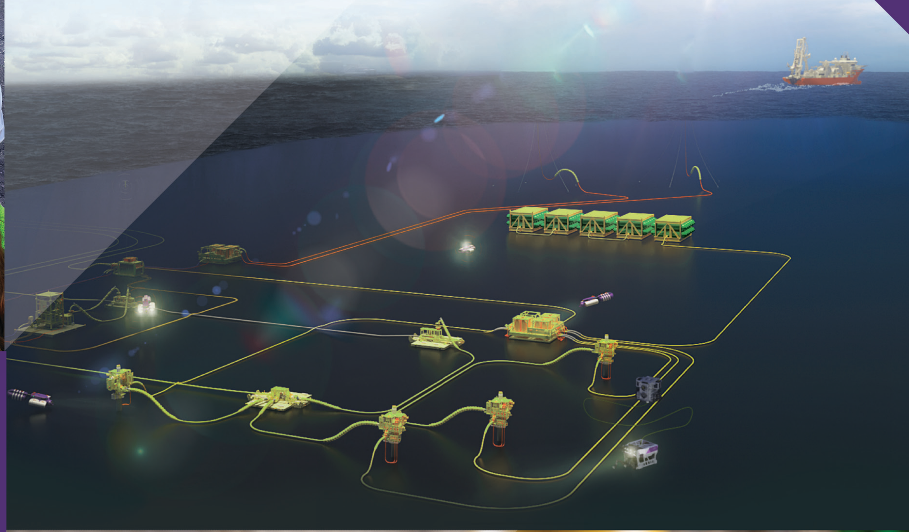

The energy architects

U.K. Annual Report and Accounts for the year ended December 31, 2021

This U.K. Annual Report and Accounts of TechnipFMC plc ("**TechnipFMC**," the "**Company**," "**we**," or "**our**") comprises the Strategic Report, Directors' Report, Directors' Remuneration Report, and the TechnipFMC plc consolidated IFRS financial statements contained herein ("**U.K. Annual Report**").

This U.K. Annual Report is available for inspection at ***www.technipfmc.com*** and will be included in the materials for the 2022 annual general meeting of shareholders to be held on April 29, 2022 (the "**2022 Annual Meeting**").

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Strategic Report

Letter from Our Chair and CEO

March 18, 2021

Dear Shareholders,

2021 was a breakout year for TechnipFMC. It began with the partial spin-off of Technip Energies and ended with our Surface Technologies business winning its largest-ever contract. It was a year in which we achieved significant order growth in our Subsea segment, coupled with solid project execution. In November, we held an Analyst Day where we outlined our solid future in traditional oil and gas markets and opportunities in new energy through the creation of new energy ventures ("**NEV**"). Once again, our Company's progress was made possible thanks to the women and men of TechnipFMC. Through innovation, integration, and collaboration, we continue to drive change in the energy industry.

Against this background, total Company inbound orders grew by an impressive 33%, validating our view that we are at the start of a multi-year upcycle for energy demand which we expect to drive a strong inbound order cycle until at least 2025.

The spin-off at the start of the year created two industry-leading pure-play companies, with TechnipFMC established as a leading technology provider to the traditional and new energy industries, delivering fully integrated projects, products, and services. We have since generated more than $1 billion from the sale of our remaining stake in Technip Energies; and we are committed to monetizing our remaining 7% stake.

Analyst Day provided a comprehensive update on the path forward for TechnipFMC. We highlighted how our integrated Engineering, Procurement, Construction, and Installation ("**iEPCI™**") model has positioned us as the partner of choice. We demonstrated how industrialized products such as Subsea 2.0™ are transforming our operations, and lowering the carbon footprint of conventional oil and gas developments. We introduced NEV, where our core competencies position us for the development of greenhouse gas ("**GHG**") reduction, offshore floating renewables, and hydrogen. And we laid out the significant potential we see for TechnipFMC across both the conventional oil and gas and the new energy markets.

Achievements

In Subsea, full-year inbound of $5 billion increased nearly 25% versus 2020, with more than half of our inbound orders coming from iEPCI™, direct awards, and Subsea Services. The improved inbound orders reflected continued strength in South America. We also experienced further adoption of iEPCI™, with increased geographic expansion.

Our proprietary iEPCI™ model has become the industry standard and it continues to lead the market. We received our first integrated award in Brazil – for Karoon's Patola – and there were four other iEPCI™ awards, including Petronas's Limbayong and Tullow's Jubilee South East development. Our partnership with Saipem further strengthens our leadership in iEPCI™ and completes our pipelay ecosystem. We continue to see Brazil as a key area of growth, where long-term vessel charters and large pipe contracts reinforce our relationship with Petrobras. In another important growth area, Guyana, we had our fourth consecutive award with ExxonMobil.

Technology leadership helps us to deliver unique solutions for clients and reach new milestones for our Company. Subsea 2.0™ trees have now been installed in Brazil, the Gulf of Mexico, and Australia, and we dedicated our existing production line in Malaysia to Subsea 2.0™. We also had milestones in subsea tree production, with the 1,300th manufactured in the United Kingdom, and the 700th in Brazil.

Our technology also won industry recognition. GEMINI® ROV collected an NOIA Safety in Seas award. The Odassea™ subsea fiber optic sensing solution, developed in partnership with Halliburton, won an OTC Spotlight on New Technology Award – our 18th since 2005.

To support our energy transition ambitions – particularly in hydrogen and carbon transportation – and address challenges in Brazil's pre-salt fields, we fully acquired Magma Global and are qualifying corrosion-resistant hybrid flexible pipe ("**HFP**") to be deployed in these applications.

Surface Technologies demonstrated strength, particularly internationally. Full-year inbound of $1.8 billion was an increase of nearly 70% on 2020. The 10-year framework agreement with ADNOC is the business segment's biggest contract ever, and is an endorsement of a relationship that extends more than 40 years. The Middle East represents one of our largest opportunities this decade. The opening of our new facility in Saudi Arabia in December reflects our strong relationship with Saudi Aramco, and demonstrates our commitment to developing a diverse and capable local workforce.

In North America, our recently launched E-Mission™ digital solution is the next level of optimization for surface production facilities. Using process automation and data, the system provides constant monitoring and adjustments in real time to minimize flaring by up to 50% while maximizing oil production. The technology is core to our iProduction™ offering and can be applied in existing facilities globally.

Energy transition

The launch of NEV demonstrates how we are leveraging our subsea and surface competencies to help clients in new energies. We estimate a market potential of $80 billion by the end of 2030 in our target areas – GHG reduction, offshore floating renewables, and hydrogen. We also announced that we will approach these opportunities with iONE™ – integrated Offshore Novel Energies – which will serve as our execution model for the new energy space.

In 2021, we accelerated in each target area. In GHG, we partnered with Talos Energy to address the industry's first carbon capture and storage projects in the Gulf of Mexico. In offshore floating renewables, we are collaborating with Magnora in wind, and that partnership has already had success in the ScotWind Leasing Round Application, with an option which when fully developed will have a total capacity that could power more than 600,000 homes. Also in offshore floating renewables, we are partnering with Bombora in floating wave power, as well as investing in Orbital Marine Power's tidal power technology. In hydrogen, we worked with EDP on the BEHYOND wind-to-hydrogen project, while our proprietary Deep Purple™ offering is entering a critical pilot phase and represents an excellent example of integrated project execution utilizing iONE™.

Environmental, Social, and Governance ("ESG")

Our approach to ESG is based upon transparency and accountability. Broad long-term ambition is simply not enough – we need real impactful change now. We support our 50 by 30 ambition with a three-year revolving scorecard to ensure meaningful progress is realized in the short-term across E, S and G. I'm proud to say 2021 is the first year covered by our latest three-year ESG scorecard, and we are already making quantifiable progress. We have taken actions to reduce our environmental impact, to support the communities where we live and operate, to improve and respect diversity and inclusion in our company, to reinforce our health and safety culture, and to reaffirm our commitments to respecting human rights and to corporate governance. Our ESG scorecard provides transparency, and linking the results to compensation ensures accountability.

Looking forward

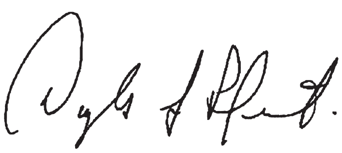
After a very successful 2021, we are confident that we will see continued order growth in 2022, with the potential for Subsea inbound to reach $8 billion in 2025. Our near-term Subsea Opportunity list has expanded to a record level of more than $20 billion, providing increased visibility into the middle of the decade. Already this year, we have announced the Búzios 6 EPCI for Petrobras and the Smørbukk Nord iEPCI™ for Equinor, and we anticipate receiving final inbound of ExxonMobil's Yellowtail – one of the 10 largest subsea awards this century. Subsea Services will be a central part of the mix, driven by growth in our core installation and maintenance services, which follow project awards.

The industrialization of our Subsea 2.0™ products, which leverages our Configure-to-Order ("**CTO**") model to deliver the efficiencies of standardization while catering to clients' unique requirements, means we bring a more competitive offering to the market. Manufacturing throughput has the potential to double with CTO, further reducing delivery time. We estimate that Subsea 2.0™ trees will make up 50% of tree inbound orders over the next two years.

We continue to pave the way forward with the introduction of new subsea technologies, including all-electric systems. Electrification offers advantages to all subsea wells and is particularly well suited for the development of long tie-backs, gas fields, water injection, and carbon transportation and storage.

The energy architects

Since our inception in 2017, we have been driving change in the energy industry. We are the energy architects, known for our ability to execute and integrate complex systems, whether that be in conventional oil and gas, where we have decades of experience, or as we accelerate our contributions to the energy transition. Our goal is to create shareholder value by serving our clients, transforming their project economics, and helping them to meet the energy needs of today and tomorrow.



Douglas J. Pferdehirt
Chair and Chief Executive Officer

2021 At-a-Glance

Strategic Transaction

Completed the separation of TechnipFMC into two industry-leading, pure-play companies through the spin-off of Technip Energies on February 16, 2021 (the "**Spin-off**").

During 2021, we sold approximately 75% of the original ownership stake in Technip Energies for proceeds of $900.9 million. As of December 31, 2021, we retained 12.2% ownership of Technip Energies' issued and outstanding share capital. In January 2022, we sold an additional 9 million Technip Energies shares for total proceeds of $135.1 million. Upon completion of the January sale, we retained a direct stake of 12.9 million shares, representing 7.1% of Technip Energies' issued and outstanding share capital. As of March 16, 2022, the value of our investment in Technip Energies was $110.5 million.

On January 10, 2022, we announced that following a comprehensive review of the Company's strategic objectives, we were proceeding with the voluntary delisting of our shares from Euronext Paris. The delisting was completed on February 18, 2022.

ESG

Appointed Sophie Zurquiyah to the Board

- Announced our aim to reduce our Scope 1 and Scope 2 greenhouse gas ("**GHG**") emissions by 50% by 2030
- Included an ESG metric in our annual cash incentive plan, to directly link our compensation program to our ESG commitments and objectives
- Enhanced commitment to diversity and inclusion across the organization

Market Leadership

Subsea

Achieved inbound orders of $5 billion, including contract awards for:

- ExxonMobil Yellowtail project in Guyana
- Petrobras Búzios 6-9 fields project in Brazil
- Tullow Jubilee South East project in Ghana

Surface Technologies

Achieved inbound orders of $1.8 billion driven by increased international award activity

- International business highlights:
  - Awarded largest-ever Surface Technologies contract for wellheads, trees, and associated services by ADNOC, underscoring our relationship of over four decades
  - Successful expansion of our manufacturing capabilities in Saudi Arabia, furthering our partnership with Saudi Aramco
- North America business highlights:
  - Further market adoption of iComplete™ ecosystem, enabling significant cost savings versus traditional work scope
  - Continued digital transformation to monitor, measure, and reduce the carbon footprint of oil and gas operations through our E-Mission™ solution

Energy Transition

Since our inception as an integrated company in 2017, we have been pursuing innovation that improves project economics while reducing emissions within the conventional energy space. We have also been positioning TechnipFMC for the energy transition with differentiated solutions that leverage our core competencies and existing resources. With our introduction of New Energy Ventures, we will accelerate and grow our contribution to this rapidly evolving market through three main pillars of greenhouse gas removal, offshore floating renewables, and hydrogen. We will leverage our subsea and surface expertise in project integration to approach these new opportunities with a new execution model, integrated Offshore Novel Energies ("**iONE™**"). We are making solid and tangible progress in establishing a clear path for TechnipFMC in the energy transition.

2021 Compensation Highlights

Our compensation program is designed to directly link our Chair and CEO's pay to his performance and the achievement of TechnipFMC's overall performance and business strategies to create and preserve value for our shareholders.

In 2021, our Chair and CEO led the successful completion of the Spin-off of Technip Energies and the emergence of TechnipFMC as an industry-leading, fully integrated technology and services provider, unlocking significant long term growth potential and shareholder value. The ability to focus on our distinct and expanding market opportunities and customer base and our compelling and distinct investment profile has poised us for significant growth and positioned us to capitalize on the energy transition.

During the year, we continued our successful transformation of the subsea industry through our integrated model, expanded our strategic alliances and partnerships, transformed our operating model through industrialization and standardization, and advanced technology and innovation through digital integration. We introduced New Energy Ventures, where we will accelerate and grow our contribution to the energy transition. We also committed to our ESG goals with our three-year ESG scorecard and our 50 by 30 commitment – targeting a 50% reduction in Scope 1 and 2 CO_2 equivalent emissions by 2030.

Against this backdrop, the Compensation and Talent Committee took several actions in 2021 to align with the Company's business objectives and shareholder interests, align with our ESG goals, and position the business for future success.

Continued overleaf >

Compensation Actions in 2021 That Supported Key Business Strategies

Introduced ESG Performance as a performance measure in our 2021 Annual Incentive Plan

- In 2021 we directly linked our three-year strategic objectives around our ESG scorecard to the Annual Incentive Plan. The scorecard includes specific, measurable and challenging goals to reduce our environmental impact, to support the communities where we live and operate, to improve and respect diversity and inclusion in our Company, to reinforce our health and safety culture, and to reaffirm our commitments to respecting human rights and to corporate governance.
- 25% of the Annual Incentive Plan payout will be based on performance relative to this scorecard, thus creating a meaningful link between ESG results and our Chair and CEO's compensation.
- Our ESG scorecard provides transparency, and linking the results to compensation ensures accountability.

Aligned Annual Incentives to Financial Strategic Priorities

- We included Adjusted EBITDA as a Percentage of Revenue and Free Cash Flow as performance measures in our Annual Incentive Plan, each component weighted at 25%.
- Adjusted EBITDA as a Percentage of Revenue drives profitability and sustainability of our business and drives us to leverage cost efficiencies. Generation of cash is a key priority to maintain our financial health and liquidity of the Company, generate returns to shareholders, and provide us with capital to make strategic investments in the future.

Continued to align Long-Term Incentive Compensation with Shareholder Returns

- 70% of the 2021 Long-Term Incentive grant is performance-based and based on achievement of 2021 - 2023 relative TSR targets.
- A higher weighting of performance-based equity compared to market prevalence strengthens the alignment of our program with shareholder interests.

Ended Temporary Reduction in Compensation

- In May 2020, in response to the business downturn during the COVID-19 pandemic, the Compensation and Talent Committee temporarily reduced the base salary for our Chair and CEO by 30%. The previous salary was reinstated on January 1, 2021.

Incentivized our Chair and CEO to ensure stability and continuity to execute on our strategy post Spin-off

- Our Chair and CEO is critical to our future success as he provides deep company and industry expertise. Mr. Pferdehirt has been responsible for our transformation into a fully integrated leader in technology and innovation, successful completion of the Spin-off, and has well positioned the Company for future growth and the energy transition.
- One of the key priorities for the Committee was retention, motivation and continuity of our Chair and CEO to achieve ambitious organizational transformation and strategic growth, against a backdrop of significant volatility and uncertainty in the energy industry. While there were no changes to base salary or incentive targets, the Committee awarded a one-time enhancement to the long-term incentive grant for Mr. Pferdehirt to enhance the retention provided from unvested long-term incentives and recognize his contribution to the Spin-off transaction.

2021 Financials[1]

Total Company	Subsea	Surface Technologies
Results	**Results**	**Results**
▸ Inbound orders of $6.8 billion, driven by early stages of broad market demand recovery ▸ Strong focus on cash generation helps drive full-year cash flow[2] of $639.6 million ▸ Introduction of New Energy Ventures business to accelerate and grow opportunities in energy transition	▸ Inbound orders increased 24% year-over-year, including award of first iEPCI™ project in Brazil ▸ Strong industry adoption of iEPCI™ expanded our number of alliances and partnerships ▸ Extended Subsea 2.0™ across portfolio to include all system level components and all-electric system	▸ Inbound orders increased 69% year-over-year, with a multi-year contract from ADNOC, the segment's largest ever award ▸ International revenue increased to 69% of segment, led by higher activity in the Middle East ▸ Advanced digital transformation with the introduction of E-Mission™ solution for removal of greenhouse gas emissions

(1) Inbound and backlog as of December 31, 2021 are as reported in our Annual Report on Form 10-K.
(2) Cash flow from operations minus capital expenditures.

2021 total Company inbound orders of $6.8 billion increased 33% compared to 2020. The significant increase resulted in part from the improved outlook for energy demand as global activity responded to pandemic mitigation and economic stimulus efforts. Subsea inbound orders improved 24% and experienced a resumption of growth in service activity. Surface Technologies inbound orders increased 69% versus the prior year and included the largest-ever contract for the segment, a multi-year award from Abu Dhabi National Oil Company (ADNOC).

Revenue of $6.4 billion was down modestly compared to 2020, decreasing by $124 million. Subsea revenue decreased 3% due to lower project activity, partially offset by increased activity in Surface Technologies where international revenue accounted for 69% of the segment.

Operating results in 2021 of $185.1 million improved when compared to the prior year primarily due to the significant reduction in non-cash impairment charges and lower restructuring and other charges. Results also benefited from the mitigation of COVID-19 impacts, cost reduction initiatives, and increased installation and services activity.

Backlog increased 5% compared to 2020. Subsea backlog ended 2021 at $6,533 million, with more than $3,908 million scheduled for execution beyond 2022. Backlog for Surface Technologies increased 172% to $1,125 million. Our significant backlog provides solid revenue visibility in future periods.

For additional details regarding the Company's 2021 financial performance, please see the section entitled "*Consolidated Financial Statements*."

Company Overview

TechnipFMC plc, a public limited company incorporated and organized under the laws of England and Wales, with registered number 09909709, and with registered office at Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, United Kingdom ("**TechnipFMC,**" the "**Company**," "**we**," or "**our**") is a global leader in the energy industry, delivering projects, products, technologies, and services. With our proprietary technologies and production systems, integrated expertise, and comprehensive solutions, we are transforming our customers' project economics. We have operational headquarters in Houston, Texas, United States, and in 2021 we principally operated across two business segments: Subsea and Surface Technologies.

We are uniquely positioned to deliver greater efficiency across project lifecycles, from concept to project delivery and beyond. Through innovative technologies and improved efficiencies, our offering unlocks new possibilities for our customers in developing their energy resources and in their positioning to meet the energy transition challenge.

Enhancing our performance and competitiveness is a key component of our strategy, which is achieved through technology and innovation differentiation, seamless execution, and reliance on simplification to drive costs down. We are targeting profitable and sustainable growth by seizing market growth opportunities and expanding our range of services. We are managing our assets efficiently to ensure we are well-prepared to drive and benefit from the opportunities in many of the markets we serve.

Each of our more than 20,000 employees is driven by a steady commitment to clients and a culture of project execution, purposeful innovation, challenging industry conventions, and rethinking how the best results are achieved. This leads to fresh thinking, streamlined decisions, and smarter results, enabling us to achieve our vision of enhancing the performance of the world's energy industry.

History

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

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

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

In 2017, our first year as a merged company, TechnipFMC secured several project awards as many operators moved forward with final investment decisions for major onshore projects and subsea developments. Several of the subsea awards incorporated the use of our integrated approach to project delivery, validating our unique business model aimed at lowering project costs and accelerating the delivery of initial hydrocarbon production. This was made possible by bringing together the complementary subsea work scopes of the merged companies.

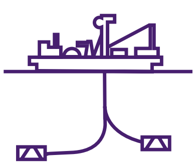
In 2018, TechnipFMC delivered the industry's first three full-cycle, integrated projects and realized considerable growth in Subsea order inbound, driven in part by its unique integrated offering, integrated Engineering, Procurement, Construction, and Installation ("**iEPCI™**"). For all of 2019, the value of integrated subsea awards to TechnipFMC more than doubled versus the prior year, representing more than 50% of all Subsea project order inbound. The increase was driven by a wider adoption of the integrated business model, particularly by those clients with whom we have unique alliances. With the industry's most comprehensive and only truly integrated subsea market offering, we have continued to expand the deepwater opportunity set for our clients.

On August 26, 2019, we announced our intention to separate into two diversified pure-play market leaders – TechnipFMC, focused on subsea and surface hydrocarbon production, and Technip Energies, focused on downstream engineering, procurement, and construction project execution.

On February 16, 2021, we completed the separation of the Technip Energies business segment. The transaction was structured as a spin-off (the "**Spin-off**"), which occurred by way of a pro-rata dividend (the "**Distribution**") to our shareholders of 50.1% of the outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC held at 5:00 p.m., New York City time on the record date, February 17, 2021. Immediately following the completion of the Spin-off, we owned 49.9% of the outstanding shares of Technip Energies. During 2021, we sold approximately 75% of the original ownership stake in Technip Energies for proceeds of $900.9 million. As of December 31, 2021, we retained 12.2% ownership of Technip Energies' issued and outstanding share capital. In January 2022, we sold an additional 9 million Technip Energies shares for total proceeds of $135.1 million. Upon completion of the January sale, we retained a direct stake of 12.9 million shares, representing 7.1% of Technip Energies' issued and outstanding share capital. As of March 16, 2022 the value of our investment in Technip Energies was $110.5 million.

On January 10, 2022, we announced that following a comprehensive review of the Company's strategic objectives, we were proceeding with the voluntary delisting of our shares from Euronext Paris. The delisting was completed on February 18, 2022.

Business Segments



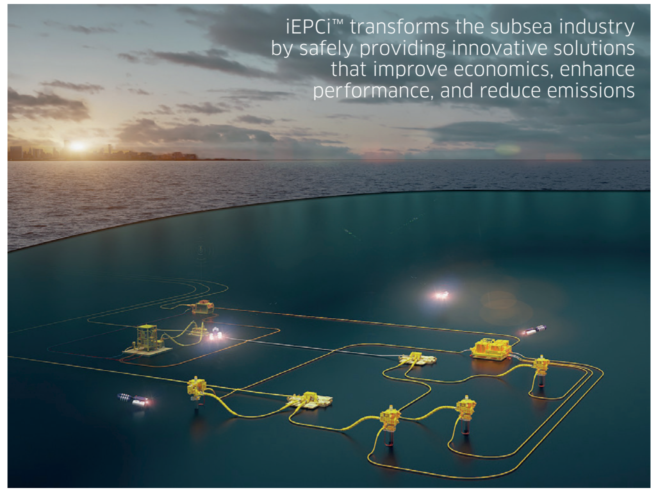
Subsea

We are transforming subsea energy production by safely providing innovative solutions that improve economics, enhance performance, and reduce emissions. As a fully-integrated technology and services provider, we continue to drive responsible energy development.

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

We are an industry leader in front-end engineering and design ("**FEED**"), subsea production systems ("**SPS**"), subsea flexible pipe, subsea umbilicals, risers, and flowlines ("**SURF**") and subsea robotics. We also have the capability to install these products and related subsea infrastructure using our fleet of highly specialized vessels. By integrating the SPS and SURF work scopes, we are able to drive greater value to our clients through more efficient field layout and execution of the installation campaign. This capability, in conjunction with our strong commercial focus, has enabled the successful market introduction of an integrated subsea business model, iEPCI™, which spans a project's early phase design through life of field services.

Through integrated Front End Engineering, and Design studies, ("**iFEED™**"), we are uniquely positioned to influence project concept and design. Using innovative solutions for field architecture, including standardized configurable equipment, new technologies, digital services, and simplified installation, we can significantly reduce subsea development costs and accelerate time to first production.



iEPCI™ is our unique, fully integrated approach to designing, managing, and executing subsea projects. By combining complementary skills with innovative technologies, we boost efficiency, lower costs, and accelerate time to first oil and gas for our clients. As the first and only subsea provider to integrate SPS with SURF and a fleet of installation vessels, we successfully created a new market opportunity in 2016 through our iEPCI™ offering. iEPCI™ projects are partnerships based on knowledge sharing and mutual trust. Success is based on early engagement and a collaborative, cooperative approach, both internally and with our clients.

Our first-mover advantage and ability to convert iFEED™ studies into iEPCI™ contracts, often as direct awards, creates a unique set of opportunities for us that are not available to our peers. This allows us to deliver a fully integrated – and technologically differentiated – subsea system, and to better manage the complete work scope through a single contracting mechanism and a single interface, yielding meaningful improvements in project economics and time to first oil.

We continue to support our clients following project delivery by offering aftermarket and life of field services. Our wide range of capabilities and solutions, including integrated life of field, or iLOF™, allows us to help clients increase oil and gas recovery and equipment uptime while reducing overall cost. Our iLOF™ offering is designed to unlock the full potential of subsea infrastructures during operations by transforming the way subsea services are delivered and proactively addressing the challenges operators face over the life of subsea fields. We provide production optimization, asset life extension insight, proactive de-bottlenecking, and condition-based maintenance.

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

Subsea segment products and services

Subsea Production Systems

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

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

Subsea Processing Systems

Our subsea processing systems, which include subsea boosting, subsea gas compression, and subsea separation, are designed to accelerate production, increase recovery, extend field life, lower greenhouse gas emissions, and/or lower operators' production costs for greenfield, subsea tie-back and brownfield applications. To provide these products, systems, and services, we utilize our engineering, project management, procurement, manufacturing, and assembly and test capabilities.

Subsea umbilicals, risers, and flowlines

We are a leading provider of SURF infrastructure. We develop, engineer, manufacture and install umbilicals, rigid pipelines, and flexible pipes, connections, and tie-ins for subsea systems. Our rigid pipes are installed using our fleet of differentiated rigid pipelay vessels and are designed to optimize flow assurance through innovative insulation coatings, electric trace heating, plastic liners, and pipe-in-pipe systems.

Our vessels will typically perform the installation of the flexible pipes and umbilicals, but we also sell these products directly to energy companies or to other vessel operators. We offer a comprehensive range of umbilical systems including steel tube umbilicals, thermoplastic hose umbilicals, power and communication systems, and hybrid umbilicals. We are also qualifying a hybrid flexible pipe system, which is highly resistant to corrosive compounds, and will extend the operating envelope of flexible systems while reducing cost and weight.

Vessels

We have a fleet of 17 vessels that are used for the installation and servicing of our products. We have sole ownership of nine vessels, ownership of six vessels as part of joint ventures, and two vessels operated under charter agreements.

Deep Energy, TechnipFMC's state-of-the-art pipelay vessel

Subsea Services

Subsea Services provides a portfolio of well and asset services that drive value and efficiency throughout the life of our clients' subsea development cycle. Our vision is to deliver customer service excellence every day, with the purpose of maximizing the performance of our clients' well and asset operations. Well Services include all service offerings for the well:

- ROV Services: remotely operated vehicle ("**ROV**") drill support services, enabled by Schilling Robotics, TechnipFMC's underwater robotics group;
- Drilling Services: exploration and production wellhead systems and services; and
- Installation Services: Installation of trees and tubing hangers, and completion of the well.

Asset Services include all service offerings for the asset:

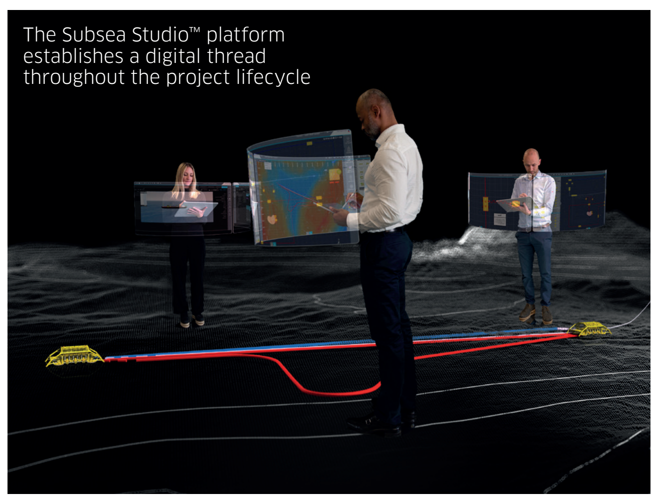
- Maintenance Services: test, modification, refurbishment, and upgrade of subsea equipment and tooling;
- Asset Integrity Services: optimizing the performance of the subsea asset through product and field data, including inspection, maintenance, and repair ("**IMR**"); and
- Production Management Services: enhanced well and field production, including real-time virtual metering and flow assurance services.

Intervention and Plug and Abandonment Services:

- Rig and vessel-based well intervention services and subsea plug and abandonment.

Subsea Studio™ Digital Platform

Through Subsea Studio™, we connect data, technology, and expertise to optimize the development, execution, and operation of current and future subsea fields. Our open and connected ecosystem can exchange data efficiently with suppliers, partners, and clients, providing immediate access to relevant information, and improving efficiency and quality of decisions and planning. Subsea Studio™ establishes a data flow, or a "digital thread," that connects applications using common data models throughout a project's lifecycle. Each decision is data-driven and each piece of actionable data is made readily available. We utilize this data to create value for our clients through efficiency gains, optimized productivity, and increased reliability.


The Subsea Studio™ platform establishes a digital thread throughout the project lifecycle

Our Subsea Studio™ portfolio of digital solutions is comprised of:

- Subsea Studio™ FD, which combines our subsea expertise and digital technologies to design, optimize, and select the best field development, thereby increasing quality and reliability and accelerating time to first oil;
- Subsea Studio™ EX, which increases execution efficiency and speed by using a data-centric approach, automation, collaboration, and seamless interfaces; and
- Subsea Studio™ LOF, which enhances performance and production targets through digitally enabled operations and services.

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Research, Engineering, Manufacturing, and Supply Chain ("REMS")

REMS is an organization formed in 2019 to support accelerated technology development and manufacturing innovation. We accomplish this by reducing the cycle-time of engineering and manufacturing our products, including working with our suppliers to reduce their costs, and optimizing our processes and workflow management. Through REMS, we are focused on challenging existing technologies and implementing world-class manufacturing practices, including LEAN and process automation, to improve reliability while reducing total product cost and lead time to delivery. Our REMS organization supports both our Subsea and Surface Technologies segments.

Product Management

In 2019, we established a Product Management function to expand our capabilities to assess, define, and deliver the technologies and products of the future. This helps our REMS organization and Subsea and Surface Technologies businesses to drive the understanding of customer requirements, the competitive landscape, and investment prioritization.

Dependence on Key Customers

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

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

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

The commitment to our customers goes beyond project delivery, and we nurture these alliances with transparency and collaboration to better understand their needs to ensure customer success.

No single Subsea customer accounted for 10% or more of our 2021 consolidated revenue.

Competition

We are the only fully integrated company that can provide the complete suite of subsea production equipment, umbilicals, and flowlines with the complete portfolio of installation and LOF services, enabling us to develop a subsea field as a single company. We compete with companies that supply some of the components, as well as installation companies. Our competitors include Aker Solutions ASA, Baker Hughes Company ("**Baker Hughes**"), Dril-Quip, Inc., McDermott International, Inc. ("**McDermott**"), National Oilwell Varco, Oceaneering International, Inc., Schlumberger Limited ("**Schlumberger**"), and Subsea 7 S.A.

Seasonality

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

Market Environment

Our Subsea inbound orders in 2021 increased more than 20% versus the prior year reflecting the continued offshore market recovery and expansion. Innovative approaches to subsea projects, like our iEPCI™ solution, have improved project economics, and many offshore discoveries can be developed economically well below today's crude oil prices. We believe deepwater development is likely to remain a significant part of many of our customers' portfolios.

As the subsea industry continues to evolve, we have taken actions to further streamline our organization, achieve standardization, and reduce cycle times. The rationalization of our global footprint will also further leverage the benefits of our integrated offering. We aim to continuously align our operations with activity levels, while preserving our core capacity in order to deliver current projects in backlog and fulfill future orders.

While still impacted by the pandemic, economic activity improved over the course of 2021. Increased global demand and production curtailments by the OPEC+ countries have resulted in improved oil prices, which in turn supports market supply growth. Long-term demand for energy is forecast to rise, and we believe this outlook provides our customers with the confidence to increase investments in new sources of oil and natural gas production.

Strategy

We are transforming subsea energy production by safely providing innovative solutions that improve economics, enhance performance, and reduce emissions.

The energy landscape is evolving rapidly, yet oil and gas will remain important to the energy mix in the decades to come. Our vision for Subsea, which is focused on our integrated offering and enabled by our digital solutions and innovative products, unlocks new possibilities for growth in both oil and gas and in new energy sources. By capitalizing on our subsea expertise, core competencies, and integration capabilities, we will empower the production of oil and gas and new energies, while reducing carbon emissions.

Through our established Subsea services and our transformative offerings including iEPCI™ and Subsea 2.0™, we are making all types of energy produced offshore more sustainable, economical, and competitive.

As we look to the future, we remain focused on our innovative technologies and solutions, client relationships, and execution excellence. We will accomplish this by:

- Developing and empowering our people;
- Becoming a data-centric organization;
- Advancing automation and robotics; and
- Working towards all-electric fields.

Product Development

We are industrializing our Subsea business with Subsea 2.0™ by using pre-engineered modular architectures to achieve a fully flexible suite of product offerings, while making an evolutionary shift from unique project requirements to a Configure to Order ("**CTO**") execution model.

Our Subsea 2.0™ configurable product platform consists of pre-engineered products designed to provide the flexibility to accommodate customer needs and functional requirements, combining field-proven and new technologies.

Our CTO execution model requires no product engineering work to deliver these configurable products to our clients, ensuring quality, manufacturing, supply chain, and services are fully industrialized to deliver the value offered with Subsea 2.0™.

Our CTO Subsea 2.0™ program attributes include:

- Pre-engineered standard configurations;
- Pre-approved and qualified supply chain;
- Pre-defined quality, code, and surveillance requirements;
- Optimized manufacturing with dedicated capacity; and
- Pre-defined and developed services.

Pivoting from bespoke Engineer to Order ("**ETO**") solutions unique to every project to pre-engineered CTO products, we can leverage the efficiencies our execution model creates and bring value to our clients through reduced lead time, an optimized execution model, and improved predictability and reliability for delivery.

Acquisitions and Partnerships

Acquisitions

In 2018, we entered into a joint venture with Island Offshore Management AS ("**Island Offshore**") called TIOS AS. In August 2021, we acquired the remaining 49% interest in TIOS AS at a total price of $48.6 million. This will accelerate the development of TechnipFMC's integrated service model focused on maximizing value to our clients.

In 2018, we entered into a collaboration agreement with Magma Global Ltd. ("**Magma Global**") to develop a new generation of hybrid flexible pipe for use in the traditional and new energy industries. As part of the collaboration, we purchased a minority ownership interest in Magma Global. In October 2021, we purchased the remaining ownership interest in Magma Global for $64 million.

Partnerships

Refer to the "*Other business information relevant to our business segments*" section of this U.K. Annual Report for information about our partnerships.

Surface Technologies

The Surface Technologies segment designs, manufactures, and services products and systems used by companies involved in land and shallow water exploration and production of crude oil and natural gas. Our Surface Technologies product families include drilling, stimulation, production, measurement, and services. We manufacture most of our products internally in facilities located worldwide.

Principal Products and Services

Drilling

We provide a full range of drilling and completion systems for both standard and custom engineered applications. The customer base of our drilling and completion offerings is oil and gas exploration and production companies.

Surface Wellheads and Production Trees

Our products are used to control and regulate the flow of crude oil and natural gas from the well. The wellhead is a system of spools and sealing devices from which the entire downhole well string hangs and provides the structural support for surface production trees. Production trees are comprised of valves, actuators and chokes which can be combined into various configurations, depending on customer-specific requirements.

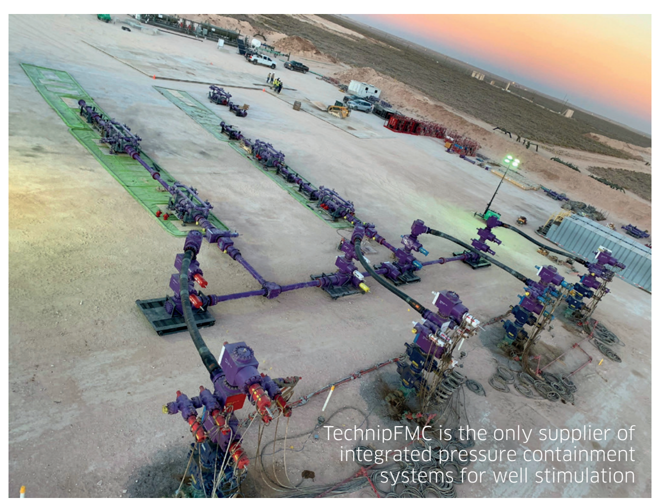
Surface wellheads and production trees are "per-well" systems which are designed for onshore shale, onshore conventional, and offshore shallow water platform applications, and are typically sold directly to exploration and production operators during the drilling and completion phases of the well lifecycle. Our surface wellhead and production tree systems are used worldwide, and we are one of the few companies that provide global coverage and a full range of system configurations, including conventional wellheads, Unihead® drill-thru wellheads designed for faster installation and drill-time optimization, and high-pressure, high-temperature ("**HPHT**") systems for extreme production applications.

We also provide services associated with our surface wellhead and production tree portfolio, including service personnel and rental tooling for wellhead and production tree installation and life of field repair, refurbishment, and general maintenance. Our wellhead and production tree business relies on our ability to successfully provide the necessary field operations coverage, responsiveness, and reliability to prevent downtime and non-productive time during the drilling and completion phases.

Stimulation and Pressure Pumping

Our iComplete™ offering is the first integrated pressure containment kit for the onshore conventional stimulation market. Its CyberFrac™ digital platform reduces manpower in the red zone and enables efficiencies that significantly reduce greenhouse gas ("**GHG**") emissions, lower downtime, and eliminate the integration burden for operators.

We are one of the few oilfield service providers that can offer an integrated solution covering the fracturing through flowback phases. iComplete™ provides our exploration and production customers with an integrated rental and service offering, including fracturing tree and manifold systems, as well as pressure control flowlines, flowback and well testing equipment, and field services.



TechnipFMC is the only supplier of integrated pressure containment systems for well stimulation

Fracturing Tree and Manifold Systems

During the completion of a shale well, the well undergoes hydraulic fracturing. During this phase, durable and wear-resistant wellsite equipment is temporarily deployed. Our equipment is designed to sustain the high pressure and highly erosive fracturing fluid which is pumped through the well into the formation.

Our equipment (fracturing tree systems, fracturing valve greasing systems, hydraulic control units, fracturing manifold systems, and rigid and flexible flowlines) is temporarily laid out between the wellhead and the fracturing pump truck during hydraulic fracturing. Exploration and production operators typically rent this equipment directly from us during the hydraulic fracturing activities. Associated with our fracturing equipment rental is fracturing rig-up / rig-down field service personnel as well as oversight and operation of the equipment during the multiple fracturing stages for a shale well.

TechnipFMC's manifold solutions help increase operational efficiency for a pad site with multiple wells. Our SuperFrac™ manifold provides time savings and pumping efficiencies when stimulating multiple wells on a single pad. The manifolds are installed and connected to multiple trees off the critical path, which allows our customers to fracture more stages per day in a compact footprint and efficiently move operations from one well to another, saving time and money. We also offer conventional and articulating arm manifold trailers, which are used as the connection point between fracturing pump trucks and the fracturing flowline and manifold system.

Our Ground Level Fracturing System is an essential tool for unconventional operators who use simultaneous operations to efficiently run completions in multi-well pads. The innovative system design uses various lengths of trunkline to align the SuperFrac™ manifold and fracturing tree at ground level, which minimizes the number of flowline connections for safer operation. We are a significant supplier of flowline pipework (rigid and flexible) that is used to move the fracturing product from the pump truck, via the manifold, into the fracturing trees.

Pressure Pumping

We design and manufacture equipment used in well completion and stimulation activities by major oilfield service and drilling companies, as well as by oil and gas exploration and production operators directly.

Flexibles

We have been a leading supplier of flexible lines since the 1970s and have successfully introduced our Coflexip® portfolio of flexible solutions for the onshore market. Our PumpFlex™ and WellFlex™ products can be incorporated into most shale operations and are an integral part of our iComplete™ system.

Flowline

We are a leading supplier of flowline products and services to the oilfield industry. From the original Chiksan® and Weco® products to our revolutionary equipment designs and integrated services, our family of flowline products and services provides our customers with reliable and durable pressure pumping equipment. Our facilities stock flowline products in the specific sizes, pressures, and materials common to each region. Our commitment is to help our customers worldwide attain maximum value from their pressure pumping assets by guaranteeing that the right products arrive at the job site in top working condition. Our total solutions approach includes the InteServ tracking and management system, mobile inspection and repair, strategically located service centers, and genuine Chiksan® and Weco® spare parts.

Well Service Pumps

We offer a diverse line of well service pumps for use in high-pressure pumping operations such as hydraulic fracturing and stimulation, including triplex and quintuplex pumps, each with its own industry-leading features, including: heavy-duty power ends, paired with main journal roller bearings and heavy-duty rod journal bearings, heavy-duty crankshafts, fluid cylinders, with accessible packing and valves, and made-to-order pumps. Our pumps can withstand some of the harshest operating conditions, with pressure ranges up to 20,000 psi and flow rates up to 1,500 gallons per minute.

Production

Our upstream production offering includes well control, safety and integrity systems, multiphase meter modules, in-line separation and processing systems, and standard pumps. These offerings are differentiated by our comprehensive portfolio of in-house compact, modular, and digital technologies, and are designed to enhance field project economics and reduce operating expenditures with an integrated system that spans from wellhead to pipeline.

Our iProduction™ system is the first automated integrated production platform for onshore unconventional. Our digital interface enables operators to manage their production operations remotely, leveraging InsiteX data-monitoring technology. Our separation portfolio and measurement technologies, combined with our expertise in modularization, enable our customers to achieve first production faster with compact systems which are fully optimized and environmentally conscious.

Flowback and Well Testing Services

After a shale well is hydraulically fractured, the well moves to the flowback phase in which much of the fracturing fluid pumped into the well flows back out through the wellhead and fracturing tree system. This phase lasts until the wellbore flow is adequate for flow through the production facilities downstream of the wellsite. Our flowback and well testing offering includes chokes, desanders, and advanced well testing equipment and related services which are provided to exploration and production operators during the flowback phase. Our Automated Well Testing Package ("**AWT**") is now widely used in North America, enabling operators to remove personnel from processes and its digital package anticipates service. These offerings enable a substantial reduction in downtime and enhanced safety.

Well Control and Integrity Systems

We supply control components and safety systems designed to safely and efficiently run a wellpad, modules on an offshore platform, or a production facility. Our systems are based on standard, field-proven building blocks and designed for minimal maintenance during life of field operations.

Surface Multiphase Meter

Our multiphase meters ("**MPMs**") are a collection of technologically advanced innovations that provide a differentiated approach to multiphase measurement. The patented technology in our MPMs offers many unique features that provide a step change in allocation measurement and allows for continuous surveillance of wells across a full range of operating conditions. Our MPMs provide real-time data to a central facility, or our cloud portal, for production reporting and remote notification and system troubleshooting.

Separation and Processing Systems

TechnipFMC provides industry-leading technology for the separation of oil, gas, sand, and water. These solutions are used in onshore production facilities and on offshore platforms worldwide. Our family of separation products delivers client success by increasing efficiency and throughput and reducing the footprint of processing facilities. Our separation systems offering includes internal components for oil and gas multiphase separation, in-line deliquidizers, and solids removal, as well as fully assembled separation modules and packages designed and fabricated for oil and gas separation, fracturing flowback treatment, solids removal, and primary produced water treatment.

Standard Pumps and Skid Systems

We provide complete skid solutions, from design consultation through startup and commissioning. We offer a diverse line of reciprocating pumps, customized according to the application with pressure ranges available up to 10,000 psi and flow rates up to 1,500 gallons per minute.

Automation and Digital Systems


TechnipFMC automates upstream production operations through proprietary digital systems

Our hardware and software solutions automate and provide simple human interfaces for a number of our critical products. These digital offerings help enable the removal of personnel from critical zones, either offshore or onshore. In addition, the digital signatures from our products can then be interpreted and used via condition performance monitoring to eliminate unplanned downtime.

Our recently launched E-Mission™ digital solution is the next level of optimization for surface production facilities. Using process automation and data, the system provides constant monitoring and adjustments in real time to minimize flaring by up to 50% while maximizing oil production. The technology is core to our iProduction™ offering and can be applied in existing facilities globally.

Measurement


TechnipFMC designs, manufactures, and installs midstream and downstream transportation measurement equipment

We are making measurement smarter with integrated flow measurement and automation solutions, from the wellhead to the final point of sale. We deliver accurate and reliable measurement for the transportation, distribution, and storage of energy products by truck, rail, vessel, aircraft, and pipeline. We have the right products and systems to help with any application challenge. Our customers can reduce complexity by dealing with one supplier as we bring together reliable and accurate measurement and control systems, automation, and key data insights.

Services

We offer our customers a comprehensive suite of service packages to ensure optimal performance and reliability of our equipment. These service packages include all phases of the asset’s life cycle: from the early planning stages through testing and installation, commissioning, and operations, replacement and upgrade, maintenance, storage, preservation, intervention, integrity, decommissioning, and abandonment.

Our field proven integrated iExplore™ services are designed to meet customer needs, minimize non-productive time, increase safety and optimize well economics long before oil and gas production is online. iExplore™ covers an extensive range of drilling and well testing requirements and accessories that deliver robust exploration solutions to meet any onshore or offshore jackup rig challenges. iExplore™ is backed by a large global rental fleet that provides fast asset deployment to support any local market across various regions.

Dependence on Key Customers

Generally, Surface Technologies’ customers are major integrated oil companies, national oil companies, independent exploration and production companies and oil and gas service companies. No single Surface Technologies customer accounted for 10% or more of our 2021 consolidated revenue.

Competition

Surface Technologies is a market leader for many of our products and services. Some of the factors that distinguish us from other companies in the same sector include our technological innovation, reliability, product quality, and ability to integrate across a broad portfolio scope. Surface Technologies competes with other companies that supply surface production equipment and pressure control products. Some of our major competitors include Baker Hughes, Cactus, Inc., Forum Energy Technologies, Inc., Gardner Denver, Inc., Schlumberger, Haliburton, and SPM Oil and Gas.

Market Environment

The global economic recovery in 2021 resulted in higher drilling and completion activity when compared to 2020. Activity in North America remained below pre-pandemic levels despite a significant market recovery. Outside of North America, which represented 65% of total segment revenue in 2021, activity remained resilient. We continued to benefit from our exposure to the Middle East, Asia Pacific, and Northern Europe, all of which were supported by strength in gas-related activity. We believe the Middle East represents one of our largest opportunities in the current decade.

Strategy

We exist to transform the surface market to provide customers with breakthrough reductions in cost and carbon intensity in the drilling, completion, upstream production, and midstream and downstream transportation sectors. We will achieve this through:

Technology. We are committed to differentiated core products that enable integrated solutions to leverage the benefits of smarter designs.

Integration. Integrated ecosystems that reduce costs and increase uptime through pre-engineered, modular solutions which drive improvements in greenhouse gas emissions.

Automation. Intelligent products that are remotely managed using actionable data, reducing manpower in the field, maximizing uptime, and enabling enhanced production.

Carbon reduction

Core competencies and capabilities in technology, innovation, project execution and services position us well as we drive opportunities in decarbonization and the energy transition. We are committed to reducing GHG emissions and our carbon footprint using lean processes and breakthrough technologies. Through our automation and software, we can prevent emissions before they occur. Our upstream production ecosystem iProduction™ eliminates the need for storage tanks and our measurement technologies have been used on biodiesel facilities and terminals. Our iComplete™ ecosystem also helps our customers reduce their carbon footprint by fully integrating wellsite operations, generating significant efficiencies through autonomous maintenance and remote data access.

Product Development

Leveraging the successful Subsea iEPCI™ model, Shallow Water iEPCI™ is our unique, fully integrated approach to configuring, managing, and executing marginal field development projects in the jackup drilling environment.

This ecosystem includes shallow water trees, modular platform solutions, SURF and associated installation, and tie-in solutions, all of which are designed to be standardized, fit for purpose and lighter weight for faster installation and transportation. Shallow Water iEPCI™ utilizes one single digital interface by combining our control and automation platform UCOS and the cloud-based data capabilities of insiteX. Our products stay connected to facilitate full remote control and monitoring, enabling time-based maintenance and improved safety offshore for unattended installations.

Our approach allows us to reduce complexity with seamless hardware and software systems integration, optimize installation activities, and reduce client risk. This allows us to transform our clients' marginal fields and meaningfully impact the life cycle costs on their projects.

TechnipFMC is the only company that can configure, manufacture, install, and service an integrated system from the wellhead to the platform using a jackup rig or our owned fleet of vessels.

Our Shallow Water iEPCI™ differentiators:

- Shallow Water iEPCI™ leverages on the proven success of the Subsea iEPCI™ model;
- Simplicity of dealing with one supplier;
- Modular platform solutions for a range of applications;
- Proven pre-engineered solutions for the jack-up drilling environment;
- Connected products in the field, using one single digital interface; and
- Integrated seamless planning for operations, execution and life of field services.

Acquisitions and Investments

In December 2021, we officially inaugurated our new 52,500 square meter facility in Dhahran, Saudi Arabia. The facility, comprising two stories and a 13,000 square meter manufacturing space, is part of our continued investment in the Middle East to reinforce our leading position in delivering local solutions that extend asset life and improve project returns. The new facility positions us to respond to the expected increase in activity in the area while strengthening our capabilities, providing a solid platform for us to grow in what is a strategic market for our Surface Technologies business. The new facility will offer a broader range of capabilities and greater value-add in-country, supporting our full portfolio with high technology equipment in the drilling, completion, production, and pressure control sectors.

Also, in December 2021, a 10-year framework agreement for wellheads, trees and associated services by the Abu Dhabi National Oil Company ("**ADNOC**"), our largest-ever Surface Technologies contract. Under the framework agreement, TechnipFMC will further grow in-country talent and expand existing manufacturing, assembly and test capabilities in Abu Dhabi in order to deliver the Company's complete portfolio of surface wellheads and trees locally.

Other business information relevant to our business segments

Capitalizing on Energy Transition

Since our inception as an integrated company in 2017, TechnipFMC has been pursuing innovation to reduce emissions within the conventional energy space. We have also been exploring ways to position ourselves in the energy transition by delivering differentiated solutions and leveraging our core competencies and existing resources. We believe offshore will be the next frontier of the energy transition and are ready to accelerate and grow our contribution. This is the role of our New Energy Ventures.

Our goal is to be a key enabler of the offshore renewables industry. To get there, we will leverage our subsea and surface expertise, our technology know-how, our collaborative and innovative mindset, as well as our demonstrated capabilities in project integration.

We will continue collaborating with energy companies and technology providers to bring to market innovative solutions that are best-suited for offshore applications, while maintaining an asset-light model within our business. Utilizing our expertise in integrated projects, we are able to serve as a system architect, from technology development to project delivery and life of field services.

As a result of our evolution in the new energies arena, we are further refining our market approach, which we define through three main pillars:

1 Greenhouse gas removal

2 Offshore floating renewables

3 Hydrogen

Project integration is perhaps TechnipFMC's strongest point of differentiation. We see strong integration potential across offshore renewable markets. For example, by combining wind and wave, or wind and hydrogen, we could maximize energy generation and efficiency, since the incremental capital expenditure and operational expenditure needed is much lower than a standalone product for the same energy generation. We will approach these new integration opportunities in renewable energies with a new execution model, which is integrated Offshore Novel Energies ("**iONE™**"). iONE™ builds on the success of our iEPCI™ model in oil and gas, and leverages that experience in the new energy space. By acting as system integrator in a complex and rapidly changing environment, we can play a meaningful role in enabling offshore renewable solutions.

The pillars

We will begin addressing greenhouse gas removal with carbon transportation and storage, a key enabler of the energy transition. We believe one of the safest and most efficient storage locations for greenhouse gases is offshore, in naturally occurring reservoirs and saline aquifers. Existing equipment developed by our Surface Technologies and Subsea businesses can be leveraged to achieve this aim. Our efforts in this area include:

- Development of our iCTS™ – Integrated Carbon Transportation and Storage System;
- A strategic alliance with Talos Energy to accelerate carbon capture and storage;
- The acquisition of Magma Global, manufacturer of the key gas transportation technologies thermoplastic composite pipe and hybrid flexible pipe; and
- An agreement to commercialize PETRONAS' unique natural gas processing membrane which reduces emissions of CO_2 and hydrogen sulfide by integrating the technology into our onshore and offshore production portfolio.

TechnipFMC aspires to lead the offshore floating renewables industry by leveraging our differentiated technologies, product standardization, and integrated approach. This emerging market is predicted to grow from near zero to an installed base of 30 gigawatts by 2030. Our efforts in this area include:

- A partnership with Magnora ASA, Magnora Offshore Wind, to develop floating offshore wind projects;
- A partnership with Bombora to develop the InSPIRE™ offshore wind and wave power solution;
- A partnership with Floating Power Plant, a renewable energy technology company, for an offshore green hydrogen pilot for the Canary Islands which will leverage Deep Purple™ (see below); and
- A strategic investment in Orbital Marine Power, the world's most powerful floating tidal energy turbine, which we believe to be the most mature tidal technology.

We believe hydrogen will become a crucial carrier for the storage and transportation of energy, as well as bringing reliability, stability, and efficiency to renewable sources. Our strategy covers two areas: green hydrogen produced offshore by the electrolysis of water using renewable energy, and off-grid energy systems delivering renewable, stable power to traditional energy installations and remote islands. Our efforts in this area include:

- Deep Purple™ is our system to provide sustainable offshore renewable energy production by integrating wind energy and hydrogen production and storage;
- A partnership with Energias de Portugal (EDP) and others to develop a new platform for green hydrogen production offshore Portugal; and
- Working with renewable energy provider Statkraft towards a trial of large-scale offshore hydrogen storage at Hardanger Hydrogen Hub.

