**	**2,563.1**

In millions of Euro	2015	2016	2017	2018	2019	2020 and beyond	Total
Fixed Rate	243.8	718.9	562.9	5.4	4.1	884.6	2,419.7
Floating Rate	12.6	11.4	11.4	112.3	11.4	34.2	193.3
TOTAL FINANCIAL DEBTS AS OF DECEMBER 31, 2014	**256.4**	**730.3**	**574.3**	**117.7**	**15.5**	**918.8**	**2,613.0**

(F) Secured Financial Debts

Secured financial debts are as follows:

	As of December 31, 2015			As of December 31, 2014		
In millions of Euro	Guarantee	Without Guarantee	Total	Guarantee	Without Guarantee	Total
Bank Overdrafts, Current Facilities and Other	-	200.1	200.1	-	-	-
Short Term Part of Long-Term Debts	9.4	727.6	737.0	1.1	255.3	256.4
Total Current Financial Debts	**9.4**	**927.7**	**937.1**	**1.1**	**255.3**	**256.4**
Total Non-Current Financial Debts	**39.1**	**1,586.9**	**1,626.0**	**1.6**	**2,355.0**	**2,356.6**
TOTAL FINANCIAL DEBTS	**48.5**	**2,514.6**	**2,563.1**	**2.7**	**2,610.3**	**2,613.0**

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 (u) – Provisions.

(A) Changes in Provisions

Changes in provisions over financial year 2015 break down as follows:

In millions of Euro	As of January 1, 2015	Increase	Used Reversals	Unused Reversals	Foreign Exchange Adjustments	Other	As of December 31, 2015
Restructuring	-	19.8	-	-	(0.1)	2.9	22.6
Pensions and other Long-Term Employee Benefits (1)	216.5	31.5	(36.8)	(14.8)	0.3	3.8	200.5
Tax	0.8	-	-	(0.2)	0.3	-	0.9
Litigation	2.3	-	-	-	-	-	2.3
Provisions for Claims Incurred but not Reported (2)	8.0	3.7	-	-	-	-	11.7
Other Non-Current Provisions	4.0	0.4	(0.4)	-	0.1	(0.1)	4.0
Total Non-Current Provisions	**231.6**	**55.4**	**(37.2)**	**(15.0)**	**0.6**	**6.6**	**242.0**
Pensions and other Long-Term Employee Benefits (1)	57.3	26.2	(34.9)	(0.5)	1.5	(2.9)	46.7
Contingencies related to Contracts (3)	196.2	207.9	(122.9)	(11.3)	1.8	(3.2)	268.5
Restructuring	-	37.0	(8.0)	-	-	(1.4)	27.6
Tax	20.3	14.5	(3.3)	(4.9)	(5.4)	-	21.2
Litigation (4)	10.4	10.9	(1.7)	(8.2)	(1.8)	-	9.6
Provisions for Claims (2)	3.0	4.9	-	-	-	-	7.9
Other Current Provisions	39.1	37.6	(4.5)	(8.2)	(9.8)	(2.0)	52.2
Total Current Provisions	**326.3**	**339.0**	**(175.3)**	**(33.1)**	**(13.7)**	**(9.5)**	**433.7**
TOTAL PROVISIONS	**557.9**	**394.4**	**(212.5)**	**(48.1)**	**(13.1)**	**(2.9)**	**675.7**

(1) See Note 23 – Pensions and other long-term employee benefit plans.
(2) Provisions for Reinsurance are recorded at the level of the Group's captive reinsurance companies.
(3) Provisions recognized on contingencies on contracts are related to claims on contracts.
(4) See Note 31 – Litigation and contingent liabilities.

(B) Schedule of Provisions

The following table shows the maturity of provisions forecast as of December 31, 2015:

In millions of Euro	As of 31 December, 2015	2016	2017	2018	2019	2020	2021	2022 and beyond
Restructuring	22.6	-	11.7	5.5	3.7	1.7	-	-
Pensions and other Long-Term Employee Benefits	200.5	-	37.9	14.7	11.3	11.3	12.8	112.5
Tax	0.9	-	0.9	-	-	-	-	-
Litigation	2.3	-	2.3	-	-	-	-	-
Provisions for Claims Incurred but not Reported	11.7	-	4.9	3.5	2.0	0.4	0.2	0.7
Other Non-Current Provisions	4.0	-	1.9	-	-	1.8	-	0.3
Total Non-Current Provisions	**242.0**	**-**	**59.6**	**23.7**	**17.0**	**15.2**	**13.0**	**113.5**
Pensions and other Long-Term Employee Benefits	46.7	46.6	-	-	-	-	-	-
Contingencies related to Contracts (*)	268.5	251.3	17.1	0.1	-	-	-	-
Restructuring	27.6	27.6	-	-	-	-	-	-
Tax	21.2	21.2	-	-	-	-	-	-
Litigation	9.6	9.6	-	-	-	-	-	-
Provisions for Claims	7.9	7.9	-	-	-	-	-	-
Other Current Provisions	52.2	52.3	-	-	-	-	-	-
Total Current Provisions	**433.7**	**416.5**	**17.1**	**0.1**	**-**	**-**	**-**	**-**
TOTAL PROVISIONS	**675.7**	**416.5**	**76.7**	**23.8**	**17.0**	**15.2**	**13.0**	**113.5**

(*) Provisions for contingencies related to contracts which maturity cannot be precisely determined are usually presented in the less than one year category.

The criteria for classifying an asset/liability as "current" or "non-current" in the statement of financial position are described in Note 1-C Accounting rules and policies.

Note 23 Pensions and Other Long-Term Employee Benefit Plans

(A) Description of the Group's Current Benefit Plans

On all the Technip Group, four countries represent quite 90% of the Group obligations: the Netherlands, France, United Kingdom and Germany.

Brazil

A jubilee plan provides a lump sum payment of one month's salary after 10, 15, 20 and 30 years of service. The plan also pays for a short trip to Brazil and Paris after 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 at Technip 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. It consists 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).

Germany

The following plans are 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.

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 accrual, in 2014. 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).

(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 Euro	2015	2014
Current Service Cost	12.4	22.1
Financial Cost	10.2	14.9
Expected Return on Plan Assets	(6.0)	(7.6)
Net Actuarial Gain/(Loss) Recognized on Long-Term Benefits	0.1	0.4
Cash Incentive Plans	34.4	37.5
Special Events (Curtailment/Settlement)	(1.5)	(114.3)
Administration Costs and Taxes	0.2	1.1
NET BENEFIT EXPENSE AS RECORDED IN THE STATEMENT OF INCOME	**49.8**	**(45.9)**

In addition to the defined benefit pension plan expense shown in the above table, defined contribution plan expenses amounted to €59.5 million in 2015, compared to €55.8 million in 2014.

Defined contribution plan expenses expected for 2016 amount to €2.7 million.

Benefits plan cash flows for 2016 amount to €24.4 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 Euro		Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit Obligation	Cash Incentive Plans	Asset/ (Liability) as recorded in the statement of Financial Position
As of January 1, 2014		**413.5**		**195.6**		**217.9**	**46.2**	**264.1**
Expense as recorded in the statement of income		(103.4)		(20.0)		(83.4)		(83.4)
• Total current service cost	22.1		-		22.1			
• Net Financial Costs	14.9		7.6		7.3			
• Actuarial Gains/(Losses) of the Year	0.4		-		0.4			
• Special Events (curtailment/ settlement)	(141.9)		(27.6)		(114.3)			
• Administrative costs and taxes	1.1		-		1.1			
OCI amounts		115.5		26.5		89.0		89.0
• Actuarial (Gain) / Loss on Defined Benefit Obligation	115.5		-		115.5			
- *Experience*	*6.1*		-		*6.1*			
- *Financial assumptions*	*110.1*		-		*110.1*			
- *Demographic assumptions*	*(0.7)*		-		*(0.7)*			
• Actuarial Gain / (Loss) on Plan Assets	-		26.5		(26.5)			
Contributions and Prestations Paid		(18.0)		3.4		(21.4)		(21.4)
• Contributions by Employer	-		12.0		(12.0)			
• Contributions by Employee	0.4		0.4		-			
• Benefits Paid by Employer	(9.4)		-		(9.4)			
• Benefits paid by Employee	(9.0)		(9.0)		-			
Exchange Difference and other		9.2		6.2		3.0		3.0
Cash Incentive Plans							11.0	11.0
Other		7.6		(3.9)		11.5		11.5
As of December 31, 2014		**424.4**		**211.7**		**205.1**	**46.2**	**273.8**
Acquisition/Divestiture		4.3		-		4.3		4.3
Expense as recorded in the statement of income		21.4		6.0		15.4		15.4
• Total current service cost	10.9		-		10.9			
• Net Financial Costs	10.2		6.0		4.2			
• Actuarial Gains/(Losses) of the Year	0.1		-		0.1			
• Administrative costs and taxes	0.2		-		0.2			
OCI amounts		(15.3)		1.8		(17.1)		(17.1)
• Actuarial (Gain) / Loss on Defined Benefit Obligation	(15.3)		-		(15.3)			
- *Experience*	*(8.3)*		-		*(8.3)*			
- *Financial assumptions*	*(6.4)*		-		*(6.4)*			
- *Demographic assumptions*	*(0.6)*		-		*(0.6)*			
• Actuarial Gain / (Loss) on Plan Assets	-		1.8		(1.8)			
Contributions and Prestations Paid		(17.6)		(5.0)		(12.6)		(12.6)
• Contributions by Employer	-		2.6		(2.6)			
• Contributions by Employee	0.4		0.4		-			
• Benefits Paid by Employer	(10.0)		-		(10.0)			
• Benefits paid by Employee	(8.0)		(8.0)		-			
Exchange Difference and other		8.1		6.2		1.9		1.9
Cash Incentive Plans							(12.4)	(12.4)
Other		(6.3)		(0.2)		(6.1)		(6.1)
AS OF DECEMBER 31, 2015		**419.0**		**216.6**		**202.4**	**44.8**	**247.2**

The discounted defined benefit obligation includes €255.4 million for funded plans and €163.6 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:

In %	Bonds	Shares	Real Estate	Cash	Other	Total
Euroland	0%	0%	0%	0%	100%	100%
United Kingdom	45%	27%	3%	0%	25%	100%
Other	0%	0%	0%	0%	0%	0%

(D) Actuarial Assumptions

The main assumptions on the two zones that make up more than 90% at the end of 2015 of the benefit obligations are detailed in the following table:

	As of December 31, 2015			
	Discount Rate	Future Salary Increase (above Inflation Rate)	Healthcare Cost Increase Rate	Inflation Rate
Euroland	2.20%	From 1.00% to 5.00%	3.00%	1.90%
United Kingdom	3.70%	0.00%	NA	3.25%

	As of December 31, 2014			
	Discount Rate	Future Salary Increase (above Inflation Rate)	Healthcare Cost Increase Rate	Inflation Rate
Euroland	1.85%	From 1.00% to 5.00%	3.00%	1.80%
United Kingdom	3.80%	1.50%	NA	3.25%

The discount rates as of December 31, 2015 of the Euroland, 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, 2015 remain unchanged compared to 2014.

A 0.25% decrease in the discount rate would increase the defined benefit obligation by approximately 2.4%.

A 0.25% increase in the inflation rate would increase the defined benefit obligation by approximately 1.8%.

Note 24 Trade Payables

Trade payables amounted to €2,480.4 million as of December 31, 2015 as compared to €2,312.9 million as of December 31, 2014.

Trade payables are non-interest bearing liabilities. Their maturities are linked to the operating cycle of contracts. As of December 31, 2015, trade payables with a maturity of less than 12 months amounted to €2,479.3 million.

Note 25 Other Liabilities (Current and Non-Current)

Other current and non-current liabilities are as follows:

In millions of Euro	As of December 31, 2015	As of December 31, 2014
Wages and Salaries	325.9	322.8
Social Security Costs	65.2	73.9
Other Tax Payables	168.8	104.6
Deferred Income	23.7	27.8
Accruals on Completed Contracts (1)	170.0	161.4
Current Accounts on Contracts under Joint Arrangements	21.8	20.7
Advances Received (2)	907.4	857.8
Other	71.7	60.7
Total Other Current Liabilities	**1,754.5**	**1,629.7**
Payables on Fixed Assets	15.3	29.6
Subsidies	7.6	9.4
Other	9.3	1.6
Total Other Non-Current Liabilities	**32.2**	**40.6**
TOTAL OTHER LIABILITIES	**1,786.7**	**1,670.3**

(1) When the contract is completed, accrued liabilities are recorded to cover pending expenses until the client signs the final acceptance (see Note 1-C (b) – Long-term contracts).

(2) Corresponds to advances received and deferred income on contracts recorded in accordance with IAS 18, not identified as construction contracts.

The breakdown between current and non-current liabilities is detailed in Note 1-C Accounting rules and estimates. The portion of current liabilities with a maturity of less than 12 months amounted to €1,750.9 million as of December 31, 2015.

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, 2015						
		Analysis by Category of Financial Instruments					
In millions of Euro	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	6.5	6.5	-	-	-	-	6.5
Other Financial Assets	214.7	-	214.7	-	-	-	214.7
Available-for-Sale Financial Assets	29.0	-	-	29.0	-	-	29.0
Derivative Financial Instruments	47.1	-	-	-	-	47.1	47.1
Trade Receivables	1,668.2	-	1,668.2	-	-	-	1,668.2
Current Income Tax Receivables	220.3	-	220.3	-	-	-	220.3
Other Current Receivables	589.2	-	589.2	-	-	-	589.2
Cash and Cash Equivalents	2,919.1	2,919.1	-	-	-	-	2,919.1
TOTAL ASSETS	**5,694.1**	**2,925.6**	**2,692.4**	**29.0**	**-**	**47.1**	**5,694.1**
Non-Current Financial Debts	1,626.0	-	-	-	1,626.0	-	1,716.5
Other Non-Current Liabilities	32.2	-	-	-	32.2	-	32.2
Current Financial Debts	937.1	-	-	-	937.1	-	937.2
Trade Payables	2,480.4	-	2,480.4	-	-	-	2,480.4
Derivative Financial Instruments	334.4	-	-	-	-	334.4	334.4
Current Income Tax Payables	200.0	-	200.0	-	-	-	200.0
Other Current Liabilities	1,754.5	-	1,754.5	-	-	-	1,754.5
TOTAL LIABILITIES	**7,364.6**	**-**	**4,434.9**	**-**	**2,595.3**	**334.4**	**7,455.2**

In millions of Euro	As of December 31, 2014 Analysis by Category of Financial Instruments 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	6.8	6.8	-	-	-	-	6.8
Other Financial Assets	195.8	-	195.8	-	-	-	195.8
Available-for-Sale Financial Assets	57.0	-	-	57.0	-	-	57.0
Derivative Financial Instruments	46.6	-	-	-	-	46.6	46.6
Trade Receivables	1,719.9	-	1,719.9	-	-	-	1,719.9
Current Income Tax Receivables	158.9	-	158.9	-	-	-	158.9
Other Current Receivables	581.6	-	581.6	-	-	-	581.6
Cash and Cash Equivalents	2,685.6	2,685.6	-	-	-	-	2,685.6
TOTAL ASSETS	**5,452.2**	**2,692.4**	**2,656.2**	**57.0**	**-**	**46.6**	**5,452.2**
Non-Current Financial Debts	2,356.6	-	-	-	2,356.6	-	2,522.5
Other Non-Current Liabilities	40.6	-	-	-	40.6	-	40.6
Current Financial Debts	256.4	-	-	-	256.4	-	256.5
Trade Payables	2,312.9	-	2,312.9	-	-	-	2,312.9
Derivative Financial Instruments	300.5	-	-	-	-	300.5	300.5
Current Income Tax Payables	137.7	-	137.7	-	-	-	137.7
Other Current Liabilities	1,629.7	-	1,629.7	-	-	-	1,629.7
TOTAL LIABILITIES	**7,034.4**	**-**	**4,080.3**	**-**	**2,653.6**	**300.5**	**7,200.4**

The following table shows a breakdown of financial assets and liabilities valued at fair value by hierarchy:

In millions of Euro	**As of December 31, 2015** Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value through Profit or Loss	-	6.5	-	6.5
Derivative Financial Instruments	-	47.1	-	47.1
Available-for-Sale Financial Assets	29.0	-	-	29.0
ASSETS	**29.0**	**53.6**	**-**	**82.6**
Financial Liabilities at Fair Value through Profit or Loss	-	-	-	-
Derivative Financial Instruments	-	334.4	-	334.4
LIABILITIES	**-**	**334.4**	**-**	**334.4**

In millions of Euro	As of December 31, 2014 Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value through Profit or Loss	-	6.8	-	6.8
Derivative Financial Instruments	-	46.6	-	46.6
Available-for-Sale Financial Assets	57.0	-	-	57.0
ASSETS	**57.0**	**53.4**	**-**	**110.4**
Financial Liabilities at Fair Value through Profit or Loss	-	-	-	-
Derivative Financial Instruments	-	300.5	-	300.5
LIABILITIES	**-**	**300.5**	**-**	**300.5**

During the financial year 2015, there were no transfer between Level 1 and Level 2 fair value measurements, and no transfer into or out of Level 3 fair value measurements.

(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:

	2015					
		From Subsequent Valuation				
In millions of Euro	Interest	At Fair Value	Currency Translation	Impairment /Reversal of Impairment	Derecognition	Net Gains/ (Losses)
Categories of Financial Instruments						
At Fair Value through Profit or Loss	41.5	-	-	-	-	41.5
Available-for-Sale Financial Assets	-	(28.4)	-	-	-	(28.4)
Liabilities at Amortized Cost	(118.3)	-	-	-	-	(118.3)
Derivative Financial Instruments	-	(9.2)	-	(7.1)	-	(16.3)
TOTAL NET GAINS/(LOSSES)	**(76.8)**	**(37.6)**	**-**	**(7.1)**	**-**	**(121.5)**

	2014					
		From Subsequent Valuation				
In millions of Euro	Interest	At Fair Value	Currency Translation	Impairment /Reversal of Impairment	Derecognition	Net Gains/ (Losses)
Categories of Financial Instruments						
At Fair Value through Profit or Loss	37.8	-	-	-	-	37.8
Liabilities at Amortized Cost	(102.7)	-	-	-	-	(102.7)
Derivative Financial Instruments	-	(58.3)	-	7.5	-	(50.8)
TOTAL NET GAINS/(LOSSES)	**(64.9)**	**(58.3)**	**-**	**7.5**	**-**	**(115.7)**

(C) Derivative Financial Instruments

The breakdown by category of derivative financial instruments is as follows:

	As of December 31, 2015		As of December 31, 2014	
In millions of Euro	Asset	Liability	Asset	Liability
Forward Foreign Exchange Contracts – Fair Value Hedge	7.2	57.9	1.5	53.1
Forward Foreign Exchange Contracts – Cash Flow Hedge	39.9	276.5	45.1	247.0
Forward Foreign Exchange Contracts – not Designated as Hedges for Accounting Purposes	-	-	-	0.4
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	**47.1**	**334.4**	**46.6**	**300.5**

The breakdown of gains and losses on derivative financial instruments that affect shareholders' equity in fair value reserves is as follows:

In millions of Euro	2015	2014
Total Gains/(Losses) on Derivative Financial Instruments as Reported in Equity as of January 1	**(285.0)**	**63.1**
Fair Value Gains/(Losses) on Derivative Financial Instruments – Cash Flow Hedge	(91.0)	(348.1)
TOTAL GAINS/(LOSSES) ON DERIVATIVE FINANCIAL INSTRUMENTS AS REPORTED IN EQUITY AS OF DECEMBER 31	**(376.0)**	**(285.0)**

Analysis of gains and losses on derivative financial instruments that affect the statement of income is as follows:

In millions of Euro	2015	2014
Effectiveness Gains/(Losses) on Fair Value Hedge (*)	(0.4)	(49.7)
Ineffectiveness Gains/(Losses) on Fair Value Hedge	1.3	(2.0)
Ineffectiveness Gains/(Losses) on Cash Flow Hedge	(16.0)	9.5
Gains/(Losses) on Economic Hedge not Designated as Hedges for Accounting Purposes	0.4	(0.2)
TOTAL GAINS/(LOSSES) ON DERIVATIVE INSTRUMENTS AS RECOGNIZED IN STATEMENT OF INCOME	**(14.7)**	**(42.4)**

(*) Excluding the revaluation of related current receivables and payables.

(D) Offsetting Financial Assets and Financial Liabilities

The analysis of the offsetting financial assets and financial liabilities, exclusively composed of derivative financial instruments, is as follows:

In millions of Euro	As of December 31, 2015					
Financial Assets (by Type of Financial Instruments)	a	b	c	d		e
	Gross Amount (before Offsetting)	Gross Amounts Set off in the Financial Statements (according to IAS 32)	Net Amounts Presented in the Financial Statements (a-b)	Related Amounts not Set off in the Statement of Financial Position (not Meeting Offsetting Criteria IAS 32)		Net Amount (c-d)
				Financial Instruments	Fair Value of Financial Collaterals	
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	**47.1**	**-**	**47.1**	**47.1**	**-**	**-**

In millions of Euro	As of December 31, 2015					
Financial Liabilities (by Type of Financial Instruments)	a	b	c	d		e
	Gross Amount (before Offsetting)	Gross Amounts Set off in the Financial Statements (according to IAS 32)	Net Amounts Presented in the Financial Statements (a-b)	Related Amounts not Set off in the Statement of Financial Position (not Meeting Offsetting Criteria IAS 32)		Net Amount (c-d)
				Financial Instruments	Fair Value of Financial Collaterals	
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	**334.4**	**-**	**334.4**	**47.1**	**-**	**287.3**

In millions of Euro	As of December 31, 2014					
Financial Assets (by Type of Financial Instruments)	a	b	c	d		e
	Gross Amount (before Offsetting)	Gross Amounts Set off in the Financial Statements (according to IAS 32)	Net Amounts Presented in the Financial Statements (a-b)	Related Amounts not Set off in the Statement of Financial Position (not Meeting Offsetting Criteria IAS 32)		Net Amount (c-d)
				Financial Instruments	Fair Value of Financial Collaterals	
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	**46.6**	**-**	**46.6**	**46.6**	**-**	**-**

In millions of Euro	As of December 31, 2014					
Financial Liabilities (by Type of Financial Instruments)	a	b	c	d		e
	Gross Amount (before Offsetting)	Gross Amounts Set off in the Financial Statements (according to IAS 32)	Net Amounts Presented in the Financial Statements (a-b)	Related Amounts not Set off in the Statement of Financial Position (not Meeting Offsetting Criteria IAS 32)		Net Amount (c-d)
				Financial Instruments	Fair Value of Financial Collaterals	
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	**300.5**	**-**	**300.5**	**46.6**	**-**	**253.9**

Note 27 Payroll Staff

Technip has a workforce of more than 34,000 people, in 45 countries, including an average of 5,300 contracted workforce integrated in operating teams.

Note 28 Related Parties Disclosures

(A) Transactions with Related Parties

IFP Énergies nouvelles (IFP) is represented on Technip's Board of Directors. Its percentage of ownership amounted to 2.40% as of December 31, 2015 and 2.50% as of December 31, 2014.

Technip paid IFP a royalty in respect of an agreement for research cooperation on offshore deepwaters. This royalty is determined under arm's length conditions and amounted to €3.2 million in 2015 and in 2014. The amount paid to IFP was €2.9 million in 2015 and €3.2 million in 2014.

(B) Receivables and Payables, Income and Expenses with Respect to Associates in Joint Arrangements

Receivables and payables towards associates in joint arrangements are as follows:

In millions of Euro	As of December 31, 2015	As of December 31, 2014
Trade Receivables	2.9	1.2
Trade Payables	7.1	-
NET TRADE RECEIVABLES/ (PAYABLES)	**(4.2)**	**1.2**

Income and expenses generated with associates in joint arrangements are as follows:

In millions of Euro	2015	2014
Income	8.1	6.5
Expenses	(8.1)	(2.6)

(C) Compensation of the Chairman and Chief Executive Officer

The compensation of the Chairman and Chief Executive Officer is composed of both a fixed and a variable portion.

For 2015, the aggregate amount of compensation paid by the Company to Thierry Pilenko amounted to € 1,984,211.

The variable portion of the compensation is subject to precise and predetermined objectives. 70% of the target variable portion is linked to the financial performance of the Group (quantitative criteria) and 30% is linked to the achievement of individual objectives (qualitative criteria). The share of the variable portion is linked with a financial target (70% of the total) and broken down into two objectives:

- up to 50% on the Group operating income budgeted for 2015;
- up to 20% on the percentage of gross margin on order intake.

The variable portion due to Thierry Pilenko for financial year 2015 is €900,000.

Thierry Pilenko does not receive any Directors' fees for the positions he holds as a Director of the Company or in the Group companies.

There is no specific retirement plan for Thierry Pilenko as the Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer is a beneficiary of the supplementary defined contribution retirement plan for Group executives, as well as the Company's existing supplementary defined benefits retirement plan for Executive Committee (Excom) members.

110,000 stock options and 33,000 performance shares were granted to Thierry Pilenko over financial year 2015 corresponding to 0.12% of the share capital as of the day of the General Meeting dated April 23, 2015.

In financial year 2015, Thierry Pilenko exercised 109,000 share subscription options.

In the context of the renewal of the mandate of Thierry Pilenko, the Board of Directors on April 23, 2015, upon recommendation of the Nominations and Remunerations Committee, proposed a worldwide non-compete agreement for a 24-month period. According to this agreement, Thierry Pilenko could receive an amount corresponding to two years of gross fixed annual compensation paid (gross fixed compensation plus variable compensation). The basis of calculation would be the average of the gross annual compensation paid over the last three years, the payment of which would be paid on a monthly basis.

(D) Compensation and Retirement Commitments of the Group's Principal Executives

In 2015, the total amount of all direct and indirect compensation paid by the Group's French and foreign companies to all of the Group's principal executives on payroll on December 31, 2015, (*i.e.*, the six members of the Excom of the Group) amounted to €3,836,926. The variable portion represented 33.5% of the overall amount.

The charges relating to share purchase and share subscription options, as well as performance shares, granted to the Company's executive officers, and accounted for in 2015, amounted to €3,081,470.

In 2015, payment made by Group companies under supplementary retirement plans applicable to the principal executives discussed above amounted to €0.1 million. The recorded expense related to the retirement income guarantee plan for Executive Committee members amounted to €1.6 million in 2015.

As of December 31, 2015, the amount for retirement commitments for Executive Committee members amounted to €5.5 million.

Note 29 Board of Directors Compensation

The Shareholders' Meeting of April 25, 2013 set the amount of Directors' fees allocated to members of the Board of Directors at €800,000 for each of financial years 2013, 2014 and 2015. The amount actually paid in 2015 was €799,720.

During 2015, the gross amount of compensation and benefits of all kinds paid by Technip to the members of the Board of Directors was €1,984,211.

Note 30 Off-Balance Sheet Commitments

(A) Off-Balance Sheet Commitments Related to Group Operating Activities

The following table illustrates the breakdown of off-balance sheet commitments per maturity:

	As of December 31, 2015				As of December 31, 2014
	Amounts of Commitments by Maturity Date				
In millions of Euro	Less than 1 year	1 to 5 years	More than 5 years	Total	Total
Operating Leases	294.1	903.8	550.6	1,748.5	1,814.2
TOTAL CONTRACTUAL COMMITMENTS	**294.1**	**903.8**	**550.6**	**1,748.5**	**1,814.2**
Of which commitments given relating to Joint Operations	-	-	-	-	-

	As of December 31, 2015				As of December 31, 2014
	Amounts of Commitments by Maturity Date				
In millions of Euro	Less than 1 year	1 to 5 years	More than 5 years	Total	Total
Commitments Given related to the Execution of Operating Contracts	610.7	4,166.1	129.2	4,906.0	4,652.3
Parent Company Guarantees	29,453.8	20,121.0	23,184.3	72,759.1	69,974.7
TOTAL COMMITMENTS GIVEN RELATED TO OPERATING ACTIVITIES	**30,064.5**	**24,287.1**	**23,313.5**	**77,665.1**	**74,627.0**
Of which commitments given relating to Joint Operations	*1,026.7*	*588.4*	*17,130.7*	*18,745.8*	*21,477.7*

	As of December 31, 2015				As of December 31, 2014
	Amounts of Commitments by Maturity Date				
In millions of Euro	Less than 1 year	1 to 5 years	More than 5 years	Total	Total
Other Commitments Received related to Operating Activities	314.5	404.9	11.0	730.4	831.6
TOTAL COMMITMENTS RECEIVED RELATED TO OPERATING ACTIVITIES	**314.5**	**404.9**	**11.0**	**730.4**	**831.6**
Of which commitments given relating to Joint Operations	-	-	-	-	-

Operating leases and capital leases

The Group leases various equipment, vessels and buildings, mainly under lease contracts that will end within the next ten years. It is likely that the Group will have to renew or to replace them. The Group does not have any assets subject to a capital lease.

At year-end 2015, the rental expense amounted to €343.9 million compared to €288.6 million in 2014.

Guarantees related to operating activities

Commitments given relate mainly to guarantees or counter-guarantees given by banks and insurance companies to various customers in connection with ongoing contracts in order to secure due and proper performance of the contracts or following the payment of retention guarantees and advance billings (€4,906.0 million as of December 31, 2015).

Furthermore, parent company guarantees given by Technip or its affiliates to clients cover the due and proper performance of the specified construction contracts for which the average expiration period until the release of the commitment guarantees is approximately five years. The amounts disclosed under the parent company guarantees, which stand at €72,759.1 million as of December 31, 2015, include the portion of contract allocated to the Group's joint arrangements partners. The latter amounts are neither decreased according to project percentage of completion, nor reduced by the amount of parent company guarantees received from Technip's partners in these joint arrangements, same partners for which Technip issues parent company guarantees.

As of December 31, 2015, the parent company guarantees issued by Technip for contracts outside the scope of a joint arrangement amount to €28,139.7 million.

The following table illustrates the breakdown of €44,619.4 million of parent company guarantees issued by Technip as of December 31, 2015, in respect of joint arrangement contracts, according to the Group's percentage of ownership in these joint arrangements.

	As of December 31, 2015				As of December 31, 2014
	Allocation as per % of Technip's Ownership in Joint Arrangements				
In millions of Euro	Less or equal to 25%	Greater than 25% and less or equal to 40%	Greater than 40%	Total	Total
Parent Company Guarantees Given within Joint Arrangements	1,335.6	17,818.5	25,465.3	44,619.4	44,013.8
Of which commitments given relating to Joint Operations	*-*	*-*	*17,984.2*	*17,984.2*	*20,751.5*

Commitments received relate mainly to similar guarantees obtained from suppliers or subcontractors in connection with ongoing contracts.

(B) Off-Balance Sheet Commitments Related to Group Financing

The following table illustrates the breakdown of off-balance sheet commitments related to Group financing:

	As of December 31, 2015				As of December 31, 2014
	Amounts of Commitments per Period				
In millions of Euro	Less than 1 year	1 to 5 years	More than 5 years	Total	Total
Other Commitments Given related to Financing	-	542.0	744.7	1,286.7	1,288.5
TOTAL COMMITMENTS GIVEN RELATED TO FINANCING	**-**	**542.0**	**744.7**	**1,286.7**	**1,288.5**
Of which commitments given relating to Joint Ventures	-	-	*385.7*	*385.7*	-

(C) Off-Balance Sheet Commitments Related to Group Scope of Consolidation

There is no significant commitment related to the Group scope of consolidation.

Note 31 Litigation and Contingent Liabilities

(A) Litigation

In 2015, the Group entered in new legal proceedings in relation to the termination of a contract. In 2010, Technip entered into a lump sum turn-key Engineering Procurement Construction and Commissioning contract with Sonatrach in regards to the refinery of Algiers. This contract was for the rehabilitation and modernization of the Algiers' refinery. On June 4, 2015, Technip's involvement in this project stopped at the request of the client. As per the terms of the contract, both sides initiated arbitration proceedings in respect to certain claims. These proceedings are in the initial stages.

As of the date hereof, there have been no other governmental, legal or arbitral proceedings (including any such proceedings that are pending or threatened of which the Company is aware) over the past 12 months, which may have, or have had a significant impact on the Group's financial position or profitability.

(B) Contingent Liabilities

As of the date hereof, there have been no contingent liabilities.

Note 32 Market Related Exposure

(A) Liquidity Risk

As of December 31, 2015, Standard & Poor's corporate credit rating for Technip was BBB+/Stable/A-2.

Technip's business generates negative working capital requirements. The contractual terms and conditions for payment are negotiated between the Group's entities and their clients, suppliers or subcontractors for the realization of projects. These terms and conditions provide the Group's entities with cash resources and are reflected in the accounts, in particular the consolidated accounts, by a negative working capital requirement.

- Technip's financing needs are met pursuant to a Group policy implemented by the Finance and Control Division.

- Cash management is centralized at the head office and coordinated through finance departments located in the Group's main operating subsidiaries.

  Technip Eurocash SNC, a French general partnership *(société en nom collectif)*, acts to centralize cash pooling for the Group's main entities, in compliance with applicable laws and regulations in each of the relevant countries. Technip Eurocash SNC has entered into cash pooling agreements with most of the Group's subsidiaries to consolidate surplus cash and to meet their needs, except where local economic and financial considerations have required recourse to external local debt.
- As of December 31, 2015, the Group had multiple financing sources for financing its general corporate needs, or for financing new assets or certain operations.

2010-2016 Convertible Bonds

On November 17, 2010, Technip issued 6,618,531 bonds convertible into and/or exchangeable for new or existing shares (OCEANE) for approximately €550 million. The bonds will be redeemed at par on January 1, 2016 except in the event of an early conversion, exchange or redemption. Bondholders have the option to convert their bonds into shares at any time at the ratio of one share for one bond. In addition, the Group has the option to call for the early redemption of all outstanding bonds at any time on or after the third anniversary of the issue date for a price at par plus accrued interest if the quoted value of the share exceeds 130% of the par value of the bond.

The nominal value of each bond was set at €83.10. The bonds are listed on the Euronext Paris market.

The bonds bear interest at an annual rate of 0.50% payable annually in arrears on January 31 of each year, *i.e.*, €0.42 per year and per bond.

The main purpose of the convertible bond issue was to partially refinance the 2004-2011 bond issue, as well as to secure long-term financing to cover the Group's investments.

The bonds will be convertible into or exchangeable for new/existing Technip shares at the ratio of one share per bond, subject to future anti-dilution adjustments as further described in the bond documentation, *i.e.*, the *Note d'opération* approved by the AMF on November 9, 2010 under No. 10-392.

The bond issue was rated BBB+ by Standard & Poor's. The *Note d'opération* contains covenants and default clauses standard for this type of bond issue, and does not contain any financial covenant. The issue provides that in the event of a change of control of Technip, any bondholder may, at its sole option, request the early redemption in cash of all or a portion of the bonds it holds.

As of the date of the issue of the bonds, the debt booked as non-current financial debt in the statement of financial position amounted to the fair value of the debt component. The fair value of the debt component is decreased in proportion to the costs and expenses related to the issue. The difference between the nominal value of the OCEANE and the fair value of its debt component is recorded as shareholders' equity. As of December 31, 2015, the current financial debt in the statement of financial position relating to the bond issue amounted to €550 million and the shareholders' equity amounted to €63.3 million.

2011-2017 Convertible Bonds

On December 15, 2011, Technip issued 5,178,455 bonds convertible into and/or exchangeable for new or existing shares (OCEANE) for approximately €497.6 million. The bonds will be redeemed at par on January 1, 2017 except in the event of an early conversion, exchange or redemption. Bondholders have the option to convert their bonds into shares at any time at the ratio of one share for one bond. In addition, the Group has the option to call for the early redemption of all outstanding bonds at any time on or after the third anniversary of the issue date for a price at par plus accrued interest if the quoted value of the share exceeds 130% of the par value of the bond.

The nominal value of each bond was set at €96.09. The bonds are listed on the Euronext Paris market.

The bonds bear interest at an annual rate of 0.25% payable annually in arrears on January 31 of each year, *i.e.* approximately €0.24 per year and per bond. The first coupon payment on January 31, 2013 amounted to approximately €0.03 per bond.

The main purpose of the convertible bond issue was to partially restore the Group's cash balance position following the acquisition of Global Industries, Ltd. in December 2011 for a cash consideration of USD936.4 million.

The bonds will be convertible into or exchangeable for new/existing Technip shares at the ratio of one share per bond, subject to future anti-dilution adjustments as further described in the bond documentation, *i.e.*, the *Note d'opération* approved by the AMF on December 7, 2011 under No. 11-562.

The bond issue was rated BBB+ by Standard & Poor's. The *Note d'opération* contains standard covenants and default clauses for this type of bond issue and does not contain any financial covenant. The issue provides that in the event of a change of control of Technip, any bondholder may, at its sole option, request the early redemption in cash of all or a portion of the bonds it holds.

As of the date of the issue of the bonds, the debt booked as non-current financial debt in the statement of financial position amounted to the fair value of the debt component. The fair value of the debt component is decreased in proportion to the costs and expenses related to the issue. The difference between the nominal value of the OCEANE and the fair value of its debt component is recorded as shareholders' equity. As of December 31, 2015, the non-current financial debt in the statement of financial position relating to this bond issue amounted to €481.1 million and shareholders' equity amounted to €73.1 million.

2010 Private Placement Notes

On July 27, 2010, Technip received proceeds of €200 million from private placement notes pursuant to contractual terms and conditions agreed on November 19, 2009. The purpose of this private placement was to partly finance the 2004-2011 bond issue, which was repaid at its maturity date on May 26, 2011. The notes have a 10-year term from July 27, 2010 and an annual coupon of 5%. This placement includes covenants and default provisions that are customary for such bond issue and does not contain any financial covenant. The notes are listed on the Luxembourg Stock Exchange.

2012 Private Placement Notes

In June 2012, Technip completed three long-term private placements, each subscribed by a different investor, for an aggregate amount of €325 million. These bond issues consisted of:

- €150 million 10-year private placement notes (having a maturity date of June 14, 2022), issued on June 14, 2012, with an annual coupon of 3.40% payable annually in arrears on June 14 of each year. These private notes have been rated BBB+ by Standard & Poor's and are listed on the Euronext Paris market;
- €75 million 15-year private placement notes (having a maturity date of June 15, 2027), issued on June 15, 2012, with an annual coupon of 4.0% payable annually in arrears on June 15 of each year. These private notes have been rated BBB+ by Standard & Poor's and are listed on the Euronext Paris market; and
- €100 million 20-year private placement notes (having a maturity date of June 14, 2032), issued on June 14, 2012 with an annual coupon of 4.0% payable annually in arrears on June 14 of each year. These private notes are listed on the Frankfurt Stock Exchange.

These private placements are part of the general management of the Group's cash and liabilities and their proceeds may be used for general corporate purposes.

The *Notes d'opération* relating to these private placement notes contain standard covenants and default clauses for these types of bond issues, and do not contain any financial covenant. The issues provide that in the event of a change of control of Technip and a rating downgrade of the notes below BBB- deemed to have occurred in respect of that change of control, any bondholder may, at its sole option, request the early redemption of all the bonds it holds.

2013 Private Placement Notes

In October 2013, Technip completed three long-term private placements, each subscribed for by different investors, for an aggregate amount of €355 million. These bond issues consisted of:

- €100 million 20-year private placement notes (having a maturity date of October 7, 2033), issued on October 7, 2013 with an annual coupon of 3.75% payable annually in arrears on October 7 of each year. These private notes are listed on the open market of the Frankfurt Stock Exchange *(Freiverkehr);*
- €130 million 10-year private placement notes (having a maturity date of October 16, 2023), issued on October 16, 2013 with an annual coupon of 3.15% payable annually in arrears on October 16 of each year. These private notes have been rated BBB+ by Standard & Poor's and are listed on the Luxembourg Stock Exchange; and
- €125 million 10-year private placement notes (having a maturity date of October 18, 2023), issued on October 18, 2013, carrying an annual coupon of 3.15% payable annually in arrears on October 18 of each year. These private notes are listed on the Luxembourg Stock Exchange.

These private placements are part of the general management of the Group's cash and liabilities and their proceeds may be used for general corporate purposes.

The *Notes d'opération* relating to these private placement notes contain standard covenants and default clauses for these types of bond issues, and do not contain any financial covenant. Under the terms of the issues, in the event of a change of control of Technip and a rating downgrade of the notes below BBB- deemed to have occurred in respect of that change of control, any bondholder may, at its sole option, request the early redemption of all the bonds it holds.

Deep Arctic Financing (ex-*Skandi Arctic*)

Since July 2015, the Norwegian subsidiary Technip Chartering Norge AS, 100% indirectly owned by Technip, is the sole owner of the *Deep Arctic* vessel following the repurchase of Doftech DA's (the previous owner) share in the vessel.

In March 2009, Doftech DA, the subsidiary in which Technip held 50% of the shares, entered into a NOK1 billion facility agreement for the financing of the *Skandi Arctic* vessel. This facility was transferred to Technip Chartering Norge in 2015 and is to be reimbursed in 24 equal semi-annual installments from September 16, 2009 to March 16, 2021. As of December 31, 2015, the facility, fully drawn, amounted to NOK458.3 million following semi-annual payments starting from September 16, 2009.

One tranche of the facility, corresponding to 70% of the total amount is granted at a fixed rate of 5.05% by the Norwegian financing institution Eksportfinans and benefits from a guarantee by GIEK. The other tranche of the facility is granted at a floating rate by a commercial bank.

From now on, this credit facility is 100% guaranteed by Technip Offshore International. It also benefits from a mortgage over the *Deep Arctic* vessel.

This credit agreement contains standard covenants and default provisions for this type of credit agreement and does not contain any financial covenant.

Açuflex Plant Financing

In December 2012, Flexibras Tubos Flexiveis, one of the Group's Brazilian subsidiaries, entered into a loan agreement with BNDES *(Banco Nacional de Desenvolvimento Econômico e Social)* for a total amount of BRL485 million, for the financing of the construction of the new Açuflex flexible pipes plant located in the Açu harbor (Brazil).

The loan is partly granted at a floating interest rate, while 22% of the total amount is granted at a fixed rate of 2.5%.

The loan is reimbursed in 96 monthly installments from January 15, 2015 until December 15, 2022.

The loan agreement contains covenants and default provisions that are standard for such facilities with BNDES excluding any financial covenant. The loan is secured by a guarantee from Technip and not secured by any asset.

As of December 31, 2015, the loan was fully drawn for a total amount of BRL 480.2 million and following the monthly repayments since January 15, 2015, the outstanding amount has reduced to BRL429.1 million.

BNDES *(Banco Nacional de Desenvolvimento Econômico e Social)* Facilities

As of December 31, 2015, Flexibras Tubos Flexiveis issued four separate loans between April 2013 and October 2014 for a total amount of BRL 300 million to support pre-financing of its export operations.

Each facility (fixed-rate) was entered into on behalf of BNDES in connection with BNDES financing. The four loan agreements contain the standard default provisions for such facilities with BNDES and do not include any financial covenant.

As of December 31, 2015, these fixed rate loans were fully drawn and consisted of:

- two separate loan agreements for a total amount of BRL200 million entered into in April 2013, each with a different commercial bank for BRL100 million. Both facilities have a single maturity date of April 15, 2016; and
- two separate loan agreements for an aggregate amount of BRL100 million entered into in June and October 2014 respectively, each with a different commercial bank for BRL50 million. The facilities have a maturity date of July 15, 2017 and October 31, 2017, respectively.

Export Credit Notes (NCE – *Nota de Crédito à Exportação*)

As of December 31, 2015, Flexibras Tubos Flexiveis issued six separate NCE loans between February and March 2013 for a total amount of BRL572 million to support pre-financing of its export operations.

The loans were entered into with five different commercial banks. The six loan agreements contain the standard default provisions for such facilities and do not include any financial covenant.

As of December 31, 2015, these fixed interest rate loans were fully drawn and consisted of:

- two separate loan agreements for a total amount of BRL200 million each entered into with different commercial banks in February 2013, and each for BRL100 million. These loans have respective redemption dates of January 15, 2016 and February 15, 2016;
- three separate loan agreements for a total amount of BRL272 million entered into in March 2013, each with different commercial banks. The BRL92 million loan has a redemption date of February 15, 2016, the BRL80 million loan matures on March 7, 2016 and the BRL100 million loan matures on December 11, 2017 further to the extension of its maturity date on January 5, 2015; and
- a loan agreement for a total amount of BRL100 million entered into with a commercial bank in February 2013 which was extended before its expiry date pursuant to an agreement entered into on December 30, 2014. This loan has now a maturity date of December 15, 2017.

Loans Under Innova Petro Program

As of December 31, 2015, Flexibras Tubos Flexiveis had two loans relating to Innova Petro program, the purpose of which is to support the financing of Flexibras' development of innovative processes and products. These loans consisted of:

- a BRL11.4 million credit facility entered into by Flexibras Tubos Flexiveis on June 13, 2014 with FINEP (*Financiadora de Estudos e Projetos*) the Brazilian Innovation Agency. The loan granted at a floating interest rate, is to be reimbursed in 61 equal monthly installments from June 15, 2017 until June 15, 2022. The loan agreement includes covenants and default provisions that are standard for such facilities with FINEP excluding any financial ratio. The loan is not secured by any asset. As of December 31, 2015, the outstanding amount of the loan was BRL 8.1 million;
- a BRL 13.7 million credit facility entered into by Flexibras Tubos Flexiveis on July 28, 2014 with BNDES *(Banco Nacional de Desenvolvimento Econômico e Social)*. The loan is partly granted at a floating interest rate, while 82% of the total amount is granted at a fixed rate of 4%. It is to be reimbursed in 72 equal monthly installments from September 15, 2016 until August 15, 2022. The loan agreement includes covenants and default provisions that are standard for such BNDES facilities excluding any financial covenant. The loan is not secured by any asset. As of December 31, 2015, the outstanding amount of the loan was BRL 1.2 million.

Global Industries, Ltd. Bonds

On January 11, 2012, following the acquisition of Global Industries, Ltd. by Technip and its delisting from the NASDAQ (New York), Global Industries, Ltd. reimbursed, to comply with the conditions set out in the original offering memorandum of the 2.75% USD325 million Senior Convertible Debentures, due 2027, issued on July 27, 2007, a principal amount of USD322.6 million (corresponding to 99.3% of the outstanding debentures) and paid accrued interest of approximately USD3.9 million to tendering bondholders. As of December 31, 2015, the non-tendered bonds amounted to USD2.4 million.

Syndicated Credit Facility and Bilateral Facilities

As of December 31, 2015, the Group had various unutilized financing sources for an aggregate amount of €1,347.7 million that allowed it to meet its general financing needs. These facilities are not secured by any of the Group's assets. As is standard for such financings, they contain covenants and default provisions from Technip and some of its affiliates, and do not include any financial covenant. These credit agreements do not include early payment provisions in the event of deterioration of the borrower's credit rating.

1. The credit facility in the amount of €1 billion put in place on July 21, 2011 which may be drawn in Euros, in US dollars or in British pounds, was amended and extended on July 30, 2014. The credit facility is fully reimbursable at the maturity date on July 21, 2020 following the exercise in July 2015 of the first of the two one-year extensions at the borrowers' option, subject to the lenders' approval.

   The facility, in the event it is utilized, includes a floating interest rate and an applicable margin which varies according to a schedule of Technip's credit rating.
2. In 2014, four separate credit facilities totaling €340 million which may be drawn in Euros were granted to Technip and replaced the existing facilities before their respective expiry dates. The facilities each have two one-year extensions on the first and second respective anniversaries of the signing dates at the borrowers' option, subject to the lenders' approval.

Following the exercise of the first of the two extension options in May and June 2015, the amounts and maturity dates are as follows:

- two facilities of €80 million each that mature on May 16, 2018;
- an €80 million facility that matures on June 10, 2018; and
- a €100 million facility that matures on May 16, 2020.

3. Different non-utilized credit facilities amounting to €7.7 million were granted to various Technip subsidiaries.

As of December 31, 2015, the credit facilities confirmed and available to the Group amounted to €1,347.7 million, of which €1,340.8 million is available after December 31, 2016. Out of a total of €1,347.7 million, €7.7 million is reserved for the financing of certain subsidiaries.

In 2015, in light of favorable market conditions, Technip once again issued on the commercial paper market. As of December 31, 2015, the outstanding commercial paper amounted to €200 million. The Group continues to benefit from Banque de France's authorization for a maximum amount of €1 billion.

As of December 31, 2015, debt falling due in 2016 and 2017 amounted to €1,512.3 million including €27.9 million of accrued interest and fees and €1,484.4 million of principal.

Schedule of contractual outstanding cash flows related to financial liabilities

	As of December 31, 2015				
In millions of Euro	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Convertible Bonds	-	497.6	-	2.2	499.8
Private Placements	-	-	200.0	680.0	880.0
Bank Borrowings	-	92.8	144.7	34.8	272.3
Accrued Interest Payables on Bond Loans	-	1.2	-	-	1.2
Other Accrued Interest Payables	-	61.7	125.2	155.0	341.9
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**-**	**653.3**	**469.9**	**872.0**	**1,995.2**
Convertible Bond	550.0	-	-	-	550.0
Commercial Papers	200.0	-	-	-	200.0
Bank Overdrafts	0.1	-	-	-	0.1
Accrued Interest Payables on Bond Loans	4.0	-	-	-	4.0
Other Accrued Interest Payables	64.4	-	-	-	64.4
Other Bank Borrowings	160.4	-	-	-	160.4
Derivative Financial Instruments	223.7	69.8	40.9	-	334.4
TOTAL CURRENT FINANCIAL LIABILITIES	**1,202.6**	**69.8**	**40.9**	**-**	**1,313.3**

Payment due dates related to debts include projected interest payments, even if they are not accrued on the closing date. Floating rates used to calculate projected interest payments are the rates in force as of December 31, 2015.