Sources and Availability of Raw Materials

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

Research and Development

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

Patents, Trademarks, and Other Intellectual Property

We own a number of patents, trademarks, and licenses that are cumulatively important to our businesses. As part of our ongoing R&D focus, we seek patents when appropriate for new products, product improvements, and related service innovations. We have approximately 3,800 issued patents and pending patent applications worldwide. Further, we license intellectual property rights to or from third parties. We also own numerous trademarks and trade names and have approximately 410 registrations and pending applications worldwide.

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

Employees

As of December 31, 2021, we had more than 20,000 employees.

Segment and Geographic Financial Information

The majority of our consolidated revenue and segment operating profits is generated in markets outside of the United States. Each segment's revenue is dependent upon worldwide oil and gas exploration, production and petrochemical activity.

Financial information about our segments and geographic areas is incorporated herein by reference from Note 4 to our consolidated financial statements of this U.K. Annual Report.

Order Backlog

Information regarding order backlog is incorporated herein by reference from the section entitled "*Business Review*" of the Strategic Report contained in this U.K. Annual Report.

Website Access to Reports and Proxy Statement

Our U.K. Annual Reports and Half-Year Reports are available free of charge through our website at ***www.technipfmc.com***, under "*Investors*" as soon as reasonably practicable. Unless expressly noted, the information on our website or any other website is not incorporated by reference in this U.K. Annual Report and should not be considered part of this U.K. Annual Report or any other filing we make.

Business Review

Introduction

In this U.K. Annual Report, the Company is reporting in its consolidated financial statements the results of its operations for the year ended December 31, 2021 which were prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 (the **"Companies Act"**).

On December 31, 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. TechnipFMC transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on January 1, 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework. The consolidated financial statements of TechnipFMC have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to those companies reporting under those standards.

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

Key Performance Indicators

We are a global leader in integrated projects, technologies, systems, and services for the energy industry. We have manufacturing operations worldwide, strategically located to facilitate efficient delivery of these products, technologies, systems and services to our customers. We report our results of operations in two segments: Subsea and Surface Technologies. Management's determination of our reporting segments was made on the basis of our strategic priorities and corresponds to the manner in which our Chief Executive Officer reviews and evaluates operating performance to make decisions about resource allocations to each segment.

A summarized description of our products and services and annual financial data for each segment can be found in Note 4 to our consolidated financial statements.

We focus on economic and industry-specific drivers and key risk factors affecting our business segments as we formulate our strategic plans and make decisions related to allocating capital and human resources. The results of our segments are primarily driven by changes in capital spending by oil and gas companies, which largely depend upon current and anticipated future crude oil and natural gas demand, production volumes, and consequently, commodity prices. We use crude oil and natural gas prices as an indicator of demand. Additionally, we use both onshore and offshore rig count as an indicator of demand, which consequently influences the level of worldwide production activity and spending decisions. We also focus on key risk factors when determining our overall strategy and making decisions for capital allocation. These factors include risks associated with the global economic outlook, product obsolescence and the competitive environment. We address these risks in our business strategies, which incorporate continuing development of leading edge technologies and cultivating strong customer relationships.

Our Subsea segment is affected by changes in commodity prices and trends in deepwater oil and natural gas production and benefits from the current market fundamentals supporting the demand for new liquefied natural gas facilities.

Our Surface Technologies segment is primarily affected by changes in commodity prices and trends in land-based and shallow water oil and natural gas production. Activity tends to be more resilient outside of North America, which represented 65% of total segment revenue in 2021. We have developed close working relationships with our customers. Our results reflect our ability to build long-term alliances with oil and natural gas companies and to provide solutions for their needs in a timely and cost-effective manner. We believe that by closely working with our customers, we enhance our competitive advantage, improve our operating results and strengthen our market positions.

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

In both of our segments, we serve customers from around the world. During 2021, approximately 80% of our total sales were recognized outside of the United States. We evaluate international markets and pursue opportunities that fit our technological capabilities and strategies.

The Spin-off

On February 16, 2021, we completed the separation of the Technip Energies business segment. The transaction was structured as a Spin-off, which occurred by way of a Distribution to our shareholders of 50.1% of the outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC held at 5:00 p.m., New York City time on the record date, February 17, 2021. Technip Energies N.V. is now an independent public company and its shares trade under the ticker symbol “TE” on the Euronext Paris stock exchange. During 2021, we have sold approximately 75% of the original ownership stake in Technip Energies N.V. as a public company for proceeds of $900.9 million. As of December 31, 2021, we retained 12.2% ownership of Technip Energies’ issued and outstanding share capital. In January 2022, we sold an additional 9.0 million Technip Energies shares for total net proceeds of $135.1 million. As of March 16, 2022 the value of our investment in Technip Energies was $110.5 million.

Consolidated Results of Operations

Management’s report of the consolidated results of operations is provided on the basis of comparing actual results of operations for the year ended December 31, 2021 to actual results of operations for the year ended December 31, 2020. Technip Energies’ historical financial results for periods prior to the Distribution are reflected in our consolidated financial statements as discontinued operations and some of the amounts for the year ended December 31, 2020 have been restated.

(In millions, except percentages)	Year Ended December 31, 2021	2020	Change $	%
Revenue	6,413.3	6,537.4	$ (124.1)	(1.9)%
Costs and expenses				
Cost of sales	5,542.5	5,818	(275.5)	(4.7)%
Selling, general and administrative expense	647.	725.5	(78.5)	(10.8)%
Research and development expense	79	76.3	2.7	3.5%
Impairment, restructuring and other expenses	66.7	3,337.6	(3,270.9)	(98)%
Total costs and expenses	6,335.2	9,957.4	(3,622.2)	(36.4)%
Other income, net	6.4	16.1	(9.7)	(60.2)%
Income from equity affiliates	0.6	61.5	(60.9)	(99)%
Income from investment in Technip Energies	8.5	–	8.5	–%
Income (loss) before net interest expense and income taxes	93.6	(3,342.4)	3,436	102.8%
Net interest expense	(188.1)	(110.1)	(78)	(70.8)%
Loss on early extinguishment of debt	(61.9)	–	(61.9)	–%
Loss before income taxes	(156.4)	(3,452.5)	3,296.1	95.5%
Provision for income taxes	81.6	14.6	67	458.9
Net loss from continuing operations	(238)	(3,467.1)	3,229.1	93.1%
(Profit) loss from continuing operations attributable to non-controlling interests	0.8	(34.5)	35.3	102.3%
Net loss from continuing operations attributable to TechnipFMC plc	$(237.2)	$(3,501.6)	$3,264.4	93.2%
Profit from discontinued operations	605.2	258.4	346.8	134.2%
Less: Profit from discontinued operations attributable to non-controlling interests	(1.9)	(15.2)	13.3	87.5%
Profit from discontinued operations attributable to TechnipFMC plc	603.3	243.2	360.1	148.1%
Net income (loss) attributable to TechnipFMC plc	$366.1	$(3,258.4)	$3,624.5	111.2%

Revenue

Revenue decreased by $124.1 million in 2021 compared to 2020. Subsea revenue decreased year-over-year, primarily driven by a lower starting backlog due to deteriorated market conditions in 2020, which negatively impacted order intake for future delivery. Surface Technologies revenue increased, primarily as a result of the increase in operator activity in the Middle East, Latin America, and North America.

Gross profit

Gross profit (revenue less cost of sales) as a percentage of sales increased to 13.6% in 2021 compared to 11.0% in 2020. Subsea gross profit increased due to significant prior year cost reduction activities and increased services activities. Surface Technologies gross profit improved year-over-year, primarily due to higher operator activity in Middle East, Latin America, and North America, favorable product mix and lower operating costs.

Selling, general and administrative expense

Selling, general, and administrative expenses decreased by $78.5 million year-over-year, primarily as a result of decreased corporate expenses. During the first half of 2020, in response to a deteriorated market environment driven in part by the COVID-19 pandemic, we implemented a series of cost reduction initiatives that resulted in a significant reduction in year-over-year selling, general and administrative expenses.

Impairment, restructuring and other expense

We incurred $66.7 million of restructuring, impairment and other expenses in 2021, compared to $3,337.6 million in 2020. Impairment, restructuring and other charges incurred during 2021, included $24.2 million of impairment charges of our right-of-use assets and $24.9 million impairment of property, plant and equipment. Impairment, restructuring and other charges incurred during 2020, primarily included $3,083.4 million of goodwill impairment, $190.4 million of long-lived assets impairment, $57.8 million of COVID-19 related expenses, and $84.0 million for restructuring and severance expenses. See Note 23 to our consolidated financial statements for further details.

Other income (expense), net

Other income (expense), net, primarily reflects foreign currency gains and losses, including gains and losses associated with the remeasurement of net cash positions, gains and losses on sales of property, plant and equipment and other non-operating gains and losses. The foreign currency impact was a net gain in 2021 and a net loss in 2020, which was offset by gains on sales of property, plant, and equipment and other one-off, non-operating type transactions.

Income from Equity Affiliates

For the years ended December 31, 2021 and 2020, we recorded an income of $0.6 million and $61.5 million, respectively, from equity method affiliates. Income generated by our equity method investments during 2021 was offset by a $36.7 million impairment of our Magma Global equity method investment recorded in 2021. See Note 3 to our consolidated financial statements for further details.

Loss on Early Extinguishment of Debt

We recognized $61.9 million of loss on early extinguishment of debt during the year ended December 31, 2021. The loss on early extinguishment of debt related to premium paid and write-off of bond issuance costs in connection with the repurchase of the 2021 Notes and premium paid in connection with the repayment of our 3.45% Senior Notes due 2022.

See Note 20 to our consolidated financial statements for further details.

Net Interest Expense

Net interest expense increased $78.0 million in 2021 compared to 2020, primarily due to higher interest expense associated with the $1.0 billion senior notes issued during the three months ended March 31, 2021.

Provision for Income Taxes

Our provision for income taxes for 2021 and 2020 reflected effective tax rates of (52.2)% and (0.4)%, respectively.

Our effective tax rate can fluctuate depending on our country mix of earnings, since our foreign earnings are generally subject to higher tax rates than those of the United Kingdom.

Discontinued Operations

Income from discontinued operations, net of income taxes, was $605.2 million and $258.4 million income for the year ended December 31, 2021 and 2020, respectively. Income from discontinued operations included results for Technip Energies, which was spun-off on February 16, 2021. See Note 2 to our consolidated financial statements for further details.

Operating Results of Business Segments

Segment operating profit is defined as total segment revenue less segment operating expenses. Certain items have been excluded in computing segment operating profit and are included in corporate items. See Note 4 to our consolidated financial statements included in this U.K. Annual Report for further information.

We report our results of operations in U.S. dollars; however, our earnings are generated in various currencies worldwide. In order to provide worldwide consolidated results, the earnings of subsidiaries functioning in their local currencies are translated into U.S. dollars based upon the average exchange rate during the period. While the U.S. dollar results reported reflect the actual economics of the period reported upon, the variances from prior periods include the impact of translating earnings at different rates.

Subsea

	Year Ended December 31,		Favorable/ (Unfavorable)	
(In millions, except %)	2021	2020	$	%
Revenue	$5,329.1	$5,471.4	$(142.3)	(2.6)%
Operating profit (loss)	$147.2	$(2,890.5)	$3,037.7	105.1%
Operating profit (loss) as a percentage of revenue	2.8%	(52.8)%		55.6pts

Subsea revenue decreased by $142.3 million, primarily due to a lower starting backlog as market conditions linked to the COVID-19 pandemic negatively impacted order intake in the prior year. Despite these challenges, we continued to demonstrate strong execution of our backlog.

Subsea operating profit for the year ended December 31, 2021, improved versus the prior year, primarily due to the significant reduction in non-cash impairment charges as well as benefits from prior year cost reduction activities.

Surface Technologies

(In millions, except %)	Year Ended December 31,		Favorable/ (Unfavorable)	
	2021	2020	$	%
Revenue	$1,084.2	$1,066.0	$18.2	1.7%
Operating profit (loss)	$37.9	$(284.5)	$322.4	113.3%
Operating profit (loss) as a percentage of revenue	3.5%	(26.7)%		30.2 pts.

Surface Technologies revenue increased $18.2 million, or 1.7% year-over-year, primarily driven by the increase in the Middle East, Latin America, and North America. Revenue outside of North America represented 65% of total segment revenue in 2021.

Surface Technologies operating profit improved significantly versus the prior year, primarily due to the significant reduction in non-cash impairment charges as well as favorable product mix and benefits from prior year cost reduction initiatives.

Corporate Items

(In millions, except %)	Year Ended December 31,		Favorable/ (Unfavorable)	
	2021	2020	$	%
Corporate expense	$(106.8)	$(115.9)	$9.1	7.9%

Corporate expenses decreased by $9.1 million or 7.9% year-over-year, primarily due to decreased costs associated with our corporate and support functions.

Inbound Orders and Order Backlog

Inbound orders – Inbound orders represent the estimated sales value of confirmed customer orders received during the reporting period.

	Inbound Orders	
	Year Ended December 31,	
(In millions)	2021	2020
Subsea	$4,960.9	$4,003.0
Surface Technologies	1,793.3	1,061.2
Total inbound orders	**$6,754.2**	**$5,064.2**

Order backlog – Order backlog is calculated as the estimated sales value of unfilled, confirmed customer orders at the reporting date. Backlog reflects the current expectations for the timing of project execution. See Note 6 to our consolidated financial statements contained in this U.K. Annual Report for more information on order backlog.

	Order Backlog	
	December 31,	
(In millions)	2021	2020
Subsea	$6,533.0	$6,876.0
Surface Technologies	1,124.7	413.5
Total order backlog	**$7,657.7**	**$7,289.5**

Subsea – Order backlog for Subsea as of December 31, 2021, decreased by $0.3 billion from December 31, 2020. Subsea backlog of $6.5 billion as of December 31, 2021, was composed of various subsea projects, including Total Mozambique LNG; Eni Coral; Petrobras Búzios, Mero I, Mero II and Marlim Manifolds; ExxonMobil Payara; Petronas Limbayong; Reliance MJ-1; Equinor Breidablikk; Husky West White Rose; Santos Barossa Phase I; and Tullow Jubilee South East.

Surface Technologies – Order backlog for Surface Technologies as of December 31, 2021, increased by $711.2 million compared to December 31, 2020, primarily driven by a 10-year contract awarded in 2021 from ADNOC. Given the short-cycle nature of the business, most orders are quickly converted into sales revenue; longer contracts are typically converted within 12 months.

Non-consolidated backlog – As of December 31, 2021, we had $578.7 million of non-consolidated order backlog in our Subsea segment. Non-consolidated order backlog reflects the proportional share of backlog related to joint ventures that is not consolidated due to our minority ownership position.

Liquidity and Capital Resources

Most of our cash is managed centrally and flows through centralized bank accounts controlled and maintained by

TechnipFMC globally and in many operating jurisdictions to best meet the liquidity needs of our global operations.

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

The following table provides an IFRS reconciliation of our cash and cash equivalents to net debt, utilizing details of classifications from our consolidated statements of financial position:

(In millions)	December 31, 2021	December 31, 2020
Cash and cash equivalents	$1,327.4	$4,807.7
Short-term debt and current portion of long-term debt	(277.9)	(2,161.6)
Long-term debt, less current portion	(1,778.5)	(1,792.5)
Lease liabilities	(772.8)	(1,154.9)
Net debt	**$(1,501.8)**	**$(301.3)**

Cash Flows from continuing operations

Cash flows for the periods ended December 31, 2021 and 2020, were as follows:

	Year Ended December 31,	
(In millions)	2021	2020
Cash provided by operating activities from continuing operations	$836.3	$929.9
Cash required by investing activities from continuing operations	(18.9)	(121.2)
Cash required by financing activities from continuing operations	(1,529.6)	(808.6)
Net cash attributable to discontinued operations	(2,754.1)	(606)
Effect of exchange rate changes on cash and cash equivalents	(14)	223.5
(Decrease) in cash and cash equivalents	**$(3,480.3)**	**$(382.4)**
Working capital continuing operations	**$468.3**	**$744.2**
Free cash flow from continuing operations	**$639.6**	**$673.9**

Operating cash flows from continuing operations – During 2021, we generated $836.3 million in operating cash flows from continuing operations, as compared to $929.9 million in 2020, resulting in a $93.6 million decrease compared to 2020. The decrease in cash generated by operating activities from continuing operations in 2021 as compared to 2020 was primarily due to timing differences on project milestones and vendor payments.

Investing cash flows from continuing operations – Investing activities from continuing operations used $18.9 million and $121.2 million in 2021 and 2020, respectively. The decrease of $102.3 million in cash used for investing activities was primarily due to the proceeds received from the sale of our investment in Technip Energies, the sales of assets and decreased capital expenditures during 2021.

Financing cash flows from continuing operations – Financing activities from continuing operations used $1,529.6 million and $808.6 million in 2021 and 2020, respectively. The increase of $721.0 million in cash used for financing activities was due primarily to the increased debt pay down activity during 2021.

Working capital represents total changes in operating current assets and liabilities.

Free cash flow (deficit) from continuing operations is defined as operating cash flows from continuing operations less capital expenditures. The following table reconciles cash provided by operating activities from continuing operations, which is a directly comparable financial measure determined in accordance with IFRS, to free cash flow (non-IFRS measure).

	Year Ended December 31,	
(In millions)	**2021**	**2020**
Cash provided by operating activities from continuing operations	$836.3	$929.9
Capital expenditures	(196.7)	(256.0)
Free cash flow (deficit) from continuing operations	**$639.6**	**$673.9**

Debt and Liquidity

Debt Financing Transactions

During 2021, we executed a series of refinancing transactions, in order to provide a capital structure with sufficient cash resources to support future operating and investment plans.

Debt Issuance

- On February 16, 2021, we entered into a credit agreement, which provides for a $1.0 billion three-year senior secured multicurrency revolving credit facility ("**Revolving Credit Facility**"), including a $450.0 million letter of credit subfacility; and
- On January 29, 2021, we issued $1.0 billion of 6.50% senior notes due 2026 (the "**2021 Notes**").

Repayment of Debt

The proceeds from the debt issuance described above along with the available cash on hand were used to fund:

- the repayment of all $542.4 million of the outstanding Synthetic Convertible Bonds that matured in January 2021;
- the repayment of all $500.0 million aggregate principal amount of outstanding 3.45% Senior Notes due 2022.

In connection with the repayment, we recorded a loss on extinguishment of debt of $23.5 million related to the difference between the amount paid and the net carrying value of the debt; and

- the termination of the $2.5 billion senior unsecured revolving credit facility we entered into on January 17, 2017; the termination of the €500.0 million Euro Facility entered into on May 19, 2020, and the termination of the CCFF Program entered into on May 19, 2020. In connection with the termination of these credit facilities, we repaid $830.9 million of the outstanding commercial paper borrowings.

Availability of borrowings under the Revolving Credit Facility is reduced by the outstanding letters of credit issued against the facility. As of December 31, 2021, there were $16.7 million letters of credit outstanding and availability of borrowings under the Revolving Credit Facility was $983.3 million.

During 2021, we completed two tender offers and purchased for cash $366.9 million of the outstanding 2021 Notes. We paid a cash premium of $29.5 million to the note holders who tendered and wrote-off $8.9 million of bond issuance costs. In connection with the repayment of all $500.0 million aggregate principal amount of outstanding 3.45% Senior Notes due 2022, we recorded a loss on extinguishment of debt of $23.5 million. As of December 31, 2021, we were in compliance with the restrictive covenants of the Credit Agreement.

See Note 20 to the consolidated financial statements contained in this U.K. Annual Report, for further information related to our outstanding debt instruments.

Credit Ratings – Our credit ratings with Standard and Poor's ("**S&P**") are BB+ for our long-term unsecured, guaranteed debt (2021 Notes) and BB for our long-term unsecured debt (the Private Placement notes). Our credit ratings with Moody's are Ba1 for our long-term unsecured, guaranteed debt.

Credit Risk Analysis

For the purposes of mitigating the effect of the changes in exchange rates, we hold derivative financial instruments. Valuations of derivative assets and liabilities reflect the fair value of the instruments, including the values associated with counterparty risk. These values must also take into account our credit standing, thus including the valuation of the derivative instrument and the value of the net credit differential between the counterparties to the derivative contract. Adjustments to our derivative assets and liabilities related to credit risk were not material for any period presented.

The income approach was used as the valuation technique to measure the fair value of foreign currency derivative instruments on a recurring basis. This approach calculates the present value of the future cash flow by measuring the change from the derivative contract rate and the published market indicative currency rate, multiplied by the contract notional values. Credit risk is then incorporated by reducing the derivative's fair value in asset positions by the result of multiplying the present value of the portfolio by the counterparty's published credit spread. Portfolios in a liability position are adjusted by the same calculation; however, a spread representing our credit spread is used. Our credit spread, and the credit spread of other counterparties not publicly available, are approximated using the spread of similar companies in the same industry, of similar size, and with the same credit rating. Additional information about credit risk is incorporated herein by reference to Note 31 to the consolidated financial statements contained in this U.K. Annual Report.

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

Financial Position Outlook

Overview

We are committed to a strong balance sheet and ample liquidity that will enable us to access capital markets throughout the cycle. We believe our liquidity continues to exceed the level required to achieve this goal.

Our objective in financing our business is to maintain sufficient liquidity, adequate financial resources and financial flexibility in order to fund the requirements of our business. Our capital expenditures can be adjusted and managed to match market demand and activity levels. Based on current market conditions and our future expectations, our capital expenditures for 2022 are estimated to be approximately $230.0 million. Projected capital expenditures do not include any contingent capital that may be needed to respond to contract awards.

In addition, we intend to conduct an orderly sale of our remaining stake in Technip Energies over time and will use the proceeds from future sales to further reduce our net leverage. We do not intend to remain a long-term shareholder of Technip Energies and anticipate that we will exit our ownership stake in an orderly manner within a year. The carrying amount of the investment as of December 31, 2021 was $317.3 million. In January 2022, we sold an additional 9.0 million Technip Energies shares and received €118.4 million, or $135.1 million in net proceeds. As of March 16, 2022 the value of our investment in Technip Energies was $110.5 million.

Market Risk

We are subject to financial market risks, including fluctuations in foreign currency exchange rates and interest rates. In order to manage and mitigate our exposure to these risks, we may use derivative financial instruments in accordance with established policies and procedures. We do not use derivative financial instruments for speculative purposes. At December 31, 2021 and 2020, substantially all of our derivative holdings consisted of foreign currency forward contracts and foreign currency instruments embedded in purchase and sale contracts.

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

Foreign Currency Exchange Rate Risk

We conduct operations around the world in a number of different currencies. Many of our significant foreign subsidiaries have designated the local currency as their functional currency. Our earnings are therefore subject to change due to fluctuations in foreign currency exchange rates when the earnings in foreign currencies are translated into U.S. dollars. We do not hedge this translation impact on earnings. A 10% increase or decrease in the average exchange rates of all foreign currencies as of December 31, 2021, would have changed our revenue and income before income taxes attributable to TechnipFMC by approximately $303.5 million and $16.8 million, respectively.

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

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

For our foreign currency forward contracts hedging anticipated transactions that are accounted for as cash flow hedges, a 10% increase in the value of the U.S. dollar would have resulted in an additional loss of $55.4 million in the net fair value of cash flow hedges reflected in our consolidated balance sheet as of December 31, 2021.

Interest Rate Risk

We assess effectiveness of forward foreign currency contracts designated as cash flow hedges based on changes in fair value attributable to changes in spot rates. We exclude the impact attributable to changes in the difference between the spot rate and the forward rate for the assessment of hedge effectiveness and recognize the change in fair value of this component immediately in earnings. Considering that the difference between the spot rate and the forward rate is proportional to the differences in the interest rates of the countries of the currencies being traded, we have exposure in the unrealized valuation of our forward foreign currency contracts to relative changes in interest rates between countries in our results of operations.

Environmental, Social, and Governance

Our actions and goals in Environmental, Social, and Governance ("**ESG**") derive from our foundational beliefs, with a close tie to Sustainability: We act responsibly, always considering our impact on the planet, people, and communities in which we operate.

Our decisions regarding corporate responsibility, governance, and sustainability are founded on the principles that guide our Company. Our core values provide the framework for all of our decision making and are based on our Foundational Beliefs. Each of the three pillars of ESG – Environmental, Social, and Governance – support us in being responsible corporate citizens and drive our ambitions to be more sustainable. In 2020, we formalized our ESG ambitions in our 2021-2023 ESG scorecard ("**the scorecard**"), with clear metrics designed to drive performance and accountability. As such, we have renamed the Corporate Responsibility and Sustainability section of the Report to Environmental, Social, and Governance.

While the scorecard measures specific achievements in ESG, our activities are not limited to those that are measured on our scorecard, or to actions and monitoring required by law. Our achievements in ESG, including achievements under each pillar of the ESG scorecard, and activities are presented over the following pages, including activities which are not reflected in the scorecard.

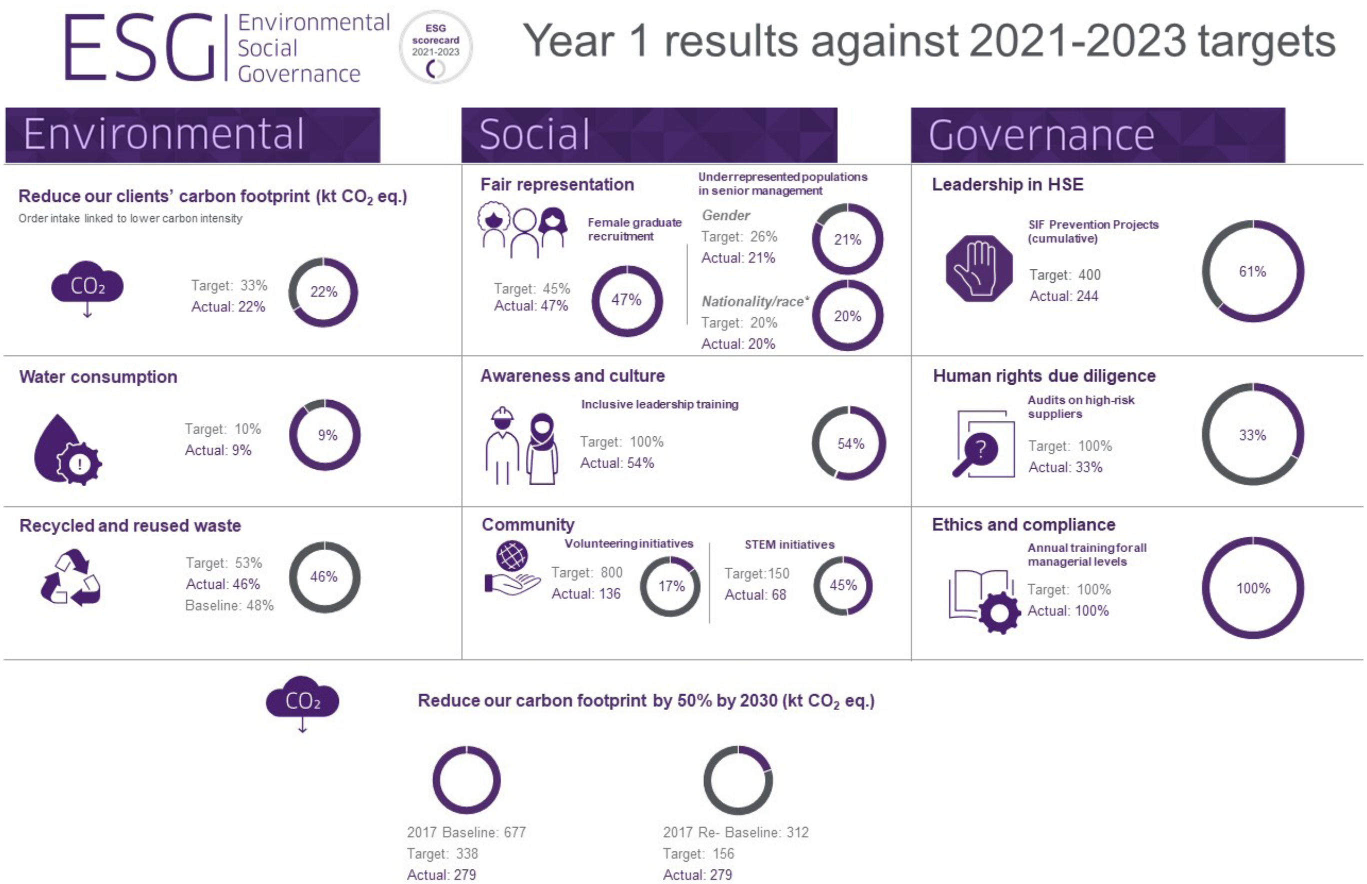
To better reflect our focus on corporate responsibility and sustainability at the Board level, the ESG Committee's charter includes oversight of the Company's policies, programs, and strategies related to environmental stewardship, responsible investment, corporate citizenship, human rights, and ESG risk management. This committee also reviews and monitors the development and implementation of ESG targets, standards, metrics, or methodologies, and reviews the Company's public disclosures with respect to ESG matters.

Through ESG, we will promote a sustainable future for our Company in which TechnipFMC remains an inclusive and diverse workplace where our people are respected, valued, and inspired.

TechnipFMC follows the Ten Principles of the United Nations ("**UN**") Global Compact in the areas of Human Rights, Labor, Environment, and Anti-Corruption. The UN Global Compact is also a call for action to achieve its 17 Sustainable Development Goals ("**SDGs**"). These societal goals are at the heart of the UN's 2030 Agenda for Sustainable Development and are aimed at ending poverty, protecting the planet, and ensuring that all people enjoy peace and prosperity by 2030.

After evaluation, we have aligned our targets with the UN SDGs for which we believe we can achieve the greatest positive impact, given their relevance to our business and sustainability strategy. The application of these SDGs throughout this section are identified by the SDG icon labels.

A snapshot of our 2021 progress towards our ESG goals in our 2021-2023 scorecard is set out below. Based upon our overall performance we believe we achieved 120% of our requirements for this year's ESG targets and initiatives. Detailed explanation of our progress is set out in the respective Environmental, Social, and Governance sections below.



Board Oversight of Environmental, Social, and Governance topics

Our Environmental, Social, and Governance Committee (the "**ESG Committee**") reviews and monitors the development and implementation of ESG targets, standards, metrics, or methodologies, and reviews the Company's public disclosures with respect to ESG matters. Our Board of Directors receives regular updates and recommendations from our ESG Committee.

Areas of oversight include:

- Review policies, programs, and strategies related to environmental stewardship, responsible investment, corporate citizenship, human rights, and ESG risk management.
- Review and monitor the development and implementation of targets, standards, metrics, or methodologies that the Company may establish from time to time to assess and track the ESG performance of the Company, including any environmental, social, or community projects undertaken by the Company and any related actions with respect to its employees, communities, and other stakeholders, taking into account the impact of such performance and actions on the reputation of the Company and their consistency with the Company's ESG strategy.
- Review the Company's public disclosures with respect to ESG matters, including any ESG disclosures for inclusion in the Company's Annual Report and other documents which are intended to be disclosed to the public and/or the Company's shareholders, and the Company's engagement with shareholders, including any proposals, concerns, and other ESG issues that shareholders wish to bring to the Company.

Core Values and Foundational Beliefs

Our core values are the drivers that guide how we act in a distinctly TechnipFMC way so we can deliver on our purpose and achieve our vision. We bring our values to life through our behaviors – specific, observable, and measurable actions.

Our core values

Realizing possibilities	Achieving together	Building trust
We strive for ever better	We work as one team	We listen to improve
We take initiative	We share knowledge	We partner constructively
We learn from success and failure	We embrace diversity of thought	We seek to outperform

The heart of everything we do

Our Foundational Beliefs are the cornerstone of our values that describe how we fundamentally do business and what we never compromise on, no matter the circumstances.

Safety

We will not compromise on health, safety, and security.

Respect

We treat everyone honestly, fairly, and courteously.

Integrity

We hold ourselves to the highest moral and ethical principles.

Sustainability

We act responsibly, always considering our impact on the planet, people, and communities in which we operate.

Quality

We deliver the highest quality in everything we do.

Environmental

Each of the three pillars of our ESG strategy is rooted in Sustainability, one of our Foundational Beliefs, which simply states: We act responsibly, always considering our impact on the planet, people, and communities in which we operate.

It is our policy that we will not compromise on safety, health, security, or the environment to achieve our financial, project, service, and manufacturing objectives. Through this, we are committing our resources and expertise to continually assess and mitigate potential pollution related to environmental impacts from our activities, through better design, process improvement, and efficient technologies. We operate our business in a manner that minimizes the impact of our operations on the environment and develops sustainable solutions to reduce carbon emissions and our overall environmental footprint.

Our environmental program at TechnipFMC is directed to protecting the environment where we operate, identifying and evaluating environmental risks to mitigate and prevent pollution by implementing controls, including identification of and compliance with applicable environmental regulations, and by using natural resources efficiently.

We measure our success and promote the continued improvement of our environmental management system through the reduction of environmental incidents and our environmental footprint through clear and meaningful key performance indicators to enhance our environmental performance.

This Environmental section details our efforts to mitigate the impact we have on our planet. The scorecard contains metrics related to our environmental performance, and demonstrates how we are taking greater responsibility in playing our part in the journey to a net zero-carbon society.

The scorecard, which is published annually and tied to bonus schemes throughout the Company to encourage positive behaviors, covers three distinct areas of our environmental efforts: Scope 1 and Scope 2 Greenhouse Gases ("**GHG**") emissions, waste, and water management.

Our environmental actions and commitments are not limited to those covered by the scorecard. We have set other indicators that measure our environmental footprint and potential risks.

Our scorecard Commitments

Our carbon footprint: Scope 1, Scope 2, and Scope 3 emissions

50 by 30

Our 50 by 30 target – to reduce our Scope 1 and Scope 2 GHG emissions by 50% by 2030 – was announced in November 2020 and has been adopted into our ESG scorecard. It covers CO_2 equivalent ("**CO_2e**") emissions from fuel combustion as well as emissions from the purchase of electricity, heat, cooling, and steam by the Company for its own use.

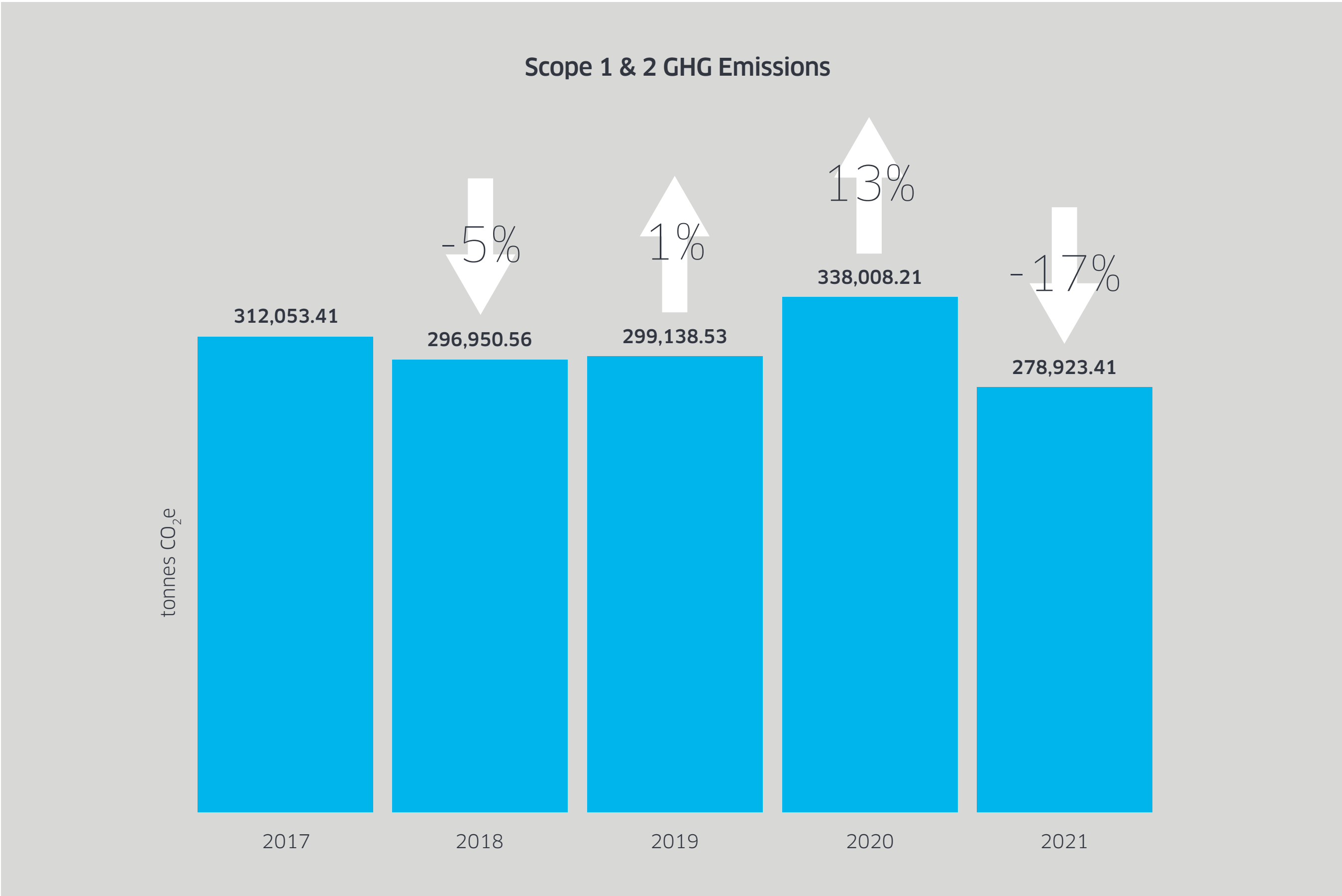
The spin-off of Technip Energies had a significant impact on the size and nature of our operations. To promote fair and relevant reporting, a recalculation of the 2017 base year was required to deduct Technip Energies' emissions. Following our GHG Management Methodology, and in alignment with the GHG Protocol Corporate Accounting and Reporting Standard, TechnipFMC has completed this recalculation and the scorecard and 50 by 30 targets now reflect this adjusted base value and the company we are today. We are constantly striving to achieve these targets, taking into account the evolving market, and the availability of renewable energy sources which play an important role in meeting the new targets.

To meet our target, we are currently working on several initiatives. Our vessel management team, OneFleet, has conducted an evaluation on the efforts needed to reduce Scope 1 emissions from fuel consumption and identified initiatives such as the upgrade of vessels and use of alternative fuel, in alignment with commercial and regulatory factors. Under Scope 2, some workplaces are evaluating the installation of solar panels to provide energy to the facility as well as evaluating the availability of renewable sources in the current energy source.

In 2021, we implemented a Scope 3 GHG Management standard that defines the methodology to account for the GHG emissions from our value chain. We also conducted a review of Scope 3 and agreed on the categories on which the Company will report in 2022. Scope 3 covers CO_2e emissions from purchased goods and services, business travel, treatment of waste generated at our workplaces, transportation and distribution, and leased assets when these are not considered within Scope 1 and Scope 2. These emissions will be reported in the Corporate HSE reporting system. The Company has selected 2019 as its base year for Scope 3 because it is the year that best represents our value chain relationship before the challenges posed by COVID-19. TechnipFMC estimated Scope 3 GHG emissions from some of the categories for 2019 (e.g., business travel, purchased goods) within the boundaries established.

TechnipFMC calculates Scope 1 and 2 GHG emissions in alignment with the GHG Protocol Corporate Accounting and Reporting Standard. The inventory includes GHG emissions from the workplaces where TechnipFMC has operational control. Activity data from fuel purchased and energy consumption is collected and reported on a periodic basis and published emission factors are used to calculate the Scope 1 and 2 GHG emissions. Scope 2 emissions are calculated following the location-based method. After evaluating the data available and assessing the appropriate level of detail to influence Scope 3 GHG emissions in the supply chain, it was decided that TechnipFMC will gather direct consumption data from its largest suppliers, who represent approximately 85% of TechnipFMC's weight of goods procured (about 10% of suppliers by count). Scope 3 GHG emissions for the remainder of the supply chain will be estimated based on the country of supply and goods procured. Scope 3 GHG emissions associated with the transportation of goods will be calculated based on weight, distance, and mode of transportation in most instances when dedicated transportation is hired by TechnipFMC, in which case emissions will be calculated based on fuel consumption. Our Global Travel team worked with our main vendors to obtain data for 2019 to calculate Scope 3 GHG emission for business-related travel, based on employee population distributions correlated to travel volumes and spend. Data from 2019 provides a more accurate reflection of business travel than data from 2020, which was affected by the COVID-19 pandemic. Scope 3 GHG emissions from business travel from 2019 through 2021 will be calculated based on Spend Method and use Distance Method thereafter. Per the boundaries set for business travel, the mode of transport included in the baseline calculations and targets are air, rail, and use of rental cars for business purposes. Air travel data will be received by our global, primary Travel Management Company and will consider origin and destination only. Car mileage will be received by our two primary global suppliers, capturing more than 80% of known volume.

As described above, our 50 by 30 target has been adjusted to the 2017 baseline which changed from 677 Ktonnes CO_2e to 312 Ktonnes CO_2e. Our performance is now assessed against a lower recalculated target of 156 Ktonnes CO_2e. Our commitment remains unchanged in reducing 50% of our Scope 1 and 2 GHG emissions by 2030. As of the end of 2021, the total Scope 1 and Scope 2 GHG emissions were 279 Ktonnes of CO_2e versus 338 Ktonnes of CO_2e reported in 2020.



* Results reflect adjusted 2017 baseline.

The reduction in GHG emissions is mainly linked to operational initiatives. Our OneFleet team has implemented measures to increase energy efficiencies in our vessels, and one of the vessels underwent an upgrade by installing a hybrid battery system in 2021. This system reduces the number of engines running in operational mode, reducing fuel consumption and, thus, the Scope 1 GHG Emissions. It also brings savings on maintenance, cost of third party service and spare parts.

We continue engaging with our business units, functions and workplaces to identify opportunities to reduce our consumption of fuel and energy and increase our efficiency, and identify key workplaces with higher GHG emissions to focus on reduction opportunities.

The table below describes the annual quantity of Scope 1 and 2 GHG emissions resulting from activities the Company is responsible for and has operational control over, reported in tonnes of CO_2e, reflecting the adjusted 2017 baseline. The Scope 2 GHG emissions are calculated following the location based method, which reflects the average emissions intensity of the grids that supply the energy to our workplaces.

Total GHG Emissions (in Tonnes CO_2 equivalent)	2019*		2020*		2021*	
	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2
Offices	**478**	**7,719**	**317**	**9,107**	**2,015**	**3,662**
Manufacturing/ Services/Fleet	**255,949**	**34,993**	**291,539**	**37,046**	**236,083**	**37,163**
GHG Emissions by Scope	256,427	42,712	291,856	46,152	238,098	40,825
TOTAL GHG Emissions	299,139		338,008		278,923	

* Results reflect adjusted 2017 baseline.

Our fleet management team is implementing a plan to reduce its GHG emissions by 50% by 2030 taking into consideration energy efficiencies, vessels upgrade, and renewable fuels, as they become available in appropriate markets.

Scope 1 and 2 GHG emissions from workplaces of the Company in the United Kingdom represent 3% from the Scope 1 and 2 GHG emissions for the total Company.

GHG Emissions Intensity

Our 50 by 30 target is based on an absolute value of Scope 1 and 2 GHG emissions. Due to the nature of our business, it is also important to assess our emissions based on our activity to understand our emissions when project activity increases. Currently, the GHG emissions intensity factor is calculated by dividing the total Scope 1 and Scope 2 GHG emissions by the hours worked. Hours worked has been acknowledged as being most representative of the Company's overall activity and is frequently used in HSE standards in the industry.

GHG Emissions Intensity (CO_2e/workhours)	2019	2020	2021
	4.78	5.90	5.61

Energy Consumption

The aggregate of (i) the annual energy consumed from activities for which the Company is responsible including the combustion of fuel and the operation of any facility) and (ii) the annual quantity of energy consumed resulting from the purchase of electricity, heat, steam, or cooling by the Company for its own use for the year ended December 31, 2021 was 1,063,845 MWh. 7% of this energy consumed came from renewable sources. Our workplaces are working to increase this percentage. There is a reduction of 17% of the energy consumed in 2021, in comparison from the energy consumed in 2020.

Energy consumed by the Company in the United Kingdom represents 4% of the total energy consumed by the Company.

The energy consumed by workplaces of the Company in the United Kingdom is 4% of the total energy consumed by the Company worldwide.

2021	Total Company	% Energy Consumed in the UK
Energy Consumed	1,063,845,000 kWh	4%
Energy Consumed from purchase of electricity, heat, steam, or cooling	130,770,957 kWh	11%

Our clients' carbon footprint

We aim to help reduce our clients' carbon footprint. In the scorecard, we target 33% of our orders to be linked to lower carbon intensity offerings. We will also establish carbon reduction targets for our clients, baselined to 2020. In 2021, we exceeded our expectations by reducing our client's carbon footprint by 22% against our 2023 target of 33%.

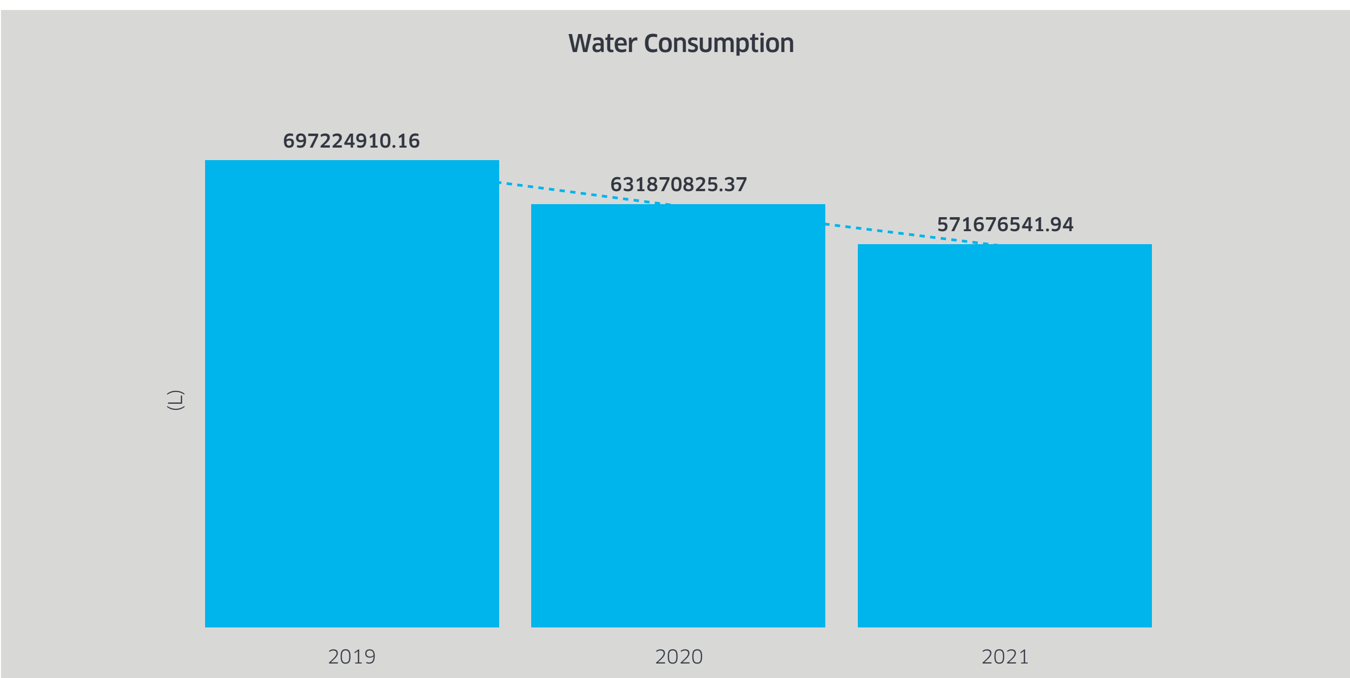
We have lower-carbon solutions for the energy industry. In Subsea, our Subsea 2.0™ products and all-electric offering result in lower carbon footprints. In Surface, iProduction™, E-Mission™, electrification, and methane guiding principles have helped to reduce emissions. As of the end of 2021, lower-carbon solutions such as these made up 20% of our order book.

Water and waste management

We are working towards meeting the 2023 targets of a 10% reduction in water consumption and a 10% increase in the amount of waste generated at our workplaces that goes for recycling or re-use.

At TechnipFMC, we prioritize water conservation and circular water management. We have internal requirements for wastewater management and we promote wastewater treatment and water reuse in our workplaces.

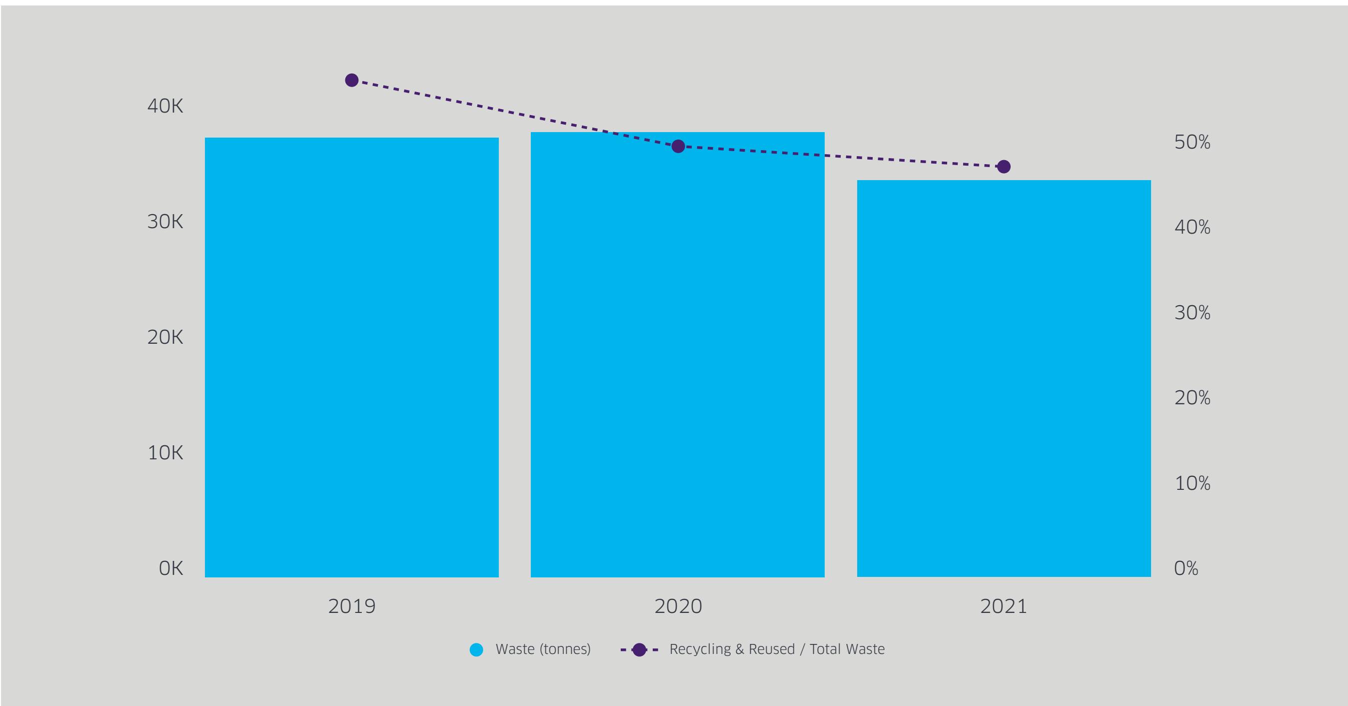
For 2021, the first year of the scorecard, we exceeded our expectations on water consumption by reducing consumption by 9% against a three-year 10% target.



* Results reflect adjusted 2017 baseline.

Reducing material waste and promoting recycling is a key part of our environmental management system and operating strategy. We strive for circularity in our business and operations by reducing material use at source, minimizing waste generation, and increasing waste recycling and reuse. Workplaces worked diligently to look at areas of opportunities to implement initiatives to reduce waste generation and increase waste recycling and material reuse.

The Company has targets to increase the recycling and reuse rate at our workplaces as part of our ESG scorecard. In this area, the first course of action is to reduce waste generation. As of the end of 2021, waste generation was reduced by 22% in comparison with 2020. The recycling rate slightly reduced to 46% in 2021.



* Results reflect adjusted 2017 baseline.

The Company is creating a Global Water Management program and a Global Waste Management program to continue enhancing performance in these areas by implementing an assessment at each workplace and a hierarchy of decision making for water consumption and reuse as well as waste minimization, which will include the identification of recycling and reuse opportunities.

Beyond the scorecard

Our efforts under the Environment pillar go beyond those detailed in the scorecard, as we demonstrate in the following pages.

Climate Change

We created TechnipFMC with the vision to drive real change in the energy industry. Our corporate strategy has always been focused on the successful delivery of this vision, while our Foundational Beliefs represent our fundamental view that how we do business is as important as why we do business. Together, our strategy and our beliefs drive our ESG practices to reshape the industry for a sustainable future.

Our Environmental focus is built upon reducing the carbon footprint of both TechnipFMC and our clients, as well as a focus on waste management. In our business activities and projects, we give priority to renewable energies and sustainable materials and we promote water reuse and encourage recycling.

Since 2011, our Dunfermline site in the UK has generated its own power from a wind turbine

In Brazil, seven of our eight sites operate with 100% electricity from hydro and renewables

In Singapore, we're generating electricity and reducing CO_2 emissions with 6,000 solar cells

Renewable Resources

We are already using certain renewable resources for our own energy consumption. Since 2011, we have generated electricity using a wind turbine to power our manufacturing operations in Dunfermline, Scotland. Our facilities in Brazil began with changing to lower energy light bulbs and currently seven of TechnipFMC's eight operating facilities in Brazil operate with electricity that is 100% from the country's vast hydro-based resources and other renewable sources.