	As of December 31, 2014				
In millions of Euro	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Convertible Bonds	-	550.0	497.6	2.0	1,049.6
Private Placements	-	-	-	880.0	880.0
Bank Borrowings	-	194.7	240.9	48.8	484.4
Accrued Interest Payables on Bond Loans	-	4.0	1.2	-	5.2
Other Accrued Interest Payables	-	67.5	149.5	177.0	394.0
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**-**	**816.2**	**889.2**	**1,107.8**	**2,813.2**
Commercial Papers	156.0	-	-	-	156.0
Bank Overdrafts	0.9	-	-	-	0.9
Accrued Interest Payables on Bond Loans	4.0	-	-	-	4.0
Other Accrued Interest Payables	71.2	-	-	-	71.2
Other Bank Borrowings	79.4	-	-	-	79.4
Derivative Financial Instruments	161.6	119.1	19.8	-	300.5
TOTAL CURRENT FINANCIAL LIABILITIES	**473.1**	**119.1**	**19.8**	**-**	**612.0**

Contractual amounts as stated in the analysis of maturities relate to undiscounted contractual cash flows. These undiscounted cash flows may differ from the amounts as recognized in the statement of financial position which are based on discounted cash flows.

(B) Currency Risk

As indicated in Note 1-C (c) – Foreign currency transactions and financial instruments, Technip uses financial instruments to protect itself against currency risks incurred in the normal course of its business. The Group does not use financial instruments for trading or speculative purposes. The exchange hedging contracts are divided across several counterparties who have been selected after due consideration.

The primary hedging instruments used to manage Technip's exposure to currency risks are as follows:

	As of December 31			
	2015			2014
	Maturity			
In millions of Euro	2016	2017 and beyond	Nominal Value	Nominal Value
Buy Foreign Currencies/Sell Euros	344.5	35.5	380.0	243.8
Sell Foreign Currencies/Buy Euros	1,310.4	346.0	1,656.4	2,577.4
Buy/Sell Foreign Currencies	1,414.3	306.7	1,721.0	1,899.2
TOTAL HEDGING INSTRUMENTS	**3,069.2**	**688.2**	**3,757.4**	**4,720.4**

Exchange risk is mainly related to the US dollar and the Pound Sterling.

A change in the US dollar spot price by plus or minus 10% at closing date, calculated on the entire portfolio of Euro/US dollar derivatives, would generate a change of plus or minus €29.9 million in the result before tax and plus or minus €222.3 million in fair value reserves in equity.

A change in the Pound Sterling spot price by plus or minus 10% at closing date, calculated on the entire portfolio of Euro/Pound Sterling derivatives, would generate a change of plus or minus €5.6 million in the result before tax and plus or minus €39.0 million in fair value reserves in equity.

(C) Interest Rate Risk

Analysis of the sensitivity of the situation

Technip's floating rate debt amounted to €177.8 million compared to an aggregate total debt of €2,563.1 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, 2015, the net short-term cash position of the Group (cash and cash equivalents, less short-term financial debts) amounted to €1,982.0 million.

As of December 31, 2015, a 1% (100 basis points) increase in interest rates would lower the fair value of the fixed rate convertible bonds (OCEANE) and private placements by €71.7 million before tax. A 1% (100 basis points) decrease in interest rates would raise the fair value by €78.4 million before tax.

A 1% (100 basis points) increase in interest rates would generate an additional profit of €18.3 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.

Interest rate risk monitoring method

Technip regularly analyses its exposure to interest rate risk. This is the responsibility of the Treasury Department, which reports directly to the Chief Financial Officer.

The Group does not use financial instruments for speculative purposes.

(D) Credit Risk

A significant portion of the Group's activity is concentrated with a limited number of clients because the worldwide market is dominated by a small number of major oil and gas companies. Consequently, the Group regularly performs credit risk analysis before entering into contracts and has set up procedures for monitoring payments made by customers.

The schedule of past due but not impaired trade receivables is the following:

	As of December 31, 2015				
	Not impaired on the Reporting Date and Past Due in the Following Periods				
In millions of Euro	Less than 3 months	3 to 12 months	Over 1 year	Total	Total Trade Receivables
Trade Receivables	330.4	195.8	44.4	570.6	1,668.2

	As of December 31, 2014				
	Not impaired on the Reporting Date and Past Due in the Following Periods				
In millions of Euro	Less than 3 months	3 to 12 months	Over 1 year	Total	Total Trade Receivables
Trade Receivables	406.9	150.4	107.5	664.8	1,719.9

As of December31, 2015, the main counterparty for cash and cash equivalents represents 17% of total net cash position. The principal counterparty for derivative financial instruments represents 17% 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 33 Auditors' Fees and Services

Auditors' fees and services break down as follows:

	Ernst & Young				PricewaterhouseCoopers			
	2015		2014		2015		2014	
In thousands of Euro	Amount	%	Amount	%	Amount	%	Amount	%
Audit								
Auditing, certification of financial statements, examination of statutory and consolidated financial statements:								
• Technip	1,076	24%	846	19%	914	19%	750	17%
• Subsidiaries	2,174	50%	2,116	48%	2,149	44%	2,232	50%
Other work and services directly related to the responsibilities of Statutory Auditors:								
• Technip	121	3%	572	13%	452	9%	375	8%
• Subsidiaries	16	0%	22	1%	77	2%	377	8%
Sub-total	**3,387**	**77%**	**3,556**	**81%**	**3,592**	**74%**	**3,734**	**83%**
Other services								
Legal and tax:								
• Subsidiaries	991	23%	818	19%	894	19%	761	17%
Other:								
• Subsidiaries	-	-	-	-	355	7%	-	-
Sub-total	**991**	**23%**	**818**	**19%**	**1,249**	**26%**	**761**	**17%**
TOTAL	**4,378**	**100%**	**4,374**	**100%**	**4,841**	**100%**	**4,495**	**100%**

Note 34 Subsequent Events

Reimbursement of the 2010-2016 Convertible Bond

On January 4, 2016, Technip reimbursed the convertible bond 2010-2016 for an amount of €550 million.

Synthetic Bond Financing 2016-2021

On January 20, 2016, Technip placed a €375 million convertible bond with a final maturity on January 25, 2021 and a redemption at par of the bonds which have not been converted.

On March 3, 2016, Technip placed a new "tap issue" for a principal amount of €75 million issued on the same terms as the bonds issued on January 20, 2016, except for the issue price. The new bonds are fully fungible with and assimilated to the bonds maturing January 2021.

These issues of non-dilutive cash-settled convertible bonds, which are linked to the ordinary shares of Technip were backed-up simultaneously by the purchase of cash-settled equity call options in order to hedge Technip's economic exposure to the potential exercise of the conversion rights embedded in the bonds.

As the bonds will only be cash settled, the bonds will not result in the issuance of new ordinary shares or the delivery of existing ordinary shares upon conversion.

Technip intends to use the net proceeds of these issues of bonds for general corporate purposes and to finance the purchase of the call options.

The bonds were issued at par for those placed on January 20, 2016 and at 112.43802% for those placed on March 3, 2016 resulting from an adjustment over the 3-day trading period following the placement (from March 4 until March 8, 2016) allowing to determine the share reference price at €48.8355, applied to the initial tap issue price of 110.5%, plus accrued interests.

The bonds will bear a coupon of 0,875% *per annum* payable semi-annually in arrears on January 25 and July 25 of each year. The issue and settlement date of the bonds took place on January 25, 2016 for the first issue and on March 10, 2016 for the tap issue.

The conversion premium of 40% has been applied to Technip's share reference price. This one, being equal to €40.7940 was determined as the arithmetic average of the daily volume weighted average price of the ordinary shares on the regulated market of Euronext in Paris 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.

Consequently, the initial conversion ratio was set at 1,750.9578 given the €100,000 nominal value of each bond.

Any bondholder may, at its sole option, request the conversion in cash of all or part of the bonds it owns between a period starting on November 15, 2020 to the 38th business day before the maturity date, some exceptional circumstances (such as an event of change of control of Technip), giving a right to an early redemption at par.

The bonds are listed on the Euronext Paris market and on the *Freiverkehr* open market of Frankfurt.

The initial bond issue was rated BBB+ by Standard & Poor's includes standard covenants and default clauses. These bond issues do not contain any financial covenant.

Disposal of Technip Germany

On February 16, 2016, the Company signed a Sales & Purchase Agreement with ATOP Beteiligungs GmbH for the divestment of its wholly-owned subsidiaries Technip Germany Holding GmbH and Technip Germany GmbH, based in Düsseldorf, Germany. The transaction is subject to the fulfillment of certain condition precedents specific to this transaction.

There has been no other significant subsequent event which occurred since the closing date of the financial year ended December 31, 2015.

6.2. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Ernst & Young et Autres
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1

For the Year ended December 31, 2015

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying consolidated financial statements of Technip;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the Consolidated Financial Statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our Assessments

In accordance with the requirements of Article L.823-9 of the French commercial code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

As indicated in Note 1-C (a) "Use of estimates" to the consolidated financial statements, your Group uses significant accounting estimates:

- As indicated in Note 1-C (b) "Long-term contracts" to the consolidated financial statements, your Group uses assumptions, in particular to determine the margin at completion for each long-term contract which is based on analyses of total costs and revenues at completion, that are reviewed periodically and regularly throughout the life of contract. We reviewed the processes set up by your Group in this respect, assessed the data and assumptions used as a basis for these estimates, compared the accounting estimates of the previous periods with the corresponding actual figures and ensured that the note to the consolidated financial statements provides adequate information in this regard.

- As indicated in Note 1-C (d) "Business combinations" to the consolidated financial statements, your Group annually carries impairment tests on goodwills on the basis of the estimates of cash flows generated by the activities on which these goodwills are allocated. The assumptions used are based on the business plans that have been performed by your Group and approved by the Board of Directors. We examined the implementation of this impairment test, the assumptions made, and the calculations performed by your Group, and we ensured that Note 1-C (d) and Note 10 "Intangible assets" to the consolidated financial statements provide adequate information in this regard.
- Note 1-C (v) "Deferred income tax" to the consolidated financial statements indicates that the recoverability of deferred income tax assets recognized as of December 31, 2015, and more specifically those arisen from unused tax losses carried-forward, have been evaluated by your Group on the basis of the forecasts of future taxable results. We reviewed the recoverability analyses on those tax assets performed by your Group and ensured that Note 1-C (v) provides adequate information in this regard.
- As regards to litigations, we ensured that the existing procedures enabled the collection, the valuation and the recording in the financial statements of any litigation in satisfactory conditions. We specifically ensured that significant litigations identified by your Company while performing these procedures were accurately described in the notes to the consolidated financial statements and particularly in Note 31 "Litigation and contingent liabilities" to the consolidated financial statements.

We carried out an assessment of the reasonableness of these estimates. As described in Note 1-C (a) "Use of estimates" to the consolidated financial statements, these estimates may be revised if the circumstances and assumptions on which they are based change, if new information become available, or as a result of greater experience. Consequently, the actual result from these operations may differ from these estimates.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific Verifications and Information

As required by law, we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, March 10, 2016

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit — Ernst & Young et Autres

Édouard Sattler — Édouard Demarcq — Jean-Christophe Goudard

6.3. STATUTORY FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015

6.3.1. Balance Sheet

Assets

In millions of Euro	Notes	As of December 31, 2015	2014
Intangible Assets		1.2	1.2
Total Intangible Assets		**1.2**	**1.2**
Other Tangible Assets		-	-
Total Tangible Assets		**-**	**-**
Investments	6.1	3,666.5	3,881.3
Loans Related to Investments	6.1	1,566.1	1,591.4
Other Financial Assets	6.1	60.2	93.2
Total Financial Assets		**5,292.8**	**5,565.9**
Total Fixed Assets (I)	**6.1**	**5,294.0**	**5,567.1**
Advances Paid to Suppliers		2.0	1.1
Trade Receivables	6.2	172.7	189.0
Other Current Receivables	6.2	59.5	66.1
Receivables from Group Companies	6.2	0.1	0.1
Marketable Securities	6.3	1.3	4.1
Cash and Cash Equivalents		2.9	3.7
Total Current Assets, Cash and Cash Equivalents (II)		**238.5**	**264.1**
Accrued Assets (III)	**6.4**	**7.3**	**22.9**
Redemption Premiums on Bonds (IV)	**6.4**	**10.9**	**11.9**
Unrealized Exchange Losses (V)		**6.2**	**1.0**
TOTAL ASSETS (I TO V)		**5,556.9**	**5,867.0**

Equity and Liabilities

In millions of Euro	Notes	As of December 31, 2015	2014
Issued Capital		90.8	86.9
Share Capital Premiums		2,269.4	2,042.0
Reserves:			
• Legal Reserves		9.8	9.8
• Regulated Reserves		40.8	40.7
• Other Reserves		119.0	119.0
Retained Earnings		492.3	611.2
Net Income		5.2	107.0
Interim Dividends		-	-
Net Equity	**6.5**	**3,027.3**	**3,016.6**
Regulated Provisions		-	-
Total Shareholders' Equity (I)		**3,027.3**	**3,016.6**
Provisions for Risks		72.2	96.7
Provisions for Charges		6.3	4.3
Total Provisions for Risks and Charges (II)	**6.6**	**78.5**	**101.0**
Bonds		1,927.6	1,927.6
Bank Borrowings and Credit Lines		17.4	17.5
Other Financial Debts and Liabilities		-	-
Financial Debts towards Group Companies		337.7	705.5
Advances Received from Clients		-	-
Accounts Payables and Related Accounts		95.4	52.4
Tax and Social Security Liabilities		14.6	16.4
Payables on Assets		-	-
Other Liabilities		0.8	0.5
Total Liabilities (III)	**6.8**	**2,393.5**	**2,719.9**
Unrealized Exchange Gains (IV)		**57.6**	**29.5**
TOTAL EQUITY AND LIABILITIES (I TO IV)		**5,556.9**	**5,867.0**

6.3.2. Statement of Income

In millions of Euro	Notes	12 months 2015	2014
Sales of Goods: Rendering of Services		189.9	183.1
Revenues	6.10	189.9	183.1
Capitalized Expenses		-	-
Reversals of Provisions and Charges Transferred		8.3	5.3
Other Operating Income		0.1	0.1
Total Operating Income		**198.3**	**188.5**
General and Administrative Costs		(213.6)	(208.5)
Taxes		(2.2)	(2.2)
Wages and Salaries, Social Security Costs		(9.7)	(17.4)
Allowances for Provisions and Amortization			
• on Fixed Assets		-	-
• on Current Assets		-	-
• for Risks and Charges		(3.0)	(2.6)
Other Operating Expenses		(0.8)	(0.9)
Total Operating Expenses		**(229.3)**	**(231.6)**
Income/(Loss) from Operating Activities (I)		**(31.0)**	**(43.1)**
Dividends and Interim Dividends		210.3	203.6
Other Financial Income related to Financial Assets and Marketable Securities		53.7	53.3
Other Financial Interests		12.5	10.7
Reversals of Provisions and Charges Transferred		44.7	147.4
Realized Exchange Gains		11.0	1.0
Net Gain on Disposal of Marketable Securities		-	-
Total Financial Income		**332.2**	**416.0**
Allowance for Provisions and Amortization		(247.0)	(168.0)
Interest Charges		(50.8)	(48.7)
Realized Exchange Losses		(16.6)	(17.1)
Net Loss on Disposal of Marketable Securities		-	-
Total Financial Expenses		**(314.4)**	**(233.8)**
Financial Result (II)	**6.11**	**17.8**	**182.2**
Current Income before Tax (I to II)		**(13.2)**	**139.1**
Extraordinary Income from Operating Activities		2.3	1.5
Extraordinary Income from Financing Activities		-	12.1
Reversals of Provisions and Transferred Charges		12.7	4.4
Total Extraordinary Income		**15.0**	**18.0**
Extraordinary Expenses from Operating Activities		(10.4)	-
Extraordinary Expenses from Financing Activities		(38.6)	(61.6)
Allowance for Extraordinary Provisions		-	(8.2)
Total Extraordinary Expenses		**(49.0)**	**(69.8)**
Extraordinary Result (III)	**6.12**	**(34.0)**	**(51.8)**
Profit Sharing (IV)		**-**	**-**
Income Tax (V)	**6.13**	**52.4**	**19.7**
Total Income		545.5	622.5
Total Expenses		(540.3)	(515.5)
NET INCOME (I TO V)		**5.2**	**107.0**

6.3.3. Statement of Cash Flows

In millions of Euro	12 months 2015	2014
Net Income	5.2	107.0
Amortization and Depreciation of Fixed Assets and Prepaid Expenses	-	-
Increase/(Decrease) in Provisions (1)	192.0	25.7
Net (Gains)/Losses on Disposal of Assets and Investments	0.5	(11.9)
Cash Flow from Operations	197.7	120.8
Changes in Working Capital	102.4	99.8
Net Cash Generated from/(Used in) Operating Activities	**300.1**	**220.6**
(Purchases)/Disposals of Intangible Assets	-	-
(Purchases)/Disposals of Tangible Assets	-	-
(Purchases)/Disposals of Financial Assets (2)	0.5	12.2
Net Cash Generated from/(Used in) Investing Activities	**0.5**	**12.2**
(Increase)/Decrease in Long-Term Receivables (subsidiaries loans) (3)	25.3	(1.7)
(Increase)/Decrease in treasury shares net of selling price	35.6	35.4
Increase/(Decrease) in Current Account Cash Pooling	(367.8)	(70.8)
Increase/(Decrease) in Short-Term Debts	(0.1)	(0.2)
Increase/(Decrease) in Long-Term Debts	-	-
(Increase)/Decrease in Liquidity Contract	0.2	1.7
Capital Increase and Issuance Premium (4)	94.3	11.7
Dividends Paid (5)	(88.9)	(206.5)
Net Cash Generated from/(Used in) Financing Activities	**(301.4)**	**(230.4)**
Net Increase/(Decrease) in Cash and Cash Equivalents	**(0.8)**	**2.4**
Cash and Cash Equivalents as of January 1	3.7	1.3
CASH AND CASH EQUIVALENTS AS OF DECEMBER 31	**2.9**	**3.7**
Cash and Cash Equivalents	2.9	3.7
Bank Overdrafts	-	-
CASH AND CASH EQUIVALENTS AS OF DECEMBER 31	**2.9**	**3.7**

(1) In 2015, including mainly the net decrease of provisions for risks regarding performance shares (€21.4 million) and the allowance for depreciation of investments in Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) (€ 28.0 million), in Technip Germany (€100.2 million) and in Front End Re (€86.1 million) for €214.3 million.
In 2014, including mainly the net decrease of provisions for risks regarding performance shares (€45.1 million) and the net increase of provision on investments of subsidiaries (€68.0 million).
(2) In 2015, non-significant.
In 2014, including mainly the disposal of investments in Technip TPS.
(3) In 2015, including mainly a loan to a subsidiary (€49.2 million) and the repayment of loans by subsidiaries (€96.8 million).
In 2014, non-significant.
(4) In 2015, including €73.0 million capital increase reserved for employees and €21.3 million capital increase linked to share subscription options exercised.
In 2014, capital increase linked to share subscription options exercised.
(5) In 2015, 2014 dividends for €88.9 million.
In 2014, 2013 dividends for €206.5 million.

6.3.4. Notes on Accounting Principles

The accounting principles used by Technip in preparing the financial statements for financial year 2015 are in compliance with the *Nouveau Plan Comptable Général* fixed by the *règlement* ANC No. 2014-03 validated by the *arrêté* of September 8, 2014 (French GAAP).

The statutory financial statements of Technip as of December 31, 2015, were approved by the Board of Directors on February 23, 2016.

Foreign Currency Transactions

Transactions in foreign currencies related to financial revenues or expenses are recorded in accordance with current accounting policies.

At year-end, receivables and liabilities are translated at the exchange rates prevailing at the closing date, and any differences are recorded as unrealized exchange gains or losses.

If a potential loss is identified when converting receivables and payables at the closing exchange rate, a provision for exchange risk is booked for the same amount.

Treasury accounts and current accounts of the cash pooling entity of the Group are translated at the exchange rates prevailing at the closing date, and any differences are recorded as financial gains or expenses.

Provisions on Affiliates

Provisions on investments and related receivables are recognized whenever the gross carrying value of the investment is higher than the share held in the shareholders' equity, which has been adjusted in order to take into account certain commitments entered into by the parent company and the prospects for the development of the subsidiary.

For the main subsidiaries, these prospects are assessed on the basis of forecasted future cash flows, based on the most likely scenarios adopted by the management.

All provisions booked to cover affiliate risks are fully recorded under financial expenses whether they cover write-downs of investments in affiliated companies, related receivables, or the booking of additional provisions for risk, if necessary.

Debt waivers and subsidies granted to subsidiaries are also accounted in financial result.

Treasury Shares

Treasury shares held by the Company are recorded at the acquisition cost, and gain/(loss) on sales of treasury shares are booked according to the FIFO method (First In, First Out).

The Company has applied the recommendations of the French accounting standards body, the *Comité de réglementation comptable* (CRC), dated December 2008 regarding accounting principles to be used for stock options plans and performance share plans granted to employees.

1. Treasury Shares Allocated to Company Employees

The treasury shares allocated to Company employees are classified under marketable securities.

A provision for risks is calculated based on the treasury shares allocated to performance share plans and to share purchase option plans, and is spread over the vesting period if the cash out is to be expected.

The assessment of delivery is linked to performance conditions (for which a median hypothesis has been assumed) and turnover rate. Regarding the share purchase option plans, the assessment of delivery is also linked to a fair value at the closing date (if the exercise price of the share purchase option is lower than the market value of Technip share).

When the cash out is expected and no treasury share is allocated or when the treasury share is not sufficient to cover the corresponding plans, a provision for risk is also recognized. This provision is spread over the vesting period.

When the cash out is not expected, a provision on marketable securities is recognized, if necessary, based on the difference between the market value (based upon the average of share price for the last month of the year) and the gross carrying amount of the treasury shares.

2. Treasury Shares Allocated to Subsidiaries' Employees

The treasury shares allocated to share purchase option plans and performance share plans granted to subsidiaries' employees are classified under other financial assets.

At year-end, if the market value of Technip's share (computed on the basis of the average price for the last month of the financial year) is lower than the gross carrying amount of treasury shares, a provision for depreciation is to be recognized for the difference.

Moreover, for performance shares granted to subsidiaries' employees, a provision for risks is booked based upon the net book value of the treasury shares, taking into account the performance conditions and turnover rate.

When the cash out is expected and no treasury share is allocated or when the treasury share is not sufficient to cover the corresponding plans, a provision for risk is also recognized.

Due to the implementation of the Stock Incentive Plan Recharge Master Agreement put in force with the involved subsidiaries concerned, the Company books financial revenues equal to the provision for risks.

3. Other Treasury Shares Not Allocated to Plans

The treasury shares not allocated to plans are classified under other financial assets.

At year-end, if the market value of Technip's share (computed on the basis of the average price for the last month of the financial year) is lower than the gross carrying amount of treasury shares, a provision for depreciation is to be recognized for the difference.

Intangible Assets and Property, Plant and Equipment

Intangible assets include software, which is amortized over a period of three to five years, and software development costs, when they fulfill the eligibility criteria provided by the French Accounting Standards.

Fixed assets are carried at their acquisition cost, their production cost, or at their fair value in case of business combinations.

Tangible assets mainly relate to Adria Tower equipment and furniture. Amortization lifetimes, principally straight line, represent the useful lives estimated to be likely by the Company:

- Office fixtures and furniture — 8 to 10 years
- IT equipments — 3 years

Trade Receivables

Trade receivables are valued at their nominal value. A provision for doubtful accounts is recorded when receivables are highly likely to be uncollectible.

6.3.5. Main Events of the Year

The Company's activities mainly consist of holding interests in affiliates, receiving dividends, centralizing and reinvoicing both management fees and other organizational costs, such as insurance and financing costs on guarantees.

- At the Annual General Meeting held on April 23, 2015, Technip's shareholders approved the proposed €2.00 per share dividend for the 2014 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 €52.81. 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 22, 2015, Technip announced that the shareholders who have selected the dividend payment in shares for financial year 2014 represented 60.5% of Technip's shares.

  For the purpose of the payment of the dividend in shares, 2,591,918 new shares were then issued for a total amount of €136.9 million. The dividend paid in cash for the financial year ended December 31, 2014, amounted to €88.9 million.
- The Company proceeded to a capital increase reserved for employees in 2015. This capital increase was offered to all Technip employees and its subsidiaries.