During 2021, solar panels have been installed in a number of our workplaces and our facility in Singapore installed more than 6,000 solar cells that generates more than 2,945,000 kWh of electricity each year which represents 30% of the electrical power used at the site and reduce CO_2e emissions by 1,260 tons each year. In addition, 80% of the shop floor lighting has been replaced with lower energy LED bulbs, reducing electricity consumption by 62%. Our facility in Hyderabad, India, installed solar panels generating up to 10,000 KWh of solar energy per month and providing up to 15% of the electrical power for the plant.

As more resources become available, we will look to utilize hybrid battery and biofuel solutions as transportation fuel, with the potential for significant conversion of our offshore fleet.

Air Emissions

As part of our environmental management approach, in addition to GHG, we monitor other air emissions on a monthly basis, including:

- Sulphur oxides (SOx);
- Nitrogen oxides (NOx); and

We monitor air emissions from our workplaces in line with our commitment to manage and minimize the impact of our operations on local air quality.

Governance

In addition to our ESG Committee, TechnipFMC has a non-Board level structure in place to oversee the governance of our ESG strategy. The structure consists of an ESG Steering Committee, an Environmental Operating Committee, and an Environmental Working Group ("**EWG**").

The ESG Steering Committee is composed of members from our Executive Leadership Team, which reports to our Board of Directors, as well as from operational and functional management. The main responsibility of this committee is to provide focus on corporate responsibility and sustainability, direction and long-term strategy toward our plans of reduction of GHG emissions, to ensure we have proper policies, programs, and strategies related to environmental stewardship, responsible investment, corporate citizenship, human rights, and ESG risk management. This committee also reviews and monitors the development and implementation of ESG targets, standards, metrics, or methodologies, and drafts the Company's external communications with respect to ESG matters.

The Environmental Operating Committee is composed of members from our business units and functions that meet to clarify workstream objectives, determine goals, KPIs and milestones; decide on organization and processes related to the environment as part of our ESG strategy; define mitigations and elevate risks and concerns as well as opportunities to the ESG Steering Committee; review and agree on standards, scopes, and products; align their functions in the strategy; and facilitate the implementation of plans to achieve goals and enable targets to be met.

The final part of the structure is the EWG. The EWG reports to the Health, Safety, Environment, and Security ("**HSES**") team at corporate level and coordinates a network of HSES specialists from all regions and business units. EWG responsibilities include the setting of environmental programs, supporting the enhancement of environmental performance, and developing global environmental initiatives involving all our regions and projects to reduce our environmental footprint. From the EWG, several working groups are formed to deal with specific topics, such as one created to review the GHG training materials, and one formed to review the tool used to calculate GHG emissions for projects and products.

As part of the environmental governance framework, environmental data is collected on a monthly basis through our Quality, Health, Safety, Environment, and Security ("**QHSES**") reporting system from each workplace where TechnipFMC has operational control for both, whether owned or leased workplaces. This data reflects the environmental performance of entities involved (e.g., offices, manufacturing, yards and spoolbases, and fleet operations). A monthly report is distributed to our business units and functions leadership to inform on current conditions and identify opportunities for improvement in managing our environmental footprint in the areas of GHG emissions, energy consumption, waste generation, water consumption, and environmental incidents. These monthly reports are discussed in the EWG meetings to improve reporting metrics, identify opportunities for improvement, and promote data quality and completeness.

Management Systems and Standards

All workplaces and projects within the Company are managed by dedicated QHSES managers and directors, with a team of QHSES professionals responsible for the application of the environmental rules in their respective areas to enable our environmental requirements to be well implemented. Our Code of Business Conduct requires managers to inform employees, contractors, and suppliers of applicable environmental rules, procedures, and expected behaviors, and that people reporting to them receive the required environmental training. Our Code of Conduct is discussed further in the section entitled "*Our Compliance Program*."

A key element of the Company's environmental program is our Global Environmental Management Standard, applicable to all our workplaces. The standard details the minimum requirements for identifying any potential environmental risk of our activities, products, and services, and opportunities to manage the related impacts by identifying and implementing appropriate controls, improving as a consequence our environmental performance. This process allows us to identify, monitor, and mitigate environmental risks at every business level. The standard is fully in line with the ISO 14001 requirements and in compliance with all applicable environmental regulations.

In 2018, TechnipFMC adopted a Global Greenhouse Gas Management standard to promote a responsible and consistent approach to GHG management across the Company and enhance the capabilities in GHG reduction in our business. During 2021, the standard was revised to update and clarify the boundaries of GHG accountability reporting; specify sources of the GHG emissions and provide resources for data collection; and specify responsibilities, among other criteria. The standard sets the methodology to calculate Scope 1 and 2 GHG emissions from fuel and electricity consumption. The revised standard also added the reporting requirement on refrigerants within Scope 1. It further specifies the source for the use of emission factors to align with industry databases appropriate for the activity being reported. Emission factors used are from databases such as the Department for Environment, Food, & Rural Affairs, the Environmental Protection Agency, and the IPCC Guidelines for National Greenhouse Gas Inventories.

The Company established the Scope 3 GHG Management standard in 2021 to promote completeness and consistency in the accounting for and reporting on Scope 3 GHG emissions from the Company's value chain. It describes the methodology that is followed to select the categories the Company considers in the Scope 3 GHG emissions inventory, their reporting boundaries, and how these emissions are calculated and reported.

In addition to reducing emissions in our business through our product offering, we have also implemented standards for our workplace to manage and reduce our environmental and carbon footprint. Our GHG Mitigation Hierarchy of Control was established in 2021 to provide the Company with the process to determine the best actions to reduce GHG emissions at our workplaces. It describes the carbon management hierarchy to avoid, reduce, replace or, as a final option, offset, the Company's carbon emissions. Our Green Office program was revised during 2021. This program guides offices across the organizations to identify and implement initiatives to manage their environmental footprint including lowering GHG emissions, reducing water consumption and waste generation, and increasing waste recycling and material reuse. It is the objective of this program that offices continuously assess and improve their environmental footprint.

We continue to commit resources and expertise to eliminate hazards, reduce risks, and prevent injury, ill health, and environmental pollution related to our activities through design, process improvement, and technologies. As such, 37 entities had an active ISO 14001 certification during 2021. The management system used to certify these entities is the same used across the organization. As with the environmental performance data, data on ISO certified workplaces is shown after the Spin-off from Technip Energies.

37 entities

ISO 14001 certified

Environmental Events

We have a consistent procedure for recording, reporting, and investigating environmental incidents, using our QHSES incident management and analysis tool. In case of an unexpected environmental event, containment and mitigation measures are immediately initiated. Incidents are immediately recorded and assigned an "actual" and "potential" impact rating. We formally investigate any potential or actual event then implement corrective actions to prevent reoccurrence. Events deemed as having high-level consequences are notified to the management team through a "first alert" process and all high-potential consequence incidents are subject to in-depth investigation.

In order to manage our environmental incidents effectively, we also monitor our total environmental incident rate ("**TEIR**") (by reference to 200,000 worked hours) and our total relevant incidents rate ("**REIR**") (by reference to 200,000 worked hours). The total REIR captures all significant environmental incidents within our responsibility. This indicator enables us to understand the effectiveness of our incident management system. The REIR also assists us in monitoring our actual risk in terms of environmental incident management. It covers all incidents of a certain environmental impact, triggering management attention, including incidents which:

(a) involve a discharge/release above regulatory or client limits;
(b) reach warning levels provided by regulatory agencies;
(c) may cause public concern.
(d) impact work; and
(e) require external support for containment or clean-up.

The REIR for 2021 is 0.01 versus 0.09 in 2020. The Company did not have any significant incidents with an adverse impact on the environment in 2021.

Social

The second pillar of our ESG strategy is Social. Its roots are also in Sustainability, one of our Foundational Beliefs, with particular reference to our impact on people and the communities where we operate. Our Social actions are also closely linked to two of our other Foundational Beliefs, Integrity and Respect. Our actions seek to empower our people to be the difference, while helping TechnipFMC exhibit the power of inclusion by exercising the value of diversity.

There are three Social commitments on our ESG scorecard which drive intentional actions in support of our inclusion and diversity journey – Awareness & Culture, Fair Representation, and Community.

Our Social actions and commitments are not limited to those covered by the scorecard. The scorecard goals and our ongoing progress are detailed below.

Our Scorecard Commitments

Commitment to improve the recruitment of females in graduate program

47% of all graduates hired globally were females

Fair Representation
TechnipFMC is committed to improving the recruitment of female graduates and the proportion of underrepresented populations in senior management. As at the end of 2021, our global graduate program consisted of 47% female participants – exceeding our scorecard target of 45% by the end of 2023.

Under our 2021-2023 scorecard, we also aim to increase underrepresented populations in senior management: our target is to increase the percentage of females in senior management to 26% by the end of 2023. As at the end of 2021, we exceeded our targets, with female representation in senior management standing at 21%. We further aim to increase the percentage of underrepresented nationalities (nationalities outside North American and European countries) and U.S. minorities in senior management to 20%, and as at 2021 we have already met our target, with 20%. The protection of personal information varies widely from country to country thereby making it difficult to track certain characteristics. Instead, we link to nationality and U.S. minorities, encouraging the development of local talent around the globe. Given the evolving nature of this population, we will continue to keep leadership succession high on the agenda to maintain or further improve fair representation.

A goal to designate a minimum of one female to each Leadership Succession Plan and resulting efforts to identify internal talent early has translated into an increase in depth and representation of females and underrepresented nationalities and U.S. minorities. We have increased representation of females on our Executive Leadership Team by the promotion of our Executive Vice President People & Culture and Executive Vice President of New Energy Ventures to the team in 2021.

Awareness & Culture
In February 2021, our Inclusive Leadership Learning journey began for all managers. The launch of this curriculum

focused on the development of inclusive behaviors, the importance of allyship, and eliminating unconscious biases. This initiative was recognized by employees by winning the Company's internal 2021 Driving Change Awards in the Employee Development and Engagement category.

As part of the scorecard, our goal is for 100% completion of this e-learning by managers by 2023. In 2021, we exceeded our expectations with 100% of senior managers and 54% of managers completing the e-learning, against our 2023 target of 100%.

Community

TechnipFMC is focused on making a long-term, positive impact in the communities where we live and work. We encourage our employees to actively engage in 'giving back' through active engagement in health, education, and local employment. Initiatives include our iVolunteer global volunteering program, which encourages employees to perform four hours of volunteering each year at the Company's expense, and promoting science, technology, engineering and mathematics ("**STEM**") careers.

We are working towards participating in 800 volunteering initiatives and 150 STEM initiatives by 2023. As at the end of 2021, we had achieved 136 volunteering and 68 STEM initiatives, being 17% and 45%, respectively, towards our 2023 ESG scorecard goal. These levels of participation occurred in an environment that remained largely impacted by COVID-19's effects on in-person contact and events, which limited traditional volunteering opportunities and STEM events. However, our employees still responded with their typical dedication and generosity. In 2022, we will introduce a global solution that will provide endless opportunities and flexibility in engaging our employees and building our philanthropic story.

Beyond the Scorecard

There are many initiatives that we do not measure in the scorecard, such as our people's charitable initiatives and activities, and more formal schemes such as career development. We explore some of those areas over the following pages.

Community Highlights

COVID-19 Relief Support in India

Employees in our Hyderabad, India, location donated 5,000 three-layered reusable face masks and 1,500 face shields to Rachakonda Police Department.

Ghana's Pink Volunteers - Breast Cancer Walk and Run

In October 2021 our Ghana employees volunteered and raised funds to promote Breast Cancer Awareness and alleviate the cost of treatment for cancer patients who cannot afford the cost of treatment.

TechFest's STEM Next

TechnipFMC sponsored TechFest's STEM Next essay competition in Scotland for students aged 16 to 18 which aims to explore the future of STEM research and encourage young people to enter into STEM careers.

STEM Day goes BOLD-ly into the virtual world

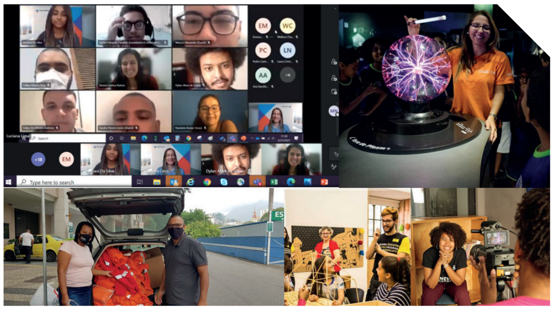
TechnipFMC's BOLD employee resource group held its 4th Annual STEM Day and transformed the in-person event into a virtual experience for nearly 400 students across the Greater Houston area.

DIY Face Shield Project

TechnipFMC's Asiaflex Products team in Malaysia made 1,500 face shields for front-line staff at a COVID-19 quarantine center.

Making a difference together

TechnipFMC's Measurement Solutions document controllers collected garbage in the walking paths around various neighborhoods in Kongsberg.



STEM Lectures in Brazil

TechnipFMC's engineers volunteered with the Project Enterprising Trail and young apprentices in Brazil on STEM topics that focused on LEAN and women in STEM.

Employee Matters

People and culture are at the heart of our development strategy. People are our wealth and strength. We are committed to our employees, and our employee guidelines are specified in our Code of Business Conduct, which applies to all employees, regardless of their roles, and no matter where they work.

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

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

Workforce Overview

Our workforce consists of the following:

	December 31, 2019[1]	December 31, 2020[1]	December 31, 2021
Permanent employees	21,522	19,078	19,103
Temporary employees (fixed-term)	1,637	1,054	1,507
Employees on payroll	**23,159**	**20,132**	**20,610**
Contracted workforce	2,560	635	1,392
Total Workforce	**25,719**	**20,767**	**22,002**

(1) 2019 and 2020 figures have been recalculated to exclude Technip Energies.

As at December 31, 2021, TechnipFMC had the following number of executive officers and employees:

	Male Employees			Female Employees			Total			% of Female Employees		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Directors (non-executive directors)	10	10	4	3	3	4	13	14	8	23%	28%	50%
Executive officers (including Douglas J. Pferdehirt)	7	5	5	4	3	3	11	8	8	36%	38%	38%
Senior managers	84	92	57	24	19	14	108	111	71	22%	19%	20%
Employees on payroll (overall)	28,760	26,948	16,084	8,407	8,135	3,979	37,167	35,083	20,063	23%	23%	20%

Figures include Technip Energies.

Attracting Talent

To position ourselves as an employer of choice, we continued to bring our Employee Value Proposition ("**EVP**") to life. We encouraged and included more people from our business to share their inspiring experiences and stories that truly reflects the diversity and plurality we have in the company. People from different cultures, generations, gender, races, disabilities, and sexual preferences are represented by what they all have in common: inspiring experiences lived at TechnipFMC. We continue to explore how best we can share these experiences with external candidates as well as internally through different channels. In 2021, significant effort was put into improving candidate experiences when accessing our website's new career page as well as on our internal EVP-dedicated web page.

The career pages aim to reflect key EVP messages as well as our commitments to Diversity and Inclusion and ESG to attract the right talent to our company.

Our recruitment system is becoming more standardized worldwide to improve the selection process. Global programs are being revised to provide a more dynamic, modern and attractive experience with relevant content. Our onboarding program will be further simplified, with better global alignment and more efficient communication to make the experience of new employees and line managers more efficient and connected. Our graduate program gained more global representation with an increase in participation across our business.

Key performance indicators linked to talent acquisition are now available and accessible to key stakeholders through our internal tracking platform. These include the results of the exit interview, onboarding program and new employees; and evaluation of the selection process.

Developing and Keeping Talent

In 2021, we have further simplified the design and process of identifying key talents that was launched in 2020. We saw an improvement in our Leadership Succession Planning both in terms of depth and representation of underrepresented nationalities and U.S. minorities and gender. We have continued to work on Talking Talents (a process launched in 2020 to identify and support development of our key talents). As of December 31, 2021, we have 14% (an increase from 6% in 2020) of our employee population identified as flagged talents in our three main Career Pathways: Leadership, Technology and Project Management. This includes our Technical Expertise Program, which was also launched in 2020, where we welcomed new experts in 2021.

Leadership You was introduced in 2021, which provides leadership development opportunities not only for our leaders, but for all of our employees. We have also made other talent development tools available for all employees. Examples include Individual Development Plan, Continuous Multi Source Feedback, and Inclusive Leadership Training.

Employee attrition in 2021 was 6.4% compared to 2.5% in 2020, attributable to a significant extent to the great reshuffle we witnessed across industries globally. Through dedicated efforts focused on key talents we managed to keep the attrition rate lower at 5.6%.

In 2022, we will further improve our Performance Process and move from annual performance reviews and ratings to continuous feedback and check-ins between employees and managers thereby enabling an environment where our employees will have boundless opportunities to grow, contribute, and be their best. This will further improve our business and individual performance and focus on the development for our people.

As we continued to manage the ever-changing COVID-19 landscape, we have carried on sharpening our focus on enabling our people to grow, develop, and share knowledge. The importance of being able to offer learning and knowledge-sharing opportunities in a digital, 24/7, and global environment has been key to our success. Building on our solid foundations, we delivered impactful courses, initiatives, and solutions across all of our business segments, in addition to being particularly focused on leadership, technology, and project management.

Technical Expertise Program

Building on the launch of the global Technical Expertise Program in late 2020, we executed the first-ever application and selection process for the program. It recognizes and rewards employees who have demonstrated technical mastery in their discipline, as well as:

- technical impact, whether it is operational performance, product development, or project management;
- people development, by inspiring others, enabling the full potential of people and teams, mentoring, sharing knowledge and expertise, and attracting other technical talent;
- business impact, by developing business with existing or new customers, new solutions in existing markets, or new markets altogether; and
- industry leadership, through internal and external professional visibility as a thought leader, both individually and as a representative of the Company's technical leadership.

The Technical Expertise Program has more than 650 members who share their knowledge broadly across the Company's learning ecosystem, using knowledge management platforms such as The Bridge to connect with employees in almost 40 chartered global knowledge-sharing networks. The related knowledge repository, The Well, has more than 4,000 pages, which received in excess of 600,000 visits in 2021. The Well is connected with the Company's competency management platform and provides direct access to competency-based content. Employees in all regions access these and other knowledge management social learning tools such as an Experts Explain webinar series and Illuminate podcasts to increase their knowledge about business and technical topics, and to share their own knowledge.

Learning and Training

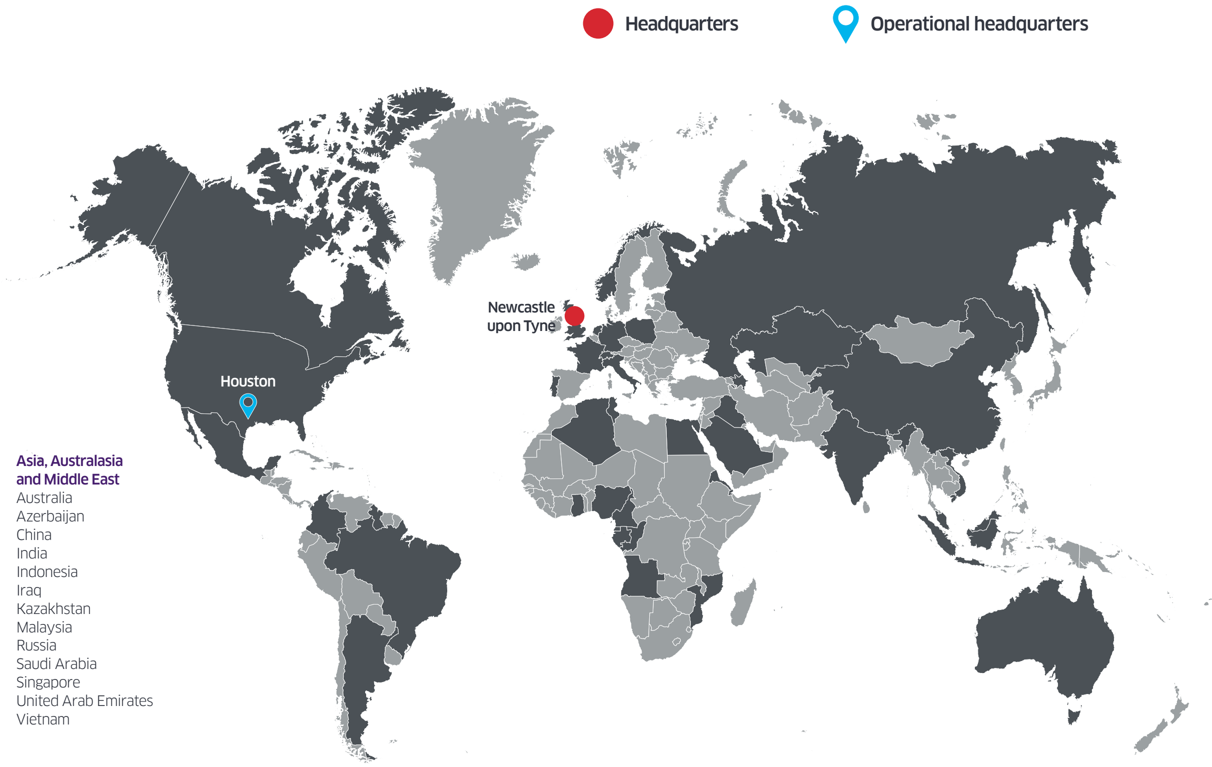
Engagement in our iLearn learning platform has seen a significant rebound in use in 2021, as we continue to embrace our digital transformation. In 2021, there were more than 26,000 pieces of creative and innovative learning content available, with ongoing releases of new and meaningful courses, to support skills development for our employees and enhance their performance in their role. In 2021, 76% of our training hours (up from 50% in 2020) and 96% of our course completions (up from 95% in 2020) were done in a digital or virtual environment, which resulted in 15.5 training hours per employee (up from 5.85 hours per employee in 2020). The areas of learning in 2021 were Health, Safety, Environment, and Security; Human Resources; Legal; and Personal Effectiveness.

Employee Networks and Resource Groups ("ENRGs")

TechnipFMC's ENRGs aim to engage and reinforce our commitment to creating an environment where all employees can achieve their full potential. We continue to promote ENRGs globally by improving participation and sponsorship. ENRGs contribute in three ways:

- Encouraging meaningful employee engagement and development of future leaders
- Acting as a resource for attraction and retention of talent
- Sharing new ideas and perspectives for a changing workforce

Unique worldwide footprint



North America
Canada
Mexico
United States

South America
Argentina
Brazil
Colombia
Guyana

Europe
France
Germany
Italy
Netherlands
Norway
Poland
Portugal
United Kingdom

Africa
Algeria
Angola
Cameroon
Congo-Brazzaville
Egypt
Equatorial Guinea
Gabon
Ghana
Mozambique
Nigeria
Tunisia

Asia, Australasia and Middle East
Australia
Azerbaijan
China
India
Indonesia
Iraq
Kazakhstan
Malaysia
Russia
Saudi Arabia
Singapore
United Arab Emirates
Vietnam

> “We work on breakthrough projects, in a global playground and, as a result, our people live inspiring experiences”

Promoting Cultural and Ethnic Diversity

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

Providing Equal Opportunities

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

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

In December 2021, we celebrated International Day of Persons with Disabilities. We had various initiatives to promote inclusion and respect featuring our colleagues throughout the globe, including:

- Inspiring stories featuring perspectives from leadership, people with disabilities, and carers of disabled children;
- Creating awareness of invisible disabilities in a podcast; and
- Virtual iVolunteer event for People & Culture where senior managers recorded holiday greetings for Helping Hands for the Deaf through sign language and many other local events.

Strengthening Social Dialogue

The Company has developed a culture that is based on the values of trust, mutual respect, and dialogue. In accordance with local legislation, regular meetings with trade union-appointed and/or works council representatives are organized for information and/or consultation. The Company's European Works Council ("**EWC**") meets regularly and all of our European entities joined the EWC by the end of 2019. In 2021, the EWC elected its new members, who consist of employee representatives from France, Germany, the Netherlands, Norway, Poland, Portugal, and the United Kingdom.

Employee Engagement and Well-being

In 2021, we launched our first Company-wide employee engagement survey, with a remarkable 70% response rate.

The results were consistent with the oil and gas industry, but certainly have room for improvement. The results achieved and the commitments made by our Executive Leadership Team and business executives illustrate the importance of the survey initiative to the Company. The robust and analytical platform gives all managers the opportunity to work autonomously on their action plans.

We continued to build on the strong foundations we laid in 2020, with the launch of our Well-being program in September 2021, in partnership with our Workplace Options platform, to help all employees be more successful at meeting their responsibilities at home and at work. Among the extensive resources available, we focused on mental health and all of our more than 20,000 people now have access to mental health resources and counselling. During the month of September 2021, webinars and Experts Explain webcasts were made available to stimulate discussion on the topic. As committed by our Chair and CEO in 2020, we annually mark the month of October as mental health awareness month with several activities to promote awareness. TechnipFMC also celebrates International Women's Day, PRIDE month, and International Women in Engineering Day, among others.

Internal Communication

We have a robust internal communications strategy and support communication channels that ensure that we communicate with our employees in a timely and effective manner. The effectiveness of internal communication is continually monitored and adjusted based on a focus group feedback program that reaches multiple levels across the Company. New digital tools help us gauge the effectiveness of our digital communication platforms. Employees are regularly consulted and provided with information on changes and events that may affect them through channels such as regular meetings, employee representatives, and the Company's intranet site. These consultations and meetings ensure that employees are kept informed of the financial and economic factors affecting the Company's performance and matters of concern to them.

Labor Relations and Collective Agreements

We seek to maintain constructive relationships with works councils and trades unions, and to comply with relevant local laws and collective agreements in relation to collective or individual labor relations. The Company also operates through local subsidiaries in many countries, a number of which, including those in France, Germany, and Norway, have legal requirements for works councils, which include employee representatives. We send regular information to all employees to share information about business success, changes to the organizational structure, and any major impact to the business or the Company. The same approach to sharing information and maintaining a regular dialogue with employees exists at a local level through the action of the local communications teams and managers. In countries where employee representatives or works councils are in place, the Company seeks to maintain an effective and regular dialogue. To get the direct feedback of employees, we performed an employee engagement survey globally in 2021. The results have been communicated and actions are being taken in all of our operations to improve employee relations and engagement. Every quarter, all employees receive a direct message from our Chair and CEO about the financial results of the Company and main business information.

Governance

The third pillar of our ESG strategy is Governance, which is touched by all of our Foundational Beliefs: Safety, Quality, Sustainability, Integrity and Respect.

Each of the commitments covered in our ESG scorecard is tied closely to making a positive impact on our people and the communities where we operate – leadership in HSES, human rights due diligence, and ethics and compliance training – but also links to the aspirations of our other Foundational Beliefs, because how we do business is as important as why we do business.

Our Governance actions and commitments are not limited to those covered by the scorecard. Our progress towards our scorecard commitments are detailed below.

Our Scorecard Commitments

Leadership in HSE

At TechnipFMC, we are committed to upholding a strong safety culture by rolling out Serious Incidents and Fatalities Prevention ("**SIFP**") programs. For 2021, the first year of the scorecard, we exceeded our expectations by 30%, with 244 SIF projects suggested out of a three-year target of 400.

Our SIFP program is a cornerstone of our prevention mindset. It is a proactive, high-impact risk prevention program which aims to shift the organization's focus from reactive to proactive risk reduction. The objectives are to prevent serious injuries, to proactively reduce our overall risk profile by putting mitigation strategies in place, and to bring visibility to critical issues requiring the support of leadership.

Our further actions in HSE are discussed in greater detail in the Health, Safety, and Environment section of this report in the following pages.

Human rights due diligence

We are raising the bar on workers' welfare through human rights audits in high-risk countries. Under our ESG objectives, we have undertaken a commitment to complete 100% of human rights audits scheduled each year on our 100 most significant suppliers in countries where there are high risks of human rights abuses. In 2021, we laid the groundwork for all of the audits (developing questionnaires, selecting suppliers, creating an audit toolbox, etc.) and completed the first phase of the audits.

As at the end of 2021, we met our expectations for the first year of our scorecard by completing 33% of the audit of our most significant suppliers. The audit consists of three stages, of which we have completed the first: we issued our Self-Assessment Questionnaire (that was developed based on industry standard best practices) and received a 100% response rate from suppliers. Based on these questionnaire responses, and with the use of due diligence tools, we then completed a due diligence review of all 100 suppliers, and met our 2021 goal of completing the first round of desk audits for selected suppliers. Our goal is to complete the second and third stages of the audit during the years 2022-2023, comprising desk audits and on-site/virtual audits for the selected suppliers. In addition, an annual review will be conducted each year going forward to update the selected supplier list as needed.

Ethics and compliance

Our Code of Business Conduct helps us recognize and address the ethical dimensions of our everyday decisions. It provides practical guidance about what is expected of all of us. Board oversight of our ESG strategy and executive remuneration further ensures fairness. This commitment targets 100% completion of our Ethics and Compliance e-learning by all managers every year. We systematically roll out the program and are measuring completion rates of the courses.

For 2021, the first year of the scorecard, we met our expectations 100%, with all managers taking required ethics and integrity courses this year.

Beyond the Scorecard

Our efforts under the Governance pillar go beyond those detailed in the scorecard, as we demonstrate in the following pages.

Our Compliance Program

How TechnipFMC conducts its business across the world is as important as why TechnipFMC does business. We act in accordance with our core values and our Foundational Beliefs in all that we do. We aspire to develop business relationships with like-minded partners who are guided by a similar set of principles of business conduct. Integrity is one of the most critical cornerstones of the way we conduct business, and we hold ourselves to the highest integrity principles, which drive our compliance program.

Our Code of Business Conduct is built on our Foundational Beliefs of safety, integrity, quality, respect, and sustainability, and gives us a common language and playbook for decisions and actions that help us live our core values. Available in 13 languages, our Code of Business Conduct helps us recognize and address the ethical dimensions to our everyday decisions. In addition to our Code of Business Conduct, we maintain a world-class compliance program that is designed on a risk-based approach and focuses on the following priorities:

- Anti-bribery and corruption: our standards and processes provide a clear and comprehensive framework for our business in all of the countries in which we operate, in compliance with all applicable laws.
- Human rights: the protection of human rights is an essential business principle we promote for our employees in the workplace and across our supply chain.
- Trade controls and foreign boycotts: we implement policies and procedures pertaining to international trade laws and regulations imposed by applicable authorities.
- Data privacy: we implement appropriate security and access measures to protect personal data stored in information systems.

Our compliance program is supported by a global team of professionals embedded across our organization, who are responsible for the provision of advice, counsel and training, as well as auditing of our program and its controls. This is designed to mitigate and monitor compliance risk in support of our operations. Our program is led by a Chief Compliance Officer, who reports dually to our Executive Vice President and Chief Legal Officer, and to the Chair of the Board of Directors' Environmental, Social, and Governance Committee. Our Chief Compliance Officer regularly reports compliance matters to management and formally reports to the Committee quarterly. These reports include continuous enhancements to our compliance program and allegations regarding potential non-compliance with our Code of Business Conduct.

We believe it is up to all of us to uphold the principles in our Code of Business Conduct. We encourage employees and others to raise questions and concerns to ensure that we are leading by example. Suspected breaches of our Code of Business Conduct can be reported through various means, including through an independent third party via the dedicated reporting helpline. TechnipFMC has a zero-tolerance policy on retaliation against employees for reporting suspected violations of our policies or Code of Business Conduct.

Anti-Corruption and Anti-Bribery Compliance Controls

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

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

We conduct due diligence of potential business partners before entering into a relationship to better enable us to identify partners that share our commitment to ethical business practices and partners whose other relationships do not create the appearance of a potential conflict of interest. Our Code of Business Conduct highlights our commitment to integrity, and in conjunction with our standards and procedures, we have implemented a variety of anti-bribery and corruption-related operational standards that translate our general principles into concrete operating procedures.

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

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

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

We also have a Social Donations, Sponsorships, and Charitable Contributions Standard, which applies to all our directors, officers, employees, and contracted personnel, setting forth our rules relating to making contributions to our communities. As a responsible corporate citizen, TechnipFMC believes in contributing to the communities where we conduct business around the world by supporting worthy causes, donations, and activities. Under appropriate circumstances, social donations, sponsorships, and charitable contributions provide an important way for TechnipFMC to play a constructive role in the societies and communities in which we live, work, and conduct business. This standard, which applies to all our directors, officers, employees, and contracted personnel, sets forth our rules associated with these activities so that our contributions are not misused for improper purposes, such as to disguise illegal payments to government officials.

Our Code of Business Conduct and its related standards are applicable to all directors, employees, business partners, and supply chain members, as well as all of our business transactions, and all of our majority-owned or controlled subsidiaries. We will also use our best efforts to induce our joint venture and consortium members to adopt the standards or agree to abide by an equivalent set of standards. In sum, our compliance program is designed to effectively mitigate and monitor risks relevant to our enterprise to enable us to preserve the interests of our stakeholders in accordance with our core values and Foundational Beliefs.

Code of Business Conduct

Our Code of Business Conduct is built on our Foundational Beliefs and gives our directors, officers, and employees a common language and playbook for decisions and actions that help us live our core values. We are committed to establishing and maintaining an effective compliance program that is intended to increase the likelihood of preventing, detecting, and correcting violations of Company policy and the law. Moreover, we have a helpline in place for employees, officers, directors, and external parties to anonymously report violations of our Code of Business Conduct or complaints regarding accounting and auditing practices. Reports of possible violations of financial or accounting policies are reported to our Audit Committee.

We will disclose amendments to, or waivers of, our Code of Business Conduct that are required to be disclosed under the U.S. Securities and Exchange Commission ("**SEC**") and NYSE rules or any other applicable laws, rules, and regulations. Any waiver of our Code of Business Conduct for our officers and directors must be approved by the Board or a relevant Board committee. We have not made any such waivers, and do not anticipate making any such waiver.

Human Rights

Respect is one of our Foundational Beliefs. It guides how we fundamentally do business and what we never compromise on, no matter the circumstances. We believe that everyone is entitled to honest, fair, and courteous treatment. We do not tolerate any form of modern slavery and we express a strong commitment for respecting human rights and are against the use of child, forced, indentured, or involuntary labor, regardless of where we conduct business.

Our Code of Business Conduct reflects our commitment to acting ethically and lawfully and recognizing human rights on a global basis. It is our policy that our Code of Business Conduct be shared and discussed with our clients, suppliers, and business partners to better explain our rules of conduct and reinforce our culture of accountability. We aim to develop business relationships with like-minded subcontractors, suppliers, and business partners who are guided by a similar set of principles of business conduct, and aspire to only do business with counterparties who respect human rights and uphold labor laws.

TechnipFMC has published its statement on slavery and human trafficking for the financial year ending December 31, 2020 in accordance with section 54 of the U.K. Modern Slavery Act 2015. This document is available on our website at ***www.technipfmc.com*** under the heading "*About us > Ethics and Compliance > Slavery and Human Trafficking Statement*". Our statement addressing 2021 shall be published later this year on our website.

Our employees are encouraged and expected to report violations or suspected violations of our Code of Business Conduct. Various channels are available, including the option to report concerns to their managers, to anyone in the corporate compliance or legal department, the employee's human resources representative, or an independent third party via a dedicated reporting helpline and website.

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

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

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

The Company also remains a member of the United Nations Global Compact.

The Company also adopted a Human Rights Standard setting forth recognized human rights principles so that our operations are executed in compliance with the same and so that everyone with whom we work is treated with respect and dignity. Our Standard codifies the Worker Welfare Principles developed by Building Responsibly. The Company remains a proud member of this group of leading engineering and construction companies that are working together to promote the rights and welfare of workers across the industry, representing more than 580,000 employees and operating in over 100 countries. We continue working on our human rights strategy to embed respect for human rights in our operations and business relationships and to promote the protection of human rights for our employees in the workplace and across our supply chain as a foundational business practice. We have created an internal Human Rights Working Group, bringing together our support functions and operations to foster and promote a better working environment for our employees and our suppliers. The group conducted an internal human rights risk assessment to assess our processes against international standards, Building Responsibly principles, and our clients' human rights expectations. The assessment also looked at the standardization of our processes across the Company and at our human rights expectations towards our suppliers. For example, we have developed Suppliers and Subcontractors Integrity expectations including commitment to human rights principles and have started deploying these expectations with our partners, requiring adherence to the same in the execution of their operations. Also, we continue to assess how our company-wide due diligence processes and monitoring processes could be reinforced in this area.

Supply Chain and Customer Matters

In line with our aspiration to develop business relationships with like-minded clients, sub-contractors, suppliers, and business partners who are guided by a similar set of principles of business conduct, it is our policy that our Code of Business Conduct be shared and discussed with clients, suppliers, and our business partners to better explain our rules of conduct and reinforce our culture of accountability. We commit to doing business only with those suppliers who respect human rights and uphold labor laws. In undertaking sourcing, we focus on sustainability and consider our impact on the planet, people, and communities in which we operate.

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

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

Our goal is to build and sustain long-lasting relationships with governments, customers, partners, suppliers, and local communities where we have operations. Stakeholder considerations are embedded throughout our discussions and decisions, including in the discussions and decisions of our board of directors during the past financial year. The supply of goods and services is critical to our success as a business. We implement processes and procedures to enable us to manage our supply chain and supplier relationships effectively. As part of these processes and procedures, we work to identify and engage suppliers who can meet the demands of our business at a competitive cost.

Our local procurement teams are essential in this process and facilitate regular dialogue with our suppliers, while navigating local cultural, language, and time zone differences.

We regularly assess the performance of our suppliers with respect to our standards and expectations in delivery, quality, and response to supply chain matters. We are committed to operating our business with a focus on safety, integrity, quality, respect, and sustainability and we aspire to work with suppliers who are guided by a similar set of principles of business conduct. We actively review and monitor our suppliers' compliance with rules, regulations, principles, and guidelines relating to modern slavery, sustainability, human rights, anti-bribery, tax evasion, and data protection, amongst others.

Health, Safety, and Security

Health and safety is an integral part of our business, based on a genuine care and concern for the people and environment. Safety is one of our Foundational Beliefs and is at the heart of everything we do. At TechnipFMC, we are all responsible for creating a safe and secure workplace.

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

Protecting people at all times

In response to the COVID-19 pandemic, the mental health of our employees became an even greater focus. We implemented in 2020 and sustained in 2021, significant changes which we determined were in the best interest of our employees, as well as the communities in which we operate, and which comply with applicable government regulations. This included having at times the vast majority of our employees work from home, while implementing additional safety measures for employees continuing critical on-site work.

We have launched our Global Employee Assistance Program ("**EAP**") to help employees navigate daily life, managing remote work, coping with major life events, or even dealing with a global pandemic. The EAP gives employees and their family members direct access to professional coaches for in-the-moment counselling or referrals to community experts and extended care providers.

All our employees, partners, and contractors have the responsibility and the authority to stop the work if they consider conditions are unsafe. Pulse, our global Health, Safety and Environment ("**HSE**") culture and engagement program, provides our people with the right skills, tools and behaviors to maintain and strengthen our HSE culture. It empowers our people to foster an incident-free working environment.

We have adopted the International Association of Oil & Gas Producers ("**IOGP**") Life-Saving Rules which are fully aligned with our Global HSE management system. We are working with the rest of the industry to prevent serious incidents in the workplace. A series of e-learning modules was released in 2021, providing an opportunity for all our employees, partners, and subcontractors to improve general awareness, understanding, and compliance of the Life-Saving Rules.

Our programs aim to de-risk our operations with a particular focus on Dropped Objects, Energy Release, and Uncontrolled Moves, which are the most common causes of work-related incidents.

We monitor and report on key safety metrics in line with industry standards. We include in our data both employees and contractors in joint arrangements where we directly manage the performance of these operations.

Safety Performance

We had no work-related fatality in 2021. While we are grateful for this, we remain conscious that employees continue to suffer injuries. Not every day is a "safe day" yet and the safety of our employees, partners, and contractors remains at the forefront of our HSE journey.

In 2021, 49.7 million hours were worked at the Company's facilities and project sites worldwide.

Safety Performance	2019[2]	2020[2]	2021
Total Recordable Incident Rate (TRIR)[1]	0.35	0.29	0.26
Lost Time Injury Frequency (LTIF)[1]	0.07	0.09	0.11
Leadership & Management Walkthrough Frequency[1]	21.51	18.72	21.86
Fatal Accident Frequency[1]	0	0	0

(1) The rates are calculated across 200,000 hours worked. Incidents as defined by the U.S. Department of Labor's Occupational Safety and Health Administration standards are considered. The cut-off date is December 31, 2021.

(2) 2019 and 2020 figures have been recalculated to exclude Technip Energies.

In 2021, we continued our emphasis on effective controls, human performance, and leadership engagement for higher-risk work activities. Active leadership engagement is a key contributor to a powerful safety culture. Our leaders reinforce our culture through training, participation, and site visits. To counterbalance travel restrictions due to COVID-19, remote leadership engagements have been successfully deployed to maintain management engagement with the workforce. We will continue to stay focused and strive toward zero serious injuries or fatalities for today and the future.

Strong Health & Safety Culture

Our Pulse program is designed to drive the development of our people to adopt safety leadership behaviors. A key principle is to align mindsets to develop a single, global health and safety culture. The program is summarized by the Pulse formula for success: Inspire, Interact, Intervene. Each element of the formula integrates the principles of human performances: lead by example, actively listen to others and promote safety conversations, collaborate with colleagues, welcome and praise all interventions you receive or observe. In 2021, 28 sessions were delivered and we will continue this journey in future with development of targeted e-learning.

Prevention mindset

Risk management is an integral part of our business. As part of our risk management process, risks are regularly identified, monitored, and mitigated at every business level. We continuously focus on assessing and lowering risks to prevent incidents in all the work we do. We regularly evaluate the Company's safety risk profile within the context of our operations, our contractors, subcontractors, and customer relationships.

We investigate incidents including those near misses with potential to harm people or the environment. We implement lessons learned and we strive for continual improvement of our health and safety management and work practices.

In 2021, we have taken important actions to further reduce our risk profile and to prevent serious injuries, described below.

- Our Serious Incident and Fatality Prevention ("**SIFP**") Program is a cornerstone of our prevention mindset. SIFP is a proactive high Impact Risk Prevention Program which aims to shift the organization focus from reactive to proactive risk reduction. The objectives are to prevent Serious Injuries, to proactively reduce our overall risk profile by putting mitigation strategies in place, and to bring visibility to critical issues requiring the support of leadership. In addition to the 244 SIFP projects closed in 2021, 63 SIFP projects from 2020 were also closed in 2021, resulting in 307 such projects closed in aggregate in 2021.

- The Global Line of Fire Prevention program was rolled out. The goal is for employees to develop an understanding of the risks associated with line of fire exposure and how to identify the right controls to put in place to prevent such risks. A targeted month-long global campaign was launched by our senior leadership in 2021 and all employees were invited to participate. The campaign included the use of posters, banners, and electronic communications; tool-box talks; line-of-fire hazard hunts; and the deployment of reflective approaches for learning from incidents.

Over the last year the need for a Dropped Object Prevention Campaign was identified for TechnipFMC as Dropped Objects remains one of the highest SIF categories both in our company and the rest of industry. A cross business unit working group was chartered to design and deliver a campaign which will raise awareness of dropped object risks and provide employees with tools, resources and information to mitigate these risks. Overall, there was positive feedback from all business units regarding the eLearn training, and updated procedure. Though the campaign has ended, efforts will continue in eliminating dropped objects.

Security

Security within TechnipFMC is considered a fundamental service, that is governed at a corporate and regional level. Our Global Security Team operates a 24/7 Global Security Operations Center. In addition, we appoint Security Correspondents who have security responsibilities in addition to their primary function of acting as an extension of the Global Security Team. They are responsible for implementing the Global Security Program and maintaining security at a local or project level. The Global Security Program comprises programs for Asset (vessels and sites), Project, Personal and Travel security. Global Security is also the custodian of the Incident and Crisis Management program, that has 36 identified Incident management teams, three business unit crisis management teams, and a Corporate Crisis Management Team.

Decision making and section 172 of the Companies Act

Our success depends on our ability to engage effectively with our stakeholders. Accordingly, our Board processes are structured to support our directors in discharging their duties under the Companies Act, particularly in relation to the Board's decision-making functions. Our Board considers, both individually and collectively, that they have acted in a way they consider in good faith and would be most likely to promote the success of the company for the benefit of its members as a whole, having regard to matters set out in section 172(1)(a) to (f) of the Companies Act in the decisions taken during the financial year ending December 31, 2021. In particular, we refer to:

- **Likely consequences of any decision in the long term:** We operate a sophisticated, global business in a highly competitive industry that has been negatively impacted by low commodity prices and the global COVID-19 pandemic. Enhancement of our performance and competitiveness is a key component of our strategy, and this is achieved through technology innovation and differentiation, seamless execution, and simplification that drives cost down including the completed Spin-off of Technip Energies. We are targeting profitable and sustainable growth, seizing market growth opportunities, expanding our range of services, and managing our assets efficiently to ensure that we are well-positioned to benefit from the opportunities we see in many of the segments we serve in order to deliver a long-term beneficial impact on the company and our clients (further details are set out in the paragraph entitled "*Shareholder Engagement*" of the Remuneration Report).
- **Interests of employees:** In 2021, each of our more than 20,000 employees was critical to delivering the strategy and success of the company. We are committed to our employees, and our employee guidelines are specified in our Code of Business Conduct, which applies to all employees, regardless of their roles, and no matter where they work. Employee matters are one of our primary considerations in the way we do business and we take our responsibility to provide a fair and inclusive work environment seriously. With this in mind, we simplified the design and process of identifying key talents in the organization in 2020 to further achieve significant and quality progress in a virtual world. Further, in light of the global challenges faced in 2020 due to COVID-19, we ran a global employee well-being survey which helped us develop policies which we have continued to implement in 2021, to support our employees in these unprecedented times (further details are set out in the paragraphs entitled "*Social*" and "*Employee Matters*" of this Strategic Report).
- **Fostering business relationships with suppliers, customers, and others:** In line with our aspiration to develop business relationships with like-minded clients, sub-contractors, suppliers, and business partners who are guided by a similar set of principles of business conduct, it is our policy that our Code of Business Conduct be shared and discussed with clients, sub-contractors, suppliers, and our business partners to better explain our rules of conduct and reinforce our culture of accountability. Our goal is to build and sustain long-lasting relationships with governments, customers, partners, suppliers, sub-contractors, and local communities where we have operations. Even during the lockdown amidst the global COVID-19 pandemic, we partnered with our clients and suppliers to organize more than 100 relief initiatives in 19 countries and donated more than 100,000 face masks (further details are set out in the paragraphs entitled "*Supporting Communities*" and "*Supply Chain and Customer Matters*" of this Strategic Report).
- **Impact of operations on the community and the environment:** The Environment is the first pillar of our ESG strategy. We believe our environmental responsibility requires us to operate in a manner that minimizes the impact of our operations on the environment, develop sustainable solutions to reduce carbon emissions within our overall environmental footprint, and avoid any environmental incidents in our operations and activities. We also support and encourage our employees to volunteer and support their community development programs in line with our Code of Business Conduct and the Social pillar of our ESG strategy. Since the formation of TechnipFMC, we have adopted company-wide, consecutive three-year ESG road maps which include our commitments in terms of Environmental, Social and Governance for the period 2021-2023 through our Environmental, Social, and Governance scorecard (further details are set out in the section entitled "Environmental, Social, and Governance" of this Strategic Report).

- **Maintaining a reputation for high standards of business conduct:** Our Code of Business Conduct is built on our Foundational Beliefs of safety, integrity, quality, respect, and sustainability, and gives us, including our directors and each and every employee, a common language and playbook for decisions and actions that help us live our core values. Available in 13 languages, our Code of Business Conduct helps us recognize and address the ethical dimensions to our everyday decisions (further details are set out in the paragraph entitled "*Our Compliance Program*" of this Strategic Report).
- **The need to act fairly as between shareholders of the company:** To provide the opportunity to better understand shareholder views, our Board and executive team maintain a shareholder engagement program to solicit feedback across a number of shareholder matters. We believe this engagement is important as we seek to develop long-term relationships with our shareholders and ensure that they fully understand our strategy and the ways in which we seek to unlock value across our business portfolio. Our intention is to ensure that our shareholders are kept updated on significant matters and relevant emerging trends. Our 2021/2022 Off-Season Shareholder Outreach Campaign involved our active outreach to 19 shareholders representing approximately 46% of TechnipFMC's ordinary shares in issue with respect to our Board leadership and governance, executive compensation, and corporate responsibility and sustainability. Through our shareholder engagement efforts, the Board is able to consider different perspectives, including shareholders' input, within the context of company-wide matters including our pay-for-performance philosophy, business, and strategies. We continue our efforts to engage with our shareholders through meaningful and ongoing dialogue as an important part of our Board's corporate governance commitment (further details are set out in the paragraph entitled "*Shareholder Engagement*" of the Remuneration Report).

Principal Risks and Uncertainties

Important risk factors that could impact our ability to achieve our anticipated operating results and growth plan goals are presented below. The following principal risks and uncertainties should be read in conjunction with discussions of our business and the factors affecting our business located elsewhere in this U.K. Annual Report and in our other public filings.

Summary Risk Factors

The following is a summary of some of the risks and uncertainties that could materially adversely affect our business, financial condition and results of operations. You should read this summary together with the more detailed description of each risk factor contained below.

Risks Related to Our Business and Industry

- Demand for our products and services depends on oil and gas industry activity and expenditure levels, which are directly affected by trends in the demand for and price of crude oil and natural gas.
- We operate in a competitive environment and unanticipated changes relating to competitive factors in our industry, including ongoing industry consolidation, may impact our results of operations.
- Our success depends on our ability to develop, implement, and protect new technologies and services.
- Cumulative loss of several major contracts, customers, or alliances may have an adverse effect on us, and the credit and commercial terms of certain contracts may subject us to further risks.
- The COVID-19 pandemic, the United Kingdom's withdrawal from the European Union, and disruptions in the political, regulatory, economic, and social conditions of the countries in which we conduct business, could adversely affect our business or results of operations.
- DTC may cease to act as a depository and clearing agency for our shares.
- Our existing and future debt may limit cash flow available to invest in the ongoing needs of our business and could prevent us from fulfilling our obligations under our outstanding debt.
- A downgrade in our debt rating could restrict our ability to access the capital markets.
- Our acquisition and divestiture activities involve substantial risks.
- Demands to address Environmental, Social and Governance ("**ESG**") matters could surpass our ability to meet demands and thus adversely affect our business.
- Uncertainties with respect to the energy transition may adversely affect our business.

Risks Related to Our Operations

- We may lose money on fixed-price contracts.
- New capital asset construction projects for vessels and manufacturing facilities are subject to risks, including delays and cost overruns.
- Our failure to timely deliver our backlog could affect future sales, profitability, and customer relationships.
- We face risks relating to our reliance on subcontractors, suppliers, and our joint venture partners.
- A failure or breach of our IT infrastructure or that of our subcontractors, suppliers or joint venture partners, including as a result of cyber-attacks, could adversely impact our business and results of operations.
- Pirates endanger our maritime employees and assets.

Risks Related to Legal Proceedings, Tax, and Regulatory Matters

- The industries in which we operate or have operated expose us to potential liabilities, including the installation or use of our products, which may not be covered by insurance or may be in excess of policy limits, or for which expected recoveries may not be realized.
- Our operations require us to comply with numerous laws and regulations, including those related to environmental protection and climate change, health and safety, privacy, data protection and data security, labor and employment, import/export controls, currency exchange, bribery and corruption, and taxation, violations of which could have a material adverse effect on our financial condition, results of operations, or cash flows.
- As an English public limited company, we must meet certain additional financial requirements before we may declare dividends or repurchase shares and certain capital structure decisions may require stockholder approval which may limit our flexibility to manage our capital structure.
- Uninsured claims and litigation against us, including intellectual property litigation, could adversely impact our financial condition, results of operations, or cash flows.
- The IRS may not agree that we should be treated as a foreign corporation for U.S. federal tax purposes and may seek to impose an excise tax on gains recognized by certain individuals.
- U.S. tax laws and/or guidance could also affect our ability to engage in certain acquisition strategies and certain internal restructurings.
- We are subject to the tax laws of numerous jurisdictions; and challenges to the interpretation of, or future changes to, such laws could adversely affect us.
- We intend to be treated exclusively as a resident of the United Kingdom for tax purposes, but other tax authorities may seek to treat us as a tax resident of another jurisdiction, and we may not qualify for benefits under tax treaties entered into between the United Kingdom and other countries.

General Risk Factors

- We are a shareholder of Technip Energies and the value of our investment in Technip Energies may fluctuate and may result in an impact to our results of operations.
- Our businesses are dependent on the continuing services of our key managers and employees.
- Seasonal and weather conditions could adversely affect demand for our services and operations.
- Currency exchange rate fluctuations could adversely affect our financial condition, results of operations, or cash flows.
- We are exposed to risks in connection with our defined benefit pension plan commitments.
- We may be unable to obtain sufficient bonding capacity for certain contracts, and the need for performance and surety bonds could reduce availability under our credit facility.

Risks Related to Our Business and Industry

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

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

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

- demand for hydrocarbons, which is affected by worldwide population growth, economic growth rates, and general economic and business conditions, including reductions in travel and commerce relating to the COVID-19 pandemic;
- costs of exploring for, producing, and delivering oil and natural gas;
- political and economic uncertainty, and socio-political unrest;
- governmental laws, policies, regulations and subsidies related to or affecting the production, use, and exportation/importation of oil and natural gas;
- the ability or willingness of the Organization of Petroleum Exporting Countries and the 10 other oil producing countries, including Russia, Mexico and Kazakhstan ("**OPEC+**") to set and maintain production level for oil;
- oil refining and transportation capacity and shifts in end-customer preferences toward fuel efficiency and the use of natural gas;
- technological advances affecting energy consumption;
- development, exploitation, relative price, and availability of alternative sources of energy and our customers' shift of capital to the development of these sources;
- volatility in, and access to, capital and credit markets, which may affect our customers' activity levels, and spending for our products and services;
- decrease in investors' interest in hydrocarbon producers because of environmental and sustainability initiatives; and
- natural disasters.

The oil and gas industry has historically experienced periodic downturns, which have been characterized by diminished demand for oilfield services and downward pressure on the prices we charge. The oil and natural gas market remains quite volatile, and price recovery and business activity levels are dependent on variables beyond our control, such as geopolitical stability, increasing attention to global climate change resulting in pressure upon shareholders, financial institutions and/or financial markets to modify their relationships with oil and gas companies and to limit investments and/or funding to such companies, increasing likelihood of governmental regulations, enforcement, and investigations and private litigation due to increasing attention to global climate change, OPEC+'s actions to regulate its production capacity, changes in demand patterns, and international sanctions and tariffs. Continued volatility or any future reduction in demand for oilfield services could further adversely affect our financial condition, results of operations, or cash flows.