  Benefiting from a subscription price of €38.16, *i.e.* a 20% discount on the reference price of €47.69, employees had the choice to either invest in Technip shares through a collective saving vehicle in one or to invest in one or several of the following plans:
  - Technip "Classic Plan" has been subscribed for 225,297 shares. Employees benefit from the employer's contribution, but are exposed to the volatility of the Technip stock;
  - Technip "Secure Plan" has been subscribed for 60,956 shares. Employees benefit from the employer's contribution, and their initial investment is guaranteed at the end of a 5-year period. The guarantee is topped with the greater between the capitalized annual return of 1.5% and the protected average increase in Technip share value compared to the reference price;
  - Technip "Multiple Plan" has been subscribed for 1,083,070 shares. Employees benefit from the employer's contribution while having their initial investment guaranteed at the end of a 5-year period, topped with the greater between the capitalized annual return of 1.5% and 10.3 times the protected average increase in Technip share value compared to the reference price. For each share bought by the employee, the bank in charge of structuring the operation financed the acquisition of nine additional shares through a banking complement. The initial investment of the employee is guaranteed. The capital guarantee and the multiple of the average increase are obtained through the transfer of the discount, dividends and other financial rights related to the shares to the bank in charge of the structuring.

  Holding period for all formulas is five years.

  For some countries, depending of the national laws, only one or two of the three plans have been proposed. Terms and conditions of these plans have been adapted depending of local constraints linked to legal, tax or social matters. In some countries, Technip Multiple Plan has been replaced by a SAR plan (Stock Appreciation Rights). In order to hedge these SAR and finance the purchase of a hedging option, the Group issued 556,180 additional shares with the banking counterpart in charge of structuring the operation.

  Following this capital increase, the Company issued 1,925,503 new shares on December 17, 2015. The increase in common stock amounted to €1.5 million and the increase in paid-in-surplus amounted to €72.0 million, which was reduced by €0.5 million of net charge for administrative costs related to this operation. The total net amount was €73.0 million.
- During the financial year ended December 31, 2015, the Company pursued its share repurchase program in accordance with the programs approved by the Shareholders' General Meeting held on April 24, 2014 and on April 23, 2015, for a period of 18 months and relating to a maximum number of shares not exceeding 8% of the shares comprising the share capital, at a maximum share price of €95 and €85. In all, 650 shares were bought during the period at an average price of €84.96.
- Pursuant to a contract dated February 12, 2010, and for a duration of one year as from this tacitly renewable date, the Company engaged Kepler Cheuvreux to execute a liquidity contract in compliance with the AMAFI Code of Conduct. During fiscal year 2015, 1,333,789 shares were bought and 1,419,789 shares were sold under the liquidity contract.
- The number of treasury shares is 818,875 as of December 31, 2015. 30,200 of these shares are allocated to share purchase option plans and performance share plans granted to the Company employees; 678,675 shares are allocated to share purchase option plans and performance share plans granted to Group subsidiaries' employees; 110,000 shares are allocated to the liquidity contract.

6.3.6. Notes to the Financial Statements

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6.3.6.1. Fixed Assets

(a) Changes over the Past Year

In millions of Euro	Intangible Assets	Tangible Assets	Financial Assets	Total Fixed Assets
Gross Value as of January 1, 2014	13.1	12.8	5,713.1	5,739.0
Acquisitions (1)	-	-	139.6	139.6
Disposals (2)	-	-	(164.6)	(164.6)
Gross Value as of December 31, 2014	13.1	12.8	5,688.1	5,714.0
Acquisitions (3)	-	-	147.9	147.9
Disposals (4)	-	-	(206.7)	(206.7)
Gross Value as of December 31, 2015	**13.1**	**12.8**	**5,629.3**	**5,655.2**
Amortization and Depreciation as of January 1, 2014	(11.9)	(12.8)	(54.2)	(78.9)
Increase	-	-	-	-
Reversals (5)	-	-	(68.0)	(68.0)
Amortization and Depreciation as of December 31, 2014	(11.9)	(12.8)	(122.2)	(146.9)
Increase	-	-	-	-
Reversals (6)	-	-	(214.3)	(214.3)
Amortization and Depreciation as of December 31, 2015	**(11.9)**	**(12.8)**	**(336.5)**	**(361.2)**
NET VALUE AS OF DECEMBER 31, 2015	**1.2**	**-**	**5,292.8**	**5,294.0**

(1) Increase in fixed assets mainly due to increases in treasury shares related to the liquidity contract (€57.9 million) and to the allocation to performance share plans and to share subscription option plans granted to subsidiaries employees (€41.8 million).

(2) Decrease in financial assets mainly due to decreases in treasury shares due to performance shares vested during the year (€66.6 million) and decreases in treasury shares on liquidity contract (€59.1 million).

(3) Increase in fixed assets mainly due to increases in treasury shares related to the liquidity contract (€69.4 million) and increases in loans granted to subsidiaries (€49.8 million).

(4) Decrease in financial assets mainly due to decreases in treasury shares due to performance shares vested during the year (€32.9 million), repayments of loans granted to subsidiaries (€96.8 million) and decreases in treasury shares on liquidity contract (€75.4 million).

(5) Allowance for depreciation on investments in Malaysia Marine and Heavy Engineering Holdings Berhad (MHB).

(6) Allowance for depreciation on investments in Malaysia Marine and Heavy Engineering Holdings Berhad (MHB), in Technip Germany and in Front End Re.

(b) Financial Assets

Financial assets break down as follows:

In millions of Euro	2015 Gross Value	2015 Provisions for Depreciation	2015 Net Value	2014 Net Value
Investments	4,003.1	(336.5)	3,666.6	3,881.3
Loans Related to Investments	1,566.1	-	1,566.1	1,591.4
Treasury Shares	53.9	-	53.9	92.8
Liquidity Contract	6.2	-	6.2	0.4
TOTAL FINANCIAL ASSETS	**5,629.3**	**(336.5)**	**5,292.8**	**5,565.9**

The detail of investments is presented in Note 7.

Investments are recorded at their acquisition cost excluding directly attributable transaction costs.

Loans related to investments mainly consist in loans granted to subsidiaries held either directly or indirectly.

In 2015, Technip sold 394,270 treasury shares for performance shares vested to Group subsidiaries' employees. As of December 31, 2015, the balance of treasury shares (788,675 shares), as disclosed in financial assets, included shares bought from 2006 to 2014 and allocated to performance share plans granted to subsidiaries' employees, as well as 110,000 shares bought from the liquidity contract.

In 2014, Technip sold 886,325 treasury shares for performance shares vested to Group subsidiaries' employees. As of December 31, 2014, the balance of treasury shares (1,268,295 shares), as disclosed in financial assets, included shares bought from 2006 to 2014 and allocated to performance share plans granted to subsidiaries' employees, as well as 196,000 shares bought from the liquidity contract.

6.3.6.2. Current Assets

Current assets break down as follows:

In millions of Euro	As of December 31, 2015 Gross Value	2015 Provisions for Depreciation	2015 Net Value	2014 Net Value
Trade Receivables	**172.7**	**-**	**172.7**	**189.0**
Other Receivables, Income Tax and VAT	58.8	-	58.8	61.8
Other Current Receivables, Sundry Debtors	0.7	-	0.7	4.3
Total Other Current Receivables	**59.5**	**-**	**59.5**	**66.1**
Current Accounts with subsidiaries	**2.0**	**1.9**	**0.1**	**0.1**

The trade receivables consist mainly in invoices to subsidiaries.

6.3.6.3. Marketable Securities

Marketable securities correspond to treasury shares allocated to share purchase option plans and performance share plans granted to Company employees. Their variations break down as follows:

In millions of Euro	2015	2014
Gross Value as of January 1	**4.1**	**14.8**
Transfer to Financial Assets	-	-
Increase in Treasury shares	-	-
Decrease in Treasury Shares	(2.8)	(10.7)
Gross Value as of December 31	**1.3**	**4.1**
Depreciation as of January 1	-	-
Increase	-	-
Reversals	-	-
Depreciation as of December 31	**-**	**-**
NET VALUE AS OF DECEMBER 31	**1.3**	**4.1**

6.3.6.4. Accrued Assets and Redemption Premium

Accrued assets (€5.6 million as of December 31, 2015)

They mostly include insurance costs.

Deferred charges (€1.7 million as of December 31, 2015)

Deferred charges include:

- issuing fees (for a gross amount of €5.0 million) related to the €550 million convertible bond (OCEANE) issued in November 2010, to be amortized over five years and 45 days. Annual amortization amounted to €1.0 million in 2015, and net value was not significant as of December 31, 2015;
- issuing fees (for a gross amount of €4.1 million) related to the €497.6 million convertible bond (OCEANE) issued on December 15, 2011, to be amortized over five years and 17 days. Annual amortization amounted to €0.8 million in 2015, and net value was €0.8 million as of December 31, 2015;
- renegotiation fees (for a gross amount of €1.3 million) related to an unutilized syndicated credit facility. Annual amortization amounted to €0.3 million in 2015, and net value was €0.9 million as of December 31, 2015.

Redemption premium (€10.9 million as of December 31, 2015)

This corresponds to:

- redemption premiums (for a gross amount of €3.1 million) related to the €200 million private placement received in 2010, to be amortized on a straight line basis over 10 years. The net value was €1.4 million as of December 31, 2015;
- redemption premiums (for a gross amount of €5.2 million) related to the €100 million private placement received in 2012, to be amortized on a straight line basis over 20 years. The net value was €4.3 million as of December 31, 2015;
- redemption premiums (for a gross amount of €0.3 million) related to the €150 million private placement received in 2012, to be amortized on a straight line basis over 10 years. The net value was €0.2 million as of December 31, 2015;
- redemption premiums (for a gross amount of €0.1 million) related to the €75 million private placement received in 2012, to be amortized on a straight line basis over 15 years. The net value was €0.1 million as of December 31, 2015;
- redemption premiums (for a gross amount of €1.3 million) related to the €130 million private placement received in 2013, to be amortized on a straight line basis over 10 years. The net value was €1.0 million as of December 31, 2015;
- redemption premiums (for a gross amount of €4.0 million) related to the €100 million private placement received in 2013, to be amortized on a straight line basis over 20 years. The net value was €3.6 million as of December 31, 2015;
- redemption premiums (for a gross amount of €0.4 million) related to the €125 million private placement received in 2013, to be amortized on a straight line basis over 10 years. The net value was €0.3 million as of December 31, 2015.

6.3.6.5. Shareholders' Equity

(a) Changes in Shareholders' Equity

Changes in shareholders' equity are as follows:

In millions of Euro	2015	2014
Shareholders' Equity as of January 1	**3,016.6**	**3,104.4**
Capital Increase due to Share Subscription Options Exercised	21.4	11.7
Capital Increase due to Dividend Payment in Shares	136.9	-
Capital Increase Reserved for Employees	73.0	-
Net Income	5.2	107.0
Dividends	(225.8)	(206.5)
SHAREHOLDERS' EQUITY AS OF DECEMBER 31	**3,027.3**	**3,016.6**

(b) Changes in Issued Capital

Changes in issued capital are as follows:

	2015	2014
Number of Shares as of January 1	**113,945,317**	**113,680,256**
Capital Increase due to Share Subscription Options Exercised	561,746	265,061
Capital Increase due to Dividend Payment in Shares	2,591,918	-
Capital Increase Reserved for Employees	1,925,503	-
NUMBER OF SHARES AS OF DECEMBER 31	**119,024,484**	**113,945,317**
Share Nominal Value *(in Euro)*	0.7625	0.7625
Common Stock as of December 31 *(in millions of Euro)*	**90.8**	**86.9**

The number of shares that carry double voting rights is 11,319,697 as of December 31, 2015.

(c) Share Subscription Option, Share Purchase Option and Performance Share Plans

1. TECHNIP SHARE SUBSCRIPTION OPTION PLANS

The details of Technip share subscription option plans are as follows:

	Plan 2005	Plan 2008	Plan 2009	Plan 2010			Plan 2011			Plan 2012		Plan 2013		Plan 2015	Total
Number of Options	Parts 1, 2 et 3 Re-granted (1)	Part 1 (2)	Part 1 (1)	Part 1 (1)	Part 2 (1)	Part 3 (1)	Part 1 (1)	Part 2 (1)	Part 3 (1)	Part 1 (1)	Part 2 (1)	Part 1 (1)	Part 1 Re-granted (1)	Part 1 (1)	
Approval Date by Shareholders' General Meeting	April 29, 20 05	May 06, 20 08	April 30, 20 09	April 29, 20 10	April 29, 20 10	April 29, 20 10	April 28, 20 11	April 28, 20 11	April 28, 20 11	April 26, 20 12	April 26, 20 12	April 25, 20 13	April 25, 20 13	April 24, 20 14	
Grant Date by the Board of Directors	June 12, 20 08	July 01, 20 08	June 15, 20 09	June 23, 20 10	Dec. 15, 20 10	March 04, 20 11	June 17, 20 11	Dec. 14, 20 11	March 02, 20 12	June 15, 20 12	Dec. 12, 20 12	June 14, 20 13	January 10, 20 14	Sept. 07, 20 15	
Options outstanding as of January 1, 2014	**16,000**	**330,275**	**599,436**	**1,020,900**	**17,400**	**72,800**	**331,400**	**44,600**	**48,107**	**278,700**	**34,950**	**322,200**	**-**	**-**	**3,116,768**
Options Granted (Subscription)	-	-	-	-	-	-	-	-	-	-	-	-	16,520	-	16,520
Options exercised (Subscription)	(16,000)	(334,695)	(121,744)	(127,167)	-	-	-	-	-	-	-	-	-	-	(599,606)
Options Cancelled (Purchase/Subscription)	-	4,420	(300)	(11,600)	-	(2,100)	(700)	(1,000)	(600)	(600)	-	(700)	-	-	(13,180)
Options outstanding as of December 31, 2014	**-**	**-**	**477,392**	**882,133**	**17,400**	**70,700**	**330,700**	**43,600**	**47,507**	**278,100**	**34,950**	**321,500**	**16,520**	**-**	**2,520,502**
Options Granted (Subscription)	-	-	-	-	-	-	-	-	-	-	-	-	-	568,561	568,561
Options exercised (Subscription)	-	-	(455,256)	(106,440)	-	-	-	-	-	-	-	-	-	-	(561,696)
Options Cancelled (Purchase/Subscription)	-	-	(22,136)	600	-	(1,300)	(14,380)	(1,904)	(1,500)	(32,300)	-	(34,000)	-	-	(106,920)
OPTIONS OUTSTANDING AS OF DECEMBER 31, 2015	**-**	**-**	**-**	**776,293**	**17,400**	**69,400**	**316,320**	**41,696**	**46,007**	**245,800**	**34,950**	**287,500**	**16,520**	**568,561**	**2,420,447**
Strike price *(in Euro)*	59.96	58.15	34.70	51.45	63.23	72.19	72.69	66.94	78.39	74.54	87.13	85.73	68.47	47.83	
Maturity Date	June 12, 2014	0July7 01, 2014	June 15, 2015	June 23, 2016	Dec. 15, 2016	March 04, 2017	June 17, 2018	Dec. 14, 2018	March 02, 2019	June 15, 2019	Dec. 12, 2019	June 14, 2021	January 10, 2022	Sept. 07, 2023	

(1) Share Subscription option plans exercisable four years from the date of grant and provided certain targets are met.
(2) Share Purchase option plans exercisable four years from the date of grant and provided certain targets are met.

The main features described in the table above take into consideration the following adjustments to the rights of option beneficiaries:

- The Board of Directors resolved to adjust the rights of option beneficiaries as of May 14, 2007, in order to take into account the extraordinary dividend deducted from retained earnings and approved by the Combined Shareholders' Meeting held on April 27, 2007. Consequently exercise prices and option numbers were recalculated for all plans.
- The Board of Directors resolved to adjust the rights of option beneficiaries as of May 14, 2008, in order to take into account the extraordinary dividend deducted from retained earnings and approved by the Combined Shareholders' Meeting held on May 6, 2008. Consequently exercise prices and option numbers were recalculated for all plans.

These options were granted subject to certain targets. This means that the final number of options granted to employees is contingent upon Technip achieving satisfactory performance for its shareholders.

For the 2012 and 2013 plans, 2013 re-granting and 2015 plans, the performance will be respectively measured over the 2012-2014, 2013-2015, 2014-2016 and 2015-2017 periods on the basis of several criteria: Group results in terms of Total Shareholder Return, operating income from recurring activities and return on capital employed.

2. PERFORMANCE SHARE PLANS

Performance share plans have been implemented since 2007. Their characteristics are as follows:

	Plan 2009	Plan 2010			Plan 2011			Plan 2012		Plan 2013		Plan 2014	Plan 2015	Total
Number of Shares	Part 3	Part 1	Part 2	Part 3	Part 1	Part 2	Part 3	Part 1	Part 2	Part 1	Part 2	Part 1	Part 1	
Approval date by Shareholders' General Meeting	April 30, 2009	April 29, 2010	April 29, 2010	April 29, 2010	April 28, 2011	April 28, 2011	April 28, 2011	April 26, 2012	April 26, 2012	April 25, 2013	April 25, 2013	April 24, 2014	April 24, 2014	
Grant Date by the Board of Directors	Feb. 16, 2010	June 23, 2010	Dec. 15, 2010	March 04, 2011	June 17, 2011	Dec. 14, 2011	March 02, 2012	June 15, 2012	Dec. 12, 2012	June 14, 2013	January 10, 2014	Dec. 10, 2014	Sept. 07, 2015	
Outstanding Shares as of January 1, 2014	**53,100**	**511,600**	**10,800**	**75,500**	**338,050**	**30,050**	**46,157**	**413,100**	**122,192**	**489,150**	**-**	**-**	**-**	**2,089,699**
Shares Granted	-	-	-	-	-	-	-	-	-	-	73,700	50,400	-	124,100
Share Exercised	(51,300)	(505,800)	(10,800)	(22,600)	(124,200)	(6,400)	-	-	(550)	(150)	-	-	-	(721,800)
Shares Cancelled	(1,800)	(5,800)	-	(1,400)	(5,300)	(900)	(550)	(6,850)	(3,503)	(7,800)	(2,250)	-	-	(36,153)
Outstanding Shares as of December 31, 2014	**-**	**-**	**-**	**51,500**	**208,550**	**22,750**	**45,607**	**406,250**	**118,139**	**481,200**	**71,450**	**50,400**	**-**	**1,455,846**
Shares Granted	-	-	-	-	-	-	-	-	-	-	-	-	290,736	290,736
Share Exercised	-	-	-	(51,300)	(207,650)	(22,250)	(12,900)	(151,450)	(11,850)	(50)	-	-	-	(457,450)
Shares Cancelled	-	-	-	(200)	(900)	(500)	(600)	(7,500)	(3,550)	(23,750)	(300)	-	(120)	(37,420)
OUTSTANDING SHARES AS OF DECEMBER 31, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**32,107**	**247,300**	**102,739**	**457,400**	**71,150**	**50,400**	**290,616**	**1,251,712**

From country to country, the vesting period of these plans is either three years from the date of grant (in which case the holding period is two years), or four years from the date of grant (in which case there is no holding period).

Performance shares were granted contingent upon performance conditions. The final number of shares granted to employees is contingent upon Technip achieving satisfactory performance for its shareholders. For the 2011, 2012, 2013, 2014 and 2015 plans, the performance is respectively measured over the 2011-2013, 2012-2014, 2013-2015, 2014-2016 and 2015-2017 periods on the basis of several criteria: Group results in matter of Health/Safety/Environment, operating income from recurring activities and treasury generated from operating activities.

(d) Distributable Retained Earnings

As of December 31, 2015, distributable retained earnings of the parent company amounted to €2,885.9 million, including €2,269.4 million of share capital premiums.

6.3.6.6. Provisions

(a) Nature of Provisions for Risks and Charges

As of December 31, 2015, provisions for risks mostly include €6.2 million of provisions for foreign exchange losses, provisions for risks on treasury shares allocated to performance share plans granted to Company's employees (booked as marketable securities) for €2.6 million and granted to subsidiaries' employees (booked as financial assets) for €62.9 million, and €6.2 million of provisions for retirement indemnities.

The provision for retirement indemnities is calculated according to the actuarial valuation method:

- discount rate: 2.20%;
- inflation rate: 1.90%;
- future salary increase above inflation rate: from 1.60% to 5.00%.

(b) Changes in Provisions

Changes in provisions are as follows:

In millions of Euro	As of January 1, 2015	Increase	Used Reversals	As of December 31, 2015
Regulated Provisions	-	-	-	-
Provisions for Risks	96.7	19.7	(44.2)	72.2
Provisions for Charges	4.3	2.0	-	6.3
Total Provisions in Liabilities	**101.0**	**21.7**	**(44.2)**	**78.5**
Provisions on Investments	122.3	214.2	-	336.5
Provisions on Loans	-	-	-	-
Provisions on Current Assets	0.1	-	-	0.1
Provisions on other Current Assets	0.1	-	-	0.1
Provisions on Current Accounts	3.3	0.4	(1.8)	1.9
Total Provisions on Assets	**125.8**	**214.6**	**(1.8)**	**338.6**
TOTAL PROVISIONS	**226.8**	**236.3**	**(46.0)**	**417.1**

The allowances for provisions for risks are mainly related to performance shares plans for €13.5 million and foreign exchange losses for €6.2 million.

The reversals of provisions for risks are mainly related to performance shares plans for €34.9 million and foreign exchange losses for €1.1 million.

(c) Breakdown of Provision Allowances and Reversals

Allowances and reversals of provisions break down as follows:

In millions of Euro	2015	2014
Operating Allowances	3.0	2.9
Financial Allowances (1)	233.3	153.5
Extraordinary Allowances	-	8.2
Total Provision Allowances	**236.3**	**164.6**
Operating Reversals	1.9	5.6
Financial Reversals	35.9	133.2
Extraordinary Reversals	8.2	-
Total Provision Reversals	**46.0**	**138.8**
Operating Charges Transferred (2)	6.4	1.2
Extraordinary Charges Transferred (3)	4.5	4.4
TOTAL PROVISION REVERSALS AND CHARGES TRANSFERRED	**56.9**	**144.4**

(1) Especially excluding amortization of deferred charges and redemption premiums on bonds (3.0 million).
(2) Including mainly the reclassification of insurance indemnities as operating result.
(3) Including mainly the reclassification of the result on the Company employees' treasury shares as payroll expenses.

6.3.6.7. Accrued Charges and Accrued Income Included in Assets and Liabilities

Accrued income included in assets amounts to €146.5 million as of December 31, 2015, against €147.1 million as of December 31, 2014.

Accrued charges included in liabilities amount to €71.0 million as of December 31, 2015, and €48.8 million as of December 31, 2014.

6.3.6.8. Maturity of Assets and Liabilities

The maturity of assets (net of provisions) and liabilities breaks down as follows:

In millions of Euro	As of December 31, 2015	Less than 1 Year	More than 1 Year
Financial Assets (*)	1,566.1	54.5	1,511.6
Trade Receivables	172.7	172.7	-
Receivables from Group Companies	0.1	-	0.1
Other Current Receivables	59.5	26.0	33.5
Accrued Assets	7.3	7.3	-
TOTAL ASSETS	**1,805.7**	**260.5**	**1,545.2**

(*) Excluding investments, treasury shares and liquidity contract.

In millions of Euro	As of December 31, 2015	Less than 1 Year	Between 1 Year and 5 Years	More than 5 Years
Bonds (1)	1,927.6	550.0	497.6	880.0
Bank Borrowings and Credit Lines	17.4	17.4	-	-
Financial Debts and Liabilities with Group Companies (2)	337.7	27.3	310.4	-
Accounts Payables	95.4	95.4	-	-
Tax and Social Security Liabilities	14.6	14.6	-	-
Other Liabilities	0.8	0.8	-	-
TOTAL LIABILITIES	**2,393.5**	**705.5**	**808.0**	**880.0**

(1) Bonds are described hereafter.
(2) Including current account with the Group cash pooling entity: €310.3 million.

The Company issued the following bonds:

- On November 17, 2010, a bond loan with an option for conversion and/or exchangeable for new or existing shares (OCEANE) for approximately €550 million.

  The OCEANE convertible bond, which was approved by the French Securities Regulator (AMF) on November 9, 2010, has the main following features:
  - issued at a price of €83.10 (the number of bonds issued was 6,618,531);
  - a coupon of 0.5% payable on January 31 of each year, which amounts to €0.42 per year and per bond;
  - a redemption date was set on January 1, 2016 for bonds not converted into shares at such date;
  - the option for bondholders to convert their bonds into shares at any time at the ratio of one share for one bond;
  - the option for the Group to call for early redemption of the bonds at any time on or after the third anniversary of the issue date for a price at par plus accrued interest if the quoted value of the share exceeds 130% of the par value of the bond.
- On July 27, 2010, a private placement notes for €200 million in accordance with contractual conditions agreed on November 19, 2009.