We operate in a highly competitive environment and unanticipated changes relating to competitive factors in our industry, including ongoing industry consolidation, may impact our results of operations.

We compete on the basis of a number of different factors, such as product offerings, project execution, customer service, and price. In order to compete effectively we must develop and implement innovative technologies and processes, and execute our clients' projects effectively. We can give no assurances that we will continue to be able to compete effectively with the products and services or prices offered by our competitors.

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

The COVID-19 pandemic has reduced demand for our products and services, and has had, and may continue to have, an adverse impact on our financial condition, results of operations, and cash flows.
The COVID-19 pandemic, including actions taken by governments and businesses, has resulted in a reduction in global economic activity, including increased volatility in global oil and natural gas markets. Measures taken to address and limit the spread of the disease, such as stay-at-home orders, social distancing guidelines, and travel restrictions, have adversely affected the economies and financial markets of many countries. The resulting disruption to our operations, communications, travel, and supply chain may continue or increase in the future, and could limit the ability of our employees, partners, or vendors to operate efficiently or at all, and has had, and is reasonably likely to continue to have, an adverse impact on our financial condition, operating results, and cash flows.

Uncertainty remains as to the potential impact of the COVID-19 pandemic on our operations, and we are closely monitoring the effects of the pandemic on commodity demands and on our customers. These effects may include adverse revenue and net income effects; disruptions to our operations; potential project delays or cancellations; employee impacts from illness, school closures, and other community response measures, which may lead to disruptions and decreased productivity; and temporary closures of our facilities or the facilities of our customers and suppliers. The pandemic has led to global supply chain challenges, which could adversely impact our ability to acquire certain equipment and materials, impact our ability to complete projects and cause delays in completing projects, and materially and negatively impact our business results, operations, revenue, growth and overall financial condition.

COVID-19, and the uncertain regional and global economic conditions stemming from the pandemic, could also aggravate the other risk factors discussed herein, including but not limited to risks related to the demand for oil and gas, which may not recover immediately. The full extent to which the COVID-19 pandemic will impact our results is unknown and evolving and will depend on various factors and consequences beyond our control, such as the severity, duration, and spread of COVID-19; the development of new variants; the success of actions taken by governments and health organizations to combat the disease and treat its effects, including vaccine mandates, acceptance, distribution and efficacy; decisions by our alliance partners and customers regarding their business plans and capital expenditures; and the extent to which, and the timing of, general economic and operating conditions recover.

Our success depends on our ability to develop, implement, and protect new technologies and services and the intellectual property related thereto.
Our success depends on the ongoing development and implementation of new product designs, including the processes used by us to produce and market our products.

We continually attempt to develop new technologies for use in our business. However, there is no guarantee of future demand for those technologies because customers may be reluctant or unwilling to adopt our new technologies. In addition, we may also have difficulty negotiating satisfactory terms that would provide acceptable returns on our investment in the research and development of new technologies.

Development of new technology is critical to maintaining our competitiveness. However, we cannot assure that we will be able to successfully develop technology that our customers demand. Demand for our products and services may decline if we cannot keep pace with technological advances. Technology that is unavailable to us or that does not work as we expect, could adversely affect us. New technologies, services or standards could render some of our products and services obsolete, which could reduce our competitiveness and have a material adverse impact on our business, financial condition, cash flows and results of operation.

Additionally, we are exploring opportunities in greenhouse gas removal, offshore floating renewables (wind, wave and tidal energy), and hydrogen. Many technologies involved in those projects are novel and will need to be further developed before we can determine whether a renewable energy project is technologically feasible.

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

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

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

Additionally, certain of our customers may require us to provide extended payment terms or other forms of financial support as a condition to obtaining commercial contracts. We have long-term contracts involving significant amounts to be paid by our customers toward the later stage of a project. Pursuant to these contracts, we may deliver products and services representing an important portion of the contract price before receiving any significant payment from the customer. Such arrangements could restrict the use of our cash and other resources for other projects and opportunities and our business could also be adversely affected if the financial condition of our customers erodes.

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

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

- nationalization and expropriation;
- potentially burdensome taxation;
- inflationary and recessionary markets, including capital and equity markets;
- civil unrest, labor issues, political instability, disease outbreaks, terrorist attacks, cyber terrorism, military activity, and wars;
- increasing attention to global climate change resulting in pressure from shareholders, financial institutions and/or financial markets;
- supply disruptions in key oil producing countries;
- the ability of OPEC+ to set and maintain production levels and pricing;
- trade restrictions, trade protection measures, price controls, or trade disputes;

- sanctions, such as prohibitions or restrictions by the United States against countries that are the targets of economic sanctions, or are designated as state sponsors of terrorism;
- foreign ownership restrictions;
- import or export licensing requirements;
- restrictions on operations, trade practices, trade partners, and investment decisions resulting from domestic and foreign laws, and regulations;
- regime changes;
- changes in, and the administration of, treaties, laws, and regulations including in response to public health issues;
- inability to repatriate income or capital;
- reductions in the availability of qualified personnel;
- foreign currency fluctuations or currency restrictions; and
- fluctuations in the interest rate component of forward foreign currency rates.

DTC may cease to act as the depository and clearing agency for our shares.
Our shares were issued into the facilities of The Depository Trust Company ("**DTC**") with respect to shares listed on the NYSE. DTC is a widely used mechanism that allows for rapid electronic transfers of securities between the participants in their respective systems, which include many large banks and brokerage firms. DTC has general discretion to cease to act as the depository and clearing agency for our shares. If DTC determines at any time that our shares are not eligible for continued deposit and clearance within its facilities, then we believe that our shares would not be eligible for continued listing on the NYSE, and trading in our shares would be disrupted. Any such disruption could have a material adverse effect on the trading price of our shares.

The United Kingdom's withdrawal from the European Union may have a negative effect on global economic conditions, financial markets, and our business.
We are incorporated under the laws of England and Wales and have an operational headquarters in Houston, Texas, United States, with worldwide operations, including material business operations in Europe. The United Kingdom withdrew from the European Union on January 31, 2020 ("**Brexit**"). In connection with Brexit, the United Kingdom and the European Union agreed on the Trade and Cooperation Agreement ("**TCA**") that governs the future trading relationship between the United Kingdom and the European Union in specified areas. The TCA took effect on January 1, 2021. The United Kingdom is no longer in the European Union customs union and is outside of the European Union single market. The TCA addresses trade, economic arrangements, law enforcement, judicial cooperation and a governance framework including procedures for dispute resolution, among other things. Because the agreement merely sets forth a framework in many respects and will require complex additional bilateral negotiations between the United Kingdom and the European Union as both parties continue to work on the rules for implementation, significant political and economic uncertainty remains about whether the terms of the relationship will differ materially from the terms before withdrawal.

These developments could have a material adverse effect on global economic conditions and the stability of the global financial markets and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates, and credit ratings may be especially subject to increased market volatility. In addition, there is a lack of clarity about the future United Kingdom laws and regulations as the United Kingdom determines which European Union laws to replicate or replace, including financial laws and regulations, tax and free trade agreements, intellectual property rights, supply chain logistics, environmental, health and safety laws and regulations, immigration laws, employment laws, and other rules that would apply to us and our subsidiaries, could increase our costs, restrict our access to capital within the United Kingdom and the European Union, depress economic activity, and further decrease foreign direct investment in the United Kingdom.

Any of these factors could have a material adverse effect on our business, financial condition, or results of operations.

Our existing and future debt may limit cash flow available to invest in the ongoing needs of our business and could prevent us from fulfilling our obligations under our outstanding debt.
We have substantial existing debt. As of December 31, 2021, our total debt was $2.0 billion. We also have the capacity under our debt agreements to incur substantial additional debt.

Our level of debt could have important consequences. For example, it could:

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

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

Our loans denominated in United States dollars ("**USD**"), at our option, and sterling-denominated loans, under our Revolving Credit Facility bear interest at an adjusted rate linked to the London Interbank Offered Rate ("**LIBOR**") and our euro-denominated loans under the Revolving Credit Facility bear interest at an adjusted rate linked to the Euro Interbank Offered Rate ("**EURIBOR**"). LIBOR, EURIBOR and certain other interest "benchmarks" may be subject to further regulatory guidance and/or reform that could cause interest rates under our current or future debt agreements to perform differently than in the past or cause other unanticipated consequences. The United Kingdom's Financial Conduct Authority (the "**FCA**"), which regulates LIBOR, has announced that the publication of LIBOR on the current basis would cease and no longer be representative immediately after December 31, 2021, (in the case of all sterling, euro, Swiss franc and Japanese yen settings, and one-week and two-month USD settings) and immediately after June 30, 2023 (in the case of all remaining USD settings). Despite this deferral in regard to USD, the FCA has confirmed that use of USD LIBOR will not be permitted in most new contracts after December 31, 2021 and while the FCA is requiring the LIBOR administrator to publish one-, three- and six-month sterling and Japanese yen LIBOR rates for a limited time following December 31, 2021, using a synthetic methodology, such synthetic LIBOR rates are also only permitted for legacy use. If the methods of calculating LIBOR change from their current form while we continue to rely on LIBOR, or if we adopt alternative benchmarks for our current or future debt, interest rates on our debt obligations may be adversely affected.

The terms of the agreements governing our existing indebtedness restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.
The terms of the agreements governing our indebtedness contain a number of restrictive covenants that limit our flexibility in conducting our business and restrict our ability to take specific actions, including (subject to various exceptions) restrictions on incurring indebtedness, paying dividends, making certain loans and investments, selling assets or incurring liens which may limit our ability to compete effectively, or to take advantage of new business opportunities. In addition, the restrictive covenants in the credit agreement, dated February 16, 2021, that governs our $1,000,000,000 three-year senior secured multi-currency revolving credit facility (the "**Revolving Credit Facility**") require us to maintain specified financial ratios and satisfy other financial condition tests.

A breach of the covenants or restrictions under our existing indebtedness could result in an event of default under the applicable indebtedness. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. An event of default under our Revolving Credit Facility would also permit the lenders to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay the amounts due and payable under our Revolving Credit Facility, lenders thereunder could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness.

These restrictions may affect our ability to grow in accordance with our strategy. In addition, our financial results, our substantial indebtedness and our credit ratings could adversely affect the availability and terms of our financing.

Our acquisition and divestiture activities involve substantial risks.
We have made and expect to continue to pursue acquisitions, dispositions, or other investments that may strategically fit our business and/or growth objectives. We cannot provide assurances that we will be able to locate suitable acquisitions, dispositions, or investments, or that we will be able to consummate any such transactions on terms and conditions acceptable to us. Even if we do successfully execute such transactions, they may not result in anticipated benefits, which could have a material adverse effect on our financial results. If we are unable to successfully integrate and develop acquired businesses, we could fail to achieve anticipated synergies and cost savings, including any expected increases in revenues and operating results. We may not be able to successfully cause a buyer of a divested business to assume the liabilities of that business or, even if such liabilities are assumed, we may have difficulties enforcing our rights, contractual or otherwise, against the buyer. We may invest in companies or businesses that fail, causing a loss of all or part of our investment. In addition, if we determine that an other-than-temporary decline in the fair value exists for a company in which we have invested, we may have to write down that investment to its fair value and recognize the related write-down as an investment loss.

In connection with the Spin-off, we agreed to indemnify Technip Energies for certain liabilities, and Technip Energies agreed to indemnify us for certain liabilities. If we are required to act on these indemnities to Technip Energies, our financial results could be negatively impacted. Additionally, any indemnity from Technip Energies may not be sufficient to insure us against the full amount of liabilities for which we are responsible and Technip Energies may not be able to satisfy its indemnification obligations in the future.

Demands to address ESG matters could surpass our ability to meet demands and thus adversely affect our business.
There has been increasing attention from stakeholders, investors, customers on renewable energy and ESG practices and disclosures, including practices and disclosures related to greenhouse gases and climate change, and diversity and inclusion initiatives and governance standards. If we are unable to meet the ESG standards, investment and/or lending criteria set by these investors, we may lose investment and our reputation may be negatively affected. The increasing attention and pressure from the shareholders, financial institutions and/or financial markets could also increase the likelihood of governmental investigations and private litigation.

We are exploring investments in energy transition, and uncertainties with respect to these markets may adversely affect our business.
Uncertainties with respect to the energy transition may adversely affect our business. As a result of our evolution in the renewable energies arena, we are exploring opportunities in greenhouse gas removal, offshore floating renewables, and hydrogen. While we have subsea and surface expertise, as well as capabilities in project integration, we are exploring opportunities that are new to us, and therefore involve uncertainties and risks.

The market for renewable energy is also intensively competitive and rapidly evolving. If the demand for renewable energy fails to grow sufficiently, if new geopolitical, legislative or regulatory initiatives emerge and governments around the world reduce subsidies and economic incentives on renewable energy projects, or if market opportunities manifest themselves in areas that we do not focus on, our ventures in new energy may not succeed.

Limited operating experience or limited brand recognition in new energy markets may also limit our goals and targets on business expansion.

Risks Related to Our Operations

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

- unforeseen additional costs related to the purchase of substantial equipment, material, and components necessary for contract fulfillment or labor shortages in the markets where the contracts are performed;
- mechanical failure of our production equipment and machinery;
- delays caused by local weather conditions and/or natural disasters (including earthquakes, floods and public health crises such as the COVID-19 pandemic); and
- a failure of suppliers, subcontractors, or joint venture partners to perform their contractual obligations.

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

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

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

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

Any difficulty in engaging suitable subcontractors or acquiring equipment and materials could compromise our ability to generate a significant margin on a project or to complete such project within the allocated time frame. If subcontractors, suppliers or joint venture partners refuse to adhere to their contractual obligations with us, or are unable to do so due to a deterioration of their financial condition, we may be unable to find a suitable replacement at a comparable price, or at all. Moreover, the failure of one of our joint venture partners to perform their obligations in a timely and satisfactory manner could lead to additional obligations and costs being imposed on us as we may be obligated to assume our defaulting partner's obligations or compensate our customers. Additionally, our supply chain, subcontractors, suppliers, and our joint venture partners may be adversely affected by the COVID-19 pandemic, which has created global shipping and logistics challenges such as extended shipping lead times and pricing pressures on transportation and logistics.

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

A failure or breach of our IT infrastructure or that of our subcontractors, suppliers or joint venture partners, including as a result of cyber-attacks, could adversely impact our business and results of operations.

The efficient operation of our business is dependent on the security and integrity of our IT systems, physical assets, and data that we process and maintain. Accordingly, we rely upon the capacity, reliability, and security of our IT hardware and software infrastructure and our ability to expand and update this infrastructure in response to changing needs and evolving threats. We have been subject to cyber-attacks in the past, including phishing, malware, ransomware and other security incidents. No such attack has had a material adverse effect on our business, however, this may not be the case with future attacks. Our systems and physical assets may be vulnerable to damages from such attacks, as well as from natural disasters, failures in hardware or software, power fluctuations, unauthorized access to data and systems, theft, loss or destruction of data (including confidential customer, employee or contractor information), human error, and other similar disruptions, and we cannot give assurance that any security measures we have implemented or may in the future implement will be sufficient to identify and prevent or mitigate such disruptions. In response to the COVID-19 pandemic, we have transitioned many of our employees to remote working arrangements which presents increased cybersecurity risks. If a cyber-attack, power outage, connectivity issue, or other event occurred that impacted our employees' ability to work remotely, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time.

We rely on third parties to support the operation of our IT hardware, software infrastructure, and cloud services, and in certain instances, utilize web-based and software-as-a-service applications, across a broad array of services and functions (e.g., human resources, finance, data transmission, communications, risk compliance, among others). The security and privacy measures implemented by such third parties, as well as the measures implemented by any entities we acquire or with whom we do business, may not be sufficient to identify or prevent cyber-attacks, and any such attacks may have a material adverse effect on our business. While our agreements with third parties, such as vendors, typically contain provisions that seek to eliminate or limit our exposure to liability for damages from a cyber-attack, we cannot ensure such provisions will withstand legal challenges or cover all or any such damages.

Threats to our IT systems and to those of our subcontractors, suppliers and joint venture partners arise from numerous sources, not all of which are within our or their control, including fraud or malice on the part of third parties, accidental technological failure, electrical or telecommunication outages, failures of computer servers or other damage to our property or assets, outbreaks of hostilities, terrorist acts, and social engineering (e.g., phishing). The frequency and magnitude of cyberattacks and other security incidents is expected to increase in the future and attackers are becoming more sophisticated. We, as well as other critical business partners, may be unable to anticipate, detect or prevent future attacks, particularly because the methodologies utilized by attackers change frequently or are not recognized until launched, and attackers are increasingly using techniques and tools designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. The failure of our or others' security controls and measures to prevent, detect, contain or remediate cyberattacks or other significant security incidents could disrupt our business and result in numerous adverse consequences, including reduced effectiveness and efficiency of operations, inappropriate disclosure of confidential and proprietary information, including personal data, litigation or regulatory investigations, actions and fines included for a breach of data protection laws, reputational harm, increased overhead costs including due to compliance requirements, and loss of important information, which could have a material adverse effect on our business and results of operations. In addition, we may be required to incur significant costs to protect against or to mitigate damage caused by these attacks, disruptions or other security incidents in the future. Our insurance coverage may not cover all of the costs and liabilities we incur as the result of these events, and if our business continuity and/or disaster recovery plans do not effectively and timely resolve issues resulting from a cyber-attack, we may suffer material adverse effects on our business.

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

New capital asset construction projects for vessels and manufacturing facilities are subject to risks, including delays and cost overruns, which could have a material adverse effect on our financial condition, or results of operations.
From time to time, we carry out capital asset construction projects to maintain, upgrade, and develop our asset base, and such projects are subject to risks of delay and cost overruns that are inherent in any large construction project, resulting from numerous factors including, but not limited to, the following:

- shortages of key equipment, materials or skilled labor;
- delays in the delivery of ordered materials and equipment;
- design and engineering issues; and
- shipyard delays and performance issues.

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

Risks Related to Legal Proceedings, Tax and Regulatory Matters

The industries in which we operate or have operated expose us to potential liabilities, including the installation or use of our products, which may not be covered by insurance or may be in excess of policy limits, or for which expected recoveries may not be realized.
We are subject to potential liabilities arising from, among other possibilities, equipment malfunctions, equipment misuse, personal injuries, and natural disasters, any of which may result in hazardous situations, including uncontrollable flows of oil, gas or well fluids, or other sources of energy, fires, and explosions. Our insurance against these risks may not be adequate to cover our liabilities. Further, the insurance may not generally be available in the future or, if available, premiums may not be commercially justifiable. If we incur substantial liability and the damages are not covered by insurance or are in excess of policy limits, or if we were to incur liability at a time when we were not able to obtain liability insurance, such potential liabilities could have a material adverse effect on our business, results of operations, financial condition or cash flows.

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

Our international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act ("**FCPA**"), the U.K. Bribery Act of 2010 (the "**Bribery Act**"), the anti-corruption provisions of French law n° 2016-1691 dated December 9, 2016 relating to Transparency, Anti-corruption and Modernization of the Business Practice ("**Sapin II Law**"), the Brazilian law nº 12,846/13, or the Brazilian Anti-Bribery Act (also known as the Brazilian Clean Company Act), and economic and trade sanctions, including those administered by the United Nations, the European Union, the Office of Foreign Assets Control of the U.S. Department of the Treasury ("**U.S. Treasury**"), and the U.S. Department of State. The FCPA prohibits corruptly providing anything of value to foreign officials for the purposes of obtaining or retaining business or securing any improper business advantage. We may deal with both governments and state-owned business enterprises, the employees of which are considered foreign officials for purposes of the FCPA. The provisions of the Bribery Act extend beyond bribery of foreign public officials and are more onerous than the FCPA in a number of other respects, including jurisdiction, non-exemption of facilitation payments, and penalties. Economic and trade sanctions restrict our transactions or dealings with certain sanctioned countries, territories, and designated persons.

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

We have implemented policies and procedures designed to minimize and detect potential violations of laws and regulations in a timely manner but we can provide no assurance that such policies and procedures will be followed at all times or will effectively detect and prevent violations of the applicable laws by one or more of our employees, consultants, agents, or partners. The occurrence of any such violation could subject us to penalties and material adverse consequences on our business, financial condition, results of operations, or cash flows.

Compliance with environmental and climate change-related laws and regulations may adversely affect our business and results of operations.

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

Regulatory requirements related to ESG (including sustainability) matters have been, and are being, implemented in the European Union in particular, in relation to financial market participants. Such regulatory requirements are being implemented on a phased basis. We expect regulatory requirements related to, and investor focus on, ESG (including sustainability) matters to continue to expand in the EU, the United States, and more globally. We establish ESG objectives that align with our foundational beliefs and corporate strategy with an aim toward reducing our carbon footprint, while raising awareness and making advancements in inclusion and diversity. If, in relation to ESG (including sustainability) matters, we are not able to meet current and future regulatory requirements, the reporting requirements of regulators, or the current and future expectations of investors, customers or other stakeholders, our business and ability to raise capital may be adversely affected. In addition, negative attitudes toward or perceptions of fossil fuel products and their relationship to the environment and climate change may reduce the demand for production of oil and gas in areas of the world where our customers operate or otherwise limit our customers' access to capital and thus reduce future demand for our products and services. Any of these trends may, in turn, adversely affect our financial condition, results of operations and cash flows.

Existing or future laws and regulations relating to greenhouse gas emissions and climate change may adversely affect our business.

Climate change continues to attract considerable public and scientific attention. As a result, numerous laws, regulations, and proposals have been made and are likely to continue to be made at the international, national, regional, and state levels of government to monitor and limit emissions of carbon dioxide, methane, and other "greenhouse gases" ("**GHGs**"). These efforts have included cap-and-trade programs, carbon taxes, GHG reporting and tracking programs and regulations that directly limit GHG emissions from certain sources. Such existing or future laws, regulations, and proposals concerning the release of GHGs or that concern climate change (including laws, regulations, and proposals that seek to mitigate the effects of climate change) may adversely impact demand for the equipment, systems and services we design, market and sell. For example, oil and natural gas exploration and production may decline as a result of such laws, regulations, and proposals, and as a consequence, demand for our equipment, systems and services may also decline. In addition, such laws, regulations, and proposals may also result in more onerous obligations with respect to our operations, including the facilities where we manufacture our equipment and systems. Such decline in demand for our equipment, systems and services and such onerous obligations in respect of our operations may adversely affect our financial condition, results of operations, or cash flows.

As an English public limited company, we must meet certain additional financial requirements before we may declare dividends or repurchase shares and certain capital structure decisions may require stockholder approval which may limit our flexibility to manage our capital structure. We may not be able to pay dividends or repurchase our ordinary shares in accordance with our announced intent, or at all.

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

Our articles of association permit us by ordinary resolution of the stockholders to declare dividends, provided that the directors have made a recommendation as to its amount. The dividend shall not exceed the amount recommended by the Board of Directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify such payment. When recommending or declaring payment of a dividend, the directors are required under English law to comply with their duties, including considering our future financial requirements.

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

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

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

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

We are subject to governmental regulation and other legal obligations related to privacy, data protection, and data security. Our actual or perceived failure to comply with such obligations could harm our business.
We are subject to international data protection laws, such as the General Data Protection Regulation 2016/679, or GDPR, in the European Economic Area, or EEA, and the UK equivalent ("**UK GDPR**"). The GDPR, UK GDPR and implementing legislation in the EEA and UK impose several stringent requirements for controllers and processors of personal data which have increased our obligations, including, for example, by requiring more robust disclosures to individuals, notifications, in some cases, of data breaches to regulators and data subjects, and a record of processing and other policies and procedures to be maintained to adhere to the accountability principle.

In addition, we are subject to the GDPR and UK GDPR's rules on transferring personal data outside of the EEA and UK (including to the United States), and recent legal developments in Europe have created complexity and uncertainty regarding such transfers. Most recently, on July 16, 2020, the Court of Justice of the European Union ("**CJEU**") invalidated the EU-US Privacy Shield Framework ("**Privacy Shield**") under which personal data could be transferred from the European Union to US entities who had self-certified under the Privacy Shield scheme, and the decision cast uncertainty on when transfers could be made under the standard contractual clauses; compliance with such may require us to change processes by which we transfer data outside of the European Union and United Kingdom, including to the United States. As supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the standard contractual clauses cannot be used, and/or start taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results.

We are also subject to evolving EU and UK privacy laws on cookies and e-marketing. In the European Union and the United Kingdom, regulators are increasingly focusing on compliance with requirements in the online behavioral advertising ecosystem, and current national laws that implement the ePrivacy Directive are highly likely to be replaced by an EU regulation known as the ePrivacy Regulation which will significantly increase fines for non-compliance. If regulators start to enforce the strict approach in recent guidance, this could lead to substantial costs, and require significant systems changes.

Failure to comply with the requirements of GDPR, UK GDPR and the local laws implementing or supplementing the GDPR could result in fines (for example, non-compliance with the GDPR or UK GDPR, specifically, may result in administrative fines or monetary penalties, by each regime, up to the greater of €20,000,000/£17,000,000 or up to 4% of the total worldwide annual turnover of the preceding financial year). In addition, we may also face regulatory investigations and enforcement action, reputational damage, and civil claims including representative actions and other class action type litigation, potentially amounting to significant compensation or damages liabilities, as well as associated costs, diversion of internal resources, and reputational harm.

We are likely to be required to expend significant capital and other resources to ensure ongoing compliance with the GDPR, UK GDPR and other applicable data protection legislation, and we may be required to put in place additional control mechanisms which could be onerous and adversely affect our business, financial condition, results of operations, or cash flows.

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

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

We do not believe this exception applies. However, the Section 7874 rules are complex and subject to detailed regulations, the application of which is uncertain in various respects. It is possible that the IRS will not agree with our position. Should the IRS successfully challenge our position, it is also possible that an excise tax under Section 4985 of the Code (the "**Section 4985 Excise Tax**") may be assessed against certain "disqualified individuals" (including former officers and directors of FMC Technologies, Inc.) on certain stock-based compensation held thereby. We may, if we determine that it is appropriate, provide disqualified individuals with a payment with respect to the Section 4985 Excise Tax, so that, on a net after-tax basis, they would be in the same position as if no such Section 4985 Excise Tax had been applied.

In addition, there can be no assurance that there will not be a change in law or interpretation, including with retroactive effect, that might cause us to be treated as a domestic corporation for U.S. federal income tax purposes.

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

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

In addition, the IRS and the U.S. Treasury have issued final and temporary regulations providing that, even if we are treated as a foreign corporation for U.S. federal income tax purposes, certain intercompany debt instruments issued on or after April 4, 2016 will be treated as equity for U.S. federal income tax purposes, therefore limiting U.S. tax benefits and resulting in possible U.S. withholding taxes. Although the U.S. Treasury, through recent guidance, removes certain documentation requirements that would otherwise be imposed with respect to covered debt instruments, announces an intention to further modify and possibly withdraw certain classification rules relating to covered debt instruments, and further indicates that these rules generally are the subject of continuing study and may be further materially modified, the current regulations may adversely affect our future effective tax rate and could also impact our ability to engage in future restructurings if such transactions cause an existing intercompany debt instrument to be treated as reissued for U.S. federal income tax purposes.

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

On December 22, 2017, the Tax Cuts and Jobs Act was signed into law in the United States, which made extensive changes to the U.S. taxation of multinational companies, and is subject to continuing regulatory and possible legislative changes, especially given the new Administration and Congress in the United States. In addition, the U.S. Congress, the U.K. Government, the European Union, the Organization for Economic Co-operation and Development (the "**OECD**"), and other government agencies in jurisdictions where we and our affiliates do business have an extended focus on issues related to the taxation of multinational corporations. For instance, in October 2021, the OECD released additional proposals under Base Erosion and Profit Shifting that provide for a global minimum tax of 15%, and to date approximately 140 countries have tentatively signed a framework agreeing in principle to this initiative. The implementation of this global minimum tax, however, is contingent upon the independent actions of participating countries and is subject to further negotiation among OECD member states. New tax initiatives, directives, and rules, such as the U.S. Tax Cuts and Jobs Act, the OECD's Base Erosion and Profit Shifting initiative, and the European Union's Anti-Tax Avoidance Directives, may increase our tax burden and require additional compliance-related expenditures. As a result, our financial condition, results of operations, or cash flows may be adversely affected. Moreover, the U.S. government, and other jurisdictions in which we do business, may enact significant changes to the taxation of business entities including, among others, the imposition of minimum taxes or surtaxes on certain types of income. The likelihood of these changes being enacted or implemented is unclear. Further changes, including with retroactive effect, in the tax laws of the United States, the United Kingdom, the European Union, or other countries in which we and our affiliates do business could adversely affect us.

We may not qualify for benefits under tax treaties entered into between the United Kingdom and other countries.
We operate in a manner such that we believe we are eligible for benefits under tax treaties between the United Kingdom and other countries. However, our ability to qualify for such benefits will depend on whether we are treated as a U.K. tax resident, the requirements contained in each treaty and applicable domestic laws, on the facts and circumstances surrounding our operations and management, and on the relevant interpretation of the tax authorities and courts. For example, because of Brexit, we may lose some or all of the benefits of tax treaties between the United States and the remaining members of the European Union, and face higher tax liabilities, which may be significant. Another example is the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "**MLI**"), which entered into force for participating jurisdictions on July 1, 2018. The MLI recommends that countries adopt a "limitation-on-benefit" ("**LOB**") rule and/or a "principal purpose test" ("**PPT**") rule with regards to their tax treaties. The application of the LOB rule or the PPT rule could deny us treaty benefits (such as a reduced rate of withholding tax) that were previously available and as such there remains uncertainty as to whether and, if so, to what extent such treaty benefits will continue to be available. The position is likely to remain uncertain for a number of years.

The failure by us or our subsidiaries to qualify for benefits under tax treaties entered into between the United Kingdom and other countries could result in adverse tax consequences to us (including an increased tax burden and increased filing obligations) and could result in certain tax consequences of owning and disposing of our shares.

We intend to be treated exclusively as a resident of the United Kingdom for tax purposes, but French or other tax authorities may seek to treat us as a tax resident of another jurisdiction.
We are incorporated in the United Kingdom. English law currently provides that we will be regarded as a U.K. resident for tax purposes from incorporation and shall remain so unless (i) we are concurrently a resident in another jurisdiction (applying the tax residence rules of that jurisdiction) that has a double tax treaty with the United Kingdom and (ii) there is a tiebreaker provision in that tax treaty which allocates exclusive residence to that other jurisdiction.

In this regard, we have a permanent establishment in France to satisfy certain French tax requirements imposed by the French Tax Code with respect to the Merger. Although it is intended that we will be treated as having our exclusive place of tax residence in the United Kingdom, the French tax authorities may claim that we are a tax resident of France if we were to fail to maintain our "place of effective management" in the United Kingdom. Any such claim would be settled between the French and U.K. tax authorities pursuant to the mutual assistance procedure provided for by the tax treaty concluded between France and the United Kingdom. There is no assurance that these authorities would reach an agreement that we will remain exclusively a U.K. tax resident; an adverse determination could materially and adversely affect our business, financial condition, results of operations, or cash flows. A failure to maintain exclusive tax residency in the United Kingdom could result in adverse tax consequences to us and our subsidiaries and could result in certain adverse changes in the tax consequences of owning and disposing of our shares.

General Risk Factors

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

Seasonal and weather conditions could adversely affect demand for our services and operations.
Our business may be materially affected by variation from normal weather patterns, such as cooler or warmer summers and winters. Adverse weather conditions, such as hurricanes in the Gulf of Mexico or extreme winter conditions in Canada, and the North Sea, may interrupt or curtail our operations, or our customers' operations, cause supply disruptions or loss of productivity, and may result in a loss of revenue or damage to our equipment and facilities, which may or may not be insured. In addition, acute or chronic physical impacts of climate change, such as sea level rise, coastal storm surge, inland flooding from intense rainfall and hurricane-strength winds may damage our facilities or the facilities of key third parties. Increasing concentrations of greenhouse gases in the Earth's atmosphere may produce climate changes that increase variation from normal weather patterns, such as increased frequency and severity of storms, floods, droughts, and other climatic events, which could further impact our operations. Significant physical effects of climate change could also have a direct effect on our operations and an indirect effect on our business by interrupting the operations of those with whom we do business. Any of these events or outcomes could have a material adverse effect on our business, financial condition, cash flows, or results of operations.

Currency exchange rate fluctuations could adversely affect our financial condition, results of operations, or cash flows.
We conduct operations around the world in many different currencies. Because a significant portion of our revenue is denominated in currencies other than our reporting currency, the U.S. dollar, changes in exchange rates will produce fluctuations in our revenue, costs, and earnings, and may also affect the book value of our assets and liabilities and related equity. We hedge transaction impacts on margins and earnings where a transaction is not in the functional currency of the business unit, but we do not hedge translation impacts on earnings. Our efforts to minimize our currency

exposure through such hedging transactions may not be successful depending on market and business conditions. Moreover, certain currencies in which we conduct operations, specifically currencies in countries such as Angola and Nigeria, do not actively trade in the global foreign exchange markets and may subject us to increased foreign currency exposures. As a result, fluctuations in foreign currency exchange rates may adversely affect our financial condition, results of operations, or cash flows.

We are exposed to risks in connection with our defined benefit pension plan commitments.
We have funded and unfunded defined benefit pension plans, which provide defined benefits based on years of service and salary. We are required to recognize the funded status of defined benefit post-retirement plans as an asset or liability in the consolidated balance sheet and recognize changes in that funded status in comprehensive income in the year in which the changes occur. Further, we are required to measure each plan's assets and its obligations that determine its funded status as of the date of the consolidated balance sheet. Each defined benefit pension plan's assets are invested in different asset classes and their value may fluctuate in accordance with market conditions. Any deterioration in the value of the defined benefit pension plan assets could therefore increase our obligations. Any such increases in our net pension obligations could adversely affect our financial condition due to increased additional outflow of funds to finance the pension obligations.

In addition, applicable law and/or the terms of the relevant defined benefit pension plan may require us to make cash contributions or provide financial support upon the occurrence of certain events. We cannot predict whether, or to what extent, changing market or economic conditions, regulatory changes or other factors will further increase our pension expense or funding obligations. For further information regarding our pension liabilities, see Note 21 for further information.

We may be unable to obtain sufficient bonding capacity for certain contracts, and the need for performance and surety bonds could reduce availability under our credit facility.
In line with industry practice, we are often required to post standby letters of credit to customers or enter into surety bond arrangements in favor of customers. Those letters of credit and surety bond arrangements generally protect customers against our failure to perform our obligations under the applicable contracts. If we are unable to renew or obtain a sufficient level of bonding capacity in the future, we may be precluded from bidding for certain contracts or contracting with certain customers. Additionally, even if we are able to successfully renew or obtain performance or payment bonds, we may be required to post letters of credit in connection with the bonds. The letters of credit would reduce availability under our credit facility. Furthermore, under standard terms in the surety market, sureties issue bonds on a project-by-project basis and can decline to issue bonds at any time or require the posting of additional collateral as a condition to issuing or renewing any bonds. If we were to experience an interruption or reduction in the availability of bonding capacity as a result of these or any other reasons, we may be unable to compete for or work on projects that require bonding.

On behalf of the Board

Douglas J. Pferdehirt
Chair and CEO

March 18, 2022

Directors' Report

The Board of Directors (the "**Board**") presents its report together with the audited financial statements of the Company and our consolidated subsidiaries for the year ended December 31, 2021.

The Company complies with the U.K. Companies Act 2006 (the "**Companies Act**") reporting requirements provided by Companies (Miscellaneous Reporting) Regulations 2018 (SI 2018/860). All information required has been incorporated in the Strategic report and this Directors' Report.

Directors

The directors of the Company who held office during the year ended December 31, 2021, and at the date of this Directors' Report, were as follows:

Executive Director

Chair and CEO

Douglas J. Pferdehirt

Non-Executive Directors

Eleazar de Carvalho Filho
Arnaud Caudoux[1]
Pascal Colombani[1]
Marie-Ange Debon[1]
Claire S. Farley
Didier Houssin[1]
Peter Mellbye
John O'Leary
Margareth Øvrum (from October 1, 2020)
Olivier Piou[1]
Kay G. Priestly
Joseph Rinaldi[1]
James M. Ringler[2]
John Yearwood
Sophie Zurquiyah (from April 1, 2021)

(1) Resigned on February 15, 2021, in connection with the Spin-off.
(2) Resigned on May 25, 2021.

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

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

The current directors of the Company have been appointed pursuant to the Articles of Association. Subject to the Articles of Association and the Companies Act, a director may be appointed by an ordinary resolution at an annual meeting of shareholders or by a decision of the Board.

Subject to the provisions of the Companies Act, the Articles of Association, the business of the Company is managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business of the

Company or not. The Board may delegate authorities to committees, and may delegate the day-to-day management and decision making to the Chief Executive Officer.

Share Capital and Articles of Association of the Company

As at the close of business on March 11, 2022, being the latest practicable date prior to the publication of this Directors' Report, the issued and fully paid share capital of the Company was as follows:

Class of shares	Number of shares	Nominal value
Ordinary	452,168,575	$452,168,575

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

Pursuant to a shareholder resolution passed at the Company's 2021 annual general meeting on May 20, 2021 ("**2021 AGM**"), the Directors have the authority to allot and issue such number of ordinary shares as represents one third of the Company's issued share capital, being an aggregate nominal amount equal to $150,222,764, for general purposes plus an additional number of ordinary shares as represents a further one third of the Company's issued share capital, being an aggregate nominal amount equal to $150,222,764, in connection with a rights issue, in each case on a pre-emptive basis. The Directors are further authorized by a shareholder resolution passed at the 2021 AGM to allot and issue such number of the aforementioned ordinary shares as represents 5% of the Company's issued share capital, being an aggregate nominal value equal to $22,533,414.50, for general purposes plus an additional number of the aforementioned ordinary shares as represents a further 5 percent of the Company's issued share capital, being an aggregate nominal amount equal to $22,533,414.50, in connection with an acquisition or specified capital investment, in certain circumstances, as if the pre-emption rights set out in section 561(1) of the U.K. Companies Act 2006 did not apply. Each authorization relating to the allotment of shares expires at the earlier of (a) the conclusion of the Company's annual general meeting in 2022 ("**2022 AGM**") or (b) at the close of business on August 20, 2022. New authorities are being recommended by the Board of Directors for approval by shareholders at our 2022 AGM. Specific powers relating to the ability of the Company to repurchase ordinary shares are included within the Articles of Association provided such repurchase is in accordance with the repurchase contracts and counterparties approved by shareholders at the 2021 AGM.

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

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

The Company operates a TechnipFMC Incentive Award Plan for which certain employees are eligible. Details are set out in Note 19 to the consolidated financial statements contained in this U.K. Annual Report, and in the Proxy Statement available on our website at ***www.technipfmc.com*** under the heading "*Investors > Events and presentations > Shareholders' meeting*".

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

Share Repurchases

A share repurchase program authorization was granted by shareholders at last year's Annual Meeting on May 20, 2021, with a five-year validity period from that date. These authorities will expire on May 21, 2026.

Historic reports on share repurchases can be found at: ***https://investors.technipfmc.com/stock-information/share-repurchase-program***. The Company does not currently hold any treasury shares and all ordinary shares repurchased under the share repurchase program were canceled and not held as treasury shares. The objective of the share repurchase program was to reduce the Company's issued share capital. Purchases of the Company's ordinary shares under the share repurchase program were carried out on the NYSE and Euronext Paris. The Company did not purchase any of its own ordinary shares during the financial year ending December 31, 2021.

The Company established an Employee Benefit Trust ("**EBT**"), an offshore discretionary employee benefit trust, in 2017, for the purposes of administering the Company's share-based awards granted under shareholder approved incentive plans. As at the close of business on March 11, 2022, being the latest practicable date prior to the publication of this Directors' Report, the EBT held 6,019 ordinary shares of the Company.

Significant Shareholdings

As at the close of business on March 11, 2022, being the latest practicable date prior to the publication of this Directors' Report, the Company's significant shareholders who had notified the Company that they hold 5% or more of the Company's ordinary shares were as follows:

Name and Address of Beneficial Owner	Shares	Percent of Class[1]
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, Pennsylvania 19355	23,516,585[2]	5.2%
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	51,191,139[3]	11.3%
T. Rowe Price Mid-Cap Value Fund, Inc. 100 E. Pratt Street Baltimore, MD 21202	23,010,360[4]	5.1%
Ameriprise Financial, Inc. 145 Ameriprise Financial Center Minneapolis, MN 55474	25,861,455[5]	5.7%

(1) The calculation of percentage of ownership of each listed beneficial owner is based on 452,168,575 Ordinary Shares outstanding on March 11, 2022.

(2) Based solely on a Schedule 13G/A filed with the SEC on February 10, 2022, The Vanguard Group, Inc. and its subsidiaries have shared voting power over 2,854,697 Ordinary Shares, sole dispositive power over 19,706,843, Ordinary Shares, and shared dispositive power over 3,809,742 Ordinary Shares.

(3) Based solely on a Schedule 13G/A filed with the SEC on February 14, 2022, T. Rowe Price Associates, Inc. have sole voting power over 18,731,895 Ordinary Shares and sole dispositive power over 51,191,139, Ordinary Shares.

(4) Based solely on a Schedule 13G/A filed with the SEC on February 14, 2022, T. Rowe Price Mid-Cap Value Fund, Inc. have sole voting power over 21,310,360 Ordinary Shares.

(5) Based solely on a Schedule 13G filed with the SEC on February 14, 2022, Ameriprise Financial, Inc. has shared voting power over 14,200,375 Ordinary Shares and shared dispositive power over 25,861,455 Ordinary Shares.

Directors' Indemnities

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

Company Details and Branches Outside the United Kingdom

The Company is a public limited company incorporated in England and Wales with registered number 09909709, and with our registered office at Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, United Kingdom.

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

Dividend

At the completion of the separation of Technip Energies business segment, a pro-rata dividend distribution occurred to the shareholders of TechnipFMC plc. in which each shareholder received one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC plc. There were no other cash or stock dividends paid or declared during the year ended December 31, 2021.

Employee Engagement and Business Relationship

Further information on our work on strengthening social dialogue and internal communication, as part of our labor relations, along with information on how we promote cultural and ethnic diversity, including the provision of employment to people with disabilities, is described in the section entitled "*Employee Matters*" of the Strategic Report. Advancing gender diversity is a strategic objective for the Company. More information can be found in the section entitled "*Social*" of the Strategic Report. More information on how we take into consideration the need to engage with our employees and foster business relationships, can be found in the section entitled "*Decision making and section 172 of the Companies Act*" of the Strategic Report.

Greenhouse Gas Emissions and Energy Consumption

The annual quantity of GHG emissions measured in tonnes of CO_2 equivalent resulting from activities for which the Company is responsible and has operational control over (including the combustion of fuel and the operation of any facility), is described in the section entitled "*Environmental*" of the Strategic Report.

The annual quantity of emissions from the purchase of electricity, heat, steam, or cooling by the Company for its own use is described in the section entitled "*Environmental*" of the Strategic Report.

The annual energy measured in kWh consumed from activities for which the Company is responsible (including the combustion of fuel and the operation of any facility) and the annual quantity of energy consumed resulting from the purchase of electricity, heat, steam, or cooling by the Company for its own use, is described in the section entitled "*Environmental*" of the Strategic Report.

Events since December 31, 2021

In January 2022, we sold 9 million Technip Energies shares for total proceeds of $135.1 million. Upon completion of the January sale, we retained a direct stake of 12.9 million shares, representing 7.1% of Technip Energies' issued and outstanding share capital. As of March 16, 2022, the value of our investment in Technip Energies was $110.5 million.

No other significant events since December 31, 2021, are reported.

Future Developments

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

Change in Control

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

Provisions under executive severance agreements entered into by each of the Company's executives, except for our Executive Chair, may be triggered in the event of a change of control if certain conditions are met.

The impact of a change in control on the remuneration of the directors of the Company is set out in the paragraph entitled "*Potential Payments upon Change in Control*" of the Directors' Remuneration Policy.

Political Donations

The Company has not made any political donations or incurred any political expenditure during the year ended December 31, 2021. In addition, the Company has not made any contributions to a non-U.K. political party during the year ended December 31, 2021.

Financial Risk Management Objectives/Policies and Hedging Arrangements

The Board believes that one of its most important roles is the oversight of the Company's management of risk, which the Board accomplishes through its Enterprise Risk Management program. Management presents to the Board the risk areas that it believes to be the most significant and the plan for the assessment, monitoring and management of those risks. The Board has ultimate responsibility for overall risk management oversight; however, it has designated the Audit Committee with oversight of financial risk. The Audit Committee discusses with management on a regular basis financial reporting, liquidity, contract management, legal and regulatory compliance, information-related risks, including cybersecurity, taxes, and foreign exchange. The Audit Committee reviews the potential financial impacts of these risks, the steps the Company takes to ensure that appropriate processes are in place to identify, manage, and control financial and business risks and that the Company has adequate insurance coverage to mitigate these risks. In cases where a practice or procedure is identified, or an operational incident occurs that could heighten the possibility of a negative impact on our operations or financial results, our management reports to the Board the steps to be taken to ensure that the risk is appropriately managed.

Please refer to Note 31 of the consolidated financial statements contained in this U.K. Annual Report for information on the Company's financial risk management objectives and policies and hedging policies and arrangements.

Research and Development

Please refer to the paragraph entitled "*Research and Development*" of the *"Strategic Report."*

Directors' Responsibility Statements

The directors are responsible for preparing the U.K. Annual Report and Accounts for the year ended December 31, 2021 and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with U.K.-adopted international accounting standards and company financial statements in accordance with U.K. Generally Accepted Accounting Practice (U.K. Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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

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

- Select suitable accounting policies and then apply them consistently
- Make judgments and accounting estimates that are reasonable and prudent
- State whether U.K.-adopted international accounting standards have been followed for the group financial statements and U.K. Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the group will continue in business

The directors are responsible for ensuring that the Company keeps adequate accounting records that are sufficient to show and explain the Company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the group and enable them to ensure that the financial statements and the U.K. Annual Report comply with the Companies Act.

They are also responsible for safeguarding the assets of the Company and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Company's and the group's position and performance, business model and strategy.

Each of the current directors, whose names and functions are listed in the section entitled "*Directors*" of this Report confirm that, to the best of their knowledge:

- the group financial statements, which have been prepared in accordance with U.K.-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position, and profit of the group;

- the company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities, and financial position of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the group, together with a description of the principal risks and uncertainties that it faces.

Statement as to Disclosure to the Auditor

In the case of each director in office at the date the directors' report is approved:

- so far as each director is aware, there is no relevant audit information of which the Company's and the group's auditor is unaware; and
- they have each taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's and the group's auditor is aware of that information.

On behalf of the Board

Douglas J. Pferdehirt
Chair and CEO

March 18, 2022

Directors' Remuneration Report

Introduction and Compliance Statement

The purpose of this Directors' Remuneration Report is to inform shareholders of the remuneration of the directors of TechnipFMC for the period ended December 31, 2021. This report is divided into three sections:

i. The letter from the Chair of the Compensation and Talent Committee;
ii. The Annual Report on Remuneration for 2021 including an upfront "At-a-Glance" section to highlight the key aspects of remuneration policy; and
iii. The Directors' Remuneration Policy (for reference only).

Pursuant to English law, the Directors' Remuneration Report forms part of the statutory annual report of the Company for the year ended December 31, 2021, and has been prepared by the Compensation and Talent Committee on behalf of the Board in accordance with the laws, rules, and regulations applicable to the Company.

The Annual Report on Remuneration (elements of which are audited) describes the directors' fixed and variable pay, share awards, benefits, and pension arrangements, as required by Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended. At the 2022 Annual Meeting on April 29, 2022, the Directors' Remuneration Report will be subject to a non-binding advisory shareholder vote.

Letter from the Chair of the Compensation and Talent Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report of the Company, covering the period from January 1, 2021, to December 31, 2021.

Our compensation program is designed to directly link our Chair and CEO's pay to his performance and the achievements of TechnipFMC's overall performance and business strategies to create and preserve value for our shareholders.

In 2021, our Chair and CEO led the successful completion of the Spin-off of Technip Energies and the emergence of TechnipFMC as an industry-leading, fully integrated technology and services provider, unlocking significant long-term growth potential and shareholder value. The ability to focus on our distinct and expanding market opportunities and customer base and our compelling and distinct investment profile has poised us for significant growth and positioned us to capitalize on the energy transition.

During the year, we continued our successful transformation of the subsea industry through our integrated model, expanded our strategic alliances and partnerships, transformed our operating model through industrialization and standardization and advanced technology and innovation through digital integration. We introduced New Energy Ventures, where we will accelerate and grow our contribution to the energy transition. We also continued our commitment to ESG with our three-year ESG scorecard and our 50 by 30 commitment – targeting a 50% reduction in Scope 1 and 2 CO_2 equivalent emissions by 2030.

The Compensation and Talent Committee took several actions in 2021 to align with the Company's business objectives and shareholder interests, align with our ESG goals, and position the business for future success.

Compensation Actions in 2021 That Supported Key Business Strategies

Introduced ESG Performance as a performance measure in our 2021 Annual Incentive Plan

- In 2021, we directly linked our three-year strategic objectives around our ESG scorecard to the Annual Incentive Plan. The scorecard includes specific, measurable and challenging goals to reduce our environmental impact, to support the communities where we live and operate, to improve and respect diversity and inclusion in our Company, to reinforce our health and safety culture, and to reaffirm our commitments to respecting human rights and to corporate governance.
- 25% of the Annual Incentive Plan payout will be based on performance relative to this scorecard, thus creating a meaningful link between ESG results and executive director compensation.
- Our ESG scorecard provides transparency, and linking the results to compensation ensures accountability.

Aligned Annual Incentives to Financial Strategic Priorities

- We included Adjusted EBITDA as a Percentage of Revenue and Free Cash Flow as performance measures in our Annual Incentive Plan, each component weighted at 25%
- Adjusted EBITDA as a Percentage of Revenue drives profitability and sustainability of our business and drives us to leverage cost efficiencies. Generation of cash is a key priority to maintain our financial health and liquidity of the Company, generate returns to shareholders and provide us with capital to make strategic investments in the future.

Continued to align Long-Term Incentive Compensation with Shareholder Returns

- 70% of the 2021 long-term incentive grant is performance-based and based on achievement of 2021-2023 relative TSR targets.
- A higher weighting of performance-based equity compared to market prevalence strengthens the alignment of our program with shareholder interests.

Ended Temporary Reduction in Compensation

- In May 2020, in response to the business downturn during the COVID-19 pandemic, the Compensation and Talent Committee temporarily reduced the base salary for our Chair and CEO by 30% and for executive non-directors by 20%. The previous salaries were reinstated on January 1, 2021.

Incentivized Chair and CEO to ensure stability and continuity to execute on our strategy post Spin-off

- Our Chair and CEO is critical to our future success as they provide deep company and industry expertise. Mr. Pferdehirt has been responsible for our transformation into a fully integrated leader in technology and innovation and the successful completion of the Spin-off and has well positioned the Company for future growth and the energy transition.
- One of the key priorities for the Compensation and Talent Committee was retention, motivation, and continuity of our Chair and CEO to achieve ambitious organizational transformation and strategic growth, against a backdrop of significant volatility and uncertainty in the energy industry. While there were no changes to base salary or incentive targets, the Compensation and Talent Committee awarded a one-time enhancement to the long-term incentive grant for Mr. Pferdehirt to enhance the retention provided from unvested long-term incentives and recognize his contributions to the Spin-off transaction.

Treatment of Outstanding 2019 and 2020 Long-Term Equity Incentives at Spin-off

On February 16, 2021, TechnipFMC completed its Spin-off and separated into two independent, publicly traded companies, TechnipFMC and Technip Energies.

The Committee used its discretion afforded under, and in accordance, with our Remuneration Policy and, pursuant to the Spin-off, all applicable outstanding 2019 and 2020 TechnipFMC PSU and RSU awards for the Chair and CEO were adjusted based on the ratio of the closing price of TechnipFMC Ordinary Shares on the NYSE on the date immediately prior to the Spin-off to the closing price of TechnipFMC Ordinary Shares on the NYSE on the date immediately after the Spin-off. In addition, the 2019 and 2020 TechnipFMC PSU awards were converted to RSUs (at target) subject to continued service on the original vesting dates as measurement of performance against the set goals was not possible following the Spin-off. The vesting dates and payment conditions for the 2019 and 2020 awards otherwise remained the same.

Our Compensation Philosophy and How that Informs Decision Making

We are a global leader in oil and gas projects, technologies, systems, and services and provide our clients with deep expertise across subsea, onshore/offshore, and surface projects. Our vision to enhance the performance of the world's energy industry is supported by the relentless drive of every individual at TechnipFMC. We are united by one single purpose: to bring together the scope, knowledge, and determination to transform our clients' project economics. Our executive director compensation is designed to help us achieve our vision by:

- Motivating our Chair and CEO to achieve and exceed our short-term and long-term goals and objectives.
- Aligning the interest of our Chair and CEO with the interests of our shareholders by focusing our executive director compensation program on drivers of sustainable shareholder value and by ensuring a majority of executive director compensation is at-risk.
- Providing market competitive levels of compensation to help us retain and attract exceptionally talented individuals who can deliver on our vision.

Shareholder Engagement

Our Compensation and Talent Committee values shareholder feedback and carefully considers the results of shareholder advisory votes and input received during shareholder engagement. At our 2021 Annual Meeting, 85.6% of votes cast approved our 2020 Remuneration Report with 14.4% voting against the report. Our Board was pleased with the support for our executive director compensation program and continued to engage with our shareholders to receive valuable input on our program. Our Remuneration Policy was approved by 69.8% of shareholders, with 30.2% of votes cast against the policy and 425,039 votes abstaining. The Compensation and Talent Committee has carefully considered the results of these votes as it completed its annual review of our compensation program, and has taken actions to respond to the concerns of shareholders: we have included Return On Invested Capital ("**ROIC**") and increased the rigor of the Relative TSR payout scale in our 2022 Long-Term Incentive Plan.

Listed below are key changes to our executive director compensation program in 2022, both as part of our annual review process as well as in response to shareholder feedback:

Include Return On Invested Capital ("ROIC") in our Performance Based Long-Term Incentive Plan

- We will reintroduce ROIC as a performance measure for the 2022 long-term incentive award grant, in addition to relative TSR (each weighted at 50% of our performance based Long-Term Incentive Plan).
- ROIC will be calculated based on a three-year average net operating profit after tax divided by a three-year average invested capital, and will assess our profitability and how effectively the Company uses capital over the three-year period to generate income.

- The relative TSR metric is based on equity returns, both share price performance and dividend distributions relative to an external peer group.
- We believe an equal weighting of ROIC and relative TSR provides a clear line of sight for our Chair and CEO to long-term financial performance and shareholder value creation, and is strongly supported by our shareholders.

Increase the rigor of the Relative TSR payout scale in our Long-Term Incentive Plan

- We will increase the rigor of the relative TSR payout scale in our long-term incentive plan. For the 2022-2024 plan, the relative TSR component of the plan will pay at target when achieving a 50th percentile position versus our relative TSR Peer Group (our current plan pays out at target when achieving a 42nd percentile position versus our relative TSR Peer Group). This change will more closely align payouts with equity returns experienced by shareholders.

Remuneration Arrangements in 2021

Details of Mr. Pferdehirt's remuneration are provided in our Annual Report on Remuneration and summarized in the section below. The Committee reviewed and approved Mr. Pferdehirt's remuneration and all payments were in line with our shareholder approved Remuneration Policy.

Proposed Remuneration Arrangements in 2022

The current Remuneration Policy was approved by shareholders at last year's Annual Meeting and will remain in place for a period of up to three years.

In doing so, the Committee has taken the opportunity to review the continued appropriateness of the current arrangements. Recognizing that the current Policy was intentionally designed with operational flexibility, and aligned with North American market practices, as well as U.K./European market practices; and taking into account the current global and industry challenges, as well as the Spin-off of Technip Energies, the Committee has concluded that the Policy remains appropriate and as result is not proposing any substantive changes.

Looking Ahead - 2022 Changes to Our Executive Director Compensation Program

Our 2022 annual cash incentive plan will be based on the measures outlined in the table below.

Performance Measure	Weighting	Definition	Why It Matters
Adjusted EBITDA as a Percentage of Revenue	25%	Adjusted earnings before interest, taxes, depreciation, and amortization, calculated as a percentage of revenue	Reflects the performance and sustainability of the business, leveraging cost efficiencies, and driving profitability improvement
Free Cash Flow from Operations	25%	Cash provided by operating activities, less capital expenditures	Measures our ability to generate cash as an indicator of the financial health and liquidity of the Company
ESG Performance	25%	Performance relative to the TechnipFMC ESG scorecard	Directly links our compensation program to our ESG commitments and objectives, including our 2021-2023 ESG scorecard
Individual API Metrics	25%	Performance relative to individual performance goals established at the beginning of the year	Objectives are set at “stretch” levels and are focused on key strategic projects and objectives, as well as self-development goals

In 2021, we provided a comprehensive overview of our ESG efforts to our investors, including new initiatives to be realized through 2023 and a commitment to deliver a 50% reduction in Scope 1 and 2 equivalent GHG emissions by 2030. In order to directly link our compensation program to our ESG commitments and objectives, we will continue to include an ESG measure in our 2022 annual cash incentive plan at 25% weighting.

Performance for this measure will be based on a scorecard that measures our performance against our 2021-2023 ESG objectives. These objectives include the following:

- Environmental – our carbon footprint (including scope 3 reduction target and carbon intensity reduction target), our clients’ carbon footprint, recycled and reused waste targets.
- Social – fair representation by gender and nationality, awareness and culture, inclusive leadership training, and community/STEM initiatives.
- Governance – HSE leadership, human rights due diligence, and ethics and compliance training.

We will continue to include EBITDA as a Percentage of Revenue and Free Cash Flow from Operations as measures in the annual cash incentive plan, with an objective to increase our operating profitability, leverage cost efficiencies, maintain the financial health and liquidity of the Company, and drive shareholder value creation.

We will continue to use individual API metrics in order to incentivize our executive director to focus on key strategic projects and objectives, as well as personal development goals.

2022 Long-Term Equity Incentive Plan

Our 2022 Long-Term Equity grant will be based on the measures outlined in the table below.

Long-Term Equity	Weighting	Vesting	Performance Measure	Why It Matters
Performance Stock Units	70% of total long-term equity	Three-year cliff vesting	Relative TSR (50%): ROIC (50%) *Performance is measured over a three-year period and subject to three-year cliff vesting*	TSR assesses our overall performance in the eyes of our shareholders and the broader stock market, relative to companies with which we compete for customers and investors that are subject to similar macro-economic factors ROIC Measures our profitability as well as our effective utilization of capital
Restricted Stock Units	30% of total long-term equity	Three-year cliff vesting	N/A	Further align our Chair and CEOs' interests with the interests of our shareholders by incentivizing them to increase share price, while reinforcing the retention impact of our compensation program

We believe that both ROIC and relative TSR closely align with value creation and are meaningful measures of our long-term performance and motivate our Chair and CEO to generate returns and achieve superior share price compared to our key competitors, thus aligning their interests with shareholder interests. We further reinforce this by requiring a minimum threshold of relative performance for payout and by capping payout in the case of negative TSR.

The relative TSR performance for our 2022 PSU awards will be measured against a Relative TSR Peer Group that the Compensation and Talent Committee believes best reflects the companies that we compete with for both investments and customers. The financial and operational performance of these companies are most directly relevant to TechnipFMC, and we are all subject to similar macro-economic factors.

The following are the targets in relation to the 2022 PSU awards:

Relative TSR Performance

Performance Achievement	Relative TSR Performance	Payout (% of earned PSUs)
Below Threshold	Below 25th percentile	0%
Threshold	25th percentile	50%
Target	50th percentile	100%
Maximum or above	75th percentile or greater	200%

Note: If the Company's absolute TSR is negative for the performance period, the payout in respect of the TSR element will be capped at target, regardless of our relative performance.

For performance achievement between the levels identified above, payout percentage will be interpolated on a straight-line basis.

Return On Invested Capital
The targets for the Return On Invested Capital measure will be disclosed at the end of the performance period.

We look forward to hearing your views on our director compensation arrangements, and your continued support at the 2022 Annual Meeting.

Yours sincerely,

John O'Leary

John O'Leary
Director and Compensation and Talent Committee Chair

March 18, 2022

Annual Report on Remuneration: At-a-Glance – 2021 Highlights

2021 Performance Impact on Compensation

The table below outlines the elements of our compensation program that are directly tied to Company performance, along with 2021 performance and resulting payouts.

BPI Measure *% Weighting*	**2021 Goal**	**Definition**	**Why it matters**
Adjusted EBITDA as a percentage of revenue % *25% Weighting*	7.8%	Adjusted earnings before interest, taxes, depreciation, and amortization, calculated as a percentage of revenue	Reflects the performance and sustainability of the business, leveraging cost efficiencies, and driving profitability improvement
Free Cash Flow *25% Weighting*	$100M	Cash provided by operating activities, less capital expenditures	Measures our ability to generate cash as an indicator of the financial health and liquidity of the Company
ESG Performance *25% Weighting*	Year 1 progress towards three-year ESG objectives	Performance relative to the TechnipFMC ESG scorecard	Directly links our compensation program to our ESG commitments and objectives, including our 2021-2023 ESG scorecard

Please refer to Note 35 of the consolidated financial statements of this U.K. Annual Report for a reconciliation to the most directly comparable GAAP measures.

Our pay-for-performance program aims to motivate our Chair and CEO to achieve and exceed both our short-term and long-term goals and objectives by including an appropriate mix of long-term equity compensation and annual cash incentive compensation. As intended by our program, our Chair and CEO compensation was directly impacted by our performance.

2021 Performance Impact on Annual Cash Incentive

The annual cash incentive comprises 13% of 2021 total target variable compensation for our Chair and CEO. Our Chair and CEO achieved a payout of 162% of target for the annual cash incentive, based on the following:

- The payout for the business performance indicators (which makes up 75% of the annual cash incentive plan) was 162% and was set as follows by the Compensation and Talent Committee:
  - Performance for EBITDA, Adjusted EBITDA as a Percentage of Revenue was set at 167%
  - Performance for Free Cash Flow was set at 200%
  - Overall performance for ESG scorecard measures was set at 120%
- The payout for the individual annual performance indicators (which makes up 25% of the annual incentive plan) was 160% for the Chair and CEO.

Overview of our Compensation Practices

Our compensation practices are designed to align with shareholder interests and incorporate strong governance practices that support the guiding principles of our executive director compensation program, which include the following:

- Attract talented individuals by providing market competitive levels of compensation
- Retain our leaders by incentivizing them to deliver on our vision
- Align to our pay-for-performance philosophy
- Link the interests of our Chair and CEO with the interests of the Company and shareholders
- Align our Chair and CEO's interests with our long-term financial and strategic objectives
- Maintain flexibility to better respond to the cyclical energy industry
- Encourage prudent risk-taking by our Chair and CEO

What We Do:	What We Don't Do
Pay for performance by aligning performance measures with our strategy and shareholder interests	No single-trigger vesting upon a change-in-control
Majority of Chair and CEO compensation is performance-based, "at-risk" long-term compensation	No guaranteed bonuses
Maintain a clawback policy in the event of malfeasance or fraud	No uncapped incentives
Require robust executive and director share ownership requirements	No tax gross-ups on any severance payments
Engage an independent, external compensation consultant	No excessive perquisites, benefits, or pension payments
Benchmark compensation against relevant global and industry peer groups	No discounting, reloading, or repricing of stock options
Cap PSU payout at target when relative TSR exceeds peers' TSR but absolute TSR is negative	No hedging and pledging of Company securities

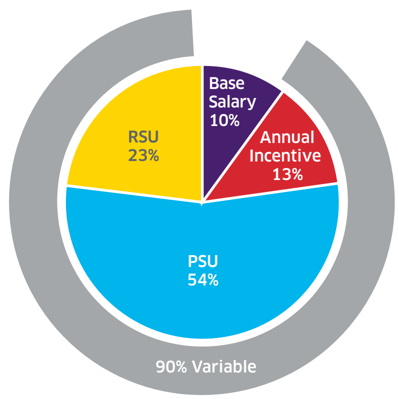
Annual Report on Remuneration: Report for the Year Ended December 31, 2021

The Compensation and Talent Committee presents the Annual Report on Remuneration and the statement of the Chair of the Compensation and Talent Committee, which will be submitted to shareholders as an advisory vote at the 2022 Annual Meeting. Some of the information contained in the Annual Report on Remuneration is subject to audit. Where the information is subject to audit, the information is identified in the relevant heading.

As intended by our pay-for-performance program, and as outlined in the sections below, our 2021 compensation for our Chair and CEO was directly impacted by our performance against key financial, operational, and individual metrics.

Below is an illustration of the Chair and CEO's remuneration.

Chair and CEO



Fixed	10%
Variable[1]	**90%**
Cash	23%
Equity	**77%**
Short-Term Performance	13%
Long-Term Performance	**77%**

(1) RSUs are included in variable pay because their delivered value is based on share price at vesting.

Executive Director's Single Figure Table (Audited Information)

The below table sets forth the single figure of remuneration for the Chair and CEO for the periods ended December 31, 2021 and 2020.

A proportion of the annual incentive and long-term incentive awards (the variable and at-risk element), 90% is subject to share price appreciation. During 2021, we did not exercise the use of discretion as a result of share price appreciation or depreciation.

Year	Salary(1)	Taxable Benefits(2)	Annual Incentive Awards(3)	Long-Term Incentive Awards(4)	Pension Related Benefits(5)	Total Fixed Remuneration	Total Variable Remuneration	Total
Chair and CEO: Douglas J. Pferdehirt								
2021	$1,236,000	$68,077	$7,738,789	$10,744,161	$305,339	$1,541,339	$18,551,027	$20,092,366
2020	$988,800	$48,659	$4,578,600	$418,245	$247,770	$1,236,570	$5,045,504	$6,282,074

(1) Salary provides a fixed level of market competitive compensation to our executive director that reflects his major responsibilities. Base pay is set with reference to market median, based on responsibility, experience, individual performance, and contributions to the business. Salary for our Chair and CEO is unchanged since March 1, 2018. The salary for 2020 includes a 30% temporary pay reduction for the Chair and CEO effective May 1, 2020, and ending December 31, 2020.

(2) The taxable benefits for 2021 for the Chair and CEO includes all: (i) personal use of Company automobile of $19,057 (ii) financial planning services of $18,000 (iii) UK tax preparation fees of $1,657, (iv) company paid life insurance fees of $578, (v) club dues of $5,344, and (vi) security services of $23,441.

The taxable benefits for 2020 for the Chair and CEO includes: (i) personal use of Company automobile of $6,727 (ii) financial planning services of $18,000 (iii) UK tax preparation fees of $5,204, (iv) company paid life insurance fees of $578, (v) club dues of $8,863 and (vi) security services of $9,287.

(3) The amount disclosed in the Annual Incentive Awards column for 2021 for our Chair and CEO represents the sum of annual cash incentive bonus and time-based (non-performance based) RSUs awarded in 2021. In 2021, our Chair and CEO's annual cash incentive was $2,694,789, calculated using a target bonus of 135% of salary, a BPI rating of 162%, and an API rating of 160%. The time-based (non-performance based) RSUs awarded in 2021 were valued at $2,910,000 comprising 30% of the Chair and CEO's long-term equity incentive target value of $9,700,000, consisting of 364,661 shares vesting on March 1, 2024. The Chair and CEO received a one-time long-term equity grant of $2,134,000 in four-year cliff vesting RSUs, consisting of 267,419 shares vesting on April 1, 2025.

The amount disclosed in the Annual Incentive Awards column for 2020 for our Chair and CEO represents the sum of annual cash incentive and time-based (non-performance based) RSUs awarded in 2020. In 2020, our Chair and CEO's annual cash incentive was $1,668,600, calculated using a target bonus of 135% of salary, a BPI rating of 75%, and an API rating of 175%. The time-based (non-performance based) RSUs awarded in 2021 were valued at $2,910,000, comprising 30% of the Chair and CEO's long-term equity incentive target value of $9,700,000.

(4) The amount disclosed in the Long-Term Incentive Awards column for 2021 for our Chair and CEO represents the value of performance-based RSUs that were converted to time based RSUs as a result of the Spin-off as measurement of performance against the set goals was not possible following the Spin-off. The value was calculated using the target value (100% i.e. 1,284,707 shares) and the stock price at the time of the conversion ($8.09).

The amount disclosed in the Long-Term Incentive Awards column for 2020 for our Chair and CEO represents the value of performance-based RSUs subject to performance (ROIC) and market-based (TSR) vesting conditions with a performance period ending December 31, 2020. The value was calculated using a performance percentage of 25% and share price on date of vesting. Dividend equivalents of $350,881 and $64,218 attributable to the vested shares have been included in the table above for 2021 and 2020, respectively.

(5) The amount disclosed in the Pension-Related Benefits column represents the value of Company contributions to the U.S. 401(K) and non-qualified defined contribution plans.

Executive Director Remuneration Received in Respect of 2021 (Audited Information)

One of the Compensation and Talent Committee's primary goals in establishing our executive director compensation philosophy and designing our compensation program is to ensure that compensation incentivizes an executive director to achieve key strategic goals, deliver strong operational and sustainable financial performance, and deliver long-term value for our shareholders. With this as a guiding principle, the Compensation and Talent Committee adopted a program that links a significant percentage of an executive director's compensation to key performance objectives that, if achieved, would result in the creation of shareholder value over both the short- and long-term.

Base salary

Base salary is set with reference to a competitive range around the size-adjusted market median data, reflecting factors such as individual performance, experience, and business conditions within the parameters of our Directors' Remuneration Policy.

The Compensation and Talent Committee reviews base salary for the Chair and CEO on an annual basis, and determines and approves any changes, with input from the committee's independent compensation consultant.

Pension Related Benefits

Retirement benefits for 2021 have been calculated in line with the U.K. reporting regulations. The Chair and CEO does not have prospective entitlement to a Defined Benefit pension plan. Details of the aggregate pension benefits accrued in the U.S. Qualified Savings Plan and the U.S. Non-Qualified Savings Plan by the Chair and CEO are shown below.

The value of the pension benefits under the pension schemes is calculated based on the Company's contributions which are based on a percentage of employee salary. Retirement contributions for the Chair and CEO relate to our U.S. Qualified Savings Plan and U.S. Non-Qualified Savings Plan.

Values relating to DC Schemes	Accrued Pension at Year End[1] $'000	Company Contributions Over Year[2] $'000	Normal Retirement Age[3]
Chair and CEO	$5,892	$305	N/A

(1) Accrued balance at 2021 year end in the U.S. Qualified Savings Plan (which is a defined contribution scheme).
(2) Company contributions in 2021 to the U.S. Qualified Savings Plan and the U.S. Non-Qualified Savings Plan.
(3) Benefits under the qualified plan can be withdrawn at termination from the company, and benefits under the U.S. Non-Qualified Savings Plan can be withdrawn after six months post-termination, therefore retirement age does not apply.

Benefits

The Company also provides limited perquisites to the Chair and CEO, facilitating the performance of their roles and to ensure a competitive total compensation package. The perquisites we provide to our Chair and CEO may include financial planning and personal tax assistance, personal use of Company automobiles, dining club memberships and country club memberships, car allowances, executive physicals, and other minor expenses associated with their business responsibilities. The value of perquisites deemed to be personal is imputed as income to an executive director, and we do not gross up for the taxes due on such imputed income. Additional allowances or benefits may be granted to our Chair and CEO, if considered appropriate and reasonable.

Reflecting the safety concerns associated with their roles, the Company provides a security program for our Chair and CEO. The Compensation and Talent Committee believes this is in the best interests of shareholders as the personal safety and security of our executive director is critical to the stability of the Company. The security program was developed based on a risk assessment determined to be appropriate by our security team and an external consultant. We do not consider the security measures provided to our Chair and CEO to be a personal benefit, but rather reasonable and necessary expenses for the benefit of the Company.

Elements of 2021 Executive Director Compensation

(Green highlighted: same as Proxy Statement)

Our executive director compensation program comprises of short-term and long-term components that link our Chair and CEO's pay to his performance and advancement of TechnipFMC annual and long-term performance and business strategies. In addition, the program also aligns the executive director's interests with those of shareholders and encourages retention of a high-performing executive director.

The table below summarizes these elements, along with their purpose and key characteristics. However, a more detailed explanation is available in further sections.

Element	Purpose	Key Characteristics
Base Salary	To provide market competitive compensation for the role	‣ Fixed cash compensation ‣ Reflects major responsibilities of the Chair and CEO's role ‣ Set with reference to market median, based on responsibility, experience, and performance
Annual Cash Incentive	To drive and reward the achievement of short-term Company strategic goals and individual contributions	‣ Variable cash compensation ‣ Target value based on role, set with reference to market median ‣ Paid based on achievement of business performance targets (75%) and achievement of individual performance targets (25%) ‣ 2021 business performance targets were adjusted EBITDA as a Percentage of Revenue (25%), Free Cash Flow from Operations (25%), ESG scorecard measures (25%) and individual performance measures (25%) ‣ Actual payout can range from 0% to 200% of target
Performance Share Units (PSUs)	To drive and reward the achievement of long-term results and align interests of the Chair and CEO with shareholders' interests	‣ Payout linked to the achievement of TechnipFMC relative TSR for the three-year 2021 to 2023 performance period ‣ Realized value based in part on post-grant share price appreciation ‣ Actual payout can range from 0% to 200% of target
Restricted Stock Units (RSUs)	Further align the Chair and CEOs' interests with the interests of our shareholders by incentivizing them to increase share price, while reinforcing the retention impact of our compensation program	‣ Realized value based in part on post-grant share price appreciation ‣ 50% of after-tax RSUs must be retained for at least one year following vesting ‣ Three-year cliff vesting period
Health and Welfare Benefits, Retirement Benefits, and Perquisites	To facilitate the performance of the role and ensure a market competitive total compensation package	‣ Health and welfare benefits, the same as benefits offered to other employees of the Company in the respective countries ‣ Retirement savings offered through participation in our 401(k) and non-qualified defined contribution plans, similar to plans offered to other U.S. employees ‣ Limited perquisites including financial planning, tax assistance, use of company cars, club memberships, executive physicals, and security services where necessary ‣ Limited participation in other programs dependent on geography and tenure (non-U.S.-based executive director)

Pre-Spin Compensation Peer Groups

In making decisions about 2021 target compensation levels, the Compensation and Talent Committee reviewed data from two distinct peer groups:

- The Global Peer Group comprises a broadly equal weighting of U.S. and European headquartered companies, of similar size to the Company (in terms of revenue) who compete for executive director talent in capital intensive industries similar to the Company, including the oil and gas industry, construction and engineering, and industrial manufacturing.
- The Industry Peer Group is focused more closely on our sub-industry and is drawn from companies in the oilfield services and oil exploration and production sectors, as well as heavy engineering organizations with greater (but not exclusive) focus on North America.

The Compensation and Talent Committee did not place a specific weight on the data from either peer group, but considered the data in light of all the circumstances relevant to our Chair and CEO as well as the Company's compensation philosophy.

For both sets of peers, we used a range of selection criteria that include, among other factors, financial indicators such as revenue and market capitalization, number of employees, company size, industry, end markets, complexity, geographic footprint, and headquarters location.

Accordingly, the companies below comprised the 2021 Compensation Peer Group, including both global and industry peers.

Pre-Spin Compensation Peer Group Constituents	
Air Liquide S.A.	Ingersoll-Rand plc
Alstom S.A.	**Jacobs Engineering Group Inc.**
Apache Corporation	**John Wood Group plc**
Baker Hughes Company	**National Oilwell Varco, Inc.**
Caterpillar Inc.	Petrofac Limited
ConocoPhillips	Repsol, S.A.
Cummins Inc.	**Saipem S.p.A.**
Devon Energy Corporation	**Schlumberger Limited**
Dover Corporation	**Subsea 7 S.A.**
Enbridge, Inc.	**Transocean Ltd.**
Fluor Corporation	VINCI S.A.
Halliburton Company	

Companies in **bold** comprise the Industry Group.

Base Salary

We provide our Chair and CEO with a market competitive base salary to compensate him for services performed during the year. We set base salary by referencing market median total target compensation. When setting the Chair and CEO's base salary, we consider factors such as individual performance, experience, and contributions to the business, while staying within an appropriate range of the market median for the role.

The Compensation and Talent Committee reviews base salary for the Chair and CEO on an annual basis. For the CEO, the Compensation and Talent Committee determines and approves any changes, with input from the committee's independent compensation consultant.

In May 2020, we temporarily reduced the annual base salary for our Chair and CEO by 30% and executive non-directors by 20% in response to the change in business environment due to the COVID-19 pandemic and sharp decline in oil prices.

The temporary reduction ended on December 31, 2020, after which the salary was reinstated at the same level prior to the temporary reduction. If the change in salary were calculated using the Chair and CEO's normal salary (without the deduction) for the full financial year January 1, 2020 to December 31, 2020, the percentage change would be 0%.

Chair & CEO	Base Salary (2020)	Base Salary (2021)	Change %
Douglas J. Pferdehirt	$1,236,000	$1,236,000	0%

1 In May 2020, we temporarily reduced the annual base salary for the CEO by 30% and executive non-directors by 20% in response to the change in business environment due to the COVID-19 pandemic and sharp decline in oil prices.

Annual Cash Incentive (Audited Information)

2021 Annual Cash Incentive Target

We provide our Chair and CEO with an annual cash incentive to drive and reward the achievement of short-term Company strategic goals and individual contributions. Our Chair and CEO has an annual cash incentive target, set as a percentage of base salary and can earn 0% to 200% of their annual cash incentive target, depending on Company and individual performance.

The Compensation and Talent Committee reviews and approves target annual cash incentive percentages for our Chair and CEO annually, based on a review of market median total compensation data for our peers. The targets are set at appropriate levels to incentivize the achievement of short-term financial, ESG goals for the Company, as well as individual goals. The annual cash incentive also ensures that we provide market-competitive levels of total compensation.

The following were the 2020 and 2021 annual cash incentive targets for our Chair and CEO:

Chair and CEO	2020	2021	Increase
Douglas J. Pferdehirt	135%	135%	0%

Annual Cash Incentive Performance Indicators

75% of the annual cash incentive is based on business performance indicators ("**BPI**"), and 25% of the plan is based on individual annual performance indicators ("**API**").

75% BPI Assessment of overall Company performance based on business performance indicators	+	**25% API** Assessment of individual performance based on qualitative factors reflected in the executive director's annual performance objectives

The payout under both the BPI and API components may range from 0% to 200% of target depending on performance.

BPI Component – 75% of Annual Cash Incentive

The BPI components are intended to drive the achievement of key financials and ESG objectives. Each component is assessed independently from the other components and has a maximum possible payout of 200% of target. Furthermore, if performance with respect to any BPI fails to meet the threshold level the payout is 0%

Target Setting for BPI Measures

Performance targets related to our annual cash incentive are set at "stretch" targets that are considered difficult and challenging but achievable with superior execution based on our long-range plans. Given the cyclical nature of our industry sector, as well as the variability in some of our metrics caused by the lifecycle progression of a few very large projects, our targets can vary in absolute terms when compared to prior year targets but are set to ensure that achievement will require the same or improved execution to achieve the targets.

In setting performance goals, the Compensation and Talent Committee considers the Company's annual financial plans, strategic initiatives, and projections, which are impacted by the following factors:

- The overall business climate and the cyclical nature of our business
- Underlying market conditions for our products and services
- Volatility in commodity prices
- Our competitors' performance
- Anticipated changes in customer activity
- Our prior-year performance

These inputs inform discussions regarding both the targets and the ranges around the target to ensure the goals are sufficiently difficult without incentivizing inappropriate risk taking.

2021 Measures and Results

The 2021 BPI measures for the annual cash incentive are outlined below:

BPI Measure *% Weighting*	**2021 Goal**	**Definition**	**Why it matters**
Adjusted EBITDA as a Percentage of Revenue % *25% Weighting*	7.8%	Adjusted earnings before interest, taxes, depreciation, and amortization, calculated as a percentage of revenue	Reflects the performance and sustainability of the business, leveraging cost efficiencies, and driving profitability improvement
Free Cash Flow *25% Weighting*	$100 million	Cash provided by operating activities, less capital expenditures	Measures our ability to generate cash as an indicator of the financial health and liquidity of the Company
ESG Performance *25% Weighting*	Year 1 progress towards three-year ESG objectives	Performance relative to the TechnipFMC ESG scorecard	Directly links our compensation program to our ESG commitments and objectives, including our 2021-2023 ESG scorecard

The 2021 BPI goals and the 2021 results for Adjusted EBITDA as a Percentage of Revenue and Free Cash Flow are outlined below.

2021 BPI Measure	**2021 Goals[1]**			**2021 Performance[2]**	
	Threshold Performance	**Target Performance**	**Maximum Performance**	**Performance %**	**Payout %**
Adjusted EBITDA as a Percentage of Revenue % *25% Weighting*	6.3%	7.8%	9.3%	8.8%	167%
Free Cash Flow *25% Weighting*	$–	$100 million	$200 million	$523 million	200%

(1) Financial targets and actual performance based on Adjusted EBITDA exclude non-recurring charges and credits, such as impairments, restructuring costs, integration costs, foreign exchange impact, as well as other items identified in TechnipFMC's quarterly and annual financial statements. Free cash flow is defined as cash provided by operating activities less capital expenditures. Please refer to Note 35 of the consolidated financial statements of this U.K. Annual Report for a reconciliation to the most directly comparable GAAP measure.

(2) Payout for performance between the threshold, target, and maximum payouts are interpolated on a straight-line basis. The final weighted payout percentage for BPI is rounded to the nearest whole percent for calculating the annual cash incentive payout.

In accordance with established guidelines, the goals are adjusted for the cumulative effect of changes in accounting principles, significant acquisitions and divestitures, and foreign exchange movements. These changes are intended to ensure that performance is measured on a like-for-like basis relative to the goals that were set.

2021 results for the ESG scorecard

The ESG Committee carefully reviewed the Company's progress during 2021 towards the achievement of its 2021-2023 ESG scorecard objectives and assessed the Company has exceeded expectations for 2021 in making progress towards its 2023 targets. Based upon this assessment, the Compensation and Talent Committee recommended a payout of 120% for the ESG component of the 2021 Annual Cash Incentive. For further information on the results of the first year of our 2021-2023 scorecard, please see the section entitled "*Environmental, Social, and Governance*".

API Component – 25% of Annual Cash Incentive

Each February, the individual performance goals are established for the Chair and CEO.

These objectives are set at "stretch" levels (i.e., objectives that are difficult and challenging but should be achievable with superior execution) and are set using a rigorous evaluation process. If our Chair and CEO failed to achieve any of his objectives, the API multiple would likely be 0%, absent any mitigating factors. If the Chair and CEO met some, but not all of the objectives, the API multiple would fall between the range of 0% to 200%, depending upon the number of objectives accomplished, their relative importance and difficulty as determined by the Compensation and Talent Committee, and any factors that may have prevented achievement of certain objectives.

For 2021, the Chair and CEO received an API rating of 160%.

In determining the 2021 API rating for our Chair and CEO, the Compensation and Talent Committee took into account a comprehensive view of his performance and contributions, including performance on key objectives and results. This includes leading the successful completion of the Spin-off of Technip Energies and the emergence of TechnipFMC as an industry-leading, fully integrated technology and services provider, unlocking significant long-term growth potential and shareholder value. In addition to this achievement, Mr Pferdehirt expanded our strategic alliances and partnerships, introduced New Energy Ventures, generated strong Adjusted EBITDA as a Percentage of Revenue performance and free cash flow, and committed to our ESG goals with our three-year ESG scorecard

Objectives	Key Achievements	Performance Assessment: Below Expectations	Performance Assessment: Meets Expectations	Performance Assessment: Exceeds Expectations
Mr. Pferdehirt				
Strategy & Growth (35%) • Implement strategy for energy transition • Establish strategic partnerships • Advance technology	• Completed Spin-off of Technip Energies • Established six strategic alliances to enable growth of NEV • Identified NEV Leader and added role to the Executive Leadership Team • Launched integrated offering: iONE™ • Continued to advance Technology Leadership with Subsea 2.0™, GEMINI® ROV, introduction of E-Mission™ solution, acquisition of Magma Global to accelerate development of composite pipe technologies			✔

Execute on Key Deliverables (20%)
• Subsea: growth
  ◦ Meet inbound revenue targets
  ◦ Develop strategy to significantly increase Subsea Services revenue
• Surface: strengthen market position
  ◦ Secure key alliances and new contracts
	• Exceeded inbound targets for Subsea business
	• Developed strategy to significantly increase Subsea Services revenue
	• Secured three alliances for Surface
	• Secured 12 digital / ESG contracts (iComplete™ and iProduction™)
				✔

Continued overleaf >

Personal Development (10%) • External presence – active leadership in Gender and Racial Equity	• Elevated from Regional Advisory Board to Global Board of Advancing Women in Energy • Actively engaged and sponsored TechnipFMC Fellow in CEO Action for Racial Equity		✓	

Top Team and Company Culture (15%)
• Succession planning:
    • ELT positions
    • Implement ELT team-performance program and metrics
• Culture – Implement engagement survey and action plan
	• Promoted a diverse set of leaders to ELT positions
	• Initiated ELT team performance programs and metrics with new ELT members
	• Completed engagement survey, identified focus areas, and implemented action plan
			✓	

Promoting Foundational Beliefs • Integrity – ensure highest level of compliance and response • Sustainability – achieve metrics; equity, community engagement and environment • QHSES – Fully implement and expand Pulse (HSES) and Impact Quality (Quality) transformation programs	• Actively contributed to advancements in gender and racial equity in EWiE and CEO Action Advisory Boards • Actively led TechnipFMC as a top contributor to both United Way and American Heart Association • Promoted energy transition through active industry engagement • Achieved Zero Fatalities in 2021 and a 45% reduction in Serious Injuries • Increased client satisfaction rating in 2021			✓
Overall Rating for Mr. Pferdehirt		**160%**		

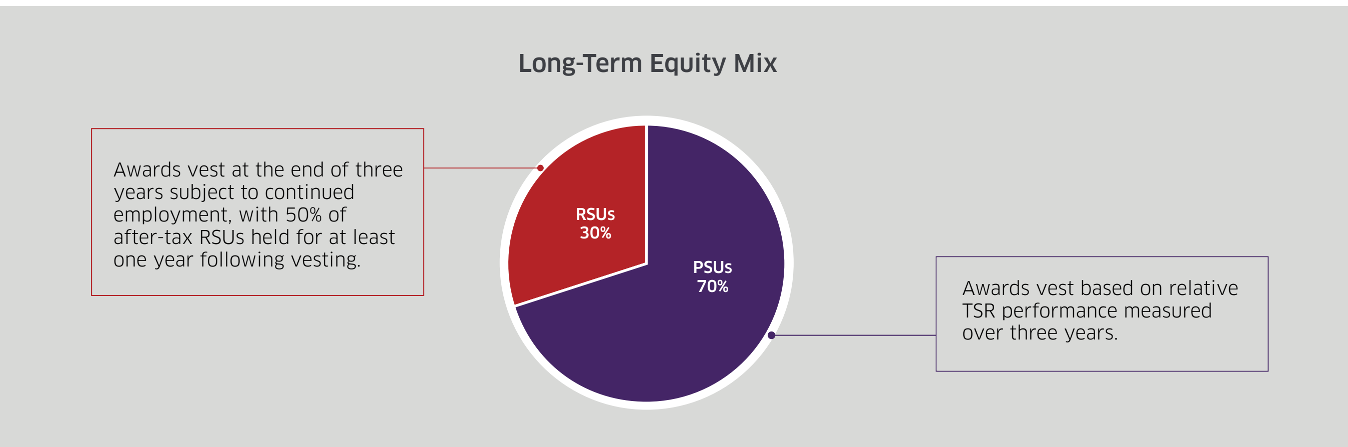
Determination of 2021 Annual Cash Incentive Payout for the Chair and CEO

The Chair and CEO's 2021 annual cash incentive payout was calculated to be $2,694,789 based on the following table:

Chair and CEO	Target Bonus (% of Salary)	BPI Rating (75% Weight)	API Rating (25% Weight)	Overall Weighted Rating	Actual Bonus (% of salary)	Actual Bonus ($)
Douglas J. Pferdehirt	135%	162%	160%	161.75%	161.5%	$2,694,789

Long-Term Equity Incentives (Audited Information)

Long-term equity incentive awards, granted in the form of TechnipFMC equity, represent the largest component of the Chair and CEO's annual target compensation opportunity, grounded in our compensation philosophy of paying for performance and aligning our Chair and CEO's interests with those of our shareholders. Awards are made in the form of two complementary vehicles, PSU awards and RSU awards, providing a balanced focus on performance, sustainable long-term value creation, and retention.



The Compensation and Talent Committee reviews and approves equity awards for our Chair and CEO on an annual basis. The awards are based on market competitiveness on total target compensation and aim to provide appropriate levels of retention and incentives for achieving the Company's long-term goals.

For 2021, the Compensation and Talent Committee set the target value of equity awards for our Chair and CEO reference to market median total compensation data.

Chair and CEO	2020 Long-Term Incentive Target Award	2021 Long-Term Incentive Target Award[1]
Douglas J. Pferdehirt	$9,700,000	$9,700,000

(1) Excludes one-time long-term incentive grant of $2,910,000.

Additional Long-Term Incentive Grant for Douglas J. Pferdehirt

Our Chair and CEO has deep expertise both in the Company and in the industry, and has been responsible for our transformation as a fully integrated leader in technology and innovation, successful completion of the Spin-off, and preparing the Company for future growth and the energy transition.

One of the key priorities for the Committee was retention, motivation and continuity of our Chair and CEO to achieve ambitious organizational transformation and strategic growth, against a backdrop of significant volatility and uncertainty in the energy industry. The Committee also took into account the robust market for leadership talent, which resulted in the departure of three of our executive non-directors from the Company in 2020 and 2021.

While there were no changes to base salary or incentive targets, the Committee awarded a one-time enhancement to the long-term incentive grant for Mr. Pferdehirt in recognition of his contribution to the strategic transformation of the Company, including the successful Spin-off transaction and to enhance retentive value of the grant.

The additional 2021 grant for Mr. Pferdehirt had a grant date fair value of $2,910,000, which represents 30% of his regular annual target award, and was comprised of the following awards:

- $776,000 in PSUs tied to 2021-2023 Relative TSR Performance
- $2,134,000 in 4-year cliff vesting RSUs, 50% of which he is required to retain for at least one year following vesting

The additional one-time grant was structured such that, 1) a majority of the award vests after four years (one year longer than the vesting period of the annual grant), thus enhancing the retentive value of the program, 2) including the one-time additional award, at least 60% of Mr. Pferdehirt's long-term incentive grant for the 2021 is performance based.

2021 Performance Stock Unit Awards (70% of Equity Award) – Conditional Share Awards – (Audited Information)

The Compensation and Talent Committee sets the performance targets associated with PSU awards prior to the beginning of each three-year performance period. For awards in 2021, PSU awards comprised 70% of the total long-term equity award and payout will be based on relative TSR performance for the three-year period.

The volatility in the oil and gas business environment, as well as our Spin-off, made it challenging to set meaningful ROIC targets. Therefore, in 2021, relative TSR, was selected as a single performance measure.

We believe that relative TSR is a meaningful measure of our long-term performance and motivates our Chair and CEO to achieve superior share price compared to our key competitors, thus aligning his interests with shareholder interests. We further reinforce this by requiring a minimum threshold of relative performance for payout and by capping payout in the case of negative TSR.

PSU Measure	Weighting	Definition	Why It Matters
Relative TSR	70% of total long-term equity	Relative TSR: Cumulative three-year increase in volume-weighted average price and reinvested dividends relative to peers	Assesses our overall performance in the eyes of our shareholders and the broader stock market, relative to companies with which we compete for customers and investors that are subject to similar macro-economic factors

The relative TSR performance for our 2021 PSU awards will be measured against a group of 10 companies ("**Relative TSR Peer Group**") that the Compensation and Talent Committee believes best reflects the companies that we compete with for both investments and customers. The financial and operational performance of these companies is therefore most directly relevant to TechnipFMC, and we are all subject to similar macro-economic factors.

2021 Relative TSR Peer Group		
Aker Solutions ASA	National Oilwell Varco, Inc.	Subsea 7 S.A.
Baker Hughes	Oceaneering International, Inc.	Weir Group plc
Forum Energy Technologies, Inc.	Oil States International, Inc.	
Halliburton Company	Schlumberger Limited	

In comparison to our prior Relative TSR Peer Group, the following companies were removed due to no longer being comparable peers post-Spin-off: Saipem Spa, Fluor Corporation, and John Wood Group plc. Aker Solutions ASA, Forum Technologies, Inc. and Weir Group PLC were added.

The vesting date for the 2021 PSU awards is March 1, 2024, with a performance period of February 16, 2021, being the date of the Spin-off, through December 31, 2023.

The Compensation and Talent Committee approved the following targets in relation to the 2021 PSU awards:

Performance Achievement	Relative TSR Performance	Payout (% of earned PSUs)
Below Threshold	Below 25th percentile	0%
Threshold	25th percentile	50%
Target	42nd percentile	100%
Maximum or above	75th percentile or greater	200%

Note: If the Company's absolute TSR is negative for the performance period, the payout in respect of the TSR element will be capped at target, regardless of our relative performance.

For performance achievement between the levels identified above, payout percentage will be interpolated on a straight-line basis.

	2020 PSU Grant	2021 PSU Grant[2]
Number of PSUs/conditional share awards awarded	730,893	948,120
Share Price on Grant Date	$9.29	$7.98
Fair Value on the date of award[1]	$6,789,996	$7,565,998
Fair Value of award as a % of salary	687%	612%
Face Value on the date of award at maximum performance[1]	$13,579,992	$15,131,995
Face Value of award at maximum performance as a % salary	1373%	1224%

(1) Calculated using the grant price, equal to the closing price on the New York Stock Exchange on the date of grant, April 1, 2021.
(2) Includes PSUs for both 2021 annual grant and additional one-time grant.

2021 Time-Based RSU Awards (30% of Equity Award) – Conditional Share Awards (Audited Information)

Time-based RSU awards further align our Chair and CEO's interests with the interests of our shareholders by incentivizing them to increase share price, while reinforcing the retention impact of our compensation program.

RSUs are subject to three-year cliff vesting terms, with no phased vesting, meaning our Chair and CEO must remain employed through the vesting date of March 1, 2024, with exceptions only for retirement, death, and disability. Once vested, our Chair and CEO receives ownership and the voting rights of the underlying Ordinary Shares.

The number of RSUs granted to our Chair and CEO was determined by dividing the target value set for our Chair and CEO by the closing price of the Company's Ordinary Shares on the NYSE on the grant date.

On vesting, 50% of the after-tax number of RSUs must be held for a period of at least one year to incentivize our Chair and CEO to retain the shares and increase share price, further aligning our Chair and CEO's interests with our shareholders.

	2020 RSU Grant	2021 RSU Grant[2]
Number of RSUs/ conditional share awards	313,240	632,079
Share Price on Grant Date	$9.29	$7.98
Face Value on the date of award[1]	$2,910,000	$5,043,990
Award as a % salary	294%	408%

(1) Calculated using the grant price, equal to the closing price on the New York Stock Exchange on the date of grant, April 1, 2021. RSU grant consists of 364,661 shares vesting on March 1, 2024, and 267,418 shares vesting on April 1, 2025.

(2) Includes RSUs for both 2021 annual grant and additional one-time grant.

Treatment of Outstanding 2019 and 2020 Long-Term Equity Incentives at Spin-off

On February 16, 2021, TechnipFMC completed its Spin-off and separated into two independent, publicly traded companies, TechnipFMC and Technip Energies.

The Committee used its discretion afforded under, and in accordance, with our Remuneration Policy and, pursuant to the Spin-off, all applicable outstanding 2019 and 2020 TechnipFMC PSU and RSU awards for the Chair and CEO were adjusted based on the ratio of the closing price of TechnipFMC Ordinary Shares on the NYSE on the date immediately prior to the Spin-off to the closing price of TechnipFMC Ordinary Shares on the NYSE on the date immediately after the Spin-off. In addition, the 2019 and 2020 TechnipFMC PSU awards were converted to RSUs (at target) subject to continued service on the original vesting dates as a measurement of performance against the set goals was not possible following the Spin-off. The vesting dates and payment conditions for the 2019 and 2020 awards otherwise remained the same.

Statement of Directors' Shareholding and Share Interests

Share Ownership and Retention Requirements (Audited Information)

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

None of the Directors exercised stock options in 2021.

Share Ownership Requirement

Our Chair and CEO is required to own shares in an amount equal to six times his base salary. Qualifying shares include ordinary shares, time-based RSU awards, and performance-based RSUs where the performance period is final and approved. Unexercised stock options, performance-based RSUs where the performance period is not final, and shares held in Company retirement plans are not included in the ownership calculation. An executive director has five years to satisfy an ownership multiple, pro-rated 20% each year, from the effective date of appointment.

Our Chair and CEO met his pro-rated share ownership requirement as of December 31, 2021.

Share Retention Requirements

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

We believe that the combination of the share ownership and share retention requirements more closely aligns the interests of an executive director with the long-term interest of our shareholders. We regularly evaluate and monitor compliance with our share ownership and retention policy, and the Board will review compliance on at least an annual basis. All executive directors met their pro-rata ownership and retention requirements under the Company's policy in 2021.

The table below sets forth the beneficial interests in the share capital of the Company held by our Chair and CEO and his connected persons for the period ending December 31, 2021:

Name	Share Ownership Requirements (% of salary)	Number of Shares Required to Hold[1]	Number of Shares Owned Outright (including Connected Persons)	Vested but Unexercised Stock Options	Unvested and Unexercised Stock Options	RSUs	RSUs Subject to Performance Conditions	Weighted Average Exercise Price of Vested Options	Weighted Average Period to Vest of RSUs
Chair and CEO	600%	1,252,703	585,649	532,502	438,045	2,434,091	948,120	$19.63	19.35 months

(1) Number of Shares Required to Hold is based on the share price as at December 31, 2021 of $5.92. An executive director has five years from appointment to meet the full ownership requirements. Unexercised Stock Options and RSUs Subject to Performance Conditions where the performance period is not final are not used to meet ownership requirements.

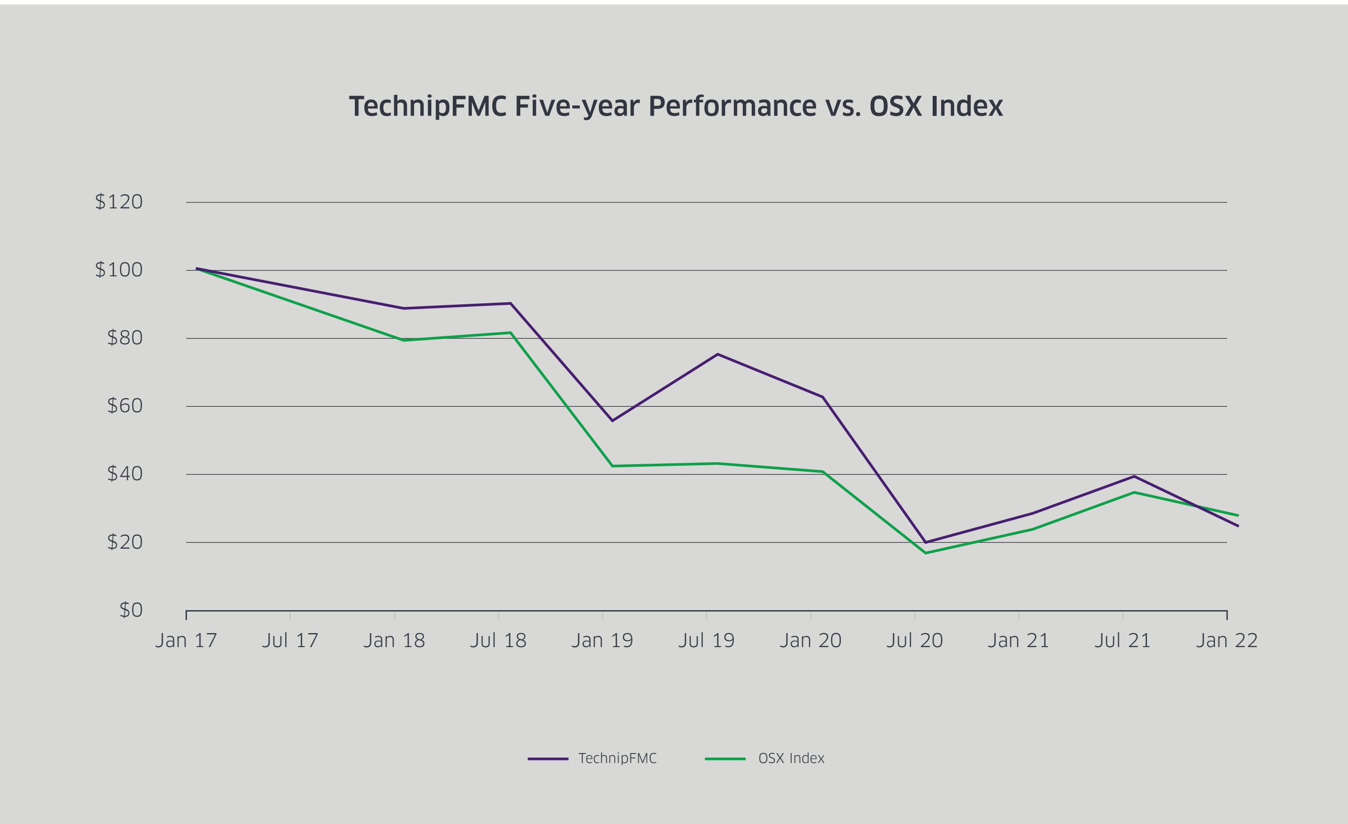
Payments for Loss of Office (Audited Information)

Mr. Piou resigned from the Board on February 15, 2021, and was paid a cash settlement of €292,046.86. The settlement was related to RSUs that were originally granted on March 9, 2020, and due to vest on March 9, 2021, in addition to accrued Board fees.

TSR Performance Graphs and Table for the Chair and CEO

The figure below indicates the Company's TSR performance against the Philadelphia Oil Service Sector ("**OSX**") index. Note that the OSX index is not used for plan payout, but provided as a reference point to demonstrate TSR performance for the oil service industry as a whole during this period. The OSX index is an index of companies in the oil services sector and we consider it an appropriate benchmark for our performance.

For the 2017-2020 performance period, our TSR performance was above the median for the OSX index. In 2021, our TSR performance underperformed the OSX starting in Q1 2021.



The index chart shows TechnipFMC higher than the OSX until Q3 due to our performance in other years not due to over performance in 2021.

Summary of Chair and CEO Pay[1]	2017	2018	2019	2020	2021
Total Single Figure of Remuneration	$12,688,680	$5,437,504	$7,861,135	$6,282,074	$20,092,366
Annual Cash Incentive Award Paid as a % of Maximum	75%	65%	87%	50%	81%
Long-Term Incentive Award Paid as a % of Maximum	0	0	25%	12.5%	50%

(1) For more details on the calculation of the Total Single Figure of Remuneration, please see the paragraph entitled "*Executive Director's Single Figure Table*".

Percentage of Change in Remuneration of the Chair and CEO, non-executive directors and employees

The following table shows the percentage change in base salary, annual cash incentive and benefits for our Chair and CEO, non-executive directors, and for the average of all employees of the Company in the United States. The Company considers that the remuneration of employees in the United States is an appropriate comparator against that of the Chair and CEO, rather than of the whole Company, on the basis that the Chair and CEO's remuneration tracks market practice and the regulatory environment in the United States. TechnipFMC plc has a limited number of employees, and comparison versus this group would not provide meaningful information.

The difference in base salary between the end of Fiscal Year 2020 and Fiscal Year 2021 is due to the temporary reduction in base salary which ended at the start of Fiscal Year 2021.

	Percentage Change December 31 2020 to December 31, 2021		
Chair and CEO	**Base Salary[1]**	**Annual Cash Incentive**	**Taxable Benefits[2]**
Douglas J. Pferdehirt	30%	62%	26%
Non-Executive Directors			
Eleazar de Carvalho Filho	30%	N/A	-87.74%
Claire S. Farley	30%	N/A	-
Peter Mellbye	30%	N/A	-89%
John O'Leary	30%	N/A	-88%
Margareth Øvrum[3]	30%	N/A	-
Kay G. Priestly	30%	N/A	-31%
John Yearwood	30%	N/A	-85%
Sophie Zurquiyah[4]	=	N/A	-
United States employees - Average	125%	129%	2.7%

(1) For Non-Executive Directors, amount provided is annual cash retainer and meeting fees. For the period of May 1, 2020 to December 31, 2020, the Chair and CEO as well as the Non-Executive Directors received a temporary 30% reduction in annual cash retainer. On January 1, 2021, the annual retainer reverted to the pre-May 1, 2020 rate. The Chair and CEO's base salary was temporarily reduced by 30% for the period of May, 2020 to December 31, 2020.

(2) Non-Executive Directors are not eligible for any taxable benefits other than UK tax preparation assistance - the cost of UK tax preparation decreased from an average cost of $3,382 for 2020 to an average cost of $804 in 2021.

(3) Ms. Øvrum joined the Board of Directors on October 1, 2020.

(4) Ms. Zurquiyah joined the Board of Directors on April 1, 2021.

If the change in salaries were calculated using the Chair and CEO's and non-executive directors' normal salaries (without the deduction) for the full financial year January 1, 2020 through the end of Fiscal year 2021, the percentage change would be 0%. The exception would be for Mses. Øvrum and Zurquiyah who joined the board during the year and had pro-rated retainers for 2020 and 2021 respectively.

	Percentage Change January 1, 2020 to December 31, 2021
Chair and CEO	**Base Salary[1]**
Douglas J. Pferdehirt	0%
Non-Executive Directors	
Eleazar de Carvalho Filho	0%
Claire S. Farley	0%
Peter Mellbye	0%
John O'Leary	0%
Margareth Øvrum[2]	-
Kay G. Priestly	0%
John Yearwood	0%
Sophie Zurquiyah[3]	-

(1) For non-executive directors, amount provided is annual cash retainer and meeting fees. For the period of May 1, 2020 to December 31, 2020, our Chair and CEO as well as the non-executive directors received a temporary 30% reduction in annual cash retainer. If the change in salary was calculated using the Chair and CEO's base salary (without the deduction) for the full financial year January 1, 2020 to December 31, 2020, the percentage change would be 0.

(2) Ms. Øvrum joined the Board of Directors on October 1, 2020.

(3) Ms. Zurquiyah joined the Board of Directors on April 1, 2021.

	Percentage Change December 31, 2019 to December 31, 2020		
Chair and CEO	**Base Salary[1]**	**Annual Cash Incentive**	**Taxable Benefits[2]**
Douglas J. Pferdehirt	-20%	-43%	-9%
Non-Executive Directors			
Eleazar de Carvalho Filho	-20%	N/A	230%
Claire S. Farley	-20%	N/A	N/A
Peter Mellbye	-20%	N/A	281%
John O'Leary	-20%	N/A	230%
Margareth Øvrum	N/A	N/A	N/A
Kay G. Priestly	-20%	N/A	230%
John Yearwood	-20%	N/A	N/A
United States employees - Average[3]	20.5%	-11.5%	-11.1%

(1) For Non-Executive Directors, amount provided is annual cash retainer and meeting fees, and includes a temporary 30% reduction in annual cash retainer from May 1, 2020 to December 31, 2020. The base salary for the Chair and CEO includes a temporary 30% reduction from May 1, 2020 to December 31, 2020.

(2) Non-executive directors are not eligible for any taxable benefits other than UK tax preparation assistance – the cost of UK tax preparation decreased from an average cost of $1,366 for 2019 to an average cost of $3,382 in 2020.

(3) There was a 36% headcount reduction in the United States in 2020, average base salary was impacted by change in salary distribution.

CEO Pay Ratio Reporting

The table below sets out the ratio at median, 25th and 75th percentile of the total remuneration received by our Chair and CEO compared to the total remuneration received by our U.K. employees — as well as comparing to base salary only. Total remuneration reflects all remuneration received by an individual in respect of the relevant years, and includes salary, benefits, pension benefits, and value received from incentive plans. We believe that the median pay ratio shown in the table below is representative of pay and progression policies of the Company in the U.K.