  The main characteristics of this bond are as follows:
  - bonds are listed on the Luxembourg stock exchange;
  - the coupon payable on July 27 of each year amounts to 5% of nominal amount;
  - redemption date: July 27, 2020;
  - this placement includes covenants and default provisions that are customary for such bond issue and does not contain any financial covenant.
- On December 15, 2011, a bond loan with an option for conversion and/or exchangeable for new or existing shares (OCEANE) for approximately €497.6 million.

  The OCEANE convertible bond, which was approved by the French Securities Regulator (AMF) on December 7, 2011, has the main following features:
  - issued at a price of €96.09 (the number of bonds issued was 5,178,455);
  - a coupon of 0.25% payable on January 31 of each year, which amounts to €0.24 per year and per bond;
  - a redemption date was set on January 1, 2017 for bonds not converted into shares at such date;
  - the option for bondholders to convert their bonds into shares at any time at the ratio of one share for one bond;
  - the option for the Group to call for early redemption of the bonds at any time on or after the third anniversary of the issue date for a price at par plus accrued interest if the quoted value of the share exceeds 130% of the par value of the bond.
- On June 14, 2012, the Company received the private placement notes for €150 million.

  The main characteristics of this bond are as follows:
  - an annual coupon of 3.40% payable on June 14 of each year;
  - redemption date: June 14, 2022.
- On June 15, 2012, the Company received the private placement notes for €75 million.

  The main characteristics of this bond are as follows:
  - an annual coupon of 4.0% payable on June 15 of each year;
  - redemption date: June 15, 2027.
- On June 14, 2012, the Company received the private placement notes for €100 million.

  The main characteristics of this bond are as follows:
  - an annual coupon of 4.0% payable on June 14 of each year;
  - redemption date: June 14, 2032.

The 2012 bond private placements notes contain standard covenants and default clauses for these types of bond issues, and do not contain any financial covenant. The issues provide that in the event of a change of control of Technip and a Standard & Poor's rating downgrade of the notes below BBB- deemed to have occurred in respect of that change of control, any bondholder may, at his sole option, request the early redemption of all the bonds he holds.

- On October 7, 2013, the Company received the private placement notes for €100 million.

  The main characteristics of this bond are as follows:
  - an annual coupon of 3.75% payable on October 7 each year;
  - redemption date: October 7, 2033.
- On October 16, 2013, the Company received the private placement notes for €130 million.

  The main characteristics of this bond are as follows:
  - an annual coupon of 3.15% payable on October 16 each year;
  - redemption date: October 16, 2023.
- On October 18, 2013, the Company received the private placement notes for €125 million.

  The main characteristics of this bond are as follows:
  - an annual coupon of 3.15% payable on October 18 each year;
  - redemption date: October 18, 2023.

The 2013 bond private placements notes contain standard covenants and default clauses for these types of bond issues, and do not contain any financial covenant. Under the terms of the issues, in the event of a change of control of Technip and a Standard & Poor's rating downgrade of the notes below BBB- deemed to have occurred in respect of that change of control, any bondholder may, at his sole option, request the early redemption of all the bonds he holds.

Invoices due dates break down as follows:

In millions of Euro	As of December 31, 2015	Past Due Invoices	Not Past Due Invoices for less than 60 Days	Not Past Due Invoices for more than 60 Days
French Suppliers	3.0	-	3.0	-
Foreign Suppliers	21.4	-	21.4	-
Accruals	71.0	-	71.0	-
TOTAL ACCOUNTS PAYABLES	**95.4**	**-**	**95.4**	**-**

6.3.6.9. Trade Bills Included in Assets and Liabilities

The Company does not have any outstanding trade bills as of December 31, 2015 and 2014.

6.3.6.10. Revenues

Revenues amounted to €189.9 million in 2015 as compared to €183.1 million in 2014. In 2015, a total amount of €88.6 million of revenues was generated in France.

Revenues mostly consist in reinvoicing management fees and insurance costs to other entities of the Group.

6.3.6.11. Financial Result

Financial result breaks down as follows:

In millions of Euro	2015	2014
Dividend Income	210.3	203.6
Allowance for Provisions on Investments	(214.3)	(68.0)
Allowance for Provisions on Current Accounts	(2.7)	(0.4)
Allowance for Provisions on performance Shares	20.5	42.8
Amortization of Redemption Premium Related to Bonds	(1.0)	(1.0)
(Allowance)/Reversal of Provision on Exchange Losses	(5.2)	6.6
Reversal of Provision on Loans	2.6	-
Interest Income from Loans	53.7	53.3
Financial Income from Stock Incentive Plan Recharge	12.5	10.7
Interest Expense on Bonds	(37.9)	(37.9)
Interest Expense on Credit Lines	(1.4)	(2.4)
Interest on Cash Pooling Current Accounts	(2.6)	(4.3)
Other Financial Expenses	(8.9)	(2.7)
Foreign Exchange (Loss)/Gain	(5.6)	(16.1)
Other	(2.2)	(2.0)
FINANCIAL RESULT	**17.8**	**182.2**

6.3.6.12. Extraordinary Result

Extraordinary result breaks down as follows:

In millions of Euro	2015	2014
Contributions and Gifts	0.1	-
Other Extraordinary Income	0.6	4.5
Allowance and Reversal of Provisions for Litigation	-	(8.2)
Reversal of Provisions	1.6	-
Gains and Losses on Sales of Investments	(0.5)	11.9
Result on Treasury Shares Sold	(35.8)	(60.0)
EXTRAORDINARY RESULT	**(34.0)**	**(51.8)**

In 2015, the extraordinary result is mainly attributable to the result on treasury shares sold related to performance shares vested for €35.8 million.

In 2014, the extraordinary result is mainly attributable to the result on treasury shares sold related to performance shares vested for €60.0 million.

6.3.6.13. Income Tax

The Company is the parent company of a consolidated tax group. The taxable income of the Company is added to taxable income of the other companies within the tax consolidation scope. The tax rate used in 2015 is 38% (including additional taxes).

The additional contribution to corporate income tax for amounts distributed, although booked in corporate income tax, is not included in this rate. For this year, the corresponding charge amounts to €2.7 million.

The impact on the 2015 income statement is a tax credit of €52.4 million that breaks down as follows:

- tax expense generated by the Company: €5.7 million;
- tax credit generated by the tax group: €58.1 million.

6.3.6.14. Related Party Disclosure

The following amounts summarize the Company's accumulated shares in the assets (Gross values), liabilities, and financial income and expense of companies in which the Company directly or indirectly holds more than 50% of the share capital.

In millions of Euro	2015	2014
Financial Assets	5,504.7	5,563.0
Current Assets, Receivables from Group Companies	175.5	193.7
TOTAL ASSETS	**5,680.2**	**5,756.7**
Financial Debts (Group and Affiliates)	337.7	705.5
Current Liabilities	85.1	35.4
TOTAL LIABILITIES	**422.8**	**740.9**
Financial Charges	324.4	411.9
Financial Income	(217.4)	(170.1)

6.3.6.15. Off-Balance Sheet Commitments

Off-balance sheet commitments break down as follows:

	As of December 31,	
In millions of Euro	2015	2014
Parent Company Guarantees (1)	62,640.3	60,720.9
Commitments Given (2)	1,615.3	1,791.3
Commitments Received	-	-
Trade Bills Discounted before Maturity	-	-

(1) Parent company guarantees given by Technip to clients cover the proper performance of the specified contracts for which the average period until the release of the commitment guarantees is around five years. Parent company guarantee regarding joint ventures include the entire amount of the contract *and are* not reduced according to the projects' percentage of completion.

(2) These commitments are given on behalf of Group companies and mainly relate to:
- guarantees given to third parties;
- guarantees or counter-guarantees given to banks;
- guarantees given to various customers or partners for the realization of contracts.

ADRIA TOWER

In 2009, the Company signed a new 12-year long-term lease contract on the Adria Tower, located in La Défense, for the period from April 1, 2009, to March 31, 2021.

This office costs are back charged by the Company to a French subsidiary which signed a long-term sublease contract on the same period.

In millions of Euro	2015
2016	32.4
2017	32.4
2018	32.4
2019	32.4
2020 and beyond	29.2
TOTAL ADRIA TOWER LEASE (1)	**158.8**

(1) Provisional amount, as the rent amount varies according to the INSEE Construction cost index.

Technip did not enter into any leasing contracts in 2015 and 2014.

6.3.6.16. Financial Instruments

The Company held no financial instruments as of December 31, 2015.

6.3.6.17. Assets Used as Collateral

Technip has not pledged any of its assets as collateral for material liabilities.

6.3.6.18. Average Number of Employees

The average number of employees was five people in 2015 and seven people in 2014.

6.3.6.19. Board of Directors Compensation

In 2015, the amount of Director's fees paid by Technip to the members of the Board of Directors amounted to €799,720.

No loan was granted to the Board members of Technip during the financial year.

The compensation of the Chairman and Chief Executive Officer is composed of both a fixed and a variable portion.

For 2015, the aggregate amount of compensation paid by the Company to Thierry Pilenko amounted to € 1,984,211.

The variable portion of the compensation is subject to precise and predetermined objectives. 70% of the target variable portion is linked to the financial performance of the Group (quantitative criteria) and 30% is linked to the achievement of individual objectives (qualitative criteria). The share of the variable portion is linked with a financial target (70% of the total) and broken down into two objectives:

- up to 50% on the Group operating income budgeted for 2015;
- up to 20% on the percentage of gross margin on order intake.

The variable portion due to Thierry Pilenko for financial year 2015 is €900,000.

Thierry Pilenko does not receive any Directors' fees for the positions he holds as a Director of the Company or in the Group companies.

There is no specific retirement plan for Thierry Pilenko as the Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer is a beneficiary of the supplementary defined contribution retirement plan for Group executives, as well as the Company's existing supplementary defined benefits retirement plan for Executive Committee (Excom) members.

110,000 stock options and 33,000 performance shares were granted to Thierry Pilenko over financial year 2015 corresponding to 0.12% of the share capital as of the day of the General Meeting dated April 23, 2015.

In financial year 2015, Thierry Pilenko exercised 109,000 share subscription options.

In the context of the renewal of the mandate of Thierry Pilenko, the Board of Directors on April 23, 2015, upon recommendation of the Nominations and Remunerations Committee, proposed a worldwide non-compete agreement for a 24-month period. According to this agreement, Thierry Pilenko could receive an amount corresponding to two years of gross fixed annual compensation paid (gross fixed compensation plus variable compensation). The basis of calculation would be the average of the gross annual compensation paid over the last three years, the payment of which would be paid on a monthly basis.

6.3.6.20. Auditors' Fees

The Auditors' fees break down as follows:

	Ernst & Young		PricewaterhouseCoopers	
In thousands of Euro	**2015**	2014	**2015**	2014
Auditing, Certification of Financial Statements, Examination of Company and Consolidated Financial Statements	1,076	846	914	750
Other Work and Services directly related to the Responsibilities of Statutory Auditors	121	572	452	375
TOTAL FEES	**1,197**	**1,418**	**1,366**	**1,125**

6.3.6.21. Litigation and Pending Investigations

In 2015, the Group entered in new legal proceedings in relation to the termination of a contract. In 2010, Technip entered into a lump sum turn-key Engineering Procurement Construction and Commissioning contract with Sonatrach in regards to the refinery of Algiers. This contract was for the rehabilitation and modernization of the Algiers' refinery. On June 4, 2015, Technip's involvement in this project stopped at the request of the client.

As per the terms of the contract, both sides initiated arbitration proceedings in respect to certain claims. These proceedings are in the initial stages.

As of the date hereof, there have been no other governmental, legal or arbitral proceedings (including any such proceedings that are pending or threatened of which the Company is aware) over the past 12 months, which may have, or have had a significant impact on the Group's financial position or profitability.

6.3.7. Subsidiaries and Investments

In millions of Euro	Country	Percentage of Owner-ship (%)	Share Capital	Reserves and Retained Earnings before Allocation [(1) (2)]	Share Book Value (as of December 31, 2015) Gross Value	Net Value	Out-standing Loans and Advances	Bonds Posted and Guarantees Issued	Reve-nues 2015 [(2)]	Net Income 2015 [(2)]	Divi-dends Recei-ved in 2015
A. DETAILED INFORMATION CONCERNING INVESTMENTS FOR WHICH GROSS-VALUE EXCEEDS 1% OF TECHNIP'S SHARE CAPITAL											
Technip France	France	77.79%	22.7	(28.6)	42.7	42.7	-	937.5	2,823.8	78.0	-
Seal Engineering	France	100.00%	0.1	1.7	1.1	1.1	-	-	7.7	2.7	2.0
Technip Offshore International	France	100.00%	7.8	1,271.5	3,120.6	3,120.6	1,090.8	-	-	106.1	100.0
Technipnet	France	100.00%	2.0	(95.3)	52.0	2.0	-	-	19.2	(24.5)	-
Technip Corporate Services	France	77.97%	6.1	10.5	0.9	0.9	-	7.3	140.5	0.7	-
Cybernétix SAS	France	100.00%	5.0	(0.1)	30.9	30.9	-	1.5	17.6	(0.1)	-
Technip Italy	Italy	100.00%	68.0	101.6	22.1	22.1	-	92.1	297.2	17.8	75.0
TPL	Italy	100.00%	9.0	(2.0)	7.8	7.8	-	-	-	(0.1)	-
Technip Germany	Germany	100.00%	12.8	0.1	100.2	-	-	46.5	0.1	-	-
Technip Holding Benelux BV	Netherlands	100.00%	9.1	469.1	342.1	342.1	-	7.9	-	34.9	-
Technip International AG	Switzerland	99.94%	4.6	(4.2)	3.1	-	-	-	-	0.8	-
Engineering Re	Switzerland	100.00%	1.6	27.4	1.7	1.7	-	-	-	(1.0)	-
Front End Re SA	Luxembourg	100.00%	3.1	13.3	117.4	31.3	-	-	-	-	-
Technip Far East	Malaysia	100.00%	8.3	25.9	5.9	5.9	-	-	91.8	(8.4)	13.7
Asiaflex Products	Malaysia	33.00%	54.9	13.9	16.7	16.7	80.8	-	122.5	8.6	-
Technip Tianchen Chemical Engineering	China	100.00%	2.0	18.2	3.3	3.3	-	-	33.2	3.6	5.9
Technip RUS	Russia	99.96%	0.1	12.8	0.9	0.2	-	-	25.4	11.0	3.7
MHB	Malaysia	8.50%	NC	NC	125.0	29.0	-	-	567.7	10.2	-
B. OTHER SUBSIDIARIES AND INVESTMENTS											
Other Subsidiaries of which share capital is more than 50% owned by Technip											
French Subsidiaries		NA	NA	NA	1.7	1.5	-	-	NA	NA	4.0
Foreign Subsidiaries		NA	NA	NA	1.2	1.0	-	-	NA	NA	2.2
Other Investments of which share capital is owned from 10% to 50% by Technip											
French Investments		NA	NA	NA	-	-	-	-	NA	NA	-
Foreign Investments		NA	NA	NA	5.8	5.7	-	-	NA	NA	-
TOTAL		**NA**	**NA**	**NA**	**4,003.1**	**3,666.5**	**1,171.6**	**1,092.8**	**NA**	**NA**	**206.5**

(1) Excluding the net result from the financial year.
(2) Financial data not completed as of December 31, 2015.

6.3.8. Subsequent Events

Reimbursement of the 2010-2016 Convertible Bond

On January 4, 2016, Technip reimbursed the convertible bond 2010-2016 for an amount of €550 million.

Synthetic Bond Financing 2016-2021

On January 20, 2016, Technip placed a €375 million convertible bond with a final maturity on January 25, 2021 and a redemption at par of the bonds which have not been converted.

On March 3, 2016, Technip placed a new "tap issue" for a principal amount of €75 million issued on the same terms as the bonds issued on January 20, 2016, except for the issue price. The new bonds are fully fungible with and assimilated to the bonds maturing January 2021.

These issues of non-dilutive cash-settled convertible bonds, which are linked to the ordinary shares of Technip were backed-up simultaneously by the purchase of cash-settled equity call options in order to hedge Technip's economic exposure to the potential exercise of the conversion rights embedded in the bonds.

As the bonds will only be cash settled, the bonds will not result in the issuance of new ordinary shares or the delivery of existing ordinary shares upon conversion.

Technip intends to use the net proceeds of these issues of bonds for general corporate purposes and to finance the purchase of the call options.

The bonds were issued at par for those placed on January 20, 2016 and at 112.43802% for those placed on March 3, 2016 resulting from an adjustment over the 3-day trading period following the placement (from March 4 until March 8, 2016) allowing to determine the share reference price at €48.8355, applied to the initial tap issue price of 110.5%, plus accrued interests.

The bonds will bear a coupon of 0,875% *per annum* payable semi-annually in arrears on January 25 and July 25 of each year. The issue and settlement date of the bonds took place on January 25, 2016 for the first issue and on March 10, 2016 for the tap issue.

The conversion premium of 40% has been applied to Technip's share reference price. This one, being equal to €40.7940 was determined as the arithmetic average of the daily volume weighted average price of the ordinary shares on the regulated market of Euronext in Paris 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.

Consequently, the initial conversion ratio was set at 1,750.9578 given the €100,000 nominal value of each bond.

Any bondholder may, at its sole option, request the conversion in cash of all or part of the bonds it owns between a period starting on November 15, 2020 to the 38th business day before the maturity date, some exceptional circumstances (such as an event of change of control of Technip), giving a right to an early redemption at par.

The bonds are listed on the Euronext Paris market and on the *Freiverkehr* open market of Frankfurt.

The initial bond issue was rated BBB+ by Standard & Poor's includes standard covenants and default clauses. These bond issues do not contain any financial covenant.

Disposal of Technip Germany

On February 16, 2016, the Company signed a Sales & Purchase Agreement with ATOP Beteiligungs GmbH for the divestment of its wholly-owned subsidiaries Technip Germany Holding GmbH and Technip Germany GmbH, based in Düsseldorf, Germany. The transaction is subject to the fulfillment of certain condition precedents specific to this transaction.

There has been no other significant event since December 31, 2015.

6.3.9. Significant Changes in the Financial or Commercial Position

There has been no significant change in the Company's financial and commercial position since the end of the last fiscal financial year for which verified audited financial statements were published i.e. since the publishing close of the last statutory financial statements for the financial year ended December 31, 2015.

6.4. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Ernst & Young et Autres
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1

For the Year ended December 31, 2015

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying financial statements of Technip;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the Financial Statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our Assessments

In accordance with the requirements of article L. 823-9 of the French commercial code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- As indicated in note to the financial statements entitled "Provisions on affiliates", provisions on investments and related receivables are recognized considering the share held in the adjusted shareholders' equity, which notably takes into account the prospects for development of the subsidiary. Within the scope of our assessment of the significant estimates used to draw up the financial statements, we reviewed the assumptions used for the forecasting of future financial flows upon which these estimates were based and the corresponding figures for the most significant subsidiaries.

- As indicated in note to the financial statements entitled "Treasury shares", a provision for risks is calculated based on the treasury shares allocated to performance share plans and to share purchase option plans if the outflow of resources is probable. A provision for risks, corresponding to the probable share purchase cost decreased by the exercise price of the option for share purchase option plans, is also accrued if the outflow of resources is probable and when treasury shares held are not affected thereto or are insufficient to cover the plans. The assessment of the probability of the outflow of resources is linked to turnover rate and performance conditions, for which a median assumption has been assumed by your Company. We have examined the relevance of the communicated data and the hypotheses on which these estimates are based.
- As regards to litigations, we have verified that the existing procedures enabled the collection, the valuation and the recording in the financial statements of any litigation in satisfactory conditions. We have specifically verified, if applicable, that significant litigations identified by your Company while performing these procedures were accurately described within the notes to the financial statements and particularly in Note "Litigation and Pending Investigations".

We carried out an assessment of the reasonableness of these estimates.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific Verifications and Information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French commercial code *(Code de commerce)* relating to remunerations and benefits received by the Directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 10, 2016

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit		Ernst & Young et Autres
Édouard Sattler	Édouard Demarcq	Jean-Christophe Goudard

6.5. FINANCIAL RESULTS OF THE LAST FIVE YEARS AS OF DECEMBER 31, 2015

	December 31,				
In millions of Euro	2011	2012	2013	2014	**2015**
I. YEAR END FINANCIAL POSITION					
A) Called up Capital	84.6	86.2	86.7	86.9	90.8
B) Outstanding Shares [(a)]	110,987,758	113,040,513	113,680,256	113,945,317	119,024,484
C) Convertible Bonds	11,796,986	11,796,986	11,796,986	11,796,986	11,796,986
II. OVERALL OPERATING RESULT					
A) Net Revenues	156.9	151.3	176.0	183.1	189.9
B) Income before Tax, Depreciation and Amortization	342.5	451.0	213.1	115.9	146.2
C) Income Tax Expense/(Profit)	(44.0)	(37.6)	(18.4)	(19.7)	(52.4)
D) Net Income	357.7	472.5	200.3	107.0	5.2
E) Dividends Paid	172.6	186.0	206.5	225.8	236.4 [(b)]
III. OPERATING INCOME PER SHARE *(IN EURO)*					
A) Income before Depreciation and Amortization	3.5	4.3	2.0	1.2	1.7
B) Net Income	3.2	4.2	1.8	0.9	-
C) Dividends Paid	1.58	1.68	1.85	2.00	2.00 [(b)]
IV. STAFF					
A) Number of Employees	8	7	7	7	5
B) Wages and Salaries	15.8	14.2	23.2	9.5	6.2

(a) Does not include the exercise of options arising from the current share purchase or share subscription option plans. Includes 818,875 treasury shares as of December 31, 2015.
(b) This amount corresponds to the dividend proposed by the Board of Directors at the Shareholders' General Meeting: €2.00 per share based on outstanding shares excluding treasury shares held as of December 31, 2015.

#7 GENERAL INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL

7.1. INFORMATION ON THE COMPANY

7.1.1. Name

The name of the Company is "Technip".

7.1.2. Registration Place and Number

The Company is registered with the Paris Company and Commercial Register under number 589 803 261 RCS Paris.

The APE code of the Company is 7010 Z.

7.1.3. Date of Incorporation and Term

The Company was incorporated on April 21, 1958 for a term of 99 years. Its expiration date is April 20, 2057.

7.1.4. Financial Year

Pursuant to Article 25 of the Articles of Association, the financial year starts on January 1, and ends on December 31, each year.

7.1.5. Registered Office, Legal Form and Applicable Law

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The registered office is located at 89, avenue de la Grande Armée – 75116 Paris (France).

The registered office telephone number is: +33 (0) 1 47 78 24 00.

Technip is a French limited liability company *(société anonyme)* with a Board of Directors and is governed by French law, pursuant to the provisions of Book II of the French Commercial Code *(Code de commerce)*.

7.2. SHARE CAPITAL

7.2.1. Amount of Share Capital

As of January 31, 2015 and February 29, 2016, Technip's share capital amounted to €86,885,591.71 divided into 113,948,317 shares and €90,756,169.05 divided into 119,024,484 shares, respectively.

7.2.2. Shares Not Representing Capital

None.

7.2.3. Treasury Shares and Share Repurchase Programs

Company's Share Repurchase Program

I. Use by the Board of Directors of the Authorization Given by the Combined Shareholders' General Meeting of April 23, 2015

The 2015 Company's Share Repurchase Program was authorized by the Combined Shareholders' General Meeting on April 23, 2015 in accordance with Articles L. 225-209 *et seq.* of the French Commercial Code. It has renewed the authorization given to the Board of Directors to purchase shares of the Company, previously authorized by the Combined Shareholders' General Meeting of April 24, 2014. The share purchases may be made at any time, except for public offer periods on the share capital of the Company. The authorization is for an 18-month period, for a maximum share purchase price of €85 per share (excluding charges) and any acquisitions made by the Company must not result in the Company holding more than 8% of Technip's share capital as of the date of the General Meeting authorizing the program.

During financial year 2015, Technip has not used the Company's Share Repurchase Program. No shares have been purchased under this program. No transaction fee has been recorded. The Company made no use of derivative instruments.

During financial year 2015, under the liquidity contract of the Company:

- 1,333,789 shares have been purchased for an aggregate amount of €69,392,012.57 and for an average weighted nominal value of €52.02; and
- 1,419,789 shares have been sold for an aggregate amount of €75,440,626 and for an average weighted nominal value of €53.13.

During financial year 2015, the brokerage fee amounted to €80,000, excluding tax.

During financial year 2015, 459,770 shares were transferred as shares granted during the year in relation to either the Performance Share Plans or the Share Purchase Plan. No transaction fee has been recorded for these transactions.