Financial year	Total Remuneration				Base Salary Only		
	Option	P25 (Lower Quartile)	P50 (Median)	P75 (Upper Quartile)	P25 (Lower Quartile)	P50 (Median)	P75 (Upper Quartile)
2021	C	335:1	271:1	200:1	24:1	19:1	16:1
2020	C	113:1	89:1	64:1	21:1	16:1	12:1
2019	C	133:1	115:1	80:1	24:1	22:1	15:1

Financial year	CEO		UK Employees					
			P25		P50		P75	
	Base Salary	Total Remuneration	Base Salary	Total Remuneration	Base Salary	Total Remuneration	Base Salary	Total Remuneration
2021	$1,236,000	$20,092,558	$52,546	$59,850	$65,374	$74,113	$79,261	$100,473
2020	$988,800	$6,217,856	$46,983	$54,863	$61,060	$69,891	$83,737	$96,782
2019	$1,236,000	$7,861,135	$51,039	$59,251	$57,292	$68,203	$81,636	$97,830

The Company has decided to use Option C to select the P25, P50 and P75 employees. This option was chosen since this provided the most reliable and accurate data to be used for pay ratio reporting, based on our system capabilities. The data used was as of December 31, 2021. We used a database that includes base salary, benefits, pensions, and incentive plans and selected the employees by comparing them on a full-time equivalent basis among 1,890 employees. For each of the percentiles, we selected a sample of 20 employees around the percentile, added overtime and shift allowance, and used the median of that sample. Overtime and shift allowance has the highest impact in this quartile. Due to operational constraints, we are not able to build a database including those extra elements for all employees. There has been no deviation from the single figure methodology in calculating the total remuneration for the three quartile employees, and the methodology applied is the same as 2019.

The CEO pay ratios in 2021 are higher than the pay ratios in 2020. This is attributable to a special retention award for the CEO of long-term incentives and Spin-off related conversion. Long-term incentives make up a larger percentage of the Chair and CEO's total remuneration compared to other employees.

Pursuant to Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K as promulgated by the SEC, we also submit the following information in our Notice of 2021 Annual Meeting and Proxy Statement, available on our website. This illustrates the ratio of the total annual compensation of our Chair and CEO to the total annual compensation of our median global employee for our last completed fiscal year, 2020. For 2021, the annual total compensation of our Chair and CEO for purposes of determining the pay ratio was $20,092,558. For 2021, the ratio of the annual total compensation of our Chair and CEO to the total annual compensation of our median global employee was approximately 202:1.

Relative Importance of Spend on Pay

The table below sets out data for 2020 and 2021.

Relative spend information	2020	2021	% Change
Remuneration for All Global Employees[1]	$2,546,164,680	$1,344,223,620[1]	(47.2)%
Distributions to Shareholders	$58,279,193	-	(100)%

(1) Figures take into account reduction of employees due to the Spin-off.

Remuneration of Non-Executive Directors (Audited Information)

The following table presents the fees paid to the Company's current and former non-executive directors for the year ended 31 December 2021, pursuant to our Directors' Remuneration Policy, which was approved at our 2018 Annual Meeting. Our current Chair and CEO, Mr. Pferdehirt, is not included in the table below as he was an employee during 2021 and did not receive any additional compensation for his service as a director.

Current Board of Director Members

Non-Executive Director	2021 ($'000s)					2020 ($'000s)				
	Base fees[1]	Additional fees[1]	Stock Awards[2]	Taxable benefits[3]	Total	Base fees[7]	Additional fees	Stock Awards	Taxable benefits	Total
Eleazar de Carvalho Filho	100	8	175	0.4	282.9	80	10	175	3.6	268.6
Claire S. Farley	100	54	175	0	328.5	80	17.5	175		272.5
Peter Mellbye	100	18	175	0.4	292.9	80	27.5	175	4.2	286.7
John O'Leary	100	17	175	0.4	291.9	80	10	175	3.6	268.6
Margareth Øvrum[4]	100	8	248	0.9	356	17.5	2.5	-	-	20
Kay G. Priestly	100	28	175	2.5	305	80	10	175	3.6	268.6
John Yearwood[5]	100	15	175	0.3	290.3	80	20	306.2	1.9	408.1
Sophie Zurquiyah[6]	75	5	175	1.4	256.4	-	-	-	-	-

1) Includes the amount of fees paid for attendance at committee meetings and additional fees paid to the Chair of each Board committee and to the Lead Independent Director.

(2) Restricted stock unit grants were valued at $9.29 and $7.98 on March 9, 2020 and April 1, 2021, respectively, the closing price on the NYSE of the Company's Ordinary Shares on such date. The annual RSU grant vests after one year of service but is settled in Ordinary Shares on a date elected by the non-executive director that is either (a) after a period of one to 10 years from the grant date or (b) upon their separation from Board service. The restricted stock units are forfeited if a director ceases service on the Board prior to the vesting date of the restricted stock units, except in the event of death or disability. Unvested restricted stock units will be settled and are payable in Ordinary Shares upon the death or disability of a director or in the event of a change in control of the Company.

(3) Includes assistance for annual individual U.K. tax return.

(4) Ms. Øvrum joined the Board of Directors on October 1, 2020. She received a prorated grant of RSUs for her service in 2020 as part of her annual grant in 2021.

(5) Mr. Yearwood joined the Board of Directors of the Company on June 1, 2019. He received a prorated grant of restricted stock units for their service in 2019 as part of their grant in 2020.

(6) Ms. Zurquiyah joined the Board of Directors on April 1, 2021.

(7) The reduction in compensation was due to a temporary reduction in the annual cash retainer of 30% for all non-executive directors that was effective on May 1, 2020 and ended on December 31, 2020, after which the prior annual cash retainer was reinstated at the 100% pre-May 2020 level.

Non-Executive Directors’ Single Figure Table (Audited Information)

Former Board of Director Members

On February 16, 2021, TechnipFMC separated into two independent, publicly traded companies, TechnipFMC and Technip Energies. Upon the completion of the Spin-off, Ms. Debon and Messrs. Caudoux, Colombani, Houssin, and Rinaldi resigned from our Board and joined the Board of Directors of Technip Energies.

Mr. Piou resigned from the Board on February 15, 2021. Mr. Ringler retired from the Board on May 20, 2021.

Non-Executive Director	2021 ($’000s)					2020 ($’000s)				
	Base fees[1]	Additional fees[1]	Stock Awards[2]	Taxable benefits[3]	Total	Base fees	Additional fees	Stock Awards	Taxable benefits	Total
Arnaud Caudoux[3]	-	-	-	-	-	-	-	-	-	-
Pascal Colombani[4]	13	15	-	2.7	30.2	80	67.5	175	3.6	326.1
Marie-Ange Debon[4]	13	3	-	2.2	17.6	80	30	175	3.6	288.6
Didier Houssin[4]	13	0	-	2.2	15	80	17.5	175	3.6	276.1
Olivier Piou[5]	13	-	-	352.2	364.7	80	17.5	306.2	2	405.8
Joseph Rinaldi[4]	0	-	-	0.3	0.3	80	20	175	3.6	278.6
James M. Ringler[6]	25	-	-	0.4	25.4	80	20	175	4	278.6

(1) Includes the amount of fees paid for attendance at committee meetings and additional fees paid to the Chair of each Board committee and to the Lead Independent Director.

(2) Includes assistance for annual individual U.K. tax return.

(3) Mr. Caudoux waived his cash and equity remuneration because of the policies of his employer, Bpifrance. Mr. Caudoux resigned from the Board of Directors on February 16, 2021.

(4) Messrs Colombani, Houssin, Rinaldi, and Ms. Debon resigned from the Board of Directors as of February 15, 2021 and are not subject to the share ownership requirements as of December 31, 2021.

(5) Mr. Piou resigned from the Board of Directors as of February 15, 2021, and received a Board settlement in lieu of his 2020 equity award. As such, he was not subject to share ownership requirements as of December 31, 2021. This amount also includes assistance for annual individual U.K. tax.

(6) Mr. Ringler retired from the Board on May 20, 2021. As such, he was not subject to share ownership requirements as of December 31, 2021.

Non-Executive Director Share Ownership (Audited Information)

To further align the interests of non-executive directors with the interests of the Company's shareholders, each non-executive director is subject to a share ownership requirement of five times the annual cash retainer. The following table shows, as of 31 December 2021, the number of our Ordinary Shares owned by each of our non-executive directors.

Non-Executive Director	Share ownership requirements	Number of shares required to hold	Number of shares owned outright[1]	Interest in shares	Total number of shares held
Eleazar de Carvalho Filho	500,000	67,568	72,672	21,929	94,601
Claire S. Farley	500,000	67,568	102,976	21,929	124,905
Peter Mellbye	500,000	67,568	59,460	21,929	81,389
John O'Leary	500,000	67,568	62,067	21,929	83,996
Margareth Øvrum	500,000	16,892	-	31,067	31,067
Kay G. Priestly	500,000	67,568	57,628	21,929	79,557
John Yearwood	500,000	33,784	42,010	21,929	63,939
Sophie Zurquiyah	500,000	11,261	-	21,929	21,929

(1) Includes Ordinary Shares owned by the individual and Ordinary Shares subject to RSUs credited to individual accounts of non-executive directors as part of the annual equity grant. As of 31 December 2021, the number of Ordinary Shares subject to RSUs credited to each non-executive director as part of the annual equity grant was 21,929, except for Ms. Øvrum who received a total grant of 31,067. The annual RSU grant vests after one year of service but is settled in Ordinary Shares on a date elected by the non-executive director that is either (a) after a period of one to 10 years from the grant date or (b) upon their separation from Board service. RSUs granted prior to 2020 vested after one year of service and will be settled upon separation from Board service. Directors have no power to vote or dispose of shares underlying the RSUs until they are distributed. Until such distribution, these directors have an unsecured claim against us for such units.

All of our Directors met their pro-rated share ownership requirements as of December 31, 2021.

Mses. Øvrum and Zurquiyah joined the Board in October 2020 and April 2021 respectively, and therefore did not hold any equity awards as of December 31, 2020. Mr. Caudoux waived his annual cash and equity remuneration because of the policies of his employer, Bpifrance, and accordingly, he was not subject to any share ownership requirements.

Impact of Spin-off on Non-Executive Director Stock Awards

For Ms. Debon and Messrs. Colombani, Houssin, and Rinaldi, vesting for their RSUs granted on March 9, 2020, was accelerated to a date two weeks prior to the Spin-off date (February 2, 2021). All of their vested equity awards were distributed to them on February 2, 2021, upon separation from service from our Board.

Mr. Piou resigned from the Board of Directors on February 15, 2021. In recognition of his contribution to the Spin-off transaction, he was paid a cash settlement in lieu of vesting of his RSUs, granted on March 9, 2020, which would have vested on March 9, 2021.

For our current Board, their RSUs granted on March 9, 2020, were adjusted using an adjustment ratio, calculated as the ratio of the closing price of TechnipFMC Ordinary Shares on the NYSE on the date immediately prior to the Spin-off to the closing price of TechnipFMC Ordinary Shares on the NYSE on the date immediately after the Spin-off. The vesting date of March 9, 2021, remained the same. Our current directors' vested but undistributed 2017, 2018, and 2019 RSUs were also adjusted using the adjustment ratio.

Application of the Policy in 2022

Compensation for directors is recommended annually by the Compensation and Talent Committee with the assistance of FW Cook and approved by the Board.

The Directors' Remuneration will be implemented with effect from the 2022 Annual Meeting (April 29, 2022) as follows:

Salary and Benefits

Chair and CEO	2021 Base Salary	2022 Base Salary	Increase
Douglas J. Pferdehirt	$1,236,000	$1,236,000	0%

Benefits and Pension

No changes are being made.

Annual Bonus

The bonus opportunity and operation for 2022 will be in line with the Directors' Remuneration Policy. The measures and weightings for the year will be as follows:

BPI	75%
Adjusted EBITDA as a Percentage of Revenue	*25%*
Free Cash Flow Conversion	*25%*
ESG Performance	*25%*
API	25%
Total	**100%**

The 2022 BPI targets and min/max thresholds are commercially sensitive and will be disclosed in our 2022 U.K. Annual Report.

2022 Long-Term Equity Incentive Plan

The grant of any of these awards is always subject to the discretion of the Compensation and Talent Committee. Our annual 2022 Long-Term Equity Grant (excluding any exceptional, one-time grants) will be based on the measures outlined in the table below.

Long-Term Equity	Weighting	Vesting	Performance Measure	Why It Matters
Performance Stock Units	70% of total long-term equity	Three-year cliff vesting	Relative TSR (50%): ROIC (50%) *Performance is measured over a three-year period and subject to three-year cliff vesting*	TSR assesses our overall performance in the eyes of our shareholders and the broader stock market, relative to companies with which we compete for customers and investors that are subject to similar macro-economic factors ROIC measures our profitability as well as our effective utilization of capital
Restricted Stock Units	30% of total long-term equity	Three-year cliff vesting	N/A	Further align our Chair and CEO's interests with the interests of our shareholders by incentivizing them to increase share price, while reinforcing the retention impact of our compensation program

We believe that both ROIC and relative TSR closely align with value creation and is a meaningful measure of our long-term performance, and motivates our executives to generate returns and achieve superior share price compared to our key competitors, thus aligning their interests with shareholder interests. We further reinforce this by requiring a minimum threshold of relative performance for payout and by capping payout in the case of negative TSR.

The relative TSR performance for our 2022 PSU awards will be measured against a Relative TSR Peer Group that the Compensation and Talent Committee believes best reflects the companies that we compete with for both investments and customers. The financial and operational performance of these companies are most directly relevant to TechnipFMC, and we are all subject to similar macro-economic factors.

The following are the targets in relation to the 2022 PSU awards:

Relative TSR Performance

Performance Achievement	Relative TSR Performance	Payout (% of earned PSUs)
Below Threshold	Below 25th percentile	0%
Threshold	25th percentile	50%
Target	50th percentile	100%
Maximum or above	75th percentile or greater	200%

Note: If the Company's absolute TSR is negative for the performance period, the payout in respect of the TSR element will be capped at target, regardless of our relative performance.

For performance achievement between the levels identified above, payout percentage will be interpolated on a straight-line basis.

Return On Invested Capital

The targets for the Return On Invested Capital measure will be disclosed at the end of the performance period.

Non-Executive Director fees

For the year ending December 31, 2022, our non-executive director compensation program consists of cash consideration and restricted stock unit awards. The following table describes the components of our non-executive director compensation program.

In April 2020, as a result of the global COVID-19 pandemic, sharp decline in oil prices, and the resulting impact on our business, the annual cash retainers for our Board of Directors were reduced by 30% for the remainder of 2020, effective May 1, 2020. The annual cash retainer was reinstated to 100% effective January 1, 2021.

Compensation Element	Compensation 2021	Compensation 2022	% increase
Annual Retainer	$100,000 paid in cash	$100,000 paid in cash	0%
Annual Equity Grant	$175,000 in RSUs, vesting after one year of service. Non-executive directors can elect the year in which they will take receipt of the equity grants from either (a) a period of one to 10 years from the grant date or (b) upon their separation from Board service. The elections are made prior to the beginning of the grant year and are irrevocable after December 31 of the year prior to grant.	$175,000 in RSUs, vesting after one year of service. Non-executive directors can elect the year in which they will take receipt of the equity grants from either (a) a period of one to 10 years from the grant date or (b) upon their separation from Board service. The elections are made prior to the beginning of the grant year and are irrevocable after December 31 of the year prior to grant.	0%
Annual Chair Fee	$20,000 for Audit Committee	$20,000 for Audit Committee	0%
	$15,000 for Compensation and Talent Committee	$15,000 for Compensation and Talent Committee	0%
	$10,000 for Environmental, Social, and Governance Committee	$10,000 for Environmental, Social, and Governance Committee	0%
Annual Lead Independent Director Fee	$50,000	$50,000	0%
Meeting Fee	$2,500 per committee meeting	$2,500 per committee meeting	0%
Stock Ownership Requirement	**Five times annual retainer**	**Five times annual retainer**	**0%**

Our Chair and CEO is an employee and does not receive any additional compensation for his service as a director. Each non-executive director receives reimbursement for reasonable incidental expenses incurred in connection with the attendance at Board and committee meetings.

Activities of the Compensation and Talent Committee in 2021

Our Compensation and Talent Committee comprising independent non-executive directors oversees our executive director compensation program and determines the compensation for our Chair and CEO on behalf of the Board. The Compensation and Talent Committee is responsible for, among other things, reviewing, evaluating, and approving:

- The agreements, plans, policies, and programs of the Company to compensate its independent directors, Chair and CEO, and other officers, as applicable; and
- All awards of equity securities or equity derivatives to an executive director of the Company, in addition to other officers, as well as the total number of equity securities or equity derivatives to be allocated to all other employees at the discretion of the CEO, consistent with equity plans approved by the Company's shareholders.

The Compensation and Talent Committee also reviews the Company's incentive compensation arrangements to ensure that they do not incentivize excessive risk-taking and evaluates compensation policies and practices that could mitigate any such risk.

The Compensation and Talent Committee's charter may be viewed on our website at ***www.technipfmc.com*** under the heading "*About us > ESG*."

Under its charter, the Compensation and Talent Committee has the sole authority to retain and terminate a compensation consultant, outside counsel, or any other advisors engaged to assist in the evaluation of compensation of directors, as well as the sole authority to approve the consultant's fees and its terms, which are then paid by the Company (within any budgetary constraints imposed by the Board). Our Chair and CEO does not discuss compensation matters with the Compensation and Talent Committee's consultant, except as needed to respond to questions from the consultant.

Following the 2017 merger of Technip and FMC Technologies through February 2021, the Committee retained Willis Towers Watson as its executive compensation consultant. Willis Towers Watson provided information and advice to the Compensation and Talent Committee on 2021 director and executive non-director compensation and related governance matters. This included evaluating our 2021 director and executive compensation programs against general market and peer data, providing updates on current executive compensation trends and applicable legislative and governance activity, and where appropriate, assisted with the design of elements of 2021 compensation programs. In 2021, Willis Towers Watson was paid $124,500 in fees related to executive compensation services.

In February 2021, the Compensation and Talent Committee considered the independence of Willis Towers Watson pursuant to the SEC rules and NYSE listing standards. At the request of the Compensation and Talent Committee, Willis Towers Watson prepared a letter providing data on the following factors relevant to assessing independence: (a) other services provided to the Company by Willis Towers Watson; (b) fees paid by the Company as a percentage of Willis Towers Watson's total revenue; (c) policies and procedures maintained by Willis Towers Watson that are designed to prevent a conflict of interest; (d) any business or personal relationships between the individual consultants involved in the engagement and a member of the Compensation and Talent Committee; (e) any Ordinary Shares owned by the individual consultants involved in the engagement or their immediate family members; and (f) any business or personal relationships between our executive director and executive non-directors and Willis Towers Watson or the individual consultants involved in the engagement. The Compensation and Talent Committee also considered that the Willis Towers Watson consultants advising the Compensation and Talent Committee derived no economic benefit from the fees paid for the non-executive compensation services. The Compensation and Talent Committee discussed these considerations and concluded in February 2021 that the work of Willis Towers Watson and the consultants involved in the engagement did not raise any conflict of interest.

In late 2020 the Compensation and Talent Committee conducted a search of leading compensation consulting firms, including in-depth interviews with management and members of the Compensation and Talent Committee. As an outcome of this search, the Committee engaged FW Cook as its executive compensation consultant effective March 2021 as its principal compensation consultant. During 2021, FW Cook provided advice to the Compensation and Talent Committee on a new Compensation Peer Group to establish the market value of executive jobs and inform pay practices post Spin-off. In addition, FW Cook advised the Committee on 2022 director and executive compensation matters, updates on current executive director and non-director compensation trends, and applicable legislative and governance activity. In 2021, FW Cook was paid approximately $171,000 in fees related to executive compensation services. In accordance with its annual practice, and pursuant to NYSE listing standards and governance practices, in 2022 the Committee will conduct its annual review to consider the independence of FW Cook, objectivity of the advice, and how fees are determined.

Compensation and Talent Committee Members

All members of the Compensation and Talent Committee are independent. The Compensation and Talent Committee met five times in 2021 and all members attended each meeting. From January 1, 2021, the members of the Compensation and Talent Committee of the Board were Claire S. Farley, John O'Leary, Joseph Rinaldi, James M. Ringler, and John Yearwood, and from February 16, 2021, the members of the Compensation and Talent Committee of the Board were Claire S. Farley, John O'Leary, and John Yearwood.

The Compensation and Talent Committee's Activities during the Year Ended December 31, 2021

Each year, the Compensation and Talent Committee approves an annual calendar which sets out the key activities in accordance with its charter. The key activities of the committee in 2021 were as follows:

Q1	Q2 – Q3	Q4
Approve compensation decisions and equity awards for directors and officers Approve Company performance achievements for prior year in relation to annual and long-term incentive plans Review and discuss executive compensation strategy, structure, and programs Approve annual compensation disclosures in Company proxy statement and U.K. annual report	Review executive director share ownership guidelines and compliance Discuss shareholder engagement outcomes and review annual meeting vote results	Review internal governance policies (e.g., clawback, insider trading policy, anti-hedging, pledging) and compliance Approve equity programs, annual equity budget for non-executives, and impact on shareholder dilution Review of peer compensation practices

Statement of Voting at Annual Shareholders' Meeting

At our 2021 annual general meeting of shareholders, 85.6% of votes cast approved our 2020 Remuneration Report with 14.4% voting against the report (percentages subject to rounding), and 355,372 abstaining. At our 2021 annual general meeting of shareholders, our Remuneration Policy was approved by 69.8% of shareholders, with 30.2% of votes cast against the policy and 425,039 votes abstaining. The Compensation and Talent Committee has carefully considered the results of these votes as it completed its annual review of our compensation program, and has taken actions to respond to the concerns of shareholders: we have included Return On Invested Capital ("**ROIC**") and increased the rigor of the Relative TSR payout scale in our 2022 Long-Term Incentive Plan. An integral component in the evaluation and review of our compensation program is our shareholder engagement initiatives, explained in further detail in the letter from our Compensation and Talent Committee Chair.

We have continued our shareholder engagement program of soliciting feedback on our director compensation program structure and decisions, and our Compensation and Talent Committee considers shareholder feedback as it evaluates and reviews the compensation program each year.

On behalf of the Board

John O'Leary
Director and Compensation and Talent Committee Chair

March 18, 2022

Remuneration Policy

The Remuneration Policy was approved at the Annual General Meeting of shareholders on May 20, 2021, and took effect from that date. There are no proposed changes to the policy, and therefore, no requirement for a shareholder vote at the 2022 Annual Meeting. The policy will continue to apply until the Annual General Meeting of Shareholders in 2024, or until an earlier vote is held.

The Remuneration Policy is set out in this section for reference only.

Decision-Making Process for Remuneration

Our Compensation and Talent Committee, comprising independent non-executive directors, oversees our executive compensation program and determines the compensation for our executive officers on behalf of the Board. The Compensation and Talent Committee is responsible for, among other things, reviewing, evaluating, and approving the agreements, plans, policies, and programs of the Company to compensate its Chair and CEO and its independent directors. The Compensation and Talent Committee also reviews the Company's incentive compensation arrangements to ensure that they do not incentivize excessive risk-taking and evaluates compensation policies and practices that could mitigate any such risk.

In 2020, the Compensation and Talent Committee retained Willis Towers Watson as its principal compensation consultant to provide information and advice to the Compensation and Talent Committee on executive and director compensation and related governance matters. This included evaluating our director and executive compensation programs against general market and peer data and providing updates on current executive compensation trends and applicable legislative and governance activity.

In determining the target compensation package for the Chair and CEO, the Compensation and Talent Committee compares each element and combined total of the Chair and CEO's compensation to data for relevant roles within the Compensation Peer Group. In setting target compensation, the Compensation and Talent Committee also considers market median data, as well as other factors including the experience, tenure, role criticality, and performance of the Chair and CEO. The Compensation and Talent Committee, in partnership with its independent compensation consultant, determines and approves any changes to compensation for the Chair and CEO, who is not present during these discussions. In addition, any changes to the Chair and CEO's target compensation are in accordance with the shareholder-approved Directors' Remuneration Policy.

To avoid conflicts of interest, no Board member is present in the discussion of their own remuneration and independent advice is provided by our Committee advisors.

Future Policy Table for Executive Directors

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

Base Salary	
Purpose and link to strategy	To attract and retain exceptionally talented individuals who deliver superior operational performance in the Company's businesses and create an environment that fosters the innovation necessary for continued growth of the Company's revenue, earnings and shareholder returns.
Operation	Normally reviewed annually or following a change in responsibilities, with changes usually taking effect from March 1. The Compensation and Talent Committee considers the following parameters when setting and reviewing base salary levels: ▸ pay increases for other employees across the Company; ▸ economic conditions and governance trends; ▸ the individual's performance, skills, and responsibilities; ▸ base salaries of companies of a similar size and international scope; and ▸ market pay levels. Salaries are normally paid in the currency of the executive director's home country.
Maximum payment	Salary increases will ordinarily be in line with increases awarded to other employees in the Company. The Compensation and Talent Committee reserves the discretion to increase salary levels in appropriate circumstances, such as where the nature or scope of the executive director's role or responsibilities changes or in order to be competitive at the median level of peer companies. Salary adjustments may also reflect wider market conditions in the geography in which the executive director is based.
Performance assessment	Overall performance of the executive director is considered by the Compensation and Talent Committee when setting salaries annually.
Provisions to recover sums paid or the withholding of payments	Not applicable.

Pension and Other Retirement Benefits	
Purpose and link to strategy	Provides competitive post-retirement benefits.
Operation	Provision of market-competitive retirement benefits, inclusive of cash in lieu, that may vary based on the location. The Chair and CEO currently participates in the Company's U.S. Qualified Savings Plan and U.S. Non-Qualified Savings Plan. These plans are also offered to other U.S. employees. Further detail on current pension provisions for executive directors is disclosed in the Annual Report on Remuneration.
Maximum payment	Retirement or pension benefits vary by geography and this makes it difficult to provide a maximum payment level. Based on the single figure valuation approach, for the 2020 financial year, the employer contributions to the U.S. 401(K) and non-qualified pension plan for the Chair and CEO was $247,770. However, it is recognized that this value may fluctuate yearly.
Performance assessment	None.
Provisions to recover sums paid or the withholding of payments	Not applicable.

Annual Performance Bonus	
Purpose and link to strategy	Incentivizes achievement of the Company's annual financial and strategic targets. Provides focus on key financial metrics and the individual's contributions to the Company's performance.
Operation	▸ Performance measures and stretching targets are set annually in advance by the Compensation and Talent Committee by reference to the annual operating plan. ▸ The majority of the bonus will be based on financial performance. However, operational, strategic, and individual targets may also be used. ▸ 75% of the bonus is based on a BPI comprising financial and ESG metrics, and 25% of the bonus is based on an API comprising personal targets. ▸ The award is usually paid out in cash after the end of the financial year. ▸ The Compensation and Talent Committee has discretion to amend the level of payment if it is not deemed to reflect appropriately the individual's contribution or the overall business performance. Any discretionary adjustments will be detailed in the following year's annual report on remuneration. ▸ The Compensation and Talent Committee retains the discretion to make other bonus payments on an exceptional basis when it considers this to be appropriate in the context of Company and executive performance, and when it is considered to be in the best interests of our shareholders. Where such bonuses are paid, we would seek to restrict the value to the limit in this policy.
Maximum payment	▸ The maximum annual bonus target for 2021 is currently set at 270% of base salary for the Chair and CEO. This equates to 200% of target value. ▸ For threshold performance, the bonus pays out from 0% of target value. ▸ For "on-target" performance up to 100% of target value may be earned. ▸ For maximum performance up to 200% of target value may be earned. ▸ The Compensation and Talent Committee retains the discretion to increase the bonus target in circumstances it deems appropriate, such as for a change in market levels.
Performance assessment	▸ Performance measures and stretch targets are set annually by the Compensation and Talent Committee by reference to the annual operating plan and renewed throughout the year by the Compensation and Talent Committee and the Environmental, Social, and Governance Committee. ▸ The Compensation and Talent Committee has discretion to vary the weighting of these measures over the life of this remuneration policy. Further details are set out in the Annual Report on Remuneration.

Provisions to recover sums paid or the withholding of payments	Clawback provisions apply as described on page 63 of the 2017 U.K. Annual Report on Remuneration.

Long-term Incentive Schemes	
Purpose and link to strategy	Incentivizes executives to deliver superior long-term returns to shareholders.
Operation	Long-term incentives are granted under the TechnipFMC plc Incentive Award Plan (the "Incentive Plan"). This is an omnibus arrangement whereby a variety of award types may be granted, including: performance stock units, restricted stock units, stock options, cash-settled awards, and share appreciation rights. For 2021, long-term award grants comprise: ▸ Performance Stock Units ("**PSUs**"): an award of shares subject to performance conditions assessed over a period of three years; and ▸ Restricted Stock Units ("**RSUs**"): an award of shares that vest three years from grant. Stock options have been excluded from the long-term award grants since 2020. However, the Committee retains the right to issue stock options in the future should it consider it to be appropriate. The type and weighting of awards granted each year is determined annually by the Compensation and Talent Committee at its discretion. A minimum of 50% will be performance based. However, it is the current intention of the Compensation and Talent Committee for the weighting for the Chair and CEO based on the fair value at the grant date to be, for 2021: ▸ 60% Performance Stock Units; and ▸ 40% Restricted Stock Units. The Compensation and Talent Committee has discretion to vary the weighting of the performance measures over the life of this remuneration policy. Executive directors will be eligible for any dividends paid and accumulated on RSUs and PSUs during the performance or vesting period. No dividend equivalents will be payable on Stock Options.
Maximum payment	▸ The maximum grant date fair value of long-term incentive awards granted to the Chair and Chief Executive Officer will be $18 million per annum. ▸ PSUs pay out at 25% of target for achievement of threshold performance. ▸ The Compensation and Talent Committee retains the discretion to adjust the actual value of awards granted under the Plan in circumstances it deems appropriate but in no way should the total exceed $18 million.

Continued below >

Performance Assessment (applicable to performance-based RSUs only)	▸ Long-term incentive awards except PSUs are not subject to achievement of performance targets other than vesting periods. This is in line with market practice in the U.S. ▸ For PSUs, the vesting of awards is linked to a range of performance measures that may include, but are not limited to: ▸ a growth measure (for example, net sales, EPS); ▸ a measure of the Company performance on environmental, social, and governance metrics; ▸ a measure of efficiency (for example, operating margin, operating cash conversion, ROIC); and ▸ a measure of the Company's relative performance in relation to its peers (for example, relative total shareholder return). ▸ Measures and targets will be determined by the Compensation and Talent Committee annually at its discretion prior to grant and will be set out in the Annual Report on Remuneration. ▸ The Compensation and Talent Committee has discretion to amend the performance conditions in exceptional circumstances if it considers it appropriate to do so. Any such amendments would be disclosed and explained in the following year's Annual Report on Remuneration.
Provisions to recover sums paid or the withholding of payments	Clawback provisions apply as described on page 63 of the 2017 U.K. Annual Report on Remuneration.

All Employee Share Scheme	
Purpose and link to strategy	To enable executive directors to participate in share purchase schemes applicable to all employees on the same basis as other employees.
Operation	While the Company does not currently operate all-employee share purchase schemes, were it to obtain shareholder approval to do so during the term of the remuneration policy, executive directors would be eligible to participate in such a plan on the same terms as other eligible employees not inconsistent with this policy.
Maximum payment	Subject to the terms of any such Plan approved and consistent with all employee limits.
Performance assessment	None
Provisions to recover sums paid or the withholding of payments	None

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

Legacy Obligations

The Compensation and Talent Committee reserves the right to make any remuneration payments that are outside of this remuneration policy if they were agreed to prior to this Remuneration Policy being enacted, provided that the terms of payment were consistent with any applicable shareholder-approved Remuneration Policy in force at the time they were agreed or were otherwise approved by shareholders. The Compensation and Talent Committee also reserves the right to make any remuneration payments that were agreed to prior to the relevant individual becoming an executive director of the Company. Payments include share-based and cash-based incentives and/or salary, benefits, pension, and other payments.

Performance Target Selection

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

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

Non-Qualified Deferred Compensation

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

Approach to Recruitment Remuneration

- The Compensation and Talent Committee's approach to recruitment remuneration is to pay no more than is necessary to attract appropriate candidates to the role.
- The Compensation and Talent Committee will seek to structure pay for any new director in line with the Remuneration Policy. The Compensation and Talent Committee does not envisage paying above the levels set out in the policy for a new executive's ongoing package.
- Where it is necessary to "buy out" an individual's awards from a previous employer, the Compensation and Talent Committee will seek to match the expected value of the awards and to grant awards that vest over a time frame similar to those given up, with a commensurate reduction in quantum where the new awards will be subject to performance conditions that are not as stretching as those on the awards given up. Where recruitment payments or awards are intended to replace pay forfeited by the individual, the value of such awards will not be limited to those limits set out in the Remuneration Policy, but will be determined by the Compensation and Talent Committee at its discretion.
- The Compensation and Talent Committee may agree to relocation expenses and other associated expenses when negotiating the employment conditions.
- For an internal promotion, any outstanding incentive awards or bonuses may be permitted to continue, or be adjusted to reflect the new position.

Service Agreements

Our Chair and CEO and non-executive directors have not entered into service agreements. Our Chair and CEO has severance and change in control protections as detailed in relation to potential loss of office payments, which are set out below.

If an Executive Director were to be subsequently appointed under a Service Agreement during the term of the Policy, it is intended that the Service Agreement would likely contain provisions in relation to the following:

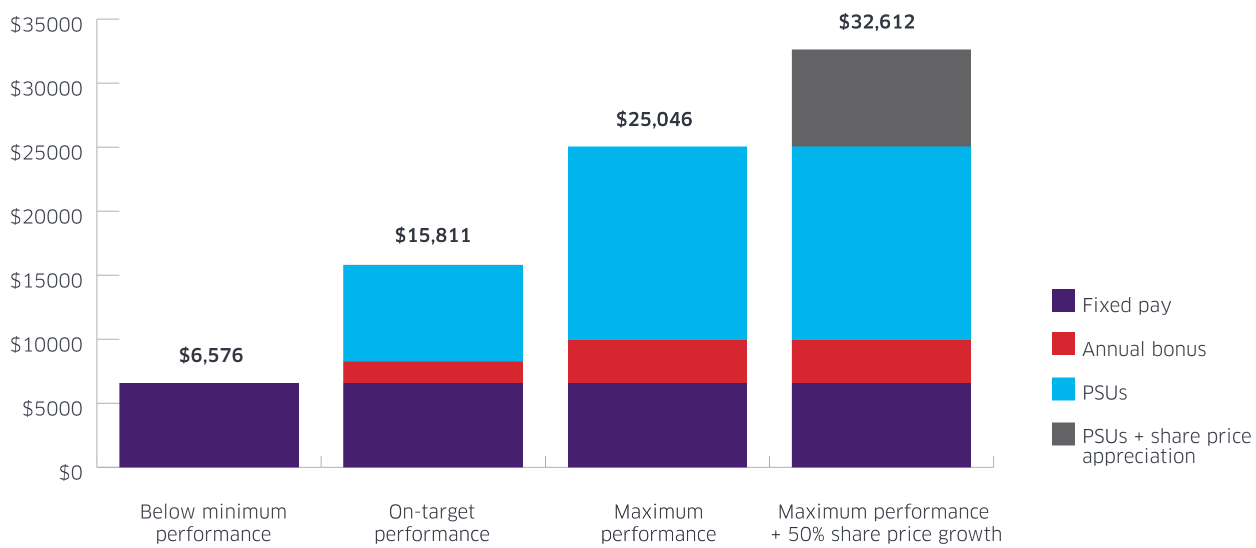
Item	Provision (not definitive) *
Remuneration	Base salary
	Pension and retirement benefits
	Healthcare and life insurance benefits
	Annual leave
	Financial planning assistance
	Miscellaneous – car benefits, club membership, security arrangements etc.
	Eligibility for the annual cash incentive plan and long-term equity awards, subject to the terms of the Incentive Plan
Change of control	The extent to which there any specific provisions and their source
Term and Notice period	Term of agreement and minimum notice period from employer and employee
Severance /Termination period	Form and level
Restrictive covenants	During employment and period post-employment as applicable

*Summary details to be subsequently confirmed post-appointment in the following year's Annual Report on Remuneration.

Illustrations of Application of Directors' Remuneration Policy

The charts below illustrate the potential value of total remuneration that could be received by the Chair and CEO under the proposed 2021 Policy. The charts illustrate remuneration payable at minimum, target and maximum payouts along with maximum payout incorporating an illustrative share price appreciation on shares granted under the long-term variable pay plan. The total remuneration under each scenario is made up of fixed pay (base pay, taxable benefits, and retirement benefits per the single figure of remuneration, as well as face value of restricted stock awards at grant), annual variable pay (annual bonus at minimum, target, and maximum performance) and long-term variable pay (performance stock awards at minimum, target, and maximum performance, and including 50% share price appreciation).

Chairman and CEO 2021 Potential Total Remuneration ($000)



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

Performance	Fixed pay	Annual variable pay	Long-term variable pay
Threshold performance / Minimum payout	Chair and CEO base pay for 2021: $1,236,000. Chair and CEO taxable benefits as per the single figure of remuneration: $48,659. Chair and CEO retirement benefits as per the single figure of remuneration: $247,770. Chair and CEO face value of restricted stock awards at grant: $5,044,000.	n/a	n/a
On-target / "expected" performance	Fixed Pay (see above).	On-target bonus (100% of target). For 2021: 135% of salary for the Chair and CEO.	Performance Stock Units at 100% of target. For 2021: face value of $7,566,000 for the Chair and CEO.
Maximum performance	Fixed Pay (see above).	Maximum bonus (200% of target). For 2021: 270% of salary for the Chair and CEO.	Performance Stock Units at 200% of target. For 2021: face value of $15,132,000 for the Chair and CEO.

Policy on Payment for Loss of Office

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

The Compensation and Talent Committee reserves the right to:

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

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

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

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

Potential Payments upon Change in Control

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

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

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

The severance payment is required to be paid in a single lump sum payment no later than 30 days after the date of termination.

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

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

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

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

Future Policy Table for Non-Executive Directors

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

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

The table below sets out the policy for 2021:
<table>
<tr><th>Compensation Element</th><th>Compensation</th></tr>
<tr><td>Annual Retainer</td><td>$100,000 paid in cash</td></tr>
<tr><td>Annual Equity Grant</td><td>$175,000 in RSUs that vest after one year (non-executive directors will be eligible for any dividends paid and accumulated on RSU during the vesting period).</td></tr>
<tr><td>Annual Chair Fee</td><td>$20,000 for Audit Committee</td></tr>
<tr><td></td><td>$15,000 for Compensation and Talent Committee</td></tr>
<tr><td></td><td>$10,000 for Environmental, Social, and Governance Committee</td></tr>
<tr><td>Annual Lead Independent Director Fee</td><td>$50,000</td></tr>
<tr><td>Committee Meeting Fee</td><td>$2,500 per committee meeting</td></tr>
<tr><td>Share Ownership Requirement</td><td>Five times annual retainer (over 5 years)</td></tr>
</table></td></tr>
<tr><td colspan="2">The Compensation and Talent Committee retains the discretion to increase the value of compensation or alter the weighting of share awards and cash at its discretion, should this be considered appropriate. Where any discretion is exercised, the basis of this exercise should be disclosed in the next remuneration report.</td></tr>
</table>

Directors Fees	
Performance assessment	None, although overall performance of the non-executive director is considered by the Compensation and Talent Committee when setting fee levels.
Provisions to recover sums paid or the withholding of payments	Not applicable.

Other Benefits

Each non-executive director receives reimbursement for reasonable incidental expenses incurred in connection with the attendance at Board and committee meetings. Directors who are not the Company's employees do not participate in any employee benefit plans.

Share Ownership Requirements

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

The annual RSU grant vests after one year of service but is settled in Ordinary Shares on a date following vesting and previously elected by the director. The RSUs are forfeited if a director ceases service on the Board prior to the vesting date of the RSUs, except in the event of death or disability. Unvested RSUs will be settled and are payable in Ordinary Shares upon the death or disability of a director or in the event of a change in control of the Company. Non-executive directors have the opportunity to elect the year in which they will take receipt of the equity grants from either (a) a period of one to 10 years from the grant date or (b) upon their separation from Board service. The elections are made prior to the beginning of the grant year and are irrevocable after December 31 of the year prior to grant.

Other Provisions

The directors' appointment letters provide for a one-month notice period unless the director is terminated for cause, in which case the Company is not required to give notice. All of our non-executive directors have been subject to annual re-election since 2019. No compensation is payable if required to stand down.

Differences between Remuneration Policy for Executive Directors and Other Employees

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

Statement of consideration of employment conditions elsewhere in the Company

The Compensation and Talent Committee generally considers pay and employment conditions elsewhere in the Company when considering the Chair and CEO's remuneration. While the Compensation and Talent Committee gave consideration to these factors, there was no consultation with employees when the Remuneration Policy was developed. When considering base salary increases, the Compensation and Talent Committee considers levels of base pay increases offered to other employees. The section "*CEO Pay Ratio Reporting*" in this Report provides comparisons of the remuneration received by our Chair and CEO to the remuneration received by our U.K. employees as well as our global employees.

Statement of consideration of shareholder views

Our relationship and ongoing dialogue with our shareholders is an important part of our Board's corporate governance commitment. Our Lead Independent Director and Compensation and Talent Committee Chair, or our executives and management from our Legal, People and Culture, and Investor Relations groups, meet with shareholders regularly on a variety of topics. Management provides reports to the Board and its committees regarding the key themes and results of these conversations, including typical investor concerns and questions, and emerging issues related to governance, compensation, safety, and sustainability.

At our 2020 annual general meeting of shareholders, 86.4% of votes cast approved our 2019 Remuneration Report, with 13.6% voting against the report. This vote outcome prompted us to engage with shareholders and proxy advisory firms earlier than usual to connect and understand the reasons behind the support.

As such, we contacted shareholders and proxy advisory firms after our 2020 Annual Meeting to seek their views specifically on our executive compensation program and any governance-related feedback, including those related to negative votes for some of our directors. These transparent and productive discussions allowed us to better understand potential disconnects between our disclosure and how our compensation program actually operates.

Furthermore, in early 2020, we further engaged our shareholders in order to discuss more broadly our Board leadership structure, our general Board practices, our executive compensation program, and our sustainability efforts. We welcomed our shareholders' feedback and suggestions in maintaining the balance between strengthening the link between pay and performance, retaining and motivating our executives, and appropriately compensating our executives for outperformance, while increasing long-term shareholder value.

Overall, for our 2020-2021 engagement, we contacted proxy advisory firms and our top shareholders representing approximately 42% of our Ordinary Shares outstanding. Management, and in some instances, our Lead Independent Director or our Compensation and Talent Committee Chair, held meetings with proxy advisory firms and shareholders representing approximately 18% of our Ordinary Shares outstanding.

Changes in the Remuneration Policy

In seeking a renewal of the 2018 Remuneration Policy, the Compensation Committee reviewed the policy in the context of its implementation and considered the views of shareholders as well as considering evolving governance and market practices. The policy was found to continue to be fit for purpose, with minor changes intended to provide the Committee with enough flexibility to act in the best interests of the business and its stakeholders over the next three years. These changes include:

- The introduction of an ESG measure into the annual cash incentive plan, in order to directly link our compensation program to our ESG commitments and objectives.
- An increase in the maximum grant date fair value of annual long-term equity award granted to the Chair and CEO from $15 million per annum to $18 million per annum, to provide flexibility for the future to adjust compensation mix and proportion of equity-based compensation during a period of volatility in the oil and gas sector. However, this change does not impact the 2021 long-term equity grant, which will remain below $15 million.
- An adjustment to the balance of performance-based long-term equity to be a minimum of 50% (from a minimum of 60%), to reflect continuing volatility in the sector and to reflect market norms in North America. However, the weighting for the 2021 long-term equity grant for the Chair and CEO will be 60% performance-based.

Independent auditors’ report to the members of TechnipFMC plc

Report on the audit of the financial statements

Opinion

In our opinion:

- TechnipFMC plc’s group financial statements and Company financial statements (the “financial statements”) give a true and fair view of the state of the group’s and of the Company’s affairs as at 31 December 2021 and of the group’s profit and the group’s cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 “Reduced Disclosure Framework”, and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the U.K. Annual Report and Accounts (the “Annual Report”), which comprise: Consolidated and Company Statements of Financial Position as at 31 December 2021; Consolidated Statements of Income, Consolidated Statements of Other Comprehensive Income, Consolidated Statements of Cash Flows, Consolidated Statements of Changes in Stockholders' Equity, and Company Statement of Changes in Shareholders' Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Our audit approach

Overview

Audit scope

- We conducted full scope audits on 4 components and the audit of specified balances and classes of transactions on a further 29 components. The scope of work at each component was determined by its contribution to the group’s overall financial position and its risk profile.

- We engaged our network firms in Brazil, France, Norway, Australia, Singapore, UK and the US to perform the audit procedures as they related to those components in their respective locations.
- The components where audit work was performed accounted for approximately 69% of group revenue.

Key audit matters

- Accounting for the separation of, and retained investment in, Technip Energies N.V. (group and Company)
- Revenue recognition (group)
- Carrying value of investments in subsidiaries (Company)

Materiality

- Overall group materiality: US$40 million (2020: US$80 million) based on 0.6% of Revenue.
- Overall Company materiality: US$37 million (2020: US$70 million) based on 1% of total assets subject to a capped allocation of group materiality.
- Performance materiality: US$30 million (2020: US$60 million) (group) and US$28 million (2020: US$52.5 million) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Accounting for the separation of, and retained investment in, Technip Energies N.V. (group and Company) is a new key audit matter this year. COVID-19 impact, which was a key audit matter last year, is no longer included because of our conclusion from the directors' assessment of the impact of COVID-19 on the group's current and future operations. We reviewed and concurred with management's assessment that the likely ongoing impact of COVID-19 on the group was considered to be low. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	**How our audit addressed the key audit matter**
Accounting for the separation of, and retained investment in, Technip Energies N.V. (group and Company) During 2021, the group completed the separation and distribution of Technip Energies N.V. to shareholders by way of pro-rated dividend of 50.1% of the outstanding shares in Technip Energies N.V., the independent publicly traded company that was created as a result of the Spin-off transaction ('the Spin-off'). Subsequent to the initial distribution, the group sold additional tranches of its remaining shares in Technip Energies N.V during 2021.	In auditing the accounting for the separation of, and retained investment in, Technip Energies N.V., we performed the following procedures: • We obtained and read the agreements in order to understand the terms of the transaction. • We reviewed the accounting determined by management in respect of:

The results for Technip Energies N.V. are presented as discontinued operations in the current and comparative period. The retained investment in Technip Energies N.V. at the date of the Spin-off was classified as an Asset Held for Distribution/Sale until the date at which management deemed significant influence to be lost, at which point the retained interest was classified as a financial asset at fair value through profit and loss. At the date of the Spin-off, the group and Company recognised a gain on distribution of US$872.8 million and US$2,736.4 million respectively and an investment in associate of US$1,377.9 million. The group had an investment of US$317.3 million as at 31 December 2021 in relation to its remaining interest of 12.2% of the outstanding shares in Technip Energies N.V. We focused on this area given the judgements involved in determining the appropriate accounting treatment and the significant values recognised as a result of the transaction. Please refer to Note 1.5 Use of critical accounting estimates, judgements and assumptions and Note 2 Discontinued operations in the group financial statements, and Note 2.4 Use of critical accounting estimates, judgments and assumptions and Note 3 Spin-off in the Company financial statements.	○ The presentation of Technip Energies N.V. as discontinued operations in accordance with IFRS 5. ○ Whether the criteria for Asset held for Distribution/Sale had been met in accordance with IFRS 5 prior to separation and the retained investment in Technip Energies N.V. subsequent to the Spin-off. ○ The date at which the Asset Held for Distribution/Sale criteria was met and whether the appropriate accounting commenced upon this date. ○ The accounting for the distribution of Technip Energies N.V. shares in accordance with the requirements of IFRIC 17. ○ We verified the balances that were de-consolidated in the group financial statements and disposed of in the Company financial statements at the date of the Spin-off and assessed whether the gain had been calculated correctly. ○ We assessed whether amounts historically recognised within Other Comprehensive Income were appropriately treated in accordance with IAS 1 at the date of the Spin-off. ○ We challenged management's basis of valuation for its retained interest in Technip Energies N.V. at the Spin-off date. ○ We reviewed management's assessment of change in control under IFRS 10 and IFRS 11 to ensure that appropriate classification and accounting treatment was applied. ○ We tested the gain/loss recognised with respect to the sale of shares in Technip Energies N.V. subsequent to the Spin-off date, by reviewing the underlying agreements, verifying the cash consideration and recalculating the gain/loss on disposal. • We assessed the adequacy of the disclosures within the financial statements. Based on our procedures, we concluded that the accounting and related disclosures for the separation and retained investment in Technip Energies N.V. in the group and Company's financial statements were appropriate.
Revenue recognition (group) Revenue from products and services recognised over time accounted for approximately 68% of group's total revenue for the year. Contract revenue is recognised over the term of the contract with reference to the percentage stage of completion at each reporting date based on the cost-to-cost method. The judgement involved in	In auditing the group's fixed price construction contracts, we performed the following procedures: • We tested key internal financial controls, including the review and approval of life of project forecast costs and revenues and project margin calculations.

assessing the percentage of completion calculation can be complex and requires an accurate forecast of total contract costs. This is particularly important in respect of large contracts (contract values greater than US$75 million) with low margins (below 2%), where we determined that there was a greater risk of manipulation, particularly in relation to costs to complete. The risk identified is in respect of the accuracy assertion. Please refer to Note 1.5 Use of critical accounting estimates, judgements and assumptions and Note 4 Segment information in the group financial statements.	• For a sample of contracts, we obtained the percentage of completion calculations, agreed key contractual terms back to signed contracts including the contract price, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue and profit recognised in the year based on the cost-to-cost percentage of completion method. • We discussed the sample of contracts selected with project managers and other members of senior management to understand the status of the contract, any changes from previous years, the key assumptions underpinning the revenue and costs, and the existence of any claims or litigation. For a sample of variation orders, we obtained the signed contract amendments. • For costs incurred to date, we tested a sample to appropriate supporting documentation. To test the forecasted costs to complete, we obtained the breakdown of forecasted costs and tested elements of the forecasts by obtaining executed purchase orders and agreements, comparing estimated costs to other similar projects and corroborating management's judgements and assumptions to appropriate supporting documentation. • We assessed the competency and objectivity of the project engineers and performed comparative analysis tests to assess the accuracy of forecasts in previous reporting periods against actual expenditure. • We assessed the adequacy of contingency provisions against contract specific risks and management's assessment of the technical contingencies and the potential for liquidated damages on projects with delays. Based on our procedures, we did not identify any material issues and therefore we are satisfied that the group's revenue has been appropriately recognised.
Carrying value of investments in subsidiaries (Company) The total carrying value of investments presented within the Company financial statements as at 31 December 2021 is US$10,052.4 million. In line with IAS 36, management performed an exercise to evaluate the existence of impairment triggers for each material investment balance at the Company level. We focused on this area given the significance of the balance, the management judgements involved in determining impairment triggers as well as the group's market capitalisation being lower than the group's and Company's net assets at the balance sheet date. Please refer to Note 2.4 Use of critical accounting estimates, judgments and assumptions and Note 4 Investments in subsidiaries in the Company financial statements.	In auditing the carrying value of investments in subsidiaries we performed the following procedures: • We considered external and internal sources of information which could be indicative of impairment triggers including: o Considered oil price movements, a key driver of the performance of the sector and therefore the group. o Compared the market capitalisation of the group at 31 December 2021 and 31 December 2020 adjusting for the Spin-off transaction and comparing the discount in net assets to market capitalisation. o Considered recent analyst reports on the group. o Compared current year backlog and order intake to prior years.

	• We performed a comparison of management's Long Range Plan ('LRP') forecasts at revenue and EBITDA level for the underlying group of assets controlled by each direct subsidiary and corroborated any unusual movements year on year. • We performed a look back test by comparing the 2021 actual performance against the 2021 budgeted performance and evaluated any significant variances. • We also checked the consistency of LRP information used in management's trigger assessment to other information obtained during our audit. • We verified the group holding structure as at the year end and reviewed the impact of the entities relating to the Spin-off on the carrying value of investments in subsidiaries. • We reviewed the disclosures provided in the financial statements to ensure compliance with IAS 36. As a result of our procedures, we concurred with management's assessment that no impairment triggers existed in relation to the carrying value of investments in subsidiaries at the year end.

How we tailored the audit scope

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

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the Company, the accounting processes and controls, and the industry in which they operate. The group financial statements are a consolidation of a large number of components which make up the group's operating businesses within the two business unit segments: Subsea and Surface Technologies. In establishing the overall approach to the group audit, we determined the type of work that needed to be performed at the components either by us, as the group engagement team, or component auditors from other PwC network firms operating under our instruction.

The group's components vary significantly in size and we identified four components that, in our view, required a full scope audit due to their relative size or risk characteristics. Where component audits were performed by teams other than the group engagement team, members of the group engagement team maintained oversight over the work performed by the component teams across the audit. We maintained regular communication and conducted formal interim and year-end conference calls with all full and specified procedure component teams. Of the 33 components in scope, we deemed three to be financially significant to the group: EWHG (USA), Technip Brasil Engenharia Ltda (Brazil) and GKOS FTI Kongsberg (Norway). Together these full and specific scope components audits gave appropriate coverage of all material balances at a group level. On a consolidated basis, these provided coverage of 69% of revenue.

As part of our planning procedures, utilising our knowledge of the group gained in previous audits, we reviewed management's climate change strategy, assessment of the risk and governance with regards to the potential impacts of climate change. We formed our own view in concluding that climate risk is not considered to result in a significant audit risk in the context of the Group and Company audits for the current year.