As of December 31, 2015, 818,875 treasury shares, representing 0.69% of the share capital of the Company, were held for the following purposes:

1. To service share purchase option plans or other share plans that have been granted to employees or Directors or officers *(mandataires sociaux)* of the Company:
   - 32,107 shares were granted under the 2011 Performance Share Plan by the Board of Directors at its meetings held on June 17, December 14, 2011 and March 2, 2012;
   - 350,039 shares were granted under the 2012 Performance Share Plan by the Board of Directors at its meetings held on June 15 and December 12, 2012;
   - 528,550 shares were granted under the 2013 Performance Share Plan by the Board of Directors at its meetings held on June 14, 2013 and January 10, 2014; and
   - 341,016 shares were granted under the 2014 Performance Share Plan by the Board of Directors at its meeting held on December 10, 2014 and December 7, 2015.
2. To promote share trading and, in particular, to ensure the liquidity of shares pursuant to a liquidity contract with an investment service provider that complies with the Code of Conduct approved by the French Financial Market Authority. As of December 31, 2015, 110,000 shares were recorded pursuant to this Liquidity Contract, entered into with an independent investment services provider.
   - As of December 31, 2015, the Company directly held 818,875 shares for a nominal value of €0.7625 (representing 0.69% of the share capital) for a purchase value of €55,207,288.57.

II. Description of the Company's Share Repurchase Program According to Articles 241-1 et seq. of the French Financial Market Authority's General Regulation

According to Article 241-2 of the French Financial Market Authority's General Regulation, the following paragraph is a description of the Company's Share Repurchase Program subject to the approval of the Combined Shareholders' General Meeting of April 28, 2016.

1) NUMBER OF SHARES AND PERCENTAGE OF SHARE CAPITAL HELD BY TECHNIP

As of February 29, 2016, the aggregate number of shares held by Technip is 780,975 shares, representing 0.66% of the share capital of Technip.

2) BREAK-DOWN OF PURPOSES FOR WHICH SHARES ARE HELD AS OF FEBRUARY 29, 2016

As of February 29, 2016, the treasury shares were held for the following purposes:

1. To service share purchase option plans or other share plans that have been granted to employees or Directors or officers *(mandataires sociaux)* of the Company:
   - 31,507 shares were granted under the 2011 Performance Share Plan by the Board of Directors at its meetings held on June 17, December 14, 2011 and March 2, 2012;
   - 349,539 shares were granted under the 2012 Performance Share Plan by the Board of Directors at its meetings held on June 15 and December 12, 2012;
   - 528,150 shares were granted under the 2013 Performance Share Plan by the Board of Directors at its meetings held on June 14, 2013 and January 10, 2014; and
   - 341,016 shares were granted under the 2014 Performance Share Plan by the Board of Directors at its meeting held on December 10, 2014 and December 7, 2015.
2. To promote share trading and, in particular, to ensure the liquidity of shares pursuant to a Liquidity Contract, entered into with an investment service provider that complies with the Code of Conduct approved by the French Financial Market Authority. As of February 29, 2016, 73,000 shares were recorded pursuant to this liquidity contract entered into with an independent investment services provider.

From January to February 29, 2016, the liquidity contract with Kepler Cheuvreux continued. The Company made no use of derivative instruments and open derivative positions.

3) PURPOSES OF THE COMPANY'S SHARE REPURCHASE PROGRAM

The Company's Share Repurchase Program provides that, the shares will be purchased for the following purposes:

- to satisfy the Company's obligations under its stock option plans or other share grants to employees or Directors or officers *(mandataires sociaux)* of the Company or its affiliates;
- to use shares in payment or in exchange pursuant to external growth transactions;
- to promote share trading, in particular, to ensure liquidity with an investment services provider pursuant to a liquidity contract in compliance with the ethics charter approved by the French Financial Market Authority *(Autorité des marchés financiers);*
- to cancel such shares;
- to deliver shares upon the exercise of rights attached to securities giving access to the share capital; and
- to implement any such market practice that would become recognized from time to time by law or by the French Financial Market Authority *(Autorité des marchés financiers).*

4) MAXIMUM PORTION OF SHARE CAPITAL, NUMBER AND TYPES OF SHARES UNDER THE SHARE REPURCHASE PROGRAM

The securities that Technip could purchase will be exclusively shares.

Excerpt from the resolution subject to the Combined Shareholders' General Meeting to be held on April 28, 2016:

"The Shareholders' Meeting sets the maximum purchase price at €65 per share (before charges) and decides that the maximum number of shares that may be acquired may not exceed 8% of the shares comprising the share capital as of the date of this Shareholders' Meeting."

Considering that:

- 780,975 shares (representing 0.66% of the share capital) are already held by Technip as of February 29, 2016; and
- 119,024,484 shares, representing the aggregate number of shares as of February 29, 2016;
- the repurchase could only be on 873,639 shares (representing approximately 7.34% of the share capital) for a maximum amount of €56,786,535, based on a maximum purchase price at €65 per share.

5) DURATION OF THE COMPANY'S SHARE REPURCHASE PROGRAM

In accordance with Article L. 225-209 of the French Commercial Code and under the terms and conditions of the authorization to be proposed to the Combined Shareholders' General Meeting to be held on April 28, 2016, this program could be implemented for an 18-month period from the date of the Combined Shareholders' General Meeting of April 28, 2016 until October 28, 2017 at the latest.

6) INVESTMENT SERVICES PROVIDER

Liquidity Contract

Pursuant to a contract dated February 12, 2010, and for a term of one year as from that date, tacitly renewable, the Company engaged Kepler Cheuvreux to perform a Liquidity Contract in compliance with the AMAFI Code of Conduct.

As of February 29, 2016, pursuant to this Liquidity Contract, the following assets were recorded in the liquidity account:

- 110,000 shares; and
- €6,246,561.55.

7.2.4. Acquisition Rights and/or Obligations over Authorized but Unissued Capital

None.

7.2.5. Potential Capital

Summary of Authorizations Granted at the Shareholders' General Meeting, which Expired or were in Effect in Financial Year 2015

The table below summarizes the resolutions approved at the Shareholders' General Meetings authorizing the Board of Directors to increase or reduce the share capital, and shows the Board's of Director's use of said authorizations in financial year 2015:

Purpose	Validity	Limit	Use during the 2015 financial year
Authorization to reduce share capital by canceling all or part of the shares previously repurchased	Extraordinary Shareholders' Meeting of April 29, 2010 12th resolution Term: 5 years - Expiry: April 28, 2015	10% of the share capital per 24-month period	None
Authorization to repurchase Company shares	Ordinary Shareholders' Meeting of April 24, 2014 6th resolution Term: 18 months - Expiry: October 24, 2015	8% of share capital	0.25%
Share capital increase with preferential subscription rights	Extraordinary Shareholders' Meeting of April 24, 2014 7th resolution Term: 26 months - Expiry: June 24, 2016	Par value: €42 million €2.5 billion for securities representing debt certificates granting access to share capital	None
Share capital increase without preferential subscription rights and by public offer	Extraordinary Shareholders' Meeting of April 24, 2014 8th resolution Term: 26 months - Expiry: June 24, 2016	Par value: €8 million €2.5 billion for securities representing debt certificates granting access to share capital	None
Share capital increase without preferential subscription rights and by private placement	Extraordinary Shareholders' Meeting of April 24, 2014 9th resolution Term: 26 months - Expiry: June 24, 2016	Par value: €8 million €2.5 billion for securities representing debt certificates granting access to share capital	None
Grant of performance shares to be issued to eligible employees of the Company and directors or officers of the Company or other associated companies	Extraordinary Shareholders' Meeting of April 24, 2014 10th resolution Term: 24 months - Expiry: April 24, 2016	0.3% of share capital	0.17%
Grant of performance shares to be issued to the Executive Director of the Company and to the Group principal executives	Extraordinary Shareholders' Meeting of April 24, 2014 11th resolution Term: 24 months - Expiry: April 24, 2016	0.3% of share capital toward the ceiling of the 10th resolution	0.08%
Grant of share subscription or share purchase options to be issued to the eligible employees and directors and officers of the Company and employees and directors and officers of other associated companies	Extraordinary Shareholders' Meeting of April 24, 2014 12th resolution Term: 24 months - Expiry: April 24, 2016	0.5% of share capital	0.18%
Grant of share subscription or share purchase options to be issued to the Executive Director of the Company and to the Group principal executives	Extraordinary Shareholders' Meeting of April 24, 2014 13th resolution Term: 24 months - Expiry: April 24, 2016	0.5% of share capital toward the ceiling of the 12th resolution	0.30%
Authorization granted to the Board of Directors to increase the share capital in favor of employees adhering to a company savings plan, without preferential subscription rights for the shareholders	Extraordinary Shareholders' Meeting of April 24, 2014 14th resolution Term: 26 months - Expiry: June 24, 2016	1% of share capital	None
Authorization granted to the Board of Directors to increase the share capital without preferential subscription rights for the shareholders, the issued securities being reserved for categories of beneficiaries as part of the implementation of an employee share program	Extraordinary Shareholders' Meeting of April 24, 2014 15th resolution Term: 18 months - Expiry: October 24, 2015	0.5% of share capital	None
Authorization to repurchase Company shares	Ordinary Shareholders' Meeting of April 23, 2015 13th resolution Term: 18 months - Expiry: October 23, 2016	8% of share capital	0.92%

Purpose	Validity	Limit	Use during the 2015 financial year
Authorization to reduce share capital by canceling all or part of the shares previously repurchased	Extraordinary Shareholders' Meeting of April 23, 2015 14th resolution Term: 5 years - Expiry: April 23, 2020	10% of the share capital per 24-month period	None
Authorization granted to the Board of Directors to increase the share capital in favor of employees adhering to a company savings plan, without preferential subscription rights for the shareholders	Extraordinary Shareholders' Meeting of April 23, 2015 15th resolution Term: 26 months - Expiry: June 23, 2017	1.25% of share capital	1.25%
Authorization granted to the Board of Directors to increase the share capital without preferential subscription rights for the shareholders, the issued securities being reserved for categories of beneficiaries as part of the implementation of an employee share program	Extraordinary Shareholders' Meeting of April 23, 2015 16th resolution Term: 18 months - Expiry: October 23, 2017	0.5% of share capital	0.50%

As a number of these authorizations are due to expire, the Combined Shareholders' General Meeting to be held on April 28, 2016, is being requested to authorize the Board of Directors:

- to purchase, for an 18-month period, Company shares, for a maximum share purchase price of €65 in an amount up to 8% of the share capital (fourteenth resolution);
- to increase, on one or more occasions over a 26-month period, the Company's share capital in an amount up to €45 million, with preferential subscription rights for shareholders (fifteenth resolution);
- to increase, on one or more occasions over a 26-month period, the Company's share capital, without preferential subscription rights for shareholders and by way of a public offering, up to a total nominal amount of €9 million (sixteenth resolution). The total nominal amount shall be applied toward the total nominal maximum amount of €45 million set forth in the fifteenth resolution described above;
- to increase, on one or more occasions over a 26-month period, the Company's share capital without preferential subscription rights for shareholders and by way of a private placement up to a total nominal amount of €9 million (seventeenth resolution). This amount shall be applied toward the total nominal amount of €9 million set forth in the sixteenth resolution and toward the total nominal maximum amount of €45 million set forth in the fifteenth resolution, described above;
- to grant, on one or more occasions over a 24-month period, performance shares in an amount of up to 0.5% of the Company's share capital as of the date of the Shareholders' Meeting described above to (i) Technip's employees, and (ii) employees and directors and officers *(mandataires sociaux)* of the companies related to the Group (eighteenth resolution);
- subject to the approval of the eighteenth resolution, described above, to grant, on one or more occasions over a 24-month period, performance shares as of the date of the Shareholders' Meeting described above to the Company's Chairman of the Board and/or Chief Executive Officer *(mandataire social)* and to the Group's principal executives (nineteenth resolution). This grant shall be applied toward the ceiling of 0.5% of the Company's share capital set pursuant to the eighteenth resolution described above;
- to grant, on one or more occasions over a 24-month period, options for the purchase or subscription of shares in an amount of up to 0.5% of share capital as of the date of the Shareholders' Meeting described above to, (i) Technip's employees, and (ii) directors and officers *(mandataires sociaux)* of the companies related to the Group (twentieth resolution);
- subject to the approval of the twentieth resolution, to grant, on one or more occasions over a 24-month period, options for the purchase or subscription of shares on the date of the Shareholders' Meeting described above, to the Company's Chairman of the Board and/or Chief Executive Officer *(mandataire social)* and to the Group's principal executives (twenty-first resolution). This grant shall be applied toward the ceiling of 0.5% of the Company's share capital set pursuant to the twentieth resolution described above;
- to increase the share capital, on one or more occasions over a 26-month period, in favor of members of the savings plan of the Company and of the French and foreign companies affiliated to the Company pursuant to Article L. 3344-1 of the French Labor Code *(Code du travail)*, in an amount of up to 1% of share capital on the date of implementation of such increase (twenty-second resolution).

7.2.6. Convertible or Exchangeable Securities, or Securities with Warrants

For a description of the Group's convertible bond issues, please refer to Section 2.5 of this Reference Document.

7.2.7. Conditional or Unconditional Option or Agreement on any Capital of any Member of the Group

Please see Section 4.3.3 of this Reference Document.

7.2.8. Changes in Share Capital

Changes in Share Capital over the Three Previous Years

Dates of Board of Directors' meeting and/ or decision of the Chairman and Chief Executive Officer recording the share capital variation	Type of operation	Number of shares issued	Nominal account of the share capital increase *(in Euro)*	Global issuance premium *(in Euro)*	Successive amounts of share capital *(in Euro)*	Total number of shares	Par Value of the shares *(in Euro)*
02/19/2013	Exercise of share subscription options	33,911	25,857.13	-	86,193,391.16	113,040,513	0.7625
02/18/2014	Exercise of share subscription options	639,743	487,804.04	-	86,681,195.20	113,680,256	0.7625
02/17/2015	Exercise of share subscription options	265,061	202,109.01	-	86,883,304.21	113,945,317	0.7625
05/21/2015	Payment of the dividend in new common shares for the financial year ended December 31, 2014	2,591,918	1,976,337.48	134,902,852.1	88,859,641.69	116,537,235	0.7625
12/17/2015	Recording of the share capital increase under the Group savings plan	1,925,503	1,468,196.03	72,008,998.44	90,327,837.73	118,462,738	0.7625

Record of Changes in Share Capital during the Financial Year 2015

The Board of Directors' meeting held on February 23, 2016 has recorded the exercise of 561,746 subscription shares, for a nominal amount of €428,331.32 and a par value of the shares of 0.7625 and has recorded that the share capital as of December 31, 2015 amounted to €90,756,169.05 divided into 119,024,484 shares.

Changes in Share Capital from January 1, 2016 until February 29, 2016

From January 1, until February 29, 2016, no change in share capital was recorded by the Board of Directors.

7.3. ARTICLES OF ASSOCIATION

7.3.1. Corporate Purpose (Article 3 of the Articles of Association)

The Company has the following purposes in all countries:

- undertaking all engineering studies and services, and the construction of complex industrial plants, particularly in the hydrocarbon sector, and generally in all fields of industry, including chemicals and life sciences;
- the design, manufacture, purchase, sale, construction, assembly and installation of materials, products, equipment and systems intended for said installations, in particular, fixed or floating platforms and pipelines for the development of oil fields at sea;
- 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 as a result of research carried out by the Company or by any other individual or entity;
- the registration, acquisition, procurement, direct or indirect use, sale or purchase of all brands, processes, patents, and licenses for the use of patents;
- the direct or indirect participation of the Company in all operations described above, either by the formation of companies, contributions to existing companies or mergers with such companies, 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 any means and in any form, in companies or industrial, commercial, financial and real property enterprises, whether French or foreign, regardless of their legal form or organization and, where necessary, the disposal of these investments;
- more generally, all operations 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 attainment of these purposes.

7.3.2. Members of Administrative, Executive and Supervisory Bodies

Composition of the Board of Directors (Article 14 of the Articles of Association – excerpts)

The Company is administered by a Board of Directors with no fewer than three, and no more than 18, members, subject to exceptions provided for by law.

Each Director shall hold at least 400 of the Company shares in registered form.

Individuals or legal entities may be Directors.

Members of the Board of Directors are appointed by the Ordinary Shareholders' Meeting for a four-year term to expire at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the preceding financial year and held in the financial year during which the term expires.

One-half of the members of the Board of Directors will be renewed on a rolling basis every two years if the Board of Directors is comprised of an even number of Directors, or one-half of the members plus one if the Board of Directors is comprised of an odd number of Directors. For purposes of this provision, the order of the termination of office will be decided by the Board of Directors on the date of its first meeting following the adoption of this provision, unanimously approved by the Directors present or represented or, failing that, by a random draw. The previous term of office of Directors thus chosen or drawn will be automatically nullified.

The number of Directors who are over the age of 70 may not exceed one third of the number of Directors in office at the end of the financial year.

Operation of the Board of Directors

Deliberations of the Board of Directors (Article 16 of the Articles of Association – excerpts)

At least half of the members of the Board of Directors must be present in person for meetings to be valid.

In accordance with the conditions and limitations set by applicable regulations, Directors who are not physically present, but participate in meetings of the Board of Directors by means of video-conference or other telecommunications, will be considered present for purposes of quorum and majority requirements.

Decisions are adopted by a majority of the Directors present in person or represented. The Chairman shall have the casting vote in the event of a tie.

Powers of the Board of Directors (Article 17 of the Articles of Association)

The Board of Directors shall set the guidelines for the operation of the Company and shall see to it that they are implemented.

Subject to the powers expressly granted pursuant to Shareholders' General Meetings, and within the scope of the corporate purpose, it shall take up any and all issues affecting the proper operation of the Company and shall decide in its meetings any business concerning the Company.

In relationships with third parties, the Company shall be bound even by actions of the Board of Directors which are not related to the corporate purpose, unless it can prove that the third party knew that the action exceeded such purpose or that it could not be unaware of it given the circumstances; for these purposes, the publication of the articles of association shall not in and of itself constitute proof.

The Board of Directors shall perform any and all audits and controls it may deem appropriate. The Chairman or the Company's Chief Executive Officer is responsible for communicating to each Director all necessary documentation and information so that they may discharge their duties.

7.3.3. Rights and Duties Attached to the Shares

Rights and Duties Attached to the Shares (Article 11 of the Articles of Association)

Each share shall grant a right to the corporate assets, to the distribution of the profits and to any liquidation surplus *(boni de liquidation)*, in proportion to the number of shares issued.

The shareholders shall be liable only up to the amount of their capital contributions.

Share ownership automatically implies adherence to the Company's Articles of Association and to the decisions of the Shareholders' General Meetings.

The rights and duties attached to each share shall pass with the title of the share, to whomever obtains ownership.

Whenever it is necessary to own a certain number of shares to exercise a right of any kind, in particular, in the event of an exchange, consolidation or grant of shares, or following an increase in or reduction of share capital – whatever the terms and conditions thereto may be – a merger or any other transaction, shareholders holding a number of shares fewer than that required may exercise their rights only on the condition that they make their own personal arrangements with regard to consolidation and, where applicable, to the purchase or sale of the number of shares or rights forming the necessary fractional share.

Double Voting Rights (Article 12 of the Articles of Association)

From November 24, 1995, double voting rights, taking into account the fraction of the share capital that they represent, have been attributed to all fully paid-up shares which can be proved to have been registered in the name of the same shareholder for at least two years.

In the event of an increase of share capital by capitalization of reserves, profits or premiums, double voting rights shall also be granted as from the time of their issue to registered shares that were granted free of charge to a shareholder in respect of existing shares entitling such shareholder to the benefit of said right.

Registered shares benefiting from double voting rights that are converted into the bearer form for any reason whatsoever shall lose such double voting rights.

It is noted that pursuant to Article L. 225-99 of the French Commercial Code, double voting rights may be cancelled by a decision of the Extraordinary General Meeting of the Shareholders of the Company following ratification by the beneficiary shareholders at a special meeting.

Identifiable Bearer Shares (Article 13, Paragraph 1 of the Articles of Association)

In accordance with applicable laws and regulations, the Company may at any time ask the body responsible for clearing securities for information enabling it to identify the holders of shares carrying immediate or future voting rights at Shareholders' General Meetings, as well as the number of shares held by each of them and, where applicable, any restrictions that may affect such shares.

Distribution of Profits (Article 27 of the Articles of Association)

From distributable profit, as defined by law, the Shareholders' General Meeting may withhold any sums it thinks fit to allocate to any optional reserve fund or to carry it forward.

The balance, if any, shall be divided between all the shareholders in proportion to the number of shares that they own.

In addition, the Shareholders' General Meeting may decide to distribute sums withheld from the reserve funds at its disposal, by indicating expressly the particular reserve funds from which the deductions should be made. However, the dividends must be withheld first from the distributable profits for the financial year.

7.3.4. Amendment of Shareholders' Rights

In the absence of any provisions relating to changes to shareholders' rights in the Company's Articles of Association, any changes to shareholders' rights are subject to applicable law.

7.3.5. Shareholders' General Meetings (Article 23 of the Articles of Association)

Convening and Holding of Shareholders' General Meetings – Deliberations

Shareholders' General Meetings shall be convened in accordance with the conditions set out by applicable laws and regulations. Shareholders' General Meetings shall meet at the registered office or at any other place specified in the notice convening the meeting.

Shareholders' General Meetings shall be chaired by the Chairman of the Board of Directors or, in his/her absence, by a Director so appointed by the Board of Directors, or failing this, the Shareholders' General Meeting shall appoint a Chairman.

The scrutineer's functions are performed by two shareholders who are present and who agree to perform these duties, and who have by themselves or as proxies the largest number of votes.

The presiding committee shall appoint a secretary, who can be chosen from outside of the Shareholders' General Meeting's members.

Attendance

All shareholders may, in accordance with the conditions set forth under applicable laws and regulations, either personally attend the Shareholders' Meetings, cast an absentee vote, or be represented by another shareholder or by their spouse or civil partner. Moreover, they may be represented by any other natural or legal person of his or her choice.

The right to participate in Shareholders' Meetings arises through the registration of the shares in the name of the shareholder, or his or her intermediary registered on his or her behalf pursuant to Article L. 228-1 of the French Commercial Code, as of 00:00 am (Paris time) on the second business day preceding the Shareholders' Meeting, in accordance with applicable regulations.

Any legal entity that is a shareholder may participate in the Shareholders' General Meetings through its legal representatives or by any other person appointed by it for this purpose.

The shareholders may, subject to the conditions set forth under applicable laws and regulations, send their proxy and mail voting form for any Shareholders' Meeting, either in paper form, or, subject to the decision of the Board of Directors at the time at which the Shareholders' Meeting is convened, by electronic means.

When using a proxy and mail voting form or casting an absentee vote electronically, the electronic signature may result from a procedure allowing for the reliable identification of the shareholder, evidencing the link between the signature and the form to which it is affixed.

The Board of Directors may decide, at the time that the Shareholders' Meeting is convened, that the shareholders may participate in the Shareholders' Meeting *via* videoconference or by other means of telecommunication, including the internet, subject to the regulations applicable at the time of their use.

All shareholders who participate in the Shareholders' Meeting by one of the aforementioned means shall be deemed present for the purposes of the quorum and for the calculation of a majority.

The Company will be able, in accordance with applicable regulations, to use electronic communication instead of communication *via* the post in order to satisfy the formalities specified by the regulations.

7.3.6. Any Provision of the Company's Articles of Association that Would Have an Effect of Delaying, Deferring or Preventing a Change in Control of the Company

To the Company's knowledge, neither the Company's Articles of Association nor its internal charter contains any provisions that could delay or prevent a change in control.

The Company's Articles of Association provide for double voting rights as described above in Section 7.3.3 (Article 12 of the Articles of Association).

7.3.7. Crossing of Thresholds (Article 13, Paragraphs 2 and 3 of the Articles of Association)

Any shareholder acting alone or in a group *(de concert)*, in addition to the thresholds referred to pursuant to Article L. 233-7 of the French Commercial Code, who comes to hold or ceases to hold, directly or indirectly, 1% of the Company's share capital or voting rights, or a multiple of said percentage less than or equal to 30%, shall notify the Company within five business days of having exceeded any one of these thresholds, by registered letter with return receipt requested, of the aggregate number of shares, voting rights or securities giving rights to the Company's share capital, which it holds, directly or indirectly, alone or in a group *(de concert)*.

Any failure to comply with the above statutory notification shall entail the forfeiture of those voting rights exceeding the fraction that was required to have been declared pursuant to the provisions detailed above. Such forfeiture shall apply for all Shareholders' General Meetings that are held during a two-year period following the date on which the failure to notify has been remedied, at the request of one or more shareholders, together holding at least 1% of the Company's share capital or voting rights, with such request being recorded in the minutes of the Shareholders' General Meetings.

7.3.8. Specific Provisions Related to Changes in Share Capital

In the absence of any provisions regarding changes to the share capital in the Company's Articles of Association, any changes to the share capital are subject to applicable law.

7.4. INFORMATION REGARDING SHARE CAPITAL AND SHAREHOLDERS

7.4.1. The Company's Major Shareholders

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a. Changes in the Major Shareholders of the Company over the Last Three Years

Major Shareholders as of December 31, 2015

As of December 31, 2015, to the Company's knowledge and based on notices it received, the following shareholders held 1% or more of the Company's share capital or voting rights:

Shareholder	Number of shares	Percentage of share capital	Number of voting rights (1) (4)	Percentage of voting rights
Franklin Resources Inc.	12,906,236	10.84%	12,906,236	9.92%
Bpifrance	6,153,954	5.17%	12,083,352	9.29%
Causeway Capital Management	6,078,804	5.11%	6,078,804	4.67%
Blackrock Inc.	5,550,722	4.66%	5,550,722	4.27%
The Capital Group Companies Inc.	5,032,395	4.23%	5,032,395	3.87%
Oppenheimer Funds Inc.	4,520,311	3.80%	4,520,311	3.48%
IFP Énergies nouvelles	2,830,917	2.38%	5,661,834	4.35%
Baytree Investments (Mauritius) Pte Ltd	2,704,935	2.27%	2,704,935	2.08%
Aviva Plc	2,360,772	1.98%	2,157,391	1.66%
Norges Bank Investment Management	2,270,243	1.91%	2,270,243	1.75%
State Street Corporation	2,023,272	1.70%	2,023,272	1.56%
AXA SA	1,911,308	1.61%	1,911,308	1.47%
MFS Investment Management	1,374,172	1.15%	1,374,172	1.06%
Amundi Asset Management	1,267,939	1.07%	1,267,939	0.97%
Treasury shares	818,875	0.69%	-	0.00%
Group employees (2)	3,418,416 (3)	2.87%	4,643,971	3.57%
Public	57,801,213	48.56%	59,868,494	46.03%
TOTAL	**119,024,484**	**100%**	**130,055,379**	**100%**

(1) Including double voting rights (Article 12 of the Company's Articles of Association). As of December 31, 2015, 11,849,770 shares carried double voting rights. As of this date, the total number of voting rights calculated on the basis of all of the shares to which voting rights are attached, including shares stripped of their voting rights (in accordance with Article 223-11 of the French Financial Market Authority's General Regulations), amounted to 130,874,254.

(2) Employees as defined under Article L. 225-102 of the French Commercial Code.

(3) Including 3,067,931 shares held through the Company's mutual funds.

(4) As of December 31, 2015, the total number of theoretical voting rights (taking into account the 818,875 treasury shares) was 130,874,254.

Changes in the Breakdown of the Share Capital and Voting Rights of the Company over the Last Three Years

Over the last three financial years, to the Company's knowledge and based on notices it received, the following shareholders held 1% or more of the Company's share capital and voting rights:

	2013		2014		2015	
Shareholder	Percentage of share capital	Percentage of voting rights (1)	Percentage of share capital	Percentage of voting rights (1)	Percentage of share capital	Percentage of voting rights (1)
Franklin Resources Inc.			7.19%	6.62%	10.84%	9.92%
Bpifrance	5.20%	9.70%	5.20%	9.57%	5.17%	9.29%
Causeway Capital Management	3.70%	3.45%	6.52%	6.00%	5.11%	4.67%
Blackrock Inc.	4.85%	4.50%	4.87%	4.48%	4.66%	4.27%
The Capital Group Companies Inc.	7.40%	6.85%	4.42%	4.06%	4.23%	3.87%
Oppenheimer Funds Inc.	4.00%	3.70%	4.18%	3.84%	3.80%	3.48%
IFP Énergies nouvelles	2.50%	4.60%	2.48%	4.57%	2.38%	4.35%
Baytree Investments (Mauritius) Pte Ltd					2.27%	2.08%
BNP Paribas Asset Management	2.85%	2.65%				
Aviva Plc			2.07%	1.91%	1.98%	1.66%
Norges Bank Investment Management	2.05%	1.90%	1.99%	1.83%	1.91%	1.75%
State Street Corporation			1.78%	1.63%	1.70%	1.56%
AXA SA					1.61%	1.47%
MFS Investment Management			1.47%	0.96%	1.15%	1.06%
Amundi Asset Management	3.20%	2.95%	2.36%	2.17%	1.07%	0.97%
Treasury shares (2)	1.55%	0.00%	1.20%	0.00%	0.69%	0.00%
Group employees (3)	1.85%	2.50%	1.78%	2.61%	2.87%	3.57%
Public	60.85%	57.20%	52.48%	49.75%	48.56%	46.03%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

(1) Including double voting rights.
The total number of Company shares at the end of financial years 2013, 2014 and 2015 amounted to 113,680,256 shares, 113,945,317 and 119,024,484 shares respectively.
(2) Includes shares held pursuant to the liquidity contract.
(3) Employees as defined under Article L. 225-102 of the French Commercial Code.

b. Shareholders' Notices and Crossing of Thresholds

Between January 1, and December 31, 2015, the Company received the following notices from its shareholders, relating to the crossing of thresholds as required by law and by its Articles of Association:

Shareholder	Notification Date	Effective Date	Number of shares held	Percentage of stated share capital	Number of voting rights held	Percentage of stated voting rights	Direction of threshold crossing (1)
Franklin Resources Inc.	01/14/15	01/14/15	8,979,462	7.8805%	8,979,462	7.1684%	(u)
AXA Investment Managers	01/14/15	01/14/15	789,633	0.69%	789,633	0.63%	(d)
AXA SA	01/14/15	01/14/15	1,911,308	1.68%	1,911,308	1.53%	(u)
Franklin Resources Inc.	01/20/15	01/20/15	9,148,486	8.0288%	9,148,486	7.3033%	(u)
Alliance Bernstein LP	01/22/15	01/22/15	105,347	0.09%	105,347	0.08%	(d)
Citigroup Global Markets Limited	01/29/15	01/26/15	355,563	0.3120%			(d)
Franklin Resources Inc.	02/05/15	02/05/15	10,090,234	8.8533%	10,090,234	8.0551%	(u)
Franklin Resources Inc.	02/09/15	02/09/15	10,298,520	9.03%	10,298,520	8.2214%	(u)
Crédit Suisse	02/12/15	02/12/15	584,554	0.51%			(u)
Franklin Resources Inc.	02/18/15	02/18/15	11,324,348	9.9381%	11,324,348	9.0401%	(u)
Franklin Resources Inc.	02/19/15	02/19/15	11,396,448	10.0014%	11,396,448	9.0976%	(u)
MFS Investment Management	03/09/15	03/09/15	1,764,013	1.01%	1,259,657	1.11%	(u)
Causeway Capital Management LLC	03/27/15	03/27/15	6,078,804	5.33%	6,078,804	4.91%	(d)
Citigroup Global Markets Limited	04/24/15	04/23/15	431,258	0.3783%			(u)
Citigroup Global Markets Limited	04/27/15	04/24/15	409,882	0.3595%			(d)
Amundi Asset Management	04/27/15	04/27/15	2,312,616	1.84%			(d)
Amundi Asset Management	04/28/15	04/28/15	2,259,228	1.98%			(d)
Citigroup Global Markets Limited	04/29/15	04/28/15	679,931	0.5965%			(u)
BNP Paribas Investment Partners	05/04/15	04/28/15	178,339	0.1565%	161,613	0.1290%	(u)
Citigroup Global Markets Limited	05/06/15	05/05/15	433,078	0.3799%			(u)
BNP Paribas Investment Partners	05/07/15	05/05/15	146,500	0.1285%	129,774	0.1035%	(d)
BNP Paribas Investment Partners	05/13/15	05/11/15	146,500	0.1285%	129,774	0.1035%	(d)
Citigroup Global Markets Limited	05/20/15	05/18/15	285,456	0.2504%			(d)
MFS Investment Management	05/22/15	05/22/15	1,246,564	1.09%	1,246,564	0.99%	(u)
MFS Investment Management	06/05/15	06/04/15	1,256,836	1.10%	1,256,836	1.00%	(u)
MFS Investment Management	06/15/15	06/15/15	1,260,359	1.08%	1,260,359	0.98%	(d)
Baytree Investments (Mauritius) Pte Ltd	06/16/15	06/16/15	1,198,361	1.03%	1,198,361	0.93%	(u)
Amundi Asset Management	06/17/15	06/17/15	1,267,939	0.98%			(d)
T.Rowe Price Associates Inc.	06/19/15	06/17/15	1,192,352	1.02%	1,180,534	0.94%	(u)
BNP Paribas Investment Partners	06/19/15	06/16/15	176,968	0.1531%	161,955	0.1262%	(u)
Baytree Investments (Mauritius) Pte Ltd	06/25/15	06/25/15	1,373,261	1.17%	1,373,261	1.07%	(u)
Baytree Investments (Mauritius) Pte Ltd	07/27/15	07/27/15	2,515,406	2.15%	2,515,406	1.95%	(u)
Baytree Investments (Mauritius) Pte Ltd	07/31/15	07/31/15	2,704,935	2.31%	2,704,935	2.10%	(u)
MFS Investment Management	08/07/15	08/07/15	1,296,108	1.11%	1,296,108	1.00%	(d)
Oppenheimer Funds Inc.	08/18/15	08/17/15	4,520,311	3.88%			(d)
Citigroup Global Markets Limited	09/16/15	09/15/15	1,227,767	1.0485%			(d)
Citigroup Global Markets Limited	09/22/15	09/21/15	1,104,822	0.9435%			(d)
Citigroup Global Markets Limited	09/23/15	09/22/15	1,192,584	1.0184%			(u)
T.Rowe Price Associates Inc.	09/24/15	09/22/15	1,055,023	0.905%	1,050,906	0.83%	(d)
MFS Investment Management	10/05/15	10/05/15	1,281,476	1.09%	1,281,476	0.99%	(d)
Citigroup Global Markets Limited	10/08/15	10/07/15	1,117,094	0.9540%			(d)
Franklin Resources Inc.	10/08/15	10/08/15	12,906,236	11.0216%	12,906,236	10.0085%	(u)
Citigroup Global Markets Limited	10/19/15	10/16/15	809,851	0.6915%			(d)
MFS Investment Management	10/23/15	10/23/15	1,374,172	1.17%	1,374,172	1.07%	(d)
Citigroup Global Markets Limited	11/20/15	11/19/15	22,663	0.0194%			(d)
Citigroup Global Markets Limited	11/23/15	11/20/15	62,966	0.0538%			(u)
Citigroup Global Markets Limited	11/26/15	11/25/15	266,767	0.2278%			(u)

(1) d = downwards crossing of threshold; u = upward crossing of threshold.
This table is based solely on information taken from notices and statements received by the Company.

On November 30, 2015, and at Technip's request, Euroclear France carried out a survey of identifiable shares held in the bearer form *(titres au porteur identifiable)* (TPI survey), on the basis of the following thresholds: a minimum of 100,000 shares held by custodians and a minimum of 200 shares held by shareholders. The TPI survey identified 99.35% of Technip's share capital and listed 7,590 shareholders who held shares in the bearer form.

An analysis of the TPI survey showed that 83.82% of the shares were held by institutional investors. The geographic location of these investors was as follows: 17.15% in France, 37.96% in North America, 10.35% in the United Kingdom and Ireland, 14.30% in Continental Europe and 4.06% throughout the rest of the world.

As of the date of this TPI survey, individual shareholders (retail) held 9.06% of Technip's share capital.

As of December 31, 2015, 6,505 shareholders held their shares in registered form in their name *(au nominatif pur)* and 247 shareholders held their shares in administered registered form *(au nominatif administré)*. Furthermore, 13 shareholders held their shares in both registered form and administered registered form.

Between January 1, and February 29, 2016, the Company received the following notices from its shareholders, relating to the crossing of thresholds as required by law and by its Articles of Association:

Shareholder	Notification Date	Effective Date	Number of shares held	Percentage of stated share capital	Number of voting rights held	Percentage of stated voting rights	Direction of threshold crossing [(1)]
Baytree Investments (Mauritius) Pte Ltd	01/08/2016	01/07/2016	2,603,423	2.19%	2,603,423	1.99%	(u)
AMUNDI	02/03/2016	02/03/2016	1,290,435	0.98%			(d)
Baytree Investments (Mauritius) Pte Ltd	02/25/2016	02/25/2016	2,140,404	1.80%	2,140,404	1.64%	(d)
AMUNDI	03/07/2016	03/07/2016	1,312,603	1.0%		1%	(u)
AMUNDI	03/09/2016	03/09/2016	1,306,778	0.99%		1%	(d)

(1) d = downward crossing of threshold; u = upward crossing of threshold.
This table is based solely on information taken from notices and statements received by the Company.

7.4.2. Shareholders' Voting Rights

As of the date of this Reference Document, among the Company's major shareholders (as indicated in Section 7.4.1 of this Reference Document), IFP Énergies nouvelles, Bpifrance and the Company's mutual funds (*Fonds Communs de Placement d'Entreprise,* or FCPEs) representing the Group's employees held double voting rights.

7.4.3. Controlling Interest

Taking into account the shareholding of capital and voting rights of the Company (as set out in the Tables in Sections 7.4.1.a and 7.4.1.b of this Reference Document) and the statements of threshold crossings, as of the date of this Reference Document, no shareholder held a controlling interest in the Company, either directly or indirectly.

7.4.4. Arrangements that May Result in a Change of Control

To the Company's knowledge, there are no arrangements between its major shareholders, the implementation of which could at a subsequent date result in a change of control of the Company.

7.5. TECHNIP AND THE STOCK EXCHANGE

Technip's shares are listed on the regulated market of Euronext Paris and, in the United States, on the OTC market in the form of American Depositary Receipts (ADR), each Technip share representing four ADRs.

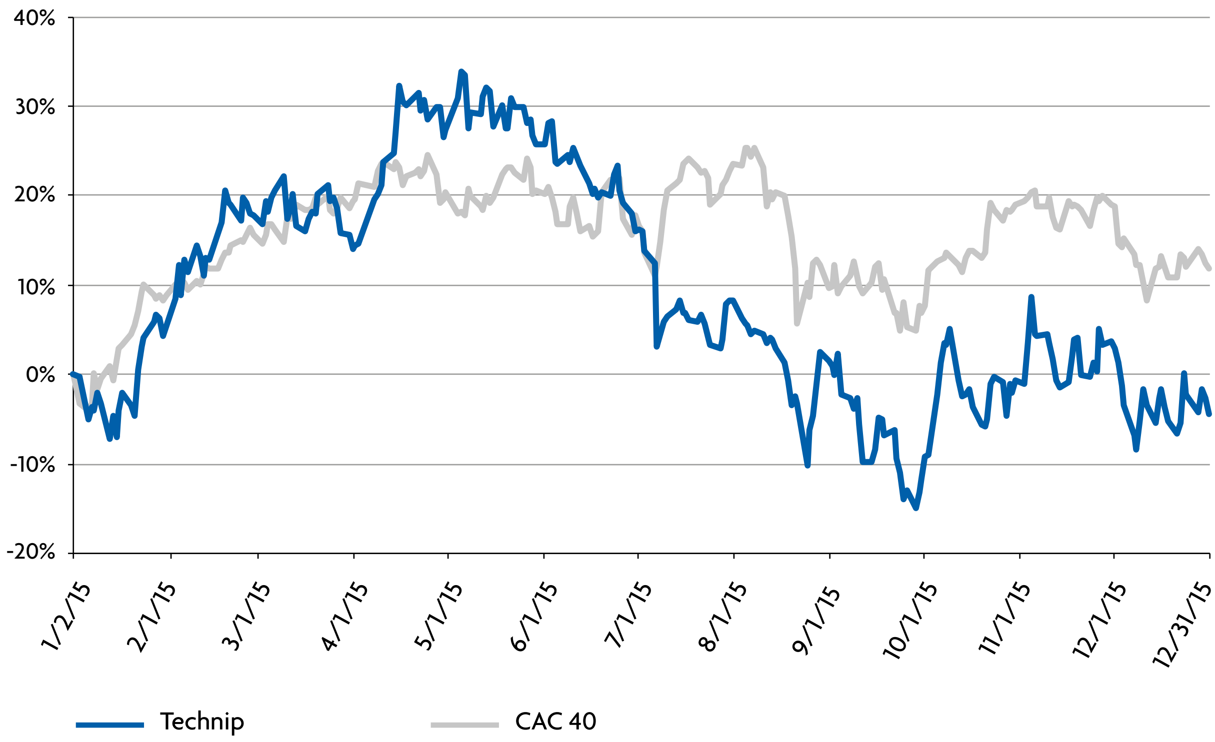
As of December 31, 2015, Technip's shares ranked 40th on the CAC 40 by weighted capitalization.

In 2015, Technip registered a strong backlog of approximately €17 billion. Its strategy remains focused on project execution excellence, diversified order intake, capital and cost discipline, and engaging early on with clients to provide them with differentiated assets, to serve them with the best cost-effective and technological solutions. In the challenging market environment that had already started in 2014, oil companies continued to reduce their capex and companies in Technip's sector saw a drop in their share price by year end 2015, due to a decline of 30% in the price of oil [(1)]. In 2015, Technip's share price lost 7%, from €49.42, as of December 31, 2014, to €45.73, as of December 31, 2015. Technip will continue to build on these strengths, whilst looking for opportunities to broaden its industry leadership in the oil services through partnerships alliances, acquisitions and organically.

(1) Crude Oil (WTi).

Share Performance

Share price performance on Euronext Paris – Compartment A (from January 2, 2015 to December 31, 2015)



Source: Bloomberg.

Technip share performance on Euronext Paris over the last 18 months

		High/low prices *(in Euro)*			
	Date	Highest	Lowest	Number of shares traded	Capital exchanged
2014	September	70.69	63.42	10,531,717	701,583,500
	October	66.50	54.24	19,513,617	1,140,838,000
	November	62.90	51.01	18,732,202	1,083,260,000
	December	53.00	45.19	21,694,877	1,062,505,000
2015	January	53.68	44.91	20,121,239	982,809,000
	February	61.55	51.90	20,212,638	1,147,257,000
	March	61.34	56.10	22,508,261	1,319,131,000
	April	66.36	55.89	20,852,160	1,298,806,000
	May	64.43	59.76	14,711,714	912,601,500
	June	61.86	54.83	17,701,020	1,032,868,000
	July	56.77	48.51	23,322,377	1,190,033,000
	August	51.75	41.78	20,558,845	982,827,500
	September	49.59	40.06	20,172,081	901,219,700
	October	51.03	42.60	21,292,049	998,533,600
	November	53.07	46.50	18,747,610	922,709,100
	December	50.16	43.11	20,883,641	967,389,600
2016	January	45.88	35.11	25,768,899	1,030,372,000
	February	46.02	37.74	29,986,960	1,250,405,000

Source: Bloomberg.

7.6. RELATED PARTY TRANSACTIONS

7.6.1. Main Related Party Transactions

The Company's related party transactions mainly consist of re-invoicing Group management and organization costs through a management fee, as well as costs related to insurance policies, and fees on guarantees given by the Company (see Note 6.14 to the Statutory Accounts as of December 31, 2015, included in Section 6.3 of this Reference Document).

For a description of the Company's regulated agreements *(conventions réglementées)*, please refer to the Statutory Auditors' Report included in Section 7.6.2 of this Reference Document.

7.6.2. Statutory Auditors' Report on Related Party Agreements and Commitments for the Year ended December 31, 2015

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Ernst & Young et Autres
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1

General Meeting of Shareholders to Approve the Financial Statements for the Year ended December 31, 2015

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms, conditions and the reasons for the Company's interest of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with article R. 225-31 of the French commercial code *(Code de commerce)*, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)* concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body *(Compagnie nationale des Commissaires aux Comptes)* relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and Commitments Submitted for Approval by the General Meeting of Shareholders

In accordance with article R. 225-40 of the French commercial code *(Code de commerce)*, we have been advised of certain related party agreements and commitments which received prior authorization from your General Meeting of Shareholders.

Agreements with FMC Technologies Previously Approved by your Board of Directors held on March 22, 2015

An agreement has been signed on March 22, 2015 with FMC Technologies in order to form an exclusive alliance. Ms. C. Maury Devine, Director of Technip, is also member of the Board of FMC Technologies.

The transaction is justified by:

- the combination of talents from the whole Subsea segment gathered in a joint company with technical skills, products and systems, allowing you to reduce significantly the development costs of a subsea field;
- the combination of the parties' most advanced technologies, allowing you to enter a new phase for the industry with the convergence of equipment and installation practices, and to give birth to a new generation of subsea architecture.

Commitments Entered into with Mr. Thierry Pilenko in Connection with the Renewal of his Term of Office as Chief Executive Officer, Previously Approved by your Board of Directors Held on April 23, 2015 (Renewal of the Commitments Previously Approved by your Board of Directors Held on April 28, 2011)

NON-COMPETE AGREEMENT (RENEWAL WITH AMENDMENT)

A worldwide non-compete agreement for a two-year period has been set up between your Company and Mr. Thierry Pilenko.

In case of departure and whatever the reason thereof, your Company is committed to pay Mr. Thierry Pilenko an indemnity capped to two years gross compensation based on the average overall annual compensation (fixed + variable) received over the last three years.

The existence of a non-compete agreement in case of departure is justified by your Company's preference for a contractual solution for the payment made (different from a severance pay which does not have such a protection).

SUPPLEMENTARY RETIREMENT PLAN (RENEWAL WITHOUT AMENDMENT)

Mr. Thierry Pilenko benefits from the supplementary retirement plan for Group executives with fixed contributions of 8% of the annual gross compensation paid up to income bracket 3, capped to eight times the annual French social security *(Sécurité sociale)* limit (approximately €304,000 as of now) as well as from your Company's existing supplementary retirement plan for Executive Committee members: a retirement income guarantee of 1.8% per year of service, up to a limit of fifteen years, on income bracket 4 of the annual gross compensation paid, *i.e.,* exceeding eight times the French social security limit.

The amount of gross compensation to which this retirement income guarantee applies to the average of the gross base compensation received over the five complete financial years prior to the date of departure from the Company. The retirement income guarantee will only be due in the following events: a departure from the Company after his 60th birthday; a departure from the Company as a result of a second or third category disability; a departure from the Company after his 55th birthday provided that such departure is not the result of gross misconduct or negligence on his part and that no salaried activity is resumed between leaving the Company and receiving a pension under the general French social security scheme.

In 2015, the contribution paid by your Company for the supplementary pension plan of Mr. Thierry Pilenko amounted to €24,346.

The decision is justified by the desire to maintain the plan previously granted to the Chief Executive Officer.

Agreements and Commitments Already Approved by the General Meeting of Shareholders

We hereby inform you that we have not been advised of any agreements or commitments already approved by the General Meeting of Shareholders, whose implementation continued during the year.

Neuilly-sur-Seine and Paris-La Défense, March 10, 2016

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit		Ernst & Young et Autres
Édouard Sattler	Édouard Demarcq	Jean-Christophe Goudard

8 ADDITIONAL INFORMATION

8.1. PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT AND STATEMENT

8.1.1. Person Responsible for the Reference Document

The person responsible for the Reference Document is Thierry Pilenko, the Company's Chairman and Chief Executive Officer.

8.1.2. Statement by the Person Responsible for the Reference Document

GRI G4-1

To the best of my knowledge, and after taking every reasonable measure for such purpose, I hereby declare that the information contained in the Reference Document is in accordance with the facts and that no information has been omitted that would be likely to affect its import.

I further declare that, to my knowledge, the financial statements have been prepared in compliance with applicable accounting standards and are a true representation of the assets, liabilities, financial position and profit of the Company and all consolidated entities and that the Management Report, as referred to in Annex H (Table of Reconciliation) of this Reference Document, is a true representation of any changes in the business, profit and the financial position of the Company and all consolidated entities as well as the main risks and uncertainties they face.

I obtained a work completion document from the Auditors *(lettre de fin de travaux)*, in which they indicate that they have verified the information relating to the financial position and the financial statements presented in this Reference Document and have carried out a review of the entire Reference Document."

The Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2014 presented in the Reference Document filed with the AMF under the No. D15-0125 on March 11, 2015 contains one observation related to the first application of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure in Interests in Other Entities" included in Section 6.1. The Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2013, presented in the Reference Document filed with the AMF under the No. D14-0169 on March 19, 2014 contains one observation related to the first application of IAS 19 (amended) "Employee Benefits".

Thierry Pilenko
Chairman and Chief Executive Officer

8.2. PERSONS RESPONSIBLE FOR STATUTORY ACCOUNTS

8.2.1. Primary Statutory Auditors

ERNST & YOUNG ET AUTRES, REPRESENTED BY JEAN-CHRISTOPHE GOUDARD

Member of the *Compagnie Régionale de Versailles*
1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1 (France)

Date of first appointment: 1986

Expiry date of current appointment: at the end of the Shareholders' Meeting convened to approve the financial statements for financial year 2015 which will be held on April 28, 2016. The renewal of this appointment will be proposed at this Shareholders' Meeting.