Materiality

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

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

	Financial statements - group	Financial statements - Company
Overall materiality	US$40 million (2020: US$80 million).	US$37 million (2020: US$70 million).
How we determined it	0.6% of Revenue	1% of total assets subject to a capped allocation of group materiality
Rationale for benchmark applied	We considered the following benchmarks for the calculation of overall materiality – total revenues, total assets, adjusted pre-tax income and EBITDA. We concluded that the most appropriate benchmark was total revenue, as revenue is a key measure used by shareholders in assessing the performance of the group.	If the materiality cap was not applied, 1% of total assets would result in an overall materiality of US$112 million.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between US$6 million and US$39 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to US$30 million (2020: US$60 million) for the group financial statements and US$28 million (2020: US$52.5 million) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above US$4 million (group audit) (2020: US$7.2 million) and US$1.9 million (Company audit) (2020: US$6.3 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and reviewing the group's cashflow forecasts for the going concern period, challenging management's assumptions used and verifying that they are consistent with our existing knowledge and understanding of the business;
- agreeing the forecasted cashflow position per management's going concern workings to approved forecasts;
- reviewing the group's severe but plausible downside scenario, evaluating the assumptions used, and verifying that the group is able to maintain liquidity within the going concern period under this scenario;
- obtaining and understanding the terms and conditions of the group's drawn and undrawn financing facilities including financial covenants and opening liquidity position;
- testing the model for mathematical accuracy; and

- assessing the adequacy of the disclosure provided in Note 1.2 of the group financial statements and Note 2.1 of the Company financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

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

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

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' Remuneration

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to anti-bribery and corruption legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to unusual journal entry combinations. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- discussions with management and group General Counsel, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluation of management's controls designed to prevent and detect irregularities;
- review of minutes of meetings of the Board of Directors;
- challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the accounting for contracts which recognise revenue under the over-time recognition method;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- understanding and assessing management's ongoing processes for investigating and concluding on any whistleblowing allegations and understanding the status of investigations conducted by regulatory authorities.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Bruce Collins

Bruce Collins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
18 March 2022

CONSOLIDATED FINANCIAL STATEMENTS
TECHNIPFMC PLC
FOR THE YEAR ENDED DECEMBER 31, 2021
Company No. 09909709

CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per share data)	Note	Year Ended December 31, 2021	2020*
Revenue:	6		
Service revenue from customer contracts		$ 3,442.9	$ 3,268.2
Product revenue from customer contracts		2,808.4	3,124.0
Lease revenue		162.0	145.2
Total revenue		6,413.3	6,537.4
Costs and expenses:	7		
Cost of service revenue		3,052.8	2,982.4
Cost of product revenue		2,360.3	2,718.5
Cost of lease revenue		129.4	117.1
Selling, general and administrative expense		647.0	725.5
Research and development expense		79.0	76.3
Impairment, restructuring and other expenses	23	66.7	3,337.6
Total costs and expenses		6,335.2	9,957.4
Other income, net	7	6.4	16.1
Income from equity affiliates	10	0.6	61.5
Income from investment in Technip Energies	2	8.5	—
Income (loss) before net interest expense and income taxes		93.6	(3,342.4)
Financial income	7	19.0	52.4
Financial expense	7	(207.1)	(162.5)
Loss on early extinguishment of debt		(61.9)	—
Loss before income taxes		(156.4)	(3,452.5)
Provision for income taxes	8	81.6	14.6
Net loss from continuing operations		(238.0)	(3,467.1)
(Profit) loss from continuing operations attributable to non-controlling interests		0.8	(34.5)
Net loss from continuing operations attributable to TechnipFMC plc		(237.2)	(3,501.6)
Profit from discontinued operations	2	605.2	258.4
Less: Profit from discontinued operations attributable to non-controlling interests		(1.9)	(15.2)
Profit from discontinued operations attributable to TechnipFMC plc		603.3	243.2
Net income (loss) attributable to TechnipFMC plc		$ 366.1	$ (3,258.4)
Loss per share from continuing operations attributable to TechnipFMC plc	9		
Basic and diluted		$ (0.53)	$ (7.80)
Earnings per share from discontinued operations attributable to TechnipFMC plc			
Basic and diluted		$ 1.34	$ 0.54
Total earnings (loss) per share attributable to TechnipFMC plc			
Basic and diluted		$ 0.81	$ (7.26)
Weighted average shares outstanding			
Basic and diluted		450.4	448.7

*See Note 2 for details regarding the restatement as a result of discontinued operations.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

(In millions)	Year Ended December 31, 2021	2020*
Net income (loss) attributable to TechnipFMC plc	$ 366.1	$ (3,258.4)
(Profit) loss from continuing operations attributable to non-controlling interests	0.8	(34.5)
Less: Profit from discontinued operations attributable to non-controlling interests	(1.9)	(15.2)
Net profit (loss) attributable to TechnipFMC plc, including non-controlling interest	367.2	(3,208.7)
Exchange differences on translating entities operating in foreign currency	32.7	(170.9)
Cash flow hedging	(63.5)	44.0
Income tax effect	9.5	(5.7)
Other comprehensive loss to be reclassified to statement of income in subsequent years, net of tax	(21.3)	(132.6)
Actuarial gains (losses) on defined benefit plans	151.3	(109.2)
Income tax effect	(19.6)	25.7
Other comprehensive income (loss) not being reclassified to statement of income in subsequent years, net of tax	131.7	(83.5)
Reclassification of other comprehensive income to income statement upon spin-off of Technip Energies (Note 2)	166.9	—
Other comprehensive loss, net of tax	277.3	(216.1)
Comprehensive income (loss), net of tax	644.5	(3,424.8)
Comprehensive (income) loss attributable to non-controlling interest	0.5	(50.3)
Comprehensive income (loss) attributable to TechnipFMC plc	$ 645.0	$ (3,475.1)

*See Note 2 for details regarding the restatement as a result of discontinued operations.

Comprehensive income (loss) attributable to:

(In millions)	Year Ended December 31, 2021	2020
TechnipFMC plc		
Continuing operations	$ (125.2)	$ (3,563.2)
Discontinued operations	770.2	88.1
Comprehensive income (loss) attributable to TechnipFMC plc	$ 645.0	$ (3,475.1)
Non-controlling interest		
Continuing operations	$ (1.9)	$ (63.9)
Discontinued operations	2.4	13.6
Comprehensive (income) loss attributable to non-controlling interest	0.5	(50.3)
Comprehensive income (loss), net of tax	$ 644.5	$ (3,424.8)

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions, except par value data)	Note	December 31, 2021	December 31, 2020
Assets			
Investments in equity affiliates	10	$ 292.4	$ 354.3
Property, plant and equipment, net	11	2,636.6	2,845.2
Right-of-use assets	5	649.1	989.3
Goodwill	12	140.9	2,654.7
Intangible assets, net	12	813.7	981.1
Deferred income taxes	8	43.1	225.9
Derivative financial instruments	28	10.5	35.9
Defined benefit asset, less current portion	21	57.8	—
Other assets	13	131.4	243.4
Total non-current assets		4,775.5	8,329.8
Cash and cash equivalents	14	1,327.4	4,807.7
Trade receivables, net	15	1,013.7	2,389.4
Contract assets	6	967.7	1,266.8
Inventories	16	1,046.8	1,281.5
Derivative financial instruments	28	110.3	301.4
Income taxes receivable	8	106.1	334.4
Advances paid to suppliers		79.4	203.6
Other current assets	17	427.3	893.2
Investment in Technip Energies	2	317.3	—
Total current assets		5,396.0	11,478.0
Total assets		$ 10,171.5	$ 19,807.8
Liabilities and equity			
Ordinary shares	18	$ 450.7	$ 449.5
Retained earnings, net income and other reserves		3,859.8	4,847.8
Accumulated other comprehensive loss	18	(839.6)	(1,154.1)
Total TechnipFMC plc shareholders' equity		3,470.9	4,143.2
Non-controlling interest	18	15.7	103.8
Total equity		3,486.6	4,247.0
Long-term debt, less current portion	20	1,778.5	1,792.5
Lease liabilities	5	646.6	881.0
Deferred income taxes	8	91.9	125.4
Accrued pension and other post-retirement benefits, less current portion	21	165.3	447.1
Derivative financial instruments	28	15.6	23.3
Non-current provisions	22	17.3	52.2
Other liabilities*	24	82.3	206.6
Total non-current liabilities		2,797.5	3,528.1
Short-term debt and current portion of long-term debt	20	277.9	2,161.6
Lease liabilities	5	126.2	273.9
Accounts payable, trade	25	1,293.6	2,741.1
Contract liabilities	6	988.9	4,725.0
Accrued payroll		194.1	418.8
Derivative financial instruments	28	161.0	167.2
Income taxes payable*	8	137.8	120.0
Current provisions	22	277.5	443.2
Other current liabilities	24	430.4	981.9
Total current liabilities		3,887.4	12,032.7
Total liabilities		6,684.9	15,560.8
Total equity and liabilities		$ 10,171.5	$ 19,807.8

* The December 31, 2020 balances have been reclassified to present uncertain tax provisions from other liabilities to income taxes payable.

The accompanying notes are an integral part of the consolidated financial statements.

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

Douglas J. Pferdehirt

Director and Chief Executive Officer

March 18, 2022

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year Ended December 31,	
(In millions)	Note	2021	2020*
Cash provided by operating activities			
Net income (loss)		$ 367.2	$ (3,208.7)
Less: Net income from discontinued operations		(605.2)	(258.4)
Adjustments to reconcile net profit (loss) to cash provided by operating activities			
Depreciation	5, 11	442.4	508.4
Amortization	12	94.1	103.4
Impairments	10, 11, 23	49.1	3,196.5
Employee benefit plan and share-based compensation costs		148.4	44.7
Deferred income tax benefit, net		(123.9)	(20.2)
Income from investment in Technip Energies		(8.5)	—
Unrealized loss on derivative instruments and foreign exchange		23.7	24.9
Income from equity affiliates, net of dividends received		(0.6)	(64.6)
Loss on early extinguishment of debt		61.9	—
Other		(0.8)	(31.3)
Changes in operating assets and liabilities, net of effects of acquisitions			
Trade receivables, net and contract assets		(74.6)	333.5
Inventories, net		195.8	82.3
Accounts payable, trade		89.2	(242.3)
Contract liabilities		9.6	(67.8)
Income taxes payable, net		233.9	(4.9)
Other assets and liabilities, net		(65.4)	534.4
Cash provided by operating activities from continuing operations		836.3	929.9
Cash provided by operating activities from discontinued operations		83.6	4.5
Cash provided by operating activities		919.9	934.4
Cash provided (required) by investing activities			
Capital expenditures		(196.7)	(256.0)
Acquisition of assets		(51.2)	—
Payment to acquire debt securities		(29.1)	(3.9)
Proceeds from sale of debt securities		27.4	51.5
Acquisitions, net of cash acquired		(15.3)	—
Proceeds from sale of assets		104.6	45.5
Proceeds from sale of investment in Technip Energies (FVTPL)		116.4	—
Proceeds from repayment of advances to joint venture		25.0	26.7
Other		—	15.0
Cash required by investing activities from continuing operations		(18.9)	(121.2)
Cash provided (required) by investing activities from discontinued operations		(2,758.6)	(59.4)
Cash provided (required) by investing activities		(2,777.5)	(180.6)
Cash required by financing activities			
Proceeds from issuance of short-term debt	20	—	14.2
Repayments of short-term debt	20	(62.0)	(46.1)
Proceeds from issuance of commercial paper	20	1,348.8	9,546.0
Repayments of commercial paper	20	(2,323.1)	(9,886.9)
Proceeds from issuance of long-term debt	20	1,215.6	223.2
Repayments of long-term debt	20	(1,462.2)	(423.9)
Payments for the principal portion of lease liabilities	5	(135.3)	(157.2)
Payments for debt issuance cost		(60.4)	—
Dividends paid	18	—	(59.2)
Acquisition of non-controlling interest	3	(48.6)	(11.8)
Other		(2.4)	(6.9)
Cash required by financing activities from continuing operations		(1,529.6)	(808.6)
Cash required by financing activities from discontinued operations		(79.1)	(551.1)
Cash required by financing activities		(1,608.7)	(1,359.7)
Effect of changes in foreign exchange rates on cash and cash equivalents		(14.0)	223.5
Decrease in cash and cash equivalents		(3,480.3)	(382.4)
Cash and cash equivalents, beginning of period	14	4,807.7	5,190.1
Cash and cash equivalents, end of period	14	$ 1,327.4	$ 4,807.7

***See Note 2 for details regarding the restatement as a result of discontinued operations.**

(In millions)	Year Ended December 31, 2021	2020*
Supplemental disclosures of cash flow information attributable to continuing operations		
Cash paid for interest on debt	$ 104.8	$ 96.0
Cash paid for income taxes (net of refunds received)	$ 25.1	$ 17.1

*See Note 2 for details regarding the restatement as a result of discontinued operations.

The following table provides a reconciliation of cash and cash equivalents reported in the consolidated balance sheets to the total amounts in the consolidated statements of cash flows:

(In millions)	Year Ended December 31, 2021	2020
Cash and cash equivalents attributable to continuing operations	$ 1,327.4	$ 894.1
Cash and cash equivalents attributable to discontinued operations	—	3,913.6
Total cash and cash equivalents in the statement of cash flows	$ 1,327.4	$ 4,807.7

The following table provides non-cash investing and financing activities:

(In millions)	Year Ended December 31, 2021	2020
Dividend Distribution of shares in Technip Energies N.V. due to Spin-off	1,383.5	N/A

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(In millions)	Ordinary Shares	Ordinary Shares Held in Treasury and Employee Benefit Trust	Retained Earnings, Net Income and Other Reserves	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total Shareholders' Equity
Balance as of December 31, 2019	$ 447.1	$ —	$ 8,104.9	$ (937.4)	$ 69.9	$ 7,684.5
Net income (loss)	—	—	(3,258.4)	—	49.7	(3,208.7)
Other comprehensive (loss) income	—	—	—	(216.7)	0.6	(216.1)
Cash dividends declared (Note 18)	—	—	(59.2)	—	—	(59.2)
Issuance of ordinary shares (Note 18)	2.4	—	(9.4)	—	—	(7.0)
Share-based compensation (Note 19)	—	—	69.0	—	—	69.0
Distributions to non-controlling interest	—	—	(9.4)	—	(2.1)	(11.5)
Other	—	—	10.3	—	(14.3)	(4.0)
Balance as of December 31, 2020	$ 449.5	$ —	$ 4,847.8	$ (1,154.1)	$ 103.8	$ 4,247.0
Net income (loss)	—	—	366.1	—	1.1	367.2
Other comprehensive income	—	—	—	110.3	(1.6)	108.7
Issuance of ordinary shares (Note 18)	1.2	—	—	—	—	1.2
Share-based compensation (Note 19)	—	—	26.8	—	—	26.8
Acquisition of non-controlling interest	—	—	43.8	—	(43.8)	—
Accrued distributions to non-controlling interest	—	—	—	—	(15.0)	(15.0)
Spin-off of Technip Energies	—	—	(1,420.6)	204.2	(21.8)	(1,238.2)
Other	—	—	(4.1)	—	(7.0)	(11.1)
Balance as of December 31, 2021	$ 450.7	$ —	$ 3,859.8	$ (839.6)	$ 15.7	$ 3,486.6

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING PRINCIPLES

Nature of operations - TechnipFMC plc and consolidated subsidiaries ("TechnipFMC", the "Company", "we", "us" or "our") is a global leader in oil and gas project execution, technology innovation, systems manufacturing and services provider through our business segments: Subsea and Surface Technologies. We have manufacturing operations worldwide, strategically located to facilitate delivery of our products, systems and services to our customers.

Details of the Company's activities during the year are provided in the Strategic Report. TechnipFMC is a public limited company by shares, incorporated and domiciled in England and Wales (United Kingdom) and listed on the New York Stock Exchange ("NYSE"), trading under the "FTI" symbol. The address of the registered office is Hadrian House, Wincomblee Road, Newcastle upon Tyne, England, NE63PL. On February 18, 2022, following a comprehensive review of the strategic objectives, we voluntarily delisted TechnipFMC's shares from Euronext Paris.

1.1. Basis of preparation

The consolidated financial statements of TechnipFMC as of December 31, 2021 and for the year then ended (the "consolidated financial statements") were prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 (the "**Companies Act**").

On December 31, 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. TechnipFMC transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on January 1, 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework. The consolidated financial statements of TechnipFMC have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to those companies reporting under those standards.

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

TechnipFMC's consolidated financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

TechnipFMC's significant accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.2. Going concern

As required by IAS 1 "Presentation of Financial Statements" in determining the basis of preparation for the consolidated financial statements, we have considered the Company's business activities, together with the factors likely to affect its future development, performance and position in order to assess whether the Company may adopt the going concern basis in preparing its consolidated financial statements.

We are committed to a strong balance sheet and ample liquidity that will enable us access capital markets throughout the cycle. We believe our liquidity continues to exceed the level required to achieve this goal.

During the preparation of these financial statements, we reviewed our expected requirements through December 31, 2023 and are confident that we will be able to maintain sufficient liquidity, adequate financial resources and financial flexibility in order to fund the requirements of our business. As at December 31, 2021, the Company was in a net current asset position of $1,508.6 million, with available undrawn facilities of $1.0 billion. Based on current market conditions and our future expectations, our capital expenditures are estimated to be approximately $230.0 million and $250.0 million for 2022 and 2023, respectively. We have excluded any projected contingent capital amounts that may be needed to respond to contract awards, as these can be amended as required. We do however believe there to be sufficient financing available within the business to meet these needs. Given that we have a strong and committed balance sheet and ample liquidity, we are also in a position to access additional capital markets.

As part of our assessment of going concern we have modelled our projected cash flows under severe but plausible downside scenarios, including the reduction of the cash flows up to the committed backlog. We have considered the debt buy-back opportunities, depending on the available liquidity position in the going concern period as well as the orderly sale of our remaining stake in Technip Energies. Under all the scenarios which we have modelled, after taking mitigating actions as required, our forecasts did not indicate a liquidity deficit within the going concern period of review, on any of the future dates through to December 31, 2023.

We also continue to actively monitor the on-going impact of the COVID-19 pandemic and the market volatility cause by the current geopolitical situation in Ukraine, including the impact on economic activity and financial reporting. While the current economic conditions continue to create uncertainty, we are confident of our access to sufficient liquidity in the projected period under severe but plausible downside scenarios.

The majority of our cash is managed centrally and flowed through centralized bank accounts controlled and maintained by TechnipFMC globally and in many operating jurisdictions to best meet liquidity needs of our global operations in those jurisdictions. We expect to meet the continuing funding requirements of our global operations with cash generated by such operations and we expect cash flow from our operating activities to be positive until December 31, 2023.

Following the above going concern assessment, we formed a judgement that there are no material uncertainties that cast doubt on the Company's going concern status and that it is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, we continue to adopt the going concern basis in preparing the consolidated financial statements.

1.3. Changes in accounting policies and disclosures

a. Standards, amendments and interpretations effective in 2021

The Company has applied the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 for the first time in its consolidated financial statements for the year ended December 31, 2021. The amendments address issues arising during the Phase 2 reform of benchmark interest rates. These amendments did not have any impact on the Company's accounting policies and did not require retrospective adjustments.

b. Standards, amendments and interpretations to existing standards that are issued, not yet effective and have not been early adopted as of December 31, 2021

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2021 reporting periods and have not been early adopted by the Company. The assessment of the impact of these new standards and interpretations is set out below.

IFRS 17 "Insurance Contracts"

This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 "Insurance Contracts" ("IFRS 17") will change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. The new standard will be effective for annual periods beginning on or after January 1, 2023 subject to endorsement by the U.K. We are currently evaluating the impact of this standard on our consolidated financial statements and do not expect that the adoption of the standard will have a significant impact on our consolidated financial statements.

Amendments to IAS 1 "Presentation of financial statements" on classification of liabilities

These narrow-scope amendments to IAS 1, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The IASB is having on-going discussions of the amendments which would change the classification requirements and also defer the mandatory adoption of the amendments to January 1, 2024. We are currently evaluating the impact of this amendment on our consolidated financial statements and do not expect that the adoption of the amendment will have a significant impact on our consolidated financial statements.

A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16

The new amendments will be effective for annual periods beginning on or after January 1, 2022 subject to endorsement by the U.K. We are currently evaluating the impact of these amendments on our consolidated financial statements and do not expect that the adoption of these amendments will have a significant impact on our consolidated financial statements.

Amendments to IAS 1 and IAS 8

The new amendments will be effective for annual periods beginning on or after January 1, 2023 subject to endorsement by the U.K. and the European Union. We are currently evaluating the impact of these amendments on our consolidated financial statements and do not expect that the adoption of these amendments will have a significant impact on our consolidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 1

These amendments are narrow-scope amendments the IASB adopted to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates. The new amendments will be effective for annual periods beginning on or after January 1, 2023 subject to endorsement by the U.K. and the European Union. We are currently evaluating the impact of these amendments on our consolidated financial statements and do not expect that the adoption of these amendments will have a significant impact on our consolidated financial statements.

Definition of Accounting Estimates – Amendments to IAS 8

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The new amendments will be effective for annual periods beginning on or after January 1, 2023 subject to endorsement by the U.K. and the European Union. We are currently evaluating the impact of these amendments on our consolidated financial statements and do not expect that the adoption of these amendments will have a significant impact on our consolidated financial statements.

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The IASB issued targeted amendments to International Accounting Standard (IAS) 12, Income Taxes, the IFRS Standard on income taxes, to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations.

IAS 12 establishes requirements on how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In certain circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time.

The amendments clarify that the exemption does not apply, and that companies are required to recognize deferred tax on such transactions.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted.

1.4. Summary of significant accounting policies

a) Consolidation principles and joint arrangements

In accordance with IFRS 10 “Consolidated Financial Statements” ("IFRS 10"), subsidiaries are all entities (including structured entities) over which TechnipFMC has control. TechnipFMC controls an entity where TechnipFMC has all the following:

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

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

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

As per IFRS 11 “Joint Arrangements” (“IFRS 11”), joint arrangements classified as joint operations should be recognized to the extent of TechnipFMC’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 TechnipFMC exercises a significant influence on operational and financial policies. Unless otherwise indicated, such influence is deemed to exist for investments in companies in which TechnipFMC’s ownership is between 20% and 50%.

Using the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount is then adjusted to reflect changes in TechnipFMC’s share of net assets of the associate or joint venture since the date of acquisition. Any goodwill relating to the associate or joint venture is included in the carrying amount of the investment; no separate test for impairment is performed thereon.

TechnipFMC recognizes its share of the results of operations of the associate or joint venture in profit or loss. Any change in OCI of those entities are reflected in TechnipFMC’s OCI. Changes recorded directly in the equity of the associate or joint venture, when applicable, are recognized in TechnipFMC’s statement of changes in equity to the extent of its share therein. Unrealized gains and losses resulting from transactions between TechnipFMC and its associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the group. When necessary, adjustments are made to bring the accounting policies in line with those of the group.

After the equity method has been applied, TechnipFMC assesses whether there are any indicators, and if that is the case is it necessary to recognize any impairment loss on its investment in its associate or joint venture. Upon objective evidence that the investment in the associate or joint venture is impaired, TechnipFMC calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and their carrying value. Any impairment loss is recognized as a loss from equity affiliates or, if applicable, as net loss from discontinued operations in the consolidated income statement.

Companies in which our ownership is less than 20% or which do not represent material investments (such as dormant companies) are recorded under the “Other Non-Current Financial Assets” and classified as “Financial Assets at Fair Value through Profit or Loss."

The list of TechnipFMC’s related undertakings as of December 31, 2021 is provided in Note 33.

The main affiliates of TechnipFMC close their accounts as of December 31 and all consolidated companies apply TechnipFMC’s accounting policies as set in the Global Accounting Manual.

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

If TechnipFMC loses control of a subsidiary, the related assets (including goodwill), liabilities, non-controlling interest and other components of equity are derecognized, with any gains or losses recognized in profit or loss. Retained investment is recognized at fair value, with revaluation gain also recognized in profit or loss.

Upon loss of significant influence over an associate or joint control over a joint venture, TechnipFMC remeasures any retained investment to its fair value. Differences between the carrying amount of the associate or joint venture at the date of loss of significant influence or joint control and the fair value of the retained investment, as well as proceeds from disposal is recognized in profit or loss as income from equity affiliates or, if applicable, as net profit from discontinued operations.

Technip Energies' historical financial results for periods prior to the Distribution are reflected in our consolidated financial statements as discontinued operations and some of the amounts for the year ended December 31, 2020 have been restated.

b) Recognition of revenue from customer contracts

TechnipFMC accounts for revenue in accordance with IFRS 15 "Revenues from Contracts with Customers" ("IFRS 15"). Revenue is measured based on the consideration specified in a contract with a customer. TechnipFMC recognizes revenue when or as it transfers control over a good or service to a customer.

Allocation of transaction price to performance obligations - A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue, when, or as, the performance obligation is satisfied. To determine the proper revenue recognition method, we evaluate whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment; some of our contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and, therefore, not distinct. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct good or service in the contract.

Variable consideration - Due to the nature of the work required to be performed on many of our performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for our long-term contracts to contain variable considerations that can either increase or decrease the transaction price. Variability in the transaction price arises primarily due to liquidated damages. TechnipFMC considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled, and determining whether the estimated variable consideration should be constrained. We include estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration are based largely on an assessment of our anticipated performance and all information (historical, current and forecasted) that is reasonably available to us.

Payment terms - Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Payment terms may either be fixed, lump-sum or driven by time and materials (i.e., daily or hourly rates, plus materials). Because typically the customer retains a small portion of the contract price until completion of the contract, our contracts generally result in revenue recognized in excess of billings which we present as contract assets on the statement of financial position. Amounts billed and due from our customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component because the intent is to protect the customer. For some contracts, we may be entitled to receive an advance payment. We recognize a liability for these advance payments in excess of revenue recognized and present it as contract liabilities on the statement of financial position. The advance payment typically is not considered a significant financing component because it is used to meet working capital demands that can be higher in the early stages of a contract and to protect us from the other party failing to adequately complete some or all of its obligations under the contract.

Warranty - Certain contracts include an assurance-type warranty clause, typically between 18 to 36 months, to guarantee that the products comply with agreed specifications. A service-type warranty may also be provided to the customer; in such a case, management allocates a portion of the transaction price to the warranty based on the estimated stand-alone selling price of the service-type warranty.

Revenue recognized over time - Performance obligations are satisfied over time as work progresses or at a point in time when performance obligations are fulfilled and control transfers to the customer. We recognize revenue over time on contracts where the customer simultaneously receives and consumes the benefit, our performance creates an asset that the customer controls as the asset is created, or where our performance does not create an asset with an alternative use and we have an enforceable right to payment plus a reasonable profit for performance completed to date. Revenue from products and services transferred to customers over time accounted for approximately 68% of our revenue for the year ended December 31, 2021. Typically, revenue is recognized over time using an input measure (e.g., costs incurred to date relative to total estimated costs at completion) to measure progress.

Cost-to-cost method - For long-term contracts, because of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The cost-to-cost measure of progress for contracts is generally used because it best depicts the transfer of control to the customer which occurs as costs on the contracts incur. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Any expected losses on contracts in progress are charged to earnings, in total, in the period the losses are identified.

Right to invoice practical expedient - The right-to-invoice practical expedient can be applied to a performance obligation satisfied over time if we have a right to invoice the customer for an amount that corresponds directly with the value transferred to the customer for our performance completed to date. When this practical expedient is used, we do not estimate variable consideration at the inception of the contract to determine the transaction price or for disclosure purposes. We have contracts which have payment terms dictated by daily or hourly rates where some contracts may have mixed pricing terms which include a fixed fee portion. For contracts in which we charge the customer a fixed rate based on the time or materials spent during the project that correspond to the value transferred to the customer, we recognize revenue in the amount to which we have the right to invoice.

Contract modifications - Contracts are often modified to account for changes in contract specifications and requirements. We consider contract modifications to exist when the modification either creates new, or changes the existing, enforceable rights and obligations. Most of our contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

c) 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 statement of income, 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 U.S. dollars 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 (loss) as foreign currency translation reserve. Items that are recognized directly in equity are translated using the historical rates. The functional currency of the foreign subsidiaries is most commonly the local currency.

d) Business combinations

Business combinations are accounted for using the acquisition method of accounting. Under the acquisition method assets acquired and liabilities assumed are recorded at their respective fair values as of the acquisition date. Determining the fair value of assets and liabilities involves significant judgment regarding methods and assumptions used to calculate estimated fair values. The purchase price is allocated to the assets acquired, including identifiable intangible assets, and liabilities based on their estimated fair values. Any excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. Identifiable assets are depreciated over their estimated useful lives.

Acquisition-related costs are expensed as incurred and included in the statement of income line item “Selling, general and administrative expenses."

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

e) Segment information

Information by operating segment

Management’s determination of the reporting segments was made on the basis of strategic priorities within each segment and the differences in the products and services TechnipFMC provides, which corresponds to the manner in which TechnipFMC’s Chief Executive Officer, as a Chief Operating Decision Maker (“CODM”), reviews and evaluates operating performance to make decisions about resources to be allocated to the segment. We now operate under two reportable segments: Subsea and Surface Technologies.

TechnipFMC’s reportable segments are:

- *Subsea* - designs and manufactures products and systems, performs engineering, procurement and project management and provides services used by oil and gas companies involved in deepwater exploration and production of crude oil and natural gas; and
- *Surface Technologies* - designs and manufactures systems and provides services used by oil and gas companies involved in land and offshore exploration and production of crude oil and natural gas; designs, manufactures and supplies technologically advanced high pressure valves and fittings for oilfield service companies; and also provides flowback and well testing services for exploration companies in the oil and gas industry.

TechnipFMC completed the separation of Technip Energies segment (which designed and built onshore facilities related to the production, treatment and transportation of oil and gas; and designed, manufactured and installed fixed and floating platforms for the production and processing of oil and gas reserves for companies in the oil and gas industry) on February 16, 2021 via a spin-off transaction (see Note 2). Therefore, the entire segment is reported as a discontinued operation. Segment disclosures in Note 4 have been restated accordingly.

Total revenue by segment includes intersegment sales, which are made at prices approximating those that the selling entity is able to obtain on external sales. Segment operating profit (loss) is defined as total segment revenue less segment operating expenses. Income (loss) from equity method investments is included in calculation of segment operating profit (loss). The following items have been excluded in calculating the segment operating profit (loss): corporate staff expense, foreign exchange gains (losses), net interest income (expense) associated with corporate debt facilities, income taxes, and other revenue and other expense, net.

Information by country

Operating activities and performances of TechnipFMC are reported on the basis of the following countries:

- Netherlands;
- United States;
- Norway;
- Brazil;
- United Kingdom;
- Angola; and
- all other countries.

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

Geographical areas are defined according to the following criteria: specific risks associated with activities performed in a given area, similarity of economic and political framework, regulation of exchange control, and underlying monetary risks. The geographical breakdown is based on the contract delivery within the specific country.

f) Earnings per share

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

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

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

g) Goodwill

Goodwill is measured at the acquisition date as the total of the fair value of consideration transferred, plus the proportionate amount of any non-controlling interest, plus the fair value of any previously held equity interest in the acquiree, if any, less the net recognized amount (generally at fair value) of the identifiable assets acquired and liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

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

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

h) Property, plant and equipment

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

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

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. TechnipFMC 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. The following are the useful lives most commonly applied by TechnipFMC:

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

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

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

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

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

In accordance with IAS 36 “Impairment of Assets” (“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 test is performed. Impairment indicators / triggering events are changes in circumstances that indicate the carrying amount of property, plant and equipment may not be recoverable include, but are not limited to, the following:

- A significant decrease in the market value of property, plant and equipment;
- A significant adverse change in the extent or manner in which property, plant and equipment is used or in its physical condition;
- A significant adverse change in legal factors or in the business climate that could affect the value of a property, plant and equipment, including an adverse action or assessment by a regulator or the increase of risk-adjusted discount rates;
- An accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of property, plant and equipment;
- A current period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of property, plant and equipment; and
- A current expectation that property, plant and equipment will become idle, a significant decrease in utilization of the asset, the operation to which the asset belongs will be discontinued or restructured, sold, or otherwise disposed of significantly before the end of its previously estimated useful life.

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.

i) Leases

Lessee arrangements

TechnipFMC leases real estate, including land, buildings and warehouses, machinery/equipment, vessels, vehicles, and various types of manufacturing and data processing equipment, from a lessee perspective. Leases of real estate generally provide for payment of property taxes, insurance, and repairs by TechnipFMC.

TechnipFMC determines if an arrangement is a lease at inception by assessing whether an identified asset exists and if we have the right to control the use of the identified asset. Leases are included in right-of-use assets, lease liabilities (current), and lease liabilities (non-current) on the statement of financial position. Right-of-use assets represent the right to use an underlying asset for the lease term and lease liabilities represent TechnipFMC's obligation to make lease payments arising from the lease. Right-of-use assets and liabilities are recognized at the commencement date based on the present value of the remaining lease payments over the lease term. With the exception of rare cases in which the implicit rate is readily determinable, TechnipFMC uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The right-of-use assets also includes any lease prepayments made and excludes lease incentives we received from the lessor. Depreciation of right-of-use assets is recognized on a straight line basis over the lease term or, the useful life of the asset, whichever is shorter. Several of TechnipFMC's leases provide for certain guarantees of residual value. TechnipFMC estimates and includes in the determination of lease payments any amount probable of being owed under these residual value guarantees. The leases do not contain any material restrictive covenants.

Lease terms within the lessee arrangements may include options to extend/renew or terminate the lease and/or purchase the underlying asset when it is reasonably certain that we will exercise that option. TechnipFMC applies a portfolio approach by asset class to determine lease term renewals. The leases within these portfolios are categorized by asset class and have initial lease terms that vary depending on the asset class. The renewal terms range from 60 days to 5 years for asset classes such as temporary residential housing, forklifts, vehicles, vessels, office and IT equipment, and tool rentals, and up to 15 years or more for commercial real estate. Short-term leases with an initial term of 12 months or less that do not include a purchase option are not recorded on the statement of financial position. Lease costs for short-term leases are recognized on a straight-line basis over the lease term and amounts related to short-term leases are disclosed within the consolidated financial statements.

TechnipFMC has variable lease payments, including adjustments to lease payments based on an index or rate (such as the Consumer Price Index), fair value adjustments to lease payments, and common area maintenance, real estate taxes, and insurance payments in triple-net real estate leases. Variable lease payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate) are included when measuring initial lease liability of the lease arrangements using the payments' base rate or index. We remeasure the lease liability when there is a change in future lease payments resulting from a change in such index or rate. Variable payments that do not depend on an index or rate are recognized in profit or loss and are disclosed as 'variable lease cost' in the period they are incurred.

TechnipFMC adopted the practical expedient to not separate lease and non-lease components for all asset classes except for vessels, which have significant non-lease components.

TechnipFMC currently subleases certain of its leased real estate and vessels to third parties. The subleases are classified as operating leases by the sublessor.

Lessor arrangements

TechnipFMC leases real estate including land, buildings and warehouses, machinery/equipment, and vessels from a lessor perspective. TechnipFMC determines if an arrangement is a lease at inception by assessing whether an identified asset exists and if the customer has the right to control the use of the identified asset. TechnipFMC uses the implicit rate for its lessor arrangements. TechnipFMC estimates the amount it expects to derive from the underlying asset following the end of the lease term based on remaining economic life. The lessor arrangements generally do not include any residual value guarantees. TechnipFMC recognizes lessee payments of lessor costs such as taxes and insurance on a net basis when the lessee pays those costs directly to a third party or when the amount paid by the lessee is not readily determinable.

j) Intangible assets

Internally generated research and development costs

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

- the projects are clearly identified;
- TechnipFMC is able to reliably measure expenditures incurred by each project during its development;
- TechnipFMC is able to demonstrate the technical and industrial feasibility of the project;
- TechnipFMC has the financial and technical resources available to achieve the project;
- TechnipFMC can demonstrate its intention to complete, to use or to commercialize products resulting from the project; and
- TechnipFMC 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.

Other intangible assets

Intangible assets other than goodwill (including those acquired in a business combination) are amortized on a straight-line basis over their expected useful lives, as follows:

- Acquired technology: 7 to 10 years
- Backlog: as per the timeframe of the outstanding orders (usually less than 3 years)
- Customer relationships: lower of 10 years or the terms of the customer contracts
- Trade names; Licenses, Patents and Trademarks: lower of 20 years or the period set forth in the legal conditions
- Software (including software rights, proprietary IT tools, such as the E-procurement platform, or TechnipFMC's management applications): 3 to 7 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 test is performed.

k) Impairment of non-financial assets

Non-financial assets, property, plant and equipment, and identifiable intangible assets being amortized are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the asset or cash-generating unit ("CGU") may not be recoverable. If any indication exists, or when annual impairment testing for an asset is required, TechnipFMC estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, including growth rates in revenues, costs, estimates of future expected changes in operating margins, tax rates and cash expenditures. Future revenues are also adjusted to match changes in the business strategy. Factors that could trigger a lower value in use estimate include sustained price declines of a CGU's products and services, cost increases, regulatory or political environment changes, changes in customer demand, and other changes in market conditions, which may affect certain market participant assumptions used in the discounted future cash flow model.

In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Non-financial assets other than goodwill with an accumulated impairment loss are reviewed for possible reversal of the impairment at the end of each reporting period. If there is such indication, TechnipFMC estimates the asset's or CGU's recoverable amount as described above. A previously recognized impairment is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is recognized in the statement of profit or loss, and is limited to the extent that the revised carrying amount of the asset or CGU does not exceed the carrying amount (net of depreciation) that would be applicable without impairment loss recognized in prior years.

Goodwill is not amortized but it is tested for impairment annually as of October 31 or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment of goodwill is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

l) Fair value measurement

TechnipFMC measures certain financial instruments (including derivatives) at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

TechnipFMC uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3: Unobservable inputs (e.g., a reporting entity's own data).

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, TechnipFMC determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

m) Financial assets

Financial assets are categorized at initial recognition, as subsequently measured at either amortized cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

For debt instruments this classification depends on the financial asset's contractual cash flow characteristics as well as business model according to which TechnipFMC is managing them. Financial assets are initially measured at their fair values plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

A financial asset is classified and measured at amortized cost or fair value through other comprehensive income ("OCI") if and only if it gives rise to cash flows that are 'solely payments of principal and interest' ("SPPI"), i.e. the asset meets the SPPI test criteria, which are assessed at an instrument level.

The business model applied by TechnipFMC determines whether the cash flows from the instruments will be realized through collecting contractual cash flows, selling the financial assets, or both.

Transactions on financial assets that require delivery of assets within a time frame legally or contractually (regular way trades) are recognized on the trade date, being the date when TechnipFMC commits to acquire or sell the asset.

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortized cost
- Financial assets at fair value through OCI, either with recycling or no recycling of cumulative gains and losses
- Financial assets at fair value through profit or loss

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional (as determined under IFRS 15) unless they contain significant financing components, when they are recognized at fair value. TechnipFMC holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

TechnipFMC currently has no financial assets at fair value through OCI.

Financial assets at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest rate and are also subject to impairment. Gains and losses are recognized in profit or loss within the Other Income (Expense) line when the asset is derecognized, impaired or contractual cash-flows change.

TechnipFMC's financial assets at amortized cost include trade receivables, loans issued to third or related parties and debt notes receivable presented under other non-current financial assets or other current assets, as applicable.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include:

- Financial assets held for trading (i.e., those which are acquired for the purpose of selling or repurchasing in the near term).
- Financial assets designated upon initial recognition at fair value through profit or loss (in order to eliminate, or significantly reduce, an accounting mismatch), or
- Financial assets required to be measured at fair value (i.e. assets with cash flows that are not solely payments of principal and interest, irrespective of the business model).

Derivatives, including separated embedded derivatives, are also classified as held for trading except for those designated as effective hedging instruments. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments, listed and non-quoted equity investments which TechnipFMC had not irrevocably elected to classify at fair value through OCI, as well as certain liquid, frequently traded debt instruments such as treasury bills.

Dividends on listed equity investments are also recognized in the statement of profit or loss when the right of payment has been established.

Impairment of financial assets

An allowance for Expected Credit Losses ("ECL") is recognized for all debt instruments not held at fair value through profit or loss. As opposed to the incurred loss approach, ECL is based on the difference between the carrying amount (as per the contractual cash flows of the instruments) and all the cash flows that TechnipFMC expects to receive, discounted at the original effective interest rate. The expected cash flows reflect the cash flows expected from collateral or other credit enhancements that are part of the contractual terms and are not separately recognized by TechnipFMC. The estimate of expected cash shortfalls on a collateralized financial instrument reflects the amounts and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable.

In case of instruments for which there has not been a significant increase in credit risk since initial recognition, ECL is applied for default events that are possible within the next 12-months (a 12-month ECL). In case there has been a significant increase in credit risk since initial recognition, an ECL is applied over the remaining life of the exposure (lifetime ECL).

Impairment of trade receivables

For trade receivables and contract assets TechnipFMC applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. TechnipFMC's trade receivables and contracts assets constitute a homogeneous portfolio, therefore, to measure the expected credit losses, trade receivables and contract assets have been grouped based on a selection of TechnipFMC's entities that cover a representative part of TechnipFMC's combined trade receivables and contract assets at each period end. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. TechnipFMC has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

TechnipFMC has considered historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected losses.

For short-term notes receivable an expected credit loss is calculated assuming the maximum possible loss in the event of a default (that is, the loan is fully drawn and no amount is recovered). Management established a probability of default based on the counterparty's credit risk as determined by external credit rating agencies and the maximum loss given default (average recovery rate of sovereign bond issuers as published by credit rating agencies). Based on these factors management determines the ECL for TechnipFMC's short-term loans receivable.

For debt instruments recognized at amortized cost, as permitted by IFRS 9, TechnipFMC considers the low credit risk simplification. Accordingly, TechnipFMC evaluates whether the debt instrument is considered to have low credit risk at the reporting date, using available, reasonable and supportable information. TechnipFMC considers its internal credit rating of the debt instrument, and also considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. For debt instruments that continue to have low credit risk after the evaluation, TechnipFMC assumes that there is no significant increase in the credit risk of the instrument.

ECL on such instruments is measured on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. TechnipFMC uses the ratings from credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Based on customer experience, customer relationships and the nature of the long term projects, TechnipFMC considers a financial asset in default when contractual payments are 30 days past due. Also, in cases when internal or external information indicates that it is unlikely to receive the outstanding contractual cash flows before considering any credit enhancements, TechnipFMC also considers a financial asset to be in default. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- TechnipFMC has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) TechnipFMC has transferred substantially all the risks and rewards of the asset, or (b) TechnipFMC has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When TechnipFMC has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, TechnipFMC continues to recognize the transferred asset to the extent of its continuing involvement. In that case, TechnipFMC also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that TechnipFMC has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that TechnipFMC could be required to repay.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

n) Financial liabilities

Financial liabilities are classified, at initial recognition, as:

- financial liabilities at fair value through profit or loss (i.e., instruments held for trading including derivatives not designated as hedging instruments and also instruments designated upon initial recognition as of fair value through profit or loss),
- financial debt,
- trade and other payables, or
- derivatives designated as hedging instruments in an effective hedge.

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

TechnipFMC has not elected to designate any financial liability as of fair value through profit or loss.

Financial debts (current and non-current)

Current and non-current financial debts include bond loans, commercial paper programs and other borrowings. After initial recognition, debt is measured at amortized cost using the effective interest rate method. Transaction costs, such as issuance fees and redemption premium 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.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

o) Derivative financial instruments and hedging

Initial recognition and subsequent measurement

TechnipFMC uses derivative financial instruments, such as forward contracts, swaps and options to hedge its risks, in particular foreign exchange risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Every derivative financial instrument held by TechnipFMC is aimed at hedging future cash 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 cash inflows or outflows against exchange rate fluctuations in relation to awarded commercial contracts, or material, labor and overhead expenses.

To hedge its exposure to exchange rate fluctuations during the bid-period of construction contracts, TechnipFMC 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 that TechnipFMC pays to enter into such an insurance contract is charged to the income statement when paid. If the commercial bid is not successful, the insurance contract is automatically terminated without any additional cash settlements or penalties.

In some cases, TechnipFMC may enter into foreign currency options for some proposals during the bid-period. These options are not designated for hedge accounting.

For the purpose of hedge accounting, instruments qualifying as hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment (TechnipFMC currently has no financial instruments designated for such hedging relationship)
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation (TechnipFMC currently has no financial instruments designated for such hedging relationship)

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. Cash as a hedging instrument is determined as cash less accounts payables (including debts contracted on projects) plus accounts receivable (including loans contracted on projects) on reimbursable, services and completed contracts at closing date.

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

When implementing hedging transactions, each of TechnipFMC’s subsidiaries enters into forward exchange contracts with banks or with TechnipFMC Cash B.V., the company that performs centralized treasury management for TechnipFMC. However, under treasury center accounting only instruments backed by a third party outside of TechnipFMC are designated as hedging instruments.

At the inception of a hedge relationship, TechnipFMC formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how TechnipFMC will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that TechnipFMC actually hedges and the quantity of the hedging instrument that TechnipFMC actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for as described below. 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.

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 profit (loss) in the statement of income.

All derivative instruments are recorded and disclosed in the statement of financial position at fair value. Derivative instruments not considered for hedge accounting are also classified as current assets and liabilities.

Changes in fair value are recognized as follows:

- regarding cash flow hedges, the effective portion of the gain or loss 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 amounts accumulated in other comprehensive income ("OCI") are accounted for depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss. If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.
- the changes in fair value of derivative financial instruments that qualify as fair value hedge are recorded as financial income or expenses. The ineffective portion of the gain or loss is immediately recorded in the income statement. The carrying amount of a hedged item is adjusted by the gain or loss on this hedged item which may be allocated to the hedged risk and is recorded in the income statement; and
- the changes in fair value of derivative financial instruments that do not qualify as hedging in accounting standards are directly recorded in the income statement.

TechnipFMC designates only the spot element of forward contracts as a hedging instrument. The forward element of contracts receiving hedge accounting is recognized in the income statement in the same line item as the underlying hedged item.

See Note 28 for further details.

p) Inventories

Inventories are recognized at the lower of cost and net realizable value with cost being principally determined on a weighted-average cost basis.

Write-down of inventories are recorded when the net realizable value of inventories is lower than their net book value.

q) Advances paid to suppliers

Advance payments made to suppliers under long-term contracts are shown under the "Advances Paid to Suppliers" line item, on the asset side of the statement of financial position.

r) Cash and cash equivalents

Cash and cash equivalents consist of cash in bank and in hand, fixed term deposits and securities fulfilling the following criteria: an original maturity of less than three months, highly liquid, a fixed exchange value and an insignificant risk of loss of value. Securities are measured at their market value at year-end. Any change in fair value is recorded in the statement of income.

s) Share-based compensation

The measurement of share-based compensation expense on restricted share awards is based on the market price at the grant date and the number of shares awarded. TechnipFMC utilizes the Black-Scholes options pricing model to measure the fair value of share options granted, excluding from such valuation the service and non-market performance conditions (which are considered in the expected number of awards that will ultimately vest) but including market conditions (Note 19). The share-based compensation expense for each award is recognized during the vesting period (i.e. the period in which the service and, where applicable, the performance conditions are fulfilled). The cumulative expense recognized for share-based employee compensation at each reporting date reflects the already expired portion of the vesting period and TechnipFMC's best estimate of the number of awards that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

t) Provisions

Provisions are recognized if and only if the following criteria are simultaneously met:

- TechnipFMC 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.

Contingencies related to contracts

These provisions relate to claims and litigation 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 recognized in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" ("IAS 37") and presented within Impairment, Restructuring and Other Expenses (Income) in the Statements of Income.

u) Pensions and other long-term benefits

TechnipFMC sponsors various end-of-service and retirement employee benefit plans. Payments under such employee benefit plans are made either at the date of the employee's termination of service with TechnipFMC or at a subsequent date or dates in accordance with the laws and practices of each country in which a participant resides. Depending on the employing entity, 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 TechnipFMC;
- retirement benefits to be paid in the form of a pension.

TechnipFMC assesses 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.

The defined benefits obligations are estimated by independent actuaries using the projected unit credit actuarial valuation method as per IAS 19 “Employee Benefits” (“IAS 19”). The actuarial assumptions used to determine the obligations may vary depending on the country. The actuarial estimation is based on usual parameters such as future wage and salary increases, life expectancy, staff turnover rate and inflation rate.

The defined benefit liability equals the present value of the defined benefit obligation after deducting the plan assets. Present value of the defined benefit obligation is determined using present value of future cash disbursements based on interest rates of corporate bonds, in the currency used for benefit payment, and whose term is equal to the average expected life of the defined benefit plan.

The actuarial gains and losses resulting from adjustments related to experience and changes in actuarial assumptions are recorded in other comprehensive income. See Note 21 for further details.

v) Deferred income tax

Deferred income taxes are recognized in accordance with IAS 12 “Income Taxes” (“IAS 12”), measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period on all temporary differences at the closing date, between the tax bases of assets and liabilities and their carrying amounts for each TechnipFMC company.

Deferred income taxes are reviewed at each closing date to take into account the effect of any changes in tax law and in the prospects of recovery.

Deferred income tax assets are recognized for all deductible temporary differences, unused tax credits carry-forwards and unused tax losses carry-forwards, to the extent that it is probable that taxable profit will be available.

To properly estimate the existence of future taxable income on which deferred tax assets could be allocated, the following items are taken into account:

- existence of temporary differences which will cause taxation in the future;
- forecasts of taxable results;
- analysis of the past taxable results; and
- existence of significant and non-recurring income and expenses, included in the past tax results, which should not repeat in the future.

Deferred income tax liabilities are recognized for all taxable temporary differences, except restrictively enumerated circumstances, in accordance with the provisions of IAS 12.

Tax assets and liabilities are not discounted.

Provision for income tax expense (benefit) for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where TechnipFMC and our subsidiaries and associates operate and generate taxable income. We periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

w) Non-current assets held for sale or distribution to equity holders

TechnipFMC classifies non-current assets and disposal groups as held for sale/or distribution to equity holders of the parent if their carrying amounts will be recovered principally through a sale transaction or a distribution rather than through continuing use. Such non-current assets and disposal groups classified as held for sale/or distribution are measured at the lower of their carrying amount and fair value less costs to sell or distribute. Costs to sell/or distribute are the incremental costs directly attributable to the sale or distribution, excluding finance costs and income tax expense.

The criteria for held for sale/or distribution classification is regarded as met only when the sale/or distribution is highly probable, and the asset or disposal group is available for immediate sale/ or distribution in its present condition. Actions required to complete the sale/or distribution should indicate that it is unlikely that significant changes to the sale/or distribution will be made or that the decision to sell/or distribute will be withdrawn. Management must be committed to the sale/or distribution expected within one year from the date of the classification.

A discontinued operation is a component of TechnipFMC that has been classified as held for sale or distribution to equity holders, or has been disposed of, and i) represents a separate major line of business or geographical area of operations, or ii) is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or iii) is a subsidiary acquired exclusively with an intent to resale.

The results of discontinued operations are presented separately in the statement of profit or loss.

Technip Energies qualified as a discontinued operation from January 29, 2021 (see Note 2) and has been presented as such in the accompanying consolidated financial statements.

x) Cash dividend and non-cash distribution to equity holders

TechnipFMC recognizes a liability to make cash or non-cash distributions to its equity holders when the distribution is approved by its shareholders. A corresponding amount is recognized directly in the statement of equity.

y) Current/ non-current distinction

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.

z) Reclassifications

Certain prior-year amounts have been reclassified to conform to the current year's presentation.

1.5. Use of critical accounting estimates, judgments and assumptions

The preparation of the consolidated financial statements requires the use of critical accounting estimates, judgments and assumptions and 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.

Other disclosures relating to TechnipFMC's exposure to risks and uncertainties includes:

- Capital management (Note 18)
- Market related exposures (Note 31)

a) Judgments

Areas of judgment that have the most significant effect on the amounts recognized in the consolidated financial statements relate to the separation transaction.

Discontinued operations and asset held for distribution classification

On February 16, 2021, we completed the separation of the Technip Energies business segment. See Note 2 for further details. The Spin-off represented a strategic shift that will have a major impact on our operations and consolidated financial statements. Accordingly, historical results of Technip Energies prior to the Distribution on February 16, 2021 have been presented as discontinued operations in our consolidated statements of income and consolidated statements of cash flows for the year ended December 31, 2021 and 2020.

Under IFRS, the reclassification of assets (and any associated liabilities) as "held for distribution" can only be triggered once the assets are available for distribution in their present condition and the distribution is "highly probable". Beyond the management's demonstrated commitment and an actively pursued program to complete the sale, the highly probable criteria is met only when the distribution is expected to be completed within a year. As of December 31, 2020, we had no such expectation as the Spin-off was dependent upon new capital structure negotiations and related new financing in connection with the Spin-off. This only came into effect on January 29, 2021, upon completion by TechnipFMC of its private offering of $1.0 billion in aggregate principal amount of senior unsecured notes due 2026. Accordingly, the Technip Energies business segment met the criteria to be classified as held for distribution as January 29, 2021 and depreciation and amortization (approximately $7.1 million) on property, plant and equipment and intangible assets ceased from this date.

The separation of activities in relation to operational processes, information technologies and support functions, such as finance, human resources and the separation of certain legal entities, which host several business activities, was completed prior to January 29, 2021.

Climate change considerations

The impact of climate change assessment and the stated reduction in our carbon footprint, Scope 1 & 2, by 50% by 2030, has been considered as part of the assessment of estimates and judgements in preparing the consolidated financial statements. The climate change scenario analyses undertaken this year did not identify any material financial impact. During the preparation of these financial statements the potential impact of climate change was assessed on:

- the going concern of the Company over the next two years;
- the forecasted future cash flows generated by non-current assets and associated with goodwill (see Note 12);
- the realizability of pensions assets; and
- the carrying value of the fixed assets.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year relate to revenue recognition, income taxes, pension accounting, determination of fair value in business combinations, impairment of non-financial assets and estimates related to fair value for purposes of assessing goodwill for impairment and are described below.

Revenue recognition

The majority of our revenue is derived from long-term contracts that can span several years. TechnipFMC accounts for revenue in accordance with IFRS 15. The unit of account in IFRS 15 is a performance obligation. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The performance obligations are satisfied over time as work progresses or at a point in time.