PRICEWATERHOUSECOOPERS AUDIT, REPRESENTED BY ÉDOUARD SATTLER AND ÉDOUARD DEMARCQ

Member of the *Compagnie Régionale de Versailles*
63, rue de Villiers – 92208 Neuilly-sur-Seine Cedex (France)

Date of first appointment: 2004

Expiry date of current appointment: at the end of the Shareholders' Meeting convened to approve the financial statements for financial year 2015 which will be held on April 28, 2016. The renewal of this appointment will be proposed at this Shareholders' Meeting.

8.2.2. Alternate Statutory Auditors

Auditex

Member of the *Compagnie Régionale de Versailles*
11, allée de l'Arche – Faubourg de l'Arche
92037 La Défense Cedex (France)

Date of first appointment: 2007

Expiry date of current appointment: at the end of the Shareholders' Meeting convened to approve the financial statements for financial year 2015 which will be held on April 28, 2016. The renewal of this appointment will be proposed at this Shareholders' Meeting.

Mr. Yves Nicolas

Member of the *Compagnie Régionale de Versailles*
63, rue de Villiers
92208 Neuilly-sur-Seine (France)

Date of first appointment: 2004

Expiry date of current appointment: at the end of the Shareholders' Meeting convened to approve the financial statements for financial year 2015 which will be held on April 28, 2016. The appointment of Jean-Christophe Georghiou as an Alternate Statutory Auditor will be proposed at this Shareholders' Meeting.

8.2.3. Information on Statutory Auditors' Fees and Services

For information regarding Statutory Auditors' fees and Services, please refer to Note 33 to the Consolidated Financial Statements as of December 31, 2015, set forth in Section 6.1 of this Reference Document.

8.3. PUBLICLY AVAILABLE DOCUMENTS

Throughout the period of validity of this Reference Document, the following documents, and all other documents required by law, may be consulted at the Company's registered office 89, avenue de la Grande Armée – 75116 Paris (France) in accordance with the applicable laws and regulations:

- a copy of the Articles of Association;
- the Statutory Auditors' reports and the financial statements for the preceding three financial years;
- all reports, correspondence and other documents, historical financial information of the Company and its subsidiaries relating to the preceding three financial years; and
- assessments and statements made by an expert at the request of Technip, part of which are included or discussed in this Reference Document.

Persons Responsible for the Release of Financial Information

Investor and Analyst Relations

CS 51650 – 89, avenue de la Grande Armée – 75773 Paris Cedex 16 – France
Phone: +33 (0)1 85 67 43 81
Fax: +33 (0)1 47 78 67 58
E-mail: investor-relations@technip.com

Individual Shareholders Relations:

CS 51650 – 89, avenue de la Grande Armée – 75773 Paris Cedex 16 – France

Phone: +33 (0)1 47 78 66 75
Fax: +33 (0)1 47 78 36 00
E-mail: actionnaires@technip.com

8.4. FINANCIAL COMMUNICATIONS AGENDA

The financial communications agenda for 2016 is as follows:

April 28, 2016	2016 First Quarter Results
April 28, 2016	Annual Shareholders' Meeting
July 28, 2016	2016 Second Quarter and First Six Months' Results
October 27, 2016	2016 Third Quarter Results

8.5. INFORMATION FROM THIRD PARTIES, DECLARATIONS FILED BY EXPERTS AND DECLARATIONS OF INTEREST

To the Company's knowledge, all the information obtained from the sources referred to in this Reference Document has been accurately reproduced. No facts, which would render the reproduced information, in any significant way, inaccurate or misleading, have been omitted.

8.6. RECONCILIATION TABLES

8.6.1. Reference Document

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8.6.2. Annual Financial Report

For the convenience of readers of this Reference Document, the reconciliation table below has been prepared to help identify the information disclosed in the Annual Financial Report, which is required to be published by listed companies on a regulated market pursuant to Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF's General Regulations.

Annual Financial Report	Reference Document
1. Company's annual financial statements	Section 6.3
2. Consolidated financial statements	Section 6.1
3. Management Report (within the meaning of the French Monetary and Financial Code)	Please see reconciliation tables below
4. Statement of persons responsible for the Annual Financial Report	Section 8.1
5. Statutory Auditors' reports on the Company's annual financial statements and the consolidated financial statements	Sections 6.2 and 6.4
6. Communication relating to the Statutory Auditors' fees	Section 8.2 and Section 6.1.6 Note 33 and Section 6.3.6.20
7. Report of the Chairman of the Board of Directors on internal control procedures	Section 4.4
8. Statutory Auditors' report on the report of the Chairman of the Board of Directors on internal control procedures	Section 4.5

8.6.3. Management Report

For the convenience of readers of this Reference Document, the reconciliation table below has been prepared to help identify the information included in the Management Report as required pursuant to Article L. 225-100 et seq. of the French Commercial Code.

Management Report	Reference Document
1. Position and activity of the Company during the past financial year	Sections 1.1, 1.3.1, 1.4 and 1.5
2. Progress made or difficulties encountered	Section 1.3
3. Results relating to the Company's operations and to the operations of its controlled subsidiaries	Sections 1.1, 5.1.2, 5.2.1, 6.1.6 and 6.3
4. Research and Development	Section 1.5
5. Forecasts of the Company's position and outlook	Section 5.2.2
6. Major events that occurred between the balance sheet date and the date of this Reference Document	Sections 5.2, 6.1 and 6.3 Section 6.1.6 Note 34 and Section 6.3.8
7. Company's Management Body	Sections 8.1.1 and 4.1.6 Section 4.4
8. Objective and exhaustive review of the operations, results and financial position of the Company (in particular its financial debt having regard to the volume and complexities of the business) and key performance indicators of a financial nature and, where applicable, non-financial nature (in particular regarding the environment and employees)	Section 5.1
9. Information about the main risks and uncertainties that the Company faces, and notes regarding the Company's use of financial instruments, when the use of such instruments is relevant to the evaluation of its assets, liabilities, financial position, and profits or losses	Section 2
10. Policy of the Company and its controlled subsidiaries regarding financial risk management	Section 2.7.17
11. Exposure of the Company and its controlled subsidiaries to interest rate, credit, liquidity and treasury risks	Sections 2.4, 2.5, 2.6.1 to 2.6.3 and Section 6.1.6 Note 32
12. List of offices or positions held by each of the directors in all companies during the financial year	Section 4.1.1

Management Report	Reference Document
13. Report on employee mandatory profit sharing (as well as those for executives, as the case may be) transactions that were implemented pursuant to its share purchase or subscription options plans reserved for employees and executives, transactions with employees and executives and the percentage of capital owned by those whose shares are held through UCITS	Sections 4.2.1 and 4.3 and Section 3
14. Activity of the Company's subsidiaries and the companies it controls	Section 1.7
15. Disposal of shares in order to equalize crossed equity and the companies controlled by her or controlling interests	None
16. Purchase of significant or controlling interests of companies based in France	Section 1.7.2 Sections 6.3.7 and 6.1.6 Note 2
17. Information relating to the breakdown of the share capital	Section 7.4.1 and Section 6.1.6 Note 20
18. Dividends distributed during the last three financial years	Section 5.3
19. Compensation and other benefits granted to Company's directors	Section 4.2.1
20. In relation to the grant of share purchase or subscription options, information about the decision of the Board of Directors to: ● either prevent executives from exercising their options before they cease employment with the Company; ● or require executives to hold part or all of the shares resulting from options already exercised until they cease employment with the Company	Sections 4.2.1 and 4.3 Section 6.1.6 Note 20
21. In the event of performance shares being granted, information about the decision of the Board of Directors to: ● either prevent executives from selling their performance before they cease employment with the Company; ● or, sets the quantity of these shares that executives are required to hold until they cease employment with the Company	Sections 4.2.1 and 4.3 Section 6.1.6 Note 20
22. Changes made to the format of the financial statements or to the valuation methods used	Section 6.1.6 Note 1
23. Injunctions over, or financial penalties imposed on, the Company for antitrust practices	None
24. Information on how the Company takes into account the environmental and social impact of its activity	Sections 2.3 and 3
25. Information relating to the risk to Technip in the event of interest rate, exchange rate, or share price fluctuations	Section 2.6 and Section 6.1.6 Note 32
26. Information required to be disclosed pursuant to Article L. 225-211 of the French Commercial Code on transactions made by the Company involving its own shares	Sections 7.2.3 and 7.2.5
27. Summary statement of transactions made by executives involving shares of the Company	Sections 4.2.1 and 4.3
28. Table of the Company's results over the previous five years	Section 6.5
29. Summary table of any authorizations granted to increase the Company's share capital that are in force and implementation of these authorizations during financial year 2015	Section 7.2.5
30. Calculation of possible adjustments to conversion rates and the conditions for subscribing or exercising rights to the Company's share capital for securities giving right to share or stock options following certain financial transactions or share repurchases by the Company	Section 6.1 Note 20
31. Information that may have an impact on a public tender offer required pursuant to Article L. 225-100 of the French Commercial Code	Sections 7.3, 7.4.3 and 7.4.4
32. Social information of the Company	Section 3
33. Information relating to terms of payment for suppliers and clients	Section 6.1.6 Notes 16 and 24 Section 6.3.6 Notes 8 and 9

8.6.4. Society and Environmental Report

For the convenience of readers of this Reference Document, the reconciliation tables below have been prepared to help identify social, societal and environmental information as required pursuant to Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Social information		Reference Document
1	Employment	
1.1	Total headcount of workforce and breakdown by gender, age and geographic area	Section 3.4.1.A
1.2	Hiring and redundancies	Section 3.4.1.B
1.3	Remuneration and its changes	Section 3.4.4
2	Work organization	
2.1	Working hours management	Section 3.4.1.A
2.2	Absenteeism	Section 3.4.6
3	Labor relations	
3.1	Management of the Company's social dialogue, in particular the provision of information to employees, their consultation and negotiation procedures	Section 3.4.5.A
3.2	Collective agreements	Section 3.4.5.A
4	Health and safety	
4.1	Health and safety conditions at work	Sections 3.4.6. and 3.4.7
4.2	Health and security agreements entered into with trade unions or staff representatives	Section 3.4.5.A
4.3	Workplace accidents, in particular their frequency, severity, and occupational illnesses	Section 3.4.7
5	Training	
5.1	Policies implemented with respect to training	Section 3.4.2.A
5.2	Total training hours	Section 3.4.2.A
6	Equal treatment	
6.1	Measures taken to promote the equal treatment of women and men	Section 3.4.3.A
6.2	Measures taken to promote the employment and inclusion of disabled employees	Section 3.4.3.C
6.3	Anti-discrimination policies	Sections 3.4.3 and 3.6.3
7	Promotion of and compliance with the fundamental conventions of the International Labor Organization	
7.1	Upholding the rights of freedom of association and of collective bargaining	Section 3.6.3.A
7.2	The elimination of employment discrimination	Section 3.6.3.A
7.3	The elimination of forced labor	Section 3.6.3.A
7.4	The effective abolition of child labor	Section 3.6.3.A

Environmental information		Reference Document
1	General policy in relation to the environment	
1.1	Management of the Company to take into consideration environmental issues, and if applicable, the assessment or certification procedures in relation to the environment	Sections 3.3.5 and 3.5.1
1.2	Information and training programs for employees in relation to the protection of the environment	Section 3.5.9
1.3	Resources devoted to the prevention of environmental risks and pollution	Sections 3.5.5. and 3.5.8
1.4	The amount of provisions made for and guarantees given in relation to environmental risks, provided that such information is not likely to seriously prejudice the Company in any pending litigation	Section 3.5.1.E
2	Pollution and waste management	
2.1	Measures taken to prevent, reduce or repair the effects of discharges into the air, water or soil that would seriously impact the environment	Sections 3.5.3.B, 3.5.3.C, 3.5.4.B, 3.5.5, 3.5.7.D
2.2	Measures taken to prevent, recycle or eliminate waste	Section 3.5.4.C
2.3	Taking into account noise pollution and any other form of pollution specific to an activity	Section 3.5.7.B
3	Sustainable use of resources	
3.1	Water consumption and water supply, taking into consideration any local constraints	Section 3.5.4.A
3.2	Raw material consumption and measures taken to improve the efficiency of raw material use	Section 3.5.7.A
3.3	Energy consumption, measures taken to improve energy efficiency and the use of renewable energies	Sections 3.3.5 and 3.5.3.A
3.4	Land use	Section 3.5.7.D
4	Climate change	
4.1	Greenhouse gas emissions	Section 3.5.3.B
4.2	Adaptation to the consequences of climate change	Sections 3.3.5, 3.5.3.B and 3.5.10
5	Protection of biodiversity	
5.1	Measures taken to protect or develop biodiversity	Section 3.5.6

Societal information		Reference Document
1	Territorial, economic and social impact of the Company's activities	
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1.2	Local communities	Section 3.6
2	The relations between the Company and career guidance associations, academic institutions, environmental preservation agencies, consumer advocacy group and local communities	
2.1	Dialogue with career guidance associations, academic institutions, environmental preservation agencies, consumer advocacy group and local communities	Sections 3.6.1.D and 3.6.4.B
2.2	Partnerships and corporate sponsorships	Section 3.6.4.A
3	Subcontractors and suppliers	
3.1	Measures taken to account for social and environmental issues in the Company's purchasing policy	Section 3.6.2
3.2	The extent of subcontracting and measures taken to account for social and environmental issues in the Company's subcontracting policy	Section 3.6.2.D
4	Fair business practices	
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4.2	Measures taken to ensure the health and safety of consumers	Section 3.3.3
5	Other measures implemented to protect human rights	Section 3.6.3

GLOSSARY

Anti H_2S	The anti H_2S layer is a leak-proof sheath made of a composite material which is placed between the pressure sheath and the pressure vault. The metallic oxide additives within the layer will chemically react with the H_2S entering the "Anti H_2S" sheath after permeation through the pressure sheath. This reaction will act as a barrier to H_2S during all the service life of the flexible pipe.
Bi-metallic	Pipe construction with a corrosion resistant alloy (CRA) layer on the inner surface of the carbon steel pipe. This is obtained either through a CRA liner mechanically bonded to the carbon steel pipe (i.e. Mechanically Lined Pipe – MLP) or through the deposit of CRA metallurgically bonded to the carbon steel pipe inner surface by welding overlay (i.e. Cladded pipe).
Biomass-based fuel	These include, but are not limited to wood, sawdust, grass cuttings, biodegradable domestic refuse, charcoal, agricultural waste, crops and dried manure.
Carbon fiber armor	An exclusive technology for the composition of flexible risers, for use in deepwater, allowing them to weigh 50% less than traditional flexible pipes while offering excellent corrosion and fatigue resistance.
CCS (Carbon Capture and Storage)	The CCS is a solution for reducing greenhouse gas emissions from industrial installations in response to global warming.
CSR (Corporate Social Responsibility)	A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. CSR concerns actions by companies over and above their legal obligations towards society and the environment (definition of the EU Commission).
Deepwater	Water depths greater than 1,500 meters.
Development (of a gas or oil field)	All operations associated with the exploitation of an oil or gas field.
EPC (Engineering, Procurement, Construction)	Type of contract comprising management and engineering services, procurement of equipment and materials, construction.
EPIC (Engineering, Procurement, Installation, Commissioning)	An EPIC or "turnkey" contract integrates the responsibility going from the conception to the final acceptance of one or more elements of a production system. It can be awarded for all, or part, of a field development.
ETH-PiP Technology	Electrically trace heated pipe-in-pipe: a new technology developed and qualified by Technip for use in shallow and deepwater applications alike and qualified by Technip and Total for higher temperature applications. Successful deployment of ETH-PiP will enhance or enable production operability in certain flow and temperature conditions, where subsea pipelines transporting hydrocarbons are liable to blockage through the formation of hydrates or wax.
Ethylene	Widely used in the production of consumer goods, such as plastics or polymers, ethylene is a hydrocarbon produced in the petrochemical industry by steam cracking, i.e. transformation of hydrocarbons by pyrolysis above 820°C.
FEED (Front-End Engineering Design)	Engineering studies whose detail allows the client to launch the bidding process for the execution of the project.
FLNG (Floating liquefied natural gas unit)	In a FLNG solution, the gas liquefaction installations are situated directly above the offshore gas field, thus making the construction of long subsea pipelines and large onshore infrastructure unnecessary.
Floatover	Installation method of an integrated production deck (topsides) on a fixed or floating offshore structure without heavy lift operations.
Flowline	A flexible or rigid pipe, laid on the seabed, which allows the transportation of oil/gas production or injection of fluids. Its length can vary from a few hundred meters to several kilometers.
FPSO (Floating, Production, Storage and Offloading)	A converted ship or custom-built vessel used as a support of oil and gas installations and for temporary storage of the oil prior to transport.
Furnace	A furnace is an enclosed structure in which material is heated to high temperatures to produce ethylene and other products. This occurs in two sections. In the radiant section, the tubes receive heat through thermal radiation and the pyrolysis reaction (cracking) takes place. In the convection section, the flue gas is cooled to deliver high thermal efficiency by recovering the remaining heat.

GK6®	The GK6® coils are designed for liquids cracking with high selectivity for new furnaces and for the modernization of existing furnaces.
Global Compact	International initiative of the United Nations, launched in 2000. It unites public and private businesses around 10 universal principles relating to human rights, labor and the environment. Technip has been an official member of the Global Compact since 2002.
Greenhouse gas	Any of the atmospheric gases that contribute to the greenhouse effect by absorbing infrared radiation produced by the solar warming of the Earth's surface. Greenhouse gases include carbon dioxide, methane, nitrous oxide and water vapor. These gases can be naturally occurring or produced by human activity.
GRI (Global Reporting Initiative)	A group of stakeholders engaged in ensuring that reporting on economic, environmental and social performance by all organizations becomes as stringent and systematic as financial reporting. The GRI achieves this vision by providing a framework for reporting sustainable development. The components of this reporting framework are developed through a comprehensive approach to reaching decisions by consensus among the various stakeholders.
GTL (Gas-to-Liquids)	Transformation of natural gas into liquid fuels (Fischer Tropsch technology).
HDPE	High-density polyethylene.
HSE (Health, Safety and Environment)	Defines all measures taken by Technip to guarantee the occupational health and safety of individuals and the protection of the environment during the performance of its business activities, whether in offices or on construction sites.
HVS (Heave and Vortex-Induced Motion Suppressed) semi-submersible platform	A low-motion semi-submersible platform, reducing the fatigue on risers connected to it, enabling it to support large diameter steel catenary risers in water depths that would not be possible for conventional semis. As such, it is a technology suited to deepwater developments.
Hydrogen	Hydrogen is widely used in petroleum refining processes to remove impurities found in crude oil such as sulfur, olefins and aromatics to meet the product fuels specifications. Removing these components allows gasoline and diesel to burn cleaner and thus makes hydrogen a critical component in the production of cleaner fuels needed by modern, efficient internal combustion engines.
IPB (Integrated Production Bundle)	A patented flexible riser combining multiple functions of production and gas lift, incorporating both active heating and passive insulation. The IPB ensures regular flow in difficult conditions.
ISO 9001	A standard dealing with quality management standards. It sets out the requirements that organizations must meet to comply with the standard.
ISO 14001	A standard dealing with environmental management systems.
Jumper	A short section of pipe for the connection of two subsea structures.
Lean & Six Sigma	To improve competitiveness, Lean focuses on cost and schedule improvement and Six Sigma on quality by reducing defect rate. Technip integrated a quality program based on these methods at the end of 2010.
LNG (Liquefied Natural Gas)	Natural gas, liquefied by cooling its temperature to -162°C, thus reducing its volume 600 times, allowing its transport by boat.
Manifold	A piece of pipe with several lateral outlets and/or inlets for connecting one pipe with others.
MEG (Mono-Ethylene Glycol)	Mono-ethylene glycol is used to control hydrate formation in production fluids.
Natural gas	Consists primarily of methane (CH4) as well as some carbon dioxide and other impurities such as sulfur-based gases.
Petrochemicals	Industry relating to chemical compounds derived from hydrocarbons.
PiP (Pipe-in-Pipe)	Steel pipes assembly consisting of a standard production pipe surrounded by a so-called carrier pipe. The gap between the carrier and production pipes is filled with an insulation material (a high thermal performance material can be used).

Pipeline installation	Technip's fleet masters the three installation methods for rigid pipes: J-Lay (a vertical lay system, in deep water), S-Lay (the most common installation method for steel pipe in medium to shallow water. A horizontal lay from the back of a vessel, under tension, which gives it an "S" configuration) and reeled-lay (an onshore assembly of rigid steel pipeline, made of long sections welded together as they are spooled onto a vessel-mounted reel for transit and subsequent cost-effective unreeling onto the seabed. Minimum welding is done at sea), as well as Flexible-Lay (including the Vertical Lay System – VLS, a proprietary technology for installation of flexible pipes in deep water).
PLET (Pipeline End Termination) or Flowline End Termination	Subsea structure to connect rigid flowline and flexible riser.
PRS (Pipeline Repair System)	This system comprises a wide range of equipment for pipeline repair, both manned and remotely operated, including welding machines, installation structures or pipeline retrieval tools.
Pulse	A program aiming to develop a positive HSE culture through leadership and communication.
Quartz	A quality program aiming to educate, inform and motivate Technip's employees and stakeholders to sustain a culture of excellence and continuous improvement of business of the Group.
Reformer	A reformer (also called steam reformer or steam methane reformer) is a widely used industrial processing device in which a fossil fuel reacts with steam at high temperatures in the presence of a catalyst to produce hydrogen.
Riser	Pipe or assembly of flexible or rigid pipes used to transfer produced fluids from the seabed to surface facilities, and transfer injection or control fluids from the surface facilities to the seabed.
SA 8000 (Social Accountability 8000)	An international standardized code of conduct for improving working conditions worldwide.
Semi-submersible platform	Offshore platform that is stabilized by pontoons whose degree of immersion can be changed through ballasting and de-ballasting.
Shale gas	Natural gas held in shale, rocks made up of thin layers of fine-grained sediments. Shale formations have very low permeability.
SMK™	Technip's proprietary coil technology used in a furnace. Enabling selectivity optimization to obtain very large capacity furnaces. The largest capacity furnace in the world uses SMK™ technology and has a capacity of 210,000 tons per year of ethylene per furnace cell.
Sour water stripper	Removal of H_2S and ammonia from sour water in order to reuse or dispose of it.
Spar	A cylinder-shaped floating offshore drilling and production platform partially submerged that is particularly well-adapted to deep water by using top tensioned risers and surface wellheads.
Spool	Short length pipe connecting a subsea pipeline and a riser, or a pipe and a subsea structure.
Spoolbase	A spoolbase is primarily used for the fabrication and spooling of rigid pipe onto vessels with Reel-lay capability.
SSIV	Subsea Isolation Valve.
SST (Spiral Stacket Turret)	A flexible hose-based alternative to the traditional mechanical swivel stack to be used in floating units.
Steam methane reforming	See definition of Reformer hereabove.
SURF	Subsea Umbilicals Risers and Flowlines.
Sustainable Development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Definition from the United Nations' 1987 Report of the World Commission on Environment and Development).
Synthesis gas	Gas mixture that primarily contains varying amounts of hydrogen and carbon monoxide and often some carbon dioxide.
Technip PMC (Project Management Consultancy)	Technip's business unit in charge of assisting its customers in achieving their business objectives, from the Technology & Licensor selection phase to the management of multinational consortia in the execution and successful delivery of world-scale, lump sum turnkey projects.
Template	A steel protection structure with integrated manifolds and wellheads.

Teta wire	Wire with a specific, patented, T-shape used in flexible pipe to resist the radial effect of the internal pressure. Used for high pressure and harsh environments.
TLP (tension leg platform)	Floating production platform anchored by tendons (tensioned pipe), thus limiting vertical movement caused by the severe environment. This platform design allows for the well heads to be located at the surface, on the platform.
Topside	Surface installation allowing the drilling and/or production and/or processing of offshore hydrocarbons.
Umbilical	An umbilical is an assembly of steel tubes and/or thermoplastic hoses which can also include electrical cables or optic fibers used to control subsea structures from a platform or a vessel. Umbilical systems are the critical link in subsea operations, relaying power, communications and chemicals between hydraulic-operated equipment on the seafloor and a platform or support vessel.
Unideck® floatover	Installation method of an integrated production deck (topsides) onto a fixed structure developed by Technip which permits installation in difficult sea conditions (long period swells) using a system of jacks to lower the topsides rapidly into place.
USC®	During the last 10 years, USC® coil technology has been installed in 60 furnaces, preferred for high-capacity, low-cost liquid and gas cracking capabilities.
Wye piece	A connection between two pipelines which allows pigging to be performed from either of the pipelines.

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89, avenue de la Grande Armée • 75116 Paris – France • Tel.: +33 (0)1 47 78 24 23
589 803 261 RCS Paris • SIRET 589 803 261 00223

www.technip.com

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