A significant portion of our total revenue recognized over time relates to our Subsea segment, primarily for the entire range of onshore facilities, fixed and floating offshore oil and gas facilities, and subsea exploration and production equipment projects that involve the design, engineering, manufacturing, construction, and assembly of complex, customer-specific systems. Because of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. We generally use the cost-to-cost measure of progress for our contracts because it best depicts the transfer of control to the customer that occurs as we incur costs on our contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables, and requires significant judgment. It is common for the long-term contracts to contain award fees, incentive fees, or other provisions that can either increase or decrease the transaction price. We include estimated amounts in the transaction price when we believe we have an enforceable right to the modification, the amount can be estimated reliably, and its realization is probable. The estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

TechnipFMC executes contracts with its customers that clearly describe the equipment, systems, and/or services. After analyzing the drawings and specifications of the contract requirements, the project engineers estimate total contract costs based on their experience with similar projects and then adjust these estimates for specific risks associated with each project, such as technical risks associated with a new design. Costs associated with specific risks are estimated by assessing the probability that conditions arising from these specific risks will affect the total cost to complete the project. After work on a project begins, assumptions that form the basis for the calculation of total project cost are examined on a regular basis and the estimates are updated to reflect the most current information and management's best judgment.

Adjustments to estimates of contract revenue, total contract cost, or extent of progress toward completion are often required as work progresses under the contract and as experience is gained, even though the scope of work required under the contract may not change. The nature of accounting for long-term contracts is such that refinements of the estimating process for changing conditions and new developments are continuous and characteristic of the process. Consequently, the amount of revenue recognized over time is sensitive to changes in estimates of total contract costs. There are many factors, including, but not limited to, the ability to properly execute the engineering and design phases consistent with customers' expectations, the availability and costs of labor and material resources, productivity, and weather, all of which can affect the accuracy of cost estimates, and ultimately, the future profitability.

Our operating loss for the year ended December 31, 2021 was negatively impacted by approximately $68.4 million, as a result of changes in contract estimates related to projects that were in progress as of December 31, 2020.

During the year ended December 31, 2021, we recognized changes in our estimates that had an impact on our margin in the amounts of $(72.5) million and $4.1 million in our Subsea and Surface Technologies segments, respectively. The changes in contract estimates are attributed to better than expected performance throughout our execution of our projects.

Our operating loss for the year ended December 31, 2020 was negatively impacted by approximately $61.6 million, as a result of changes in contract estimates related to projects that were in progress as of December 31, 2019. During the year ended December 31, 2020, we recognized changes in our estimates that had an impact on our margin in the amounts of $(56.5) million and $(5.1) million in Subsea and Surface Technologies segments, respectively. The changes in contract estimates are attributed to better than expected performance throughout our execution of our projects.

See Note 1 for further details.

Income taxes

Our income tax expense, deferred tax assets and liabilities, and reserves for uncertain tax positions reflect management's best assessment of estimated future taxes to be paid. We are subject to income taxes in the United Kingdom and numerous foreign jurisdictions. Significant judgments and estimates are required in determining the consolidated income tax expense.

In determining the current income tax provision, we assess temporary differences resulting from differing treatments of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are recorded in our consolidated balance sheets. When we maintain deferred tax assets, we must assess the likelihood that these assets will be recovered through adjustments to future taxable income. To the extent we believe recovery is not probable, no deferred tax asset is recognized. We believe this assessment is a critical accounting estimate because it is highly susceptible to change from period to period, requires management to make assumptions about our future income, and can be potentially material to the results of operations.

Forecasting future income requires us to use a significant amount of judgment. In estimating future income, we use our internal operating budgets and long-range planning projections. We develop our budgets and long-range projections based on recent results, trends, economic and industry forecasts influencing the segments' performance, our backlog, planned timing of new product launches and customer sales commitments. Significant changes in our judgment related to the expected realizability of a deferred tax asset results in an adjustment to the recorded balance of that asset.

The calculation of income tax expense involves dealing with uncertainties in the application of complex tax laws and regulations in numerous jurisdictions in which we operate. We recognize tax benefits related to uncertain tax positions when, in our judgment, it is more likely than not that such positions will be sustained on examination, including resolutions of any related appeals or litigation, based on the technical merits. We may engage the services of a professional firm, together with the expertise and historic experience of the in-house tax team when the provision is particularly judgmental or complex. We adjust our liabilities for uncertain tax positions when our judgment changes as a result of new information previously unavailable. Due to the complexity of some of these uncertainties, their ultimate resolution may result in payments that are materially different from our current estimates. Any such differences will be reflected as adjustments to income tax expense in the periods in which they are determined. We have determined our the tax position by applying the expected value approach in accordance with the principles of IFRIC 23.

See Note 8 for further details.

Accounting for pension and other post-retirement benefit plans

Pension and other post-retirement (health care and life insurance) obligations are described in Note 21 to the consolidated financial statements.

The determination of the projected benefit obligations of TechnipFMC's pension and other post-retirement benefit plans are important to the recorded amounts of such obligations on our consolidated statement of financial position and to the amount of pension expense in our consolidated statements of income. In order to measure the obligations and expenses associated with our pension benefits, management must make a variety of estimates, including discount rates used to value certain liabilities, rate of compensation increase, employee turnover rates, retirement rates, mortality rates and other factors. Management updates these estimates on an annual basis or more frequently upon the occurrence of significant events. These accounting estimates bear the risk of change due to the uncertainty and difficulty in estimating these measures. Different estimates used by management could result in recognition of different amounts of expense over different periods of time.

The discount rate affects the interest cost component of net periodic pension cost and the calculation of the projected benefit obligation. The discount rate is based on rates at which the pension benefit obligation could be effectively settled on a present value basis. Discount rates are derived by identifying a theoretical settlement portfolio of long-term, high quality ("AA" rated) corporate bonds at the determination date that is sufficient to provide for the projected pension benefit payments. An application of a determined discount rate results in a discounted value of the pension benefit payments that equate to the market value of the selected bonds. The resulting discount rate is reflective of both the current interest rate environment and the pension's distinct liability characteristics. Significant changes in the discount rate, such as those caused by changes in the yield curve, the mix of bonds available in the market, the duration of selected bonds and the timing of expected benefit payments, may result in volatility in pension expense and pension liabilities.

Due to the specialized and statistical nature of these calculations which attempt to anticipate future events, management engages third-party specialists to assist evaluating the assumptions as well as appropriately measuring the costs and obligations associated with these pension benefits.

The actuarial assumptions and estimates made by management in determining TechnipFMC's pension benefit obligations may materially differ from actual results as a result of changing market and economic conditions and changes in plan participant assumptions. While management believes the assumptions and estimates used are appropriate, differences in actual experience or changes in plan participant assumptions may materially affect the financial position or results of operations.

Impairment of non-financial assets

Property, plant and equipment, including vessels, identifiable intangible assets being amortized and capitalized software costs are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the non-financial assets may not be recoverable. The carrying amount of a non-financial asset is not recoverable if it exceeds the recoverable amount determined as the higher of an asset's fair value less costs of disposal and its value in use. If it is determined that an impairment loss has occurred, the loss is measured as the amount by which the carrying amount of the non-financial asset exceeds its recoverable amount. The determination of future value in use as well as the estimated fair value of non-financial assets involves significant estimates on the part of management. Because there usually is a lack of quoted market prices for non-financial assets, fair value of impaired assets is generally determined based on the present values of expected future cash flows using discount rates believed to be consistent with those used by principal market participants, or based on a multiple of operating cash flow validated with historical market transactions of similar assets where possible. To assess the fair value of our vessels we utilize external broker valuation reports.

The expected future cash flows used for impairment reviews and related fair value calculations are based on judgmental assessments of future productivity of the asset, operating costs, capital decisions and possible additional impacts from emerging risks such as those related to climate change and the transition to a lower carbon economy and pandemics. Oil and gas price assumptions have a significant impact on impairment assessments of non-financial assets and are inherently uncertain. Furthermore, the estimation of future oil and gas prices is subject to increased uncertainty, given climate change and the global energy transition. If future market conditions deteriorate beyond the current expectations and assumptions, impairments of non-financial assets may be identified if management concludes that the carrying amounts are no longer recoverable.

During the review for impairment, we considered whether climate change indicated the carrying amount of non-financial assets may not be recoverable. In relation to vessels, we have conducted an evaluation on the efforts needed to reduce Scope 1 emissions from fuel consumption and identified initiatives such as the upgrade of vessels and use of alternative fuel, in alignment with commercial and regulatory analysis. For all other property, plant and equipment, given the expected continued investment globally in the oil and gas sector over the near to medium term, the relatively short period over which these assets are depreciated and the adaptability of services that can be provided, we do not consider climate change to be a specific indicator of impairment. See Note 11 for further details.

Impairment of goodwill

Goodwill represents the excess of cost over the fair market value of net assets acquired in business combinations. Goodwill is not subject to amortization but is tested for impairment at the level of GCGUs the goodwill has been allocated to, on an annual basis, or more frequently if impairment indicators arise. TechnipFMC established October 31 as the date of the annual test for impairment of goodwill. TechnipFMC identifies a potential impairment by comparing the recoverable amount of the applicable GCGU to its net book value, including goodwill. If the net book value exceeds the recoverable amount of the GCGU, management measures the impairment by comparing the carrying value of the GCGU to its recoverable amount. GCGU with goodwill are tested for impairment using a quantitative impairment test.

When using the quantitative impairment test, determining the fair value of a CGU is judgmental in nature and involves the use of significant estimates and assumptions. TechnipFMC estimates the value in use of its GCGUs using a discounted future cash flow model. The majority of the estimates and assumptions used in a discounted future cash flow model involve unobservable inputs reflecting management's own assumptions about the assumptions market participants would use in estimating the value in use of a business. These estimates and assumptions include revenue growth rates and operating margins used to calculate projected future cash flows, discount rates and future economic and market conditions. The transition to a lower carbon global economy may potentially lead to a lower oil and gas price scenario in the future due to declining demand. Management took into account considerations of uncertainty over the pace of the transition to lower-carbon supply and demand and the social, political and environmental actions that will be taken to meet the goals of the Paris climate change agreement when determining their future revenue growth rates assumptions and revised the future revenue growth rates assumptions downwards when compared with the prior year assumptions. The estimates are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and do not reflect unanticipated events and circumstances that may occur.

A lower recoverable amount estimate in the future for any of GCGUs could result in goodwill impairments. Factors that could trigger a lower recoverable amount estimate include sustained price declines of the GCGU's products and services, cost increases, regulatory or political environment changes including climate change, changes in customer demand, and other changes in market conditions, which may affect certain market participant assumptions used in the discounted future cash flow model based on internal forecasts of revenues and expenses over a specified period plus a terminal value (the income approach). When assessing triggering factors, on a quarterly and also on an annual basis, TechnipFMC also analyzes the relationship between its market capitalization and its consolidated book value of equity.

The income approach estimates recoverable amount by discounting each GCGU's estimated future cash flows using a weighted-average cost of capital that reflects current market conditions and the risk profile of the GCGU. To arrive at the future cash flows, management uses estimates of economic and market assumptions, including growth rates in revenues, costs, estimates of future expected changes in operating margins, tax rates and cash expenditures. Future revenues are also adjusted to match changes in TechnipFMC's business strategy. Management believes this approach is an appropriate valuation method. Under the market multiple approach, management determines the estimated fair value of each of GCGUs by applying transaction multiples to each GCGU's projected EBITDA and then averaging that estimate with similar historical calculations using either a one, two or three year average. The GCGU valuations were determined primarily by utilizing the income approach, with a lesser weighting attributed to the market multiple approach.

See Note 12 for further details.

NOTE 2. DISCONTINUED OPERATIONS

The Spin-off

On February 16, 2021, we completed the separation of the Technip Energies business segment. The transaction was structured as a spin-off ("The Spin-off"), which occurred by way of a pro rata dividend (the "Distribution") to our shareholders of 50.1% of the outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC held at 5:00 p.m., Eastern Standard time, on the record date, February 17, 2021. Technip Energies N.V. is now an independent public company and its shares trade under the ticker symbol "TE" on the Euronext Paris Stock Exchange.

In connection with the Spin-off, TechnipFMC and Technip Energies entered into a separation and distribution agreement, as well as various other agreements, including among others a tax matters agreement, an employee matters agreement and a transition services agreement and certain agreements relating to intellectual property. These agreements provide for the allocation between TechnipFMC and Technip Energies of assets, employees, taxes, liabilities and obligations attributable to periods prior to, at and after the Spin-off.

Discontinued Operations

The Spin-off represented a strategic shift that will have a major impact on our operations and consolidated financial statements. Accordingly, historical results of Technip Energies prior to the Distribution on February 16, 2021 have been presented as discontinued operations in our consolidated statements of income and consolidated statements of cash flows for the year ended December 31, 2021 and 2020. Our consolidated statements of income and consolidated statements of cash flows and notes to the consolidated financial statements have been updated to reflect continuing operations only.

On initial recognition at the Spin-off date we recorded the retained interest in Technip Energies at fair value of $1,377.9 million, being the market share price of the investment as of the Spin-off date. The remeasurement difference of $507.9 million, representing an excess of TechnipFMC's share of the net fair value of Technip Energies' identifiable assets and liabilities over the carrying value of the retained share Technip Energies net assets, is included within the line net profit from discontinued operations in the consolidated statement of income.

The following table summarizes the components of income from discontinued operations, net of tax:

(In millions)	Year Ended December 31, 2021	2020
Revenues	$ 906.0	$ 6,520.0
Costs and expenses [(a)]	(932.0)	(5,898.5)
Other income and interest expense, net	(18.6)	(229.1)
Profit (loss) from discontinued operations before income taxes	(44.6)	392.4
Provision for income taxes	56.0	134.0
Profit (loss) from discontinued operations after income taxes	(100.6)	258.4
Gain on loss of control at Spin-off (i)	872.8	—
Loss on sale of shares of Technip Energies and remeasurements (ii)	(167.0)	—
Profit from discontinued operations, net of income taxes	605.2	258.4
Income from discontinued operations attributable to non-controlling interests	(1.9)	—
Profit from discontinued operations attributable to TechnipFMC plc	$ 603.3	$ 258.4

(a) Includes $53.3 million and $39.5 million related to separation costs for the years ended December 31, 2021 and 2020, respectively.

The following table summarizes the details of amounts realized upon the Spin-off transaction:

(i) (In millions)		February 16, 2021
Amount of distribution payable to shareholders (fair value of 50.1% shares of Technip Energies)	$	1,383.5
Fair value of retained 49.9% shareholding		1,377.9
Less carrying amount of net assets of Technip Energies at spin-off date		(1,743.5)
Gain on spin off before reclassification of OCI	$	1,017.9
Reclassification of other comprehensive income to profit or loss [(a)]		(166.9)
Reclassification of non-controlling interest's share in other comprehensive income to profit or loss		21.8
Total gain on loss of control at Spin off	$	872.8
Income taxes	$	—
Total gain on loss of control on Spin-off, net of income taxes	$	872.8

(a) Includes $14.5 million gain and $181.4 million loss related to hedging instruments and currency translation adjustments, refer to consolidated statement of other comprehensive income for further details.

In addition to the amounts in the table above, a net accumulated loss of $37.2 million on the remeasurement of pension liabilities has been transferred from accumulated other comprehensive income to retained earnings upon the completion of the Spin-off.

The following table summarizes the details of Technip Energies share sales after spin-off date:

(ii) (In millions)		
Proceeds from sale of shares, net of transaction costs	$	784.5
Carrying amount of 32.8% shares sold		(904.8)
Loss on sales of Technip Energies shares	$	(120.3)
Impairment of retained financial investment upon loss of significant influence		(46.8)
Income taxes		—
Loss on subsequent sales of Technip Energies shares included in discontinued operations	$	(167.1)
Proceeds from sale of additional shares, net of transaction costs	$	116.3
Carrying amount of 4.9% shares sold		(124.0)
Loss on sale of additional shares		(7.7)
Fair value measurement of financial investment in Technip Energies		16.2
Gain on financial investment in Technip Energies	$	8.5

The carrying amounts of assets and liabilities of Technip Energies as of the spin-off date were as follows:

(in millions)		February 16, 2021
Assets		
Cash and cash equivalents	$	3,538.6
Other current assets		2,225.7
Property, plant and equipment, net of accumulated depreciation		105.6
Goodwill		2,512.5
Other non-current assets		656.7
Total assets		9,039.1
Liabilities		
Current liabilities		6,213.2
Long-term debt, less current portion		482.2
Operating lease liabilities		248.2
Other non-current liabilities		352.0
Total liabilities		7,295.6
Net assets distributed to Technip Energies	$	1,743.5

Investment in Technip Energies

Immediately following the completion of the Spin-off, we owned 49.9% of the outstanding shares of Technip Energies. At the Spin-off date the 49.9% retained interest was classified as an equity affiliate on the basis that TechnipFMC retained significant influence over Technip Energies through its retained stake and representation in Technip Energies Board.

IFRS 5 states that an asset is considered as held for sale provided two conditions are met: it must be available for immediate sale in its present condition and its sale must be highly probable. At the Spin-off date, when it became highly probable that the value of the investment in Technip Energies would be recovered through sale rather than continuing ownership, the investment in Technip Energies was classified as held for sale. As of the Spin-off date we committed to conduct an orderly sale of our remaining stake in Technip Energies over time and use the proceeds (net of broker fees and discounts) from future sales to further reduce our net leverage. We did not intend to remain a long-term shareholder of Technip Energies and planned to exit our ownership stake in a timely and orderly manner within a year.

Following the held for sale classification the remaining interest in Technip Energies equity affiliate was measured at the lower of its carrying amount and fair value less costs to sell. The fair value of the investment was determined using the market share price of Technip Energies shares. This is a Level 1 measurement as per the fair value hierarchy.

Sale of Technip Energies shares

On January 7, 2021, BpiFrance Participations SA (“BPI”) entered into a share purchase agreement with us pursuant to which BPI agreed to purchase a portion of our retained stake in Technip Energies N.V. for $200.0 million, subject to certain adjustments. On March 31, 2021, BPI ultimately purchased 7.5 million shares in Technip Energies from us for $100.0 million. Accordingly, on April 8, 2021, we refunded $100.0 million to BPI as a result of their revised level of investment.

On April 27, 2021 we sold 25.0 million Technip Energies shares, representing 14% of Technip Energies’ share capital, through a private placement by way of an accelerated bookbuild offering (the “April Placement”). The sale price of the shares in the April Placement was set at €11.10 per share, yielding total gross proceeds of €277.5 million, or $335.2 million.

Concurrently with the April Placement, Technip Energies purchased from us 1.8 million shares of Technip Energies (equivalent to 1% of share capital) at €11.10 per share, corresponding to the price of the April Placement (the "Concurrent Sale to Technip Energies"). The sale of shares to Technip Energies yielded total gross proceeds of €20.0 million or $24.2 million. This purchase was separate from the April Placement.

On July 29, 2021 we announced the launch and pricing of the sale of 16.0 million Technip Energies shares, representing 9% of Technip Energies' issued and outstanding share capital, through a private placement by way of an accelerated bookbuild offering (the "July Placement"). The sale price of the shares in the July Placement was set at €11.20 per share, yielding total gross proceeds of €179.2 million, or $212.8 million. We agreed to a 60-day lock-up for our remaining shares in Technip Energies, subject to waiver from the Joint Global Coordinators and certain other customary exceptions.

On September 2, 2021 we announced the sale of 17.6 million Technip Energies shares, representing approximately 10% of Technip Energies' issued and outstanding share capital, through a private sale transaction (the "September Sale"). The sale price of the shares in the September Sale was set at €11.15 per share, yielding total gross proceeds of €196.2 million, or $231.5 million. The Joint Global Coordinators from the July Placement granted a waiver of the 60-day lock-up associated with the July Placement solely for the purpose of the September Sale. The original 60-day lock-up applicable to the July Placement remained in effect in all other respects until October 2, 2021.

Upon completion of the April Placement, the Concurrent Sale to Technip Energies, the July Placement and the September Sale, we retain a direct stake of 21.9 million shares, representing 12.2% of Technip Energies' issued and outstanding share capital as of December 31, 2021.

Up until balance sheet date, these share sales resulted in a net loss of $158.5 million, from which $167.0 million is reported within the line net profit from discontinued operations attributable to TechnipFMC plc and $8.5 million is in gain from investment in Technip Energies in the consolidated income statement.

Following the September Sale we determined that TechnipFMC ceased to have a significant influence due to (i) the decrease in stake in Technip Energies to 12.2%, and (ii) due to decrease in representation on Technip Energies Board leading to one of nine seats. The investment in Technip Energies became a subject to accounting for equity instruments under IFRS 9 and, therefore was recorded at fair value as of December 31, 2021 with changes in fair value ($16.1 million) reported in gain from investment in Technip Energies in the consolidated income statement. This is a Level 1 measurement as per the fair value hierarchy.

NOTE 3. BUSINESS COMBINATIONS AND OTHER TRANSACTIONS

3.1 Business combinations and transactions with non-controlling interests

Year ended December 31, 2021 - Significant business combinations and other changes

Magma Global Ltd.

In 2018, we entered into a collaboration agreement with Magma Global Ltd. ("Magma Global") to develop a new generation of hybrid flexible pipe for use in the traditional and new energy industries. As part of the collaboration, we purchased a minority ownership interest in Magma Global. Magma technology enables the manufacture of Thermoplastic Composite Pipe (TCP) using Polyether Ether Ketone (PEEK) polymer, which is highly resistant to corrosive compounds, such as CO_2.

In October 2021, we entered into a transaction to purchase the remaining ownership interest in Magma Global for $64.0 million. The cash consideration will be paid to the shareholders of Magma Global in three annual installments. The first payment of $23.9 million was paid on October 12, 2021.

With the step acquisition of the remaining outstanding shares of Magma Global and our resulting control of the company, we recorded a $36.7 million impairment during the third quarter of 2021 to adjust our equity method investment to its estimated fair market value. The impairment charge is included in income/loss from equity affiliates line in our condensed consolidated statement of income.

As a result of the purchase price allocation of the remaining interest, we recognized $50.2 million of identifiable intangible assets consisting primarily of in-process research and development and trademarks, which are being amortized on a straight-line basis over 15 years. The fair value of the identifiable intangible assets has been estimated using an income approach.

The assets and liabilities recognized as a result of the acquisition were as follows (in millions):

(In millions)		
Cash	$	8.6
Accounts receivable		3.0
Other current assets		2.8
PP&E		18.1
Intangibles		50.2
Accounts payable		(8.3)
Net assets acquired	$	74.4

TIOS

In accordance with the share purchase agreement between Technip-Coflexip UK Holdings Limited ("TUK") and Island Offshore Management AS ("Island Offshore") that was executed on March 12, 2018, whereby TUK initially purchased 51% of the shares of TIOS AS, a joint venture between TUK and Island Offshore ("TIOS"), TUK acquired the remaining 49% interest in TIOS at a total price of $48.6 million during the third quarter of 2021.

The acquisition of a non-controlling interest in TIOS AS was recorded as a transaction with equity owners of TechnipFMC. Immediately prior to the purchase, the carrying amount of the existing 49% non-controlling interest in TIOS AS was $43.8 million. TechnipFMC recognized a decrease in non-controlling interests of $(43.8) million and an increase in retained earnings, net income and other reserves of $43.8 million.

Year ended December 31, 2020 - Significant business combinations and other changes

TechnipFMC did not have any significant acquisitions during the year ended December 31, 2020.

3.2 Subsidiaries, joint venture undertakings and equity affiliates

TechnipFMC's subsidiaries, joint venture undertakings and equity affiliates as of December 31, 2021 are listed in Note 33. All subsidiaries are fully consolidated in the financial statements. Ownership interests noted in the table reflect holdings of ordinary shares.

All consolidated companies close their accounts as of December 31.

NOTE 4. SEGMENT INFORMATION

4.1 Information by business segment

Segment revenue and segment operating profit (loss)

(In millions)	Year Ended December 31, 2021	Year Ended December 31, 2020
Segment revenue		
Subsea	$ 5,329.1	$ 5,471.4
Surface Technologies	1,084.2	1,066.0
Total revenue	$ 6,413.3	$ 6,537.4
Segment operating profit (loss)		
Subsea	$ 147.2	$ (2,890.5)
Surface Technologies	37.9	(284.5)
Total segment operating profit (loss)	185.1	(3,175.0)
Corporate items		
Other corporate expenses [(a)]	(106.8)	(115.9)
Interest income	19.0	52.4
Interest expense	(207.1)	(162.5)
Loss on early extinguishment of debt	(61.9)	—
Income from investment in Technip Energies	8.5	—
Foreign exchange gains (losses)	6.8	(51.5)
Total corporate items	(341.5)	(277.5)
Profit (loss) before income taxes [(b)]	$ (156.4)	$ (3,452.5)

(a) Other corporate expenses primarily include corporate staff expenses, stock-based compensation expenses, certain long-lived assets impairments and other employee benefits.

(b) Includes amounts attributable to non-controlling interests.

Technip Energies had been a reportable segment up until February 16, 2021. As a result of the entire segment qualifying as a discontinued operation, prior year segment information has been restated. See Note 2 for further details.

During the years ended December 31, 2021 and 2020, no single customer exceeded 10% of TechnipFMC's consolidated revenue.

Segment assets

(In millions)	Year Ended December 31, 2021	Year Ended December 31, 2020
Segment assets:		
Subsea	$ 6,526.0	$ 7,030.6
Surface Technologies	1,583.1	1,612.1
Technip Energies	—	5,052.0
Total segment assets	8,109.1	13,694.7
Corporate (a)	2,062.4	6,113.1
Total assets	$ 10,171.5	$ 19,807.8

(a) Corporate includes cash, deferred income tax balances, property, plant and equipment, intercompany eliminations not associated with a specific segment, pension assets and the fair value of derivative financial instruments.

Other business segment information:

	Capital Expenditures		Depreciation and Amortization		Research and Development Expense	
	Year Ended December 31,					
(In millions)	2021	2020	2021	2020	2021	2020
Subsea	149.4	213.6	441.8	433.4	73.2	66.5
Surface Technologies	41.8	38.5	80.0	159.2	5.8	9.8
Corporate	5.5	3.9	14.7	19.2	—	—
Total	$ 196.7	$ 256.0	$ 536.5	$ 611.8	$ 79.0	$ 76.3

4.2 Information by geography

Sales by geography were identified based on the location where TechnipFMC's products and services were delivered.

	Year Ended December 31,	
(In millions)	2021	2020
Revenue		
United States	$ 1,137.2	$ 1,320.1
Norway	979.9	1,216.6
Brazil	767.8	600.6
United Kingdom	542.5	489.0
Mozambique	472.0	320.4
Australia	419.8	122.5
Angola	406.3	482.8
Guyana	314.7	330.1
Indonesia	224.9	280.0
Singapore	216.3	219.9
Malaysia	206.9	190.0
India	109.8	26.8
Trinidad	78.1	106.3
Israel	26.8	179.3
All other countries	510.3	653.0
Total revenue	$ 6,413.3	$ 6,537.4

Property, plant and equipment, net by geography is as follows:

	December 31,	
(In millions)	2021	2020
United Kingdom	$ 882.9	$ 936.2
United States	433.7	467.5
Netherlands	398.6	402.5
Brazil	265.5	260.0
Norway	271.9	312.2
All other countries	384.0	466.8
Total property, plant and equipment, net	$ 2,636.6	$ 2,845.2

NOTE 5. LEASES

Lessee arrangements

The following table shows the summary of amounts relating to leases recognized in the statement of income:

	Year Ended December 31,	
(In millions)	**2021**	**2020**
Depreciation of right-of-use assets	$ 138.0	$ 196.2
Interest expense on lease liabilities	40.9	25.6
Short-term lease costs	5.2	11.0
Sublease income	2.4	2.8

The following table shows the carrying amounts and depreciation charge of right-of-use assets by types of assets:

	Depreciation		Net Book Value	
	Year Ended December 31,		December 31,	
(In millions)	**2021**	**2020**	**2021**	**2020**
Real Estate	$ 91.3	$ 110.0	$ 590.6	$ 891.4
Vessels	43.1	76.6	49.4	77.5
Machinery and equipment	2.6	7.5	8.2	14.7
IT equipment	0.4	1.0	0.9	3.7
Office furniture and equipment	0.6	1.1	0.5	2.0
Total	$ 138.0	$ 196.2	$ 649.6	$ 989.3

Additions to the right-of-use assets during the year ended December 31, 2021 and 2020 were $167.3 million and $535.9 million, respectively.

The statement of financial position shows the following amounts relating to lease liabilities:

	December 31,	
(In millions except for discount rate)	**2021**	**2020**
Current lease liabilities	$ 126.2	$ 273.9
Non-current lease liabilities	646.6	881.0
Total lease liabilities	$ 772.8	$ 1,154.9

The following table shows the supplemental cash outflow information related to leases:

	Year Ended December 31,	
(In millions)	**2021**	**2020**
Payments for the principal portion of lease liabilities	$ 175.7	$ 277.5
Cash paid for interest on lease liabilities	41.2	36.7

The following table shows the summary of the maturity of lease liabilities:

	December 31,	
(In millions)	**2021**	**2020**
Less than a year	$ 150.2	$ 279.4
Between 1 and 2 years	108.3	191.5
Between 2 and 3 years	102.3	137.1
Between 3 and 4 years	83.1	117.6
Between 4 and 5 years	74.7	79.2
Thereafter	675.9	471.4
Total lease payments	1,194.5	1,276.2
Less: Imputed interest (1)	421.7	121.3
Total lease liabilities (2)	$ 772.8	$ 1,154.9

(1) Calculated using the interest rate for each lease.
(2) Includes the current portion of $126.2 million and $273.9 million for lease liabilities as of December 31, 2021 and 2020, respectively.

In December 2020, TechnipFMC sold its leased office building at Gremp Campus in Houston, Texas on behalf of the existing lessor to Oak Street Real Estate Capital, LLC ("New Lessor"). TechnipFMC also sold the land underneath Gremp Campus which the Company owns to New Lessor. TechnipFMC concurrently executed a new lease agreement for both land and the office building (collectively, "Gremp Campus Properties") with New Lessor.

The new lease agreement of Gremp Campus Properties commenced on December 11, 2020 and the initial term ends on December 31, 2042. TechnipFMC has four renewal periods of ten years each after the expiration of the initial term. At inception of the new lease agreement, TechnipFMC did not consider any renewal period as probable of being exercised.

TechnipFMC paid net cash of $1.8 million in connection with the new lease agreement and recognized a loss of $3.1 million from derecognition of the existing lease. There was no gain or loss from sale of the land at Gremp Campus.

Lessor arrangements

The total lease revenue from lessor arrangements was $162.0 million and $145.2 million for the year ended December 31, 2021 and 2020, respectively.

The following table is a summary with the maturity analysis of operating lease payments, showing the undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years:

	December 31,	
(In millions)	**2021**	**2020**
Less than a year	$ 18.3	$ 21.4
Between 1 and 2 years	1.0	14.3
Between 2 and 3 years	—	1.0
Between 3 and 4 years	—	—
Thereafter	—	—
Total undiscounted cash flows	$ 19.3	$ 36.7

NOTE 6. REVENUE

6.1 Revenue recognition by segment

The majority of our revenue is from long-term contracts associated with designing and manufacturing products and systems and providing services to customers involved in exploration and production of crude oil and natural gas. The following is a description of principal activities separated by reportable segments from which TechnipFMC generates its revenue.

Subsea - Our Subsea segment manufactures and designs products and systems, performs engineering, procurement and project management and provides services used by oil and gas companies involved in offshore exploration and production of crude oil and natural gas.

Systems and services may be sold separately, or as combined integrated systems and services offered within one contract. Many of the systems and products TechnipFMC supplies for subsea applications are highly engineered to meet the unique demands of our customers' field properties and are typically ordered one to two years prior to installation. We often receive advance payments and progress billings from our customers in order to fund initial development and working capital requirements.

Under Subsea engineering, procurement, construction and installation contracts, revenue is principally generated from long term contracts with customers. We have determined these contracts generally have one performance obligation as the delivered product is highly customized to customer and field specifications.

Our Subsea segment also performs an array of subsea services including (i) installation services, (ii) asset management services (iii) product optimization, (iv) inspection, maintenance and repair services, and (v) well access and intervention services, where revenue is generally earned through the execution of either installation-type or maintenance-type contracts. For either contract-type, management has determined that the performance of the service generally represents one single performance obligation. We have determined that revenue from these contracts is recognized over time as the customer simultaneously receives and consumes the benefit of the services.

Surface Technologies - Our Surface Technologies segment designs, manufactures and supplies technologically advanced wellhead systems and high pressure valves and pumps used in stimulation activities for oilfield service companies and provides installation, flowback and other services for exploration and production companies.

We provide a full range of drilling, completion and production wellhead systems for both standard and custom-engineered applications. Under pressure control product contracts, we design and manufacture flowline products, under the Weco®/Chiksan® trademarks, articulating frac arm manifold trailers, well service pumps, compact valves and reciprocating pumps used in well completion and stimulation activities by major oilfield service companies. Performance obligations within these systems are satisfied either through delivery of a standardized product or equipment or the delivery of a customized product or equipment.

For contracts with a standardized product or equipment performance obligation, management has determined that because there is limited customization to products sold within such contracts and the asset delivered can be resold to another customer, revenue should be recognized as of a point in time, upon transfer of control to the customer and after the customer acceptance provisions have been met.

For contracts with a customized product or equipment performance obligation, the revenue is recognized over time, as the manufacturing of our product does not create an asset with an alternative use for us and we have an enforceable right to payment plus a reasonable profit for performance completed to date.

This segment also designs, manufactures and services measurement products globally. Contract-types include standard product or equipment and maintenance-type services where we have determined that each contract under this product line represents one performance obligation.

Revenue from standard measurement equipment contracts is recognized at a point in time, while maintenance-type contracts are typically priced at a daily or hourly rate. We have determined that revenue for these contracts is recognized over time because the customer simultaneously receives and consumes the benefit of the services.

6.2 Disaggregation of revenue

We disaggregate revenue by geographic location and contract types. The following table presents products and services revenue by geography for each reportable segment for the years ended December 31, 2021 and 2020:

	Reportable Segments Year Ended December 31,			
	2021		2020	
(In millions)	Subsea	Surface Technologies	Subsea	Surface Technologies
Europe and Central Asia	$ 1,404.4	$ 191.5	$ 1,664.1	$ 192.7
North America	753.6	372.7	899.7	367.9
Latin America	1,157.7	96.5	1,042.4	83.4
Asia Pacific	927.4	104.2	772.1	131.0
Africa	1,057.3	44.0	908.6	46.9
Middle East	28.7	275.3	184.5	244.1
Total revenue	$ 5,329.1	$ 1,084.2	$ 5,471.4	$ 1,066.0

The following table represents revenue by contract type for each reportable segment for the years ended December 31, 2021 and 2020:

	Year Ended December 31,			
	2021		2020	
(In millions)	Subsea	Surface Technologies	Subsea	Surface Technologies
Services	$ 3,282.0	$ 160.9	$ 3,121.1	$ 151.6
Products	2,002.5	805.9	2,295.4	824.1
Lease and other[1]	44.6	117.4	54.9	90.3
Total revenue	$ 5,329.1	$ 1,084.2	$ 5,471.4	$ 1,066.0

(1) Represents revenue not subject to IFRS15.

6.3 Contract balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, costs and estimated earnings in excess of billings on uncompleted contracts (contract assets), and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) on the consolidated statement of financial position.

Contract Assets - Include unbilled amounts typically resulting from sales under long-term contracts when revenue is recognized over time and revenue recognized exceeds the amount billed to the customer, and right to payment is not just subject to the passage of time. Amounts may not exceed their net realizable value. Costs and estimated earnings in excess of billings on uncompleted contracts are generally classified as current.

Contract Liabilities - We receive advances or deposits from our customers, before revenue is recognized, resulting in contract liabilities.

The following table provides information about net contract assets (liabilities) as of December 31, 2021 and 2020, respectively:

	December 31,			
(In millions)	2021	2020	$ change	% change
Contract assets	$ 967.7	$ 1,266.8	$ (299.1)	(24)%
Contract (liabilities)	(988.9)	(4,725.0)	3,736.1	(79)%
Net contract (liabilities)	$ (21.2)	$ (3,458.2)	$ 3,437.0	(99)%

The decrease in our contract assets from December 31, 2020 to December 31, 2021 was primarily due to the Spin-off of Technip Energies and the timing of milestones. The decrease in our contract liabilities was primarily due to the Spin-off of Technip Energies and completion of performance obligations for contracts, for which consideration was received in advance of work performed during the period.

In order to determine revenue recognized in the period from contract liabilities, we allocate revenue to the individual contract liability balance outstanding at the beginning of the period until the revenue exceeds that balance. Revenue recognized for the year ended December 31, 2021 that were included in the contract liabilities balance as of December 31, 2020 was $305.3 million. Revenue recognized for the year ended December 31, 2020 that were included in the contract liabilities balance as of December 31, 2019 was $484.3 million.

In addition, net revenue recognized for the year ended December 31, 2021 and 2020 from our performance obligations satisfied in previous periods has favorable (unfavorable) impacts of $25.9 million and $(21.7) million, respectively. This primarily relates to the changes in the estimate of the stage of completion that impacted revenue.

6.4 Transaction price allocated to the remaining unsatisfied performance obligations

Remaining unsatisfied performance obligations ("RUPO" or "order backlog") represent the transaction price for products and services for which we have a material right but work has not been performed. Transaction price of the order backlog includes the base transaction price, variable consideration and changes in transaction price. The order backlog table does not include contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed. The transaction price of order backlog related to unfilled, confirmed customer orders is estimated at each reporting date. As of December 31, 2021, the aggregate amount of the transaction price allocated to order backlog was $7,657.7 million. TechnipFMC expects to recognize revenue on approximately 49.0% of the order backlog through 2022 and 51.0% thereafter.

The following table details the consolidated order backlog for each business segment as of December 31, 2021:

(In millions)	2022	2023	Thereafter
Subsea	$ 3,372.8	$ 2,227.5	$ 932.7
Surface Technologies	376.8	95.2	652.7
Total remaining unsatisfied performance obligations	$ 3,749.6	$ 2,322.7	$ 1,585.4

The following table details the consolidated order backlog for each business segment as of December 31, 2020:

(In millions)	2021	2022	Thereafter
Subsea	$ 3,585.4	$ 2,217.2	$ 1,073.4
Surface Technologies	343.6	69.4	0.5
Total remaining unsatisfied performance obligations	$ 3,929.0	$ 2,286.6	$ 1,073.9

NOTE 7. OTHER INCOME AND EXPENSE ITEMS, FINANCIAL INCOME AND EXPENSES

7.1 Other income (expense), net

Other income (expense) is as following:

	Year Ended December 31,	
(In millions)	2021	2020
Reinsurance income	$ —	$ 6.3
Net gain (loss) from disposal of property, plant and equipment	(1.3)	8.6
Foreign currency translation gains (losses)	6.8	(56.5)
Other	0.9	57.7
Total other income, net	$ 6.4	$ 16.1

7.2 Expenses by nature

An analysis of operating expenses by nature is as following:

(In millions)	Year Ended December 31, 2021	Year Ended December 31, 2020
Wages and salaries	$ 1,344.2	$ 1,594.8
Social security costs	311.2	333.2
Other pension costs	16.1	14.8
Right-of-use lease amortization	138.0	196.0
Depreciation and amortization	398.5	415.7
Impairment	49.1	3,196.5
Purchases, external charges and other expenses	4,078.1	4,206.4
Total costs and other expenses	$ 6,335.2	$ 9,957.4

7.3 Financial income

Financial income consists of the following:

(In millions)	Year Ended December 31, 2021	Year Ended December 31, 2020
Interest income from treasury management (1)	$ 13.6	$ 38.1
Dividends from non-consolidated investments	0.3	0.3
Financial income related to long-term employee benefit plans	4.0	1.4
Net proceeds from disposal of financial assets	1.0	4.8
Other	0.1	7.8
Total financial income	$ 19.0	$ 52.4

(1) Mainly results from interest income from short-term security deposits.

7.4 Financial expenses

Financial expenses consist of the following:

(In millions)	Year Ended December 31, 2021	Year Ended December 31, 2020
Interest expenses on bonds and private placements	$ (127.3)	$ (74.1)
Loss on early extinguishment of debt	(61.9)	—
Interest expense on leases	(40.9)	(32.6)
Financial expenses related to long-term employee benefit plans	(1.0)	(1.2)
Interest expenses on bank borrowings	(29.7)	(47.8)
Redeemable financial liability fair value measurement	—	(0.7)
Other	(8.2)	(6.1)
Total financial expenses	$ (269.0)	$ (162.5)
Net financial expenses	$ (250.0)	$ (110.1)

NOTE 8. INCOME TAX

8.1 Income tax expense

The income tax expense recognized in the statements of income is $81.6 million and $14.6 million in 2021 and 2020 respectively, explained as follows:

	Year Ended December 31,	
(In millions)	**2021**	**2020**
Current income tax (expense)	$ (141.2)	$ (47.0)
Deferred income tax credit (expense)	59.6	32.4
Income tax expense as recognized in the consolidated statements of income	$ (81.6)	$ (14.6)

	Year Ended December 31,	
	2021	**2020**
Deferred income tax related to items booked directly to opening equity	$ 5.7	$ (14.1)
Deferred income tax related to items booked to equity during the year	(10.1)	19.8
Income tax credit (expense) as recognized in the consolidated statements of other comprehensive income	$ (4.4)	$ 5.7

8.2 Income tax reconciliation

The reconciliation between the tax calculated using the standard tax rate applicable to TechnipFMC and the amount of tax effectively recognized in the accounts is detailed as follows:

	Year Ended December 31,	
(In millions)	**2021**	**2020**
Net loss from continuing operations	$ (238.0)	$ (3,467.1)
Income tax expense	(81.6)	(14.6)
Loss before income taxes	(156.4)	(3,452.5)
At TechnipFMC plc statutory income tax rate of 19.0%	29.7	656.7
Differences between TechnipFMC plc and foreign income tax rates	(64.2)	44.9
Net change in tax contingencies	(7.6)	11.0
Deferred tax assets not recognized	(40.4)	(36.3)
Adjustments on prior year taxes	—	(40.5)
Deferred tax relating to changes in tax rates	—	11.9
Impairments	—	(664.4)
Other	0.9	2.1
Effective income tax expense	(81.6)	(14.6)
Tax rate	(52.2)%	(0.4)%
Income tax (expense) as recognized in the consolidated statements of income	$ (81.6)	$ (14.6)

8.3 Deferred income tax

Significant components of deferred tax assets and liabilities are as follows:

(In millions)	December 31, 2020	Spin-off of Technip Energies	Recognized in Statement of Income	Recognized in Statement of OCI	December 31, 2021
Accrued expenses	$ 54.9	$ (28.5)	$ (4.7)	$ —	$ 21.7
Net tax losses	120.3	(8.8)	(90.8)	—	20.7
Inventories	3.6	—	—	—	3.6
Non-deductible interest	11.8	—	(11.8)	—	—
Other tax credits	0.4	—	(0.1)	—	0.3
Foreign exchange	(22.3)	(39.8)	46.2	9.5	(6.4)
Provisions for pensions and other long-term employee benefits	12.1	(38.4)	19.0	(19.6)	(26.9)
Contingencies	45.7	(35.9)	(6.7)	—	3.1
Leasing	245.9	—	(71.0)	—	174.9
Other	(12.0)	0.3	15.1	—	3.4
Revenue in excess of billings on contracts accounted for under the percentage of completion method	(44.2)	(50.3)	91.6	—	(2.9)
U.S. tax on foreign subsidiaries' undistributed earnings not indefinitely reinvested	(4.2)	—	4.2	—	—
Property, plant and equipment, goodwill and other assets	(155.1)	2.6	82.6	—	(69.9)
Margin recognition on construction contracts	78.5	—	(78.4)	—	0.1
Leasing	(234.9)	—	64.4	—	(170.5)
Deferred income tax assets (liabilities), net	$ 100.5	$ (198.8)	$ 59.6	$ (10.1)	$ (48.8)

(In millions)	December 31, 2019	Recognized in Statement of Income	Recognized in Statement of OCI	December 31, 2020
Accrued expenses	$ (61.8)	$ 116.7	$ —	$ 54.9
Net tax losses	101.6	18.7	—	120.3
Inventories	5.5	(1.9)	—	3.6
Non-deductible interest	22.8	(11.0)	—	11.8
Other tax credits	113.2	(112.8)	—	0.4
Foreign exchange	(2.6)	(14.0)	(5.7)	(22.3)
Provisions for pensions and other long-term employee benefits	5.0	(18.4)	25.5	12.1
Contingencies	27.2	18.5	—	45.7
Leasing	219.8	26.1	—	245.9
Other	(4.1)	(7.9)	—	(12.0)
Revenue in excess of billings on contracts accounted for under the percentage of completion method	(20.6)	(23.6)	—	(44.2)
U.S. tax on foreign subsidiaries' undistributed earnings not indefinitely reinvested	(10.4)	6.2	—	(4.2)
Property, plant and equipment, goodwill and other assets	(190.4)	35.3	—	(155.1)
Margin recognition on construction contracts	93.1	(14.6)	—	78.5
Leasing	(215.3)	(19.6)	—	(234.9)
Deferred income tax assets (liabilities), net	$ 83.0	$ (2.3)	$ 19.8	$ 100.5

As of December 31, 2021, the net deferred tax liability of $48.8 million is broken down into a deferred tax asset of $43.1 million and a deferred tax liability of $91.9 million as recorded in the statement of financial position.

As of December 31, 2020, the net deferred tax asset of $100.5 million is broken down into a deferred tax asset of $225.9 million and a deferred tax liability of $125.4 million as recorded in the statement of financial position.

8.4 Tax loss carry-forwards and tax credits

As of December 31, 2021 and 2020, deferred tax assets excluded U.S. foreign tax credit carryforwards of $136.5 million and $145.8 million, which, if not utilized, will begin to expire in 2023. Realization of these potential deferred tax assets not recognized is dependent on the generation of sufficient U.S. taxable income prior to the above date. Based on long-term forecasts of operating results, management believes that it is more likely than not that our U.S. earnings over the forecast period will not result in sufficient U.S. taxable income to fully realize these potential deferred tax assets not recognized. In its analysis, management has considered the effect of deemed dividends and other expected adjustments to U.S. earnings that are required in determining U.S. taxable income. Non-U.S. earnings subject to U.S. tax, including deemed dividends for U.S. tax purposes, were $19.5 million in 2021 and $0.1 million in 2020, respectively.

As of December 31, 2021, we had $455.5 million of tax-effected net operating loss carryforwards with approximately $23.5 million estimated to be utilized against an uncertain tax position and $434.8 million are potential deferred tax assets not recognized. The ultimate realization of these net operating loss carryforwards depend on our ability to generate sufficient taxable income in the appropriate taxing jurisdiction. Our tax-effected net operating losses will expire as follows:

(In millions)	Net Operating Loss
2022 – 2026	$ 55.4
2027 – 2031	42.0
2032 – 2042	70.1
Non-Expiring	288.0
	$ 455.5

Current tax payable balances for both 2020 and 2021 reflect uncertain tax positions irrespective of the date of settlement with the tax authorities. Uncertain tax provisions for 2020 has been presented within income taxes payable from other non-current liabilities. See Note 1 for discussion on estimates and uncertainties. There are no income tax consequences attached to the payment of dividends in either 2021 or 2020 by TechnipFMC to its shareholders.

NOTE 9. EARNINGS PER SHARE

A calculation of the basic and diluted earnings (loss) is as follows:

	Year Ended December 31,			
(In millions, except per share data)	**2021**		**2020**	
Net loss from continuing operations attributable to TechnipFMC plc	$	(237.2)	$	(3,501.6)
Profit from discontinued operations		603.3		243.2
Net income (loss) attributable to TechnipFMC plc	$	366.1	$	(3,258.4)
Weighted average number of shares outstanding		450.5		448.7
Total shares and dilutive securities		450.5		448.7
Basic and diluted earnings (loss) per share attributable to TechnipFMC plc:				
Loss per share from continuing operations attributable to TechnipFMC plc				
Basic	$	(0.53)	$	(7.80)
Earnings (loss) per share from discontinued operations attributable to TechnipFMC plc				
Basic	$	1.34	$	0.54
Total earnings (loss) per share attributable to TechnipFMC plc				
Basic and diluted	$	0.81	$	(7.26)

In 2021, the average annual share price amounted to $7.66 and the closing price to $5.92. In 2020, the average annual share price amounted to $9.48 and the closing price to $9.40.

For the years ended December 31, 2021 and 2020, we incurred net losses from continuing operations; therefore, the impact of any incremental shares from our share-based compensation awards would be anti-dilutive. For the year ended December 31, 2021 and 2020, 4.10 million shares and 3.8 million shares were anti-dilutive due to net loss position.

Weighted average shares of the following share-based compensation awards were excluded from the calculation of diluted weighted average number of shares where the assumed proceeds exceed the average market price from the calculation of diluted weighted average number of shares, because their effect would be anti-dilutive:

	Year Ended December 31,	
(millions of shares)	**2021**	**2020**
Share option awards	1.7	4.6
Restricted share units	0.1	1.8
Performance shares	—	1.9
Total	1.8	8.3

NOTE 10. EQUITY METHOD INVESTMENTS

Our equity investments were as follows as of December 31, 2021 and 2020:

	December 31, 2021		December 31, 2020	
(In millions, except %)	**Percentage Owned**	**Carrying Value**	**Percentage Owned**	**Carrying Value**
Dofcon Brasil AS	50 %	$ 276.9	50 %	$ 234.9
Serimax Holdings SAS	20 %	15.0	20 %	18.8
Magma Global Limited	— %	—	25 %	51.4
TTSJV WLL	— %	—	36 %	—
Other	—	0.5	—	49.2
Investments in equity affiliates		$ 292.4		$ 354.3

Our income from equity affiliates for the years ended December 31, 2021 and 2020 was $0.6 million and $61.5 million, respectively and included within our Subsea segment.

Our major equity method investments are as follows:

Dofcon Brasil AS ("Dofcon") - is an affiliated company in the form of a joint venture between Technip SA and DOF Subsea and was founded in 2006. Dofcon provides Pipe-Laying Support Vessels (PLSVs) for work in oil and gas fields offshore Brazil.

Serimax Holdings SAS ("Serimax") - is an affiliated company in the form of a joint venture between Technip SA and Vallourec SA and was founded in 2016. Serimax is headquartered in Paris, France and provides rigid pipes welding services for work in oil and gas fields around the world.

Magma Global Limited ("Magma Global") - In 2018, we entered into a collaboration agreement with Magma Global to develop a new generation of hybrid flexible pipe for use in the traditional and new energy industries. As part of the collaboration, we purchased a 25% ownership interest in Magma Global. In October 2021, we purchased the remaining ownership interest in Magma Global for $64.0 million. See Note 3 for further details.

TTSJV W.L.L. ("TTSJV W.L.L.") - is an affiliated company in the form of a joint venture between Technip Italy S.p.A. Technip USA, Inc., Tecnicas Reunidas Saudia for Services and Contracting Co. Ltd and Samsung Engineering Co. Ltd which was founded in in October 2018 for the BAPCO Modernization Program. Prior to the Spin-off date we have accounted for this investment using the equity method of accounting with results reported in the Technip Energies segment. On February 16, 2021, we completed the separation of the Technip Energies segment and, accordingly, the interest in TTSJV W.L.L. was spun-off. See Note 2 for further details.

Reconciliation of carrying amount in TechnipFMC's equity affiliates is as follows:

(In millions)	**2021**	**2020**
Carrying amount of investments at January 1	$ 354.3	$ 300.4
Acquisition/ Contribution	—	0.4
Disposal as part of Spin-off of Technip Energies	(48.8)	—
Divestiture [1]	(15.1)	—
Share of income of equity affiliates	0.6	69.4
Distributed dividends	(0.5)	(5.1)
Other comprehensive income	—	(10.6)
Net foreign exchange differences and other	1.9	(0.2)
Carrying Amount of Investment as of December 31 [2]	$ 292.4	$ 354.3

(1) In October 2021, we acquired the remaining 75% interest in Magma Global Limited.
(2) This table excludes the investment in Technip Energies which was accounted for as an equity affiliate from February 16, 2021 through September 3, 2021.

The tables below provide summarized financial information for Dofcon and TTSJV W.L.L. that are material to TechnipFMC. The information disclosed reflects the amounts presented in the financial statements of Dofcon and TTSJV W.L.L. and not TechnipFMC's share of those amounts. They have been amended to reflect adjustments made by TechnipFMC when using the equity method, including fair value adjustments.

	Dofcon		TTSJV W.L.L.
(In millions)	**December 31,**		**December 31,**
Data at 100%	**2021**	**2020**	**2020**
Cash and cash equivalents	$ 99.3	$ 124.3	$ 534.0
Other current assets	102.4	125.9	110.3
Total current assets	201.7	250.2	644.3
Non-current assets	1,648.6	1,671.1	1.6
Total assets	$ 1,850.3	$ 1,921.3	$ 645.9
Equity	$ 553.8	$ 469.8	$ —
Financial non-current liabilities (excluding trade payables)	917.8	1,031.7	—
Total non-current liabilities	917.8	1,031.7	—
Financial current liabilities (excluding trade payables)	246.2	326.4	—
Other current liabilities	132.5	93.4	645.9
Total current liabilities	378.7	419.8	645.9
Total equity and liabilities	$ 1,850.3	$ 1,921.3	$ 645.9

	Dofcon		TTSJV W.L.L.
(In millions)	**December 31,**		**December 31,**
Data at 100%	**2021**	**2020**	**2020**
Revenue	$ 281.4	$ 290.8	$ 1,053.6
Depreciation and amortization	(89.5)	(85.0)	(3.1)
Interest income	7.4	11.2	1.3
Interest expense	(41.8)	(34.5)	—
Income tax expense (benefit)	(21.0)	19.4	—
Profit for the period	78.0	138.9	18.7
Other comprehensive income (loss)	6.0	(3.9)	—
Total comprehensive income	$ 84.0	$ 135.0	$ 18.7

(In millions)	**Dofcon**		**TTSJV W.L.L.**
Data at 100%	**2021**	**2020**	**2020**
Carrying amount of investment as at January 1	$ 469.8	$ 334.8	$ (18.7)
Profit for the period	78.0	138.9	18.7
Other comprehensive income (loss)	6.0	(3.9)	—
Carrying amount of investment as of December 31	$ 553.8	$ 469.8	$ —
TechnipFMC's share in %	50.0%	50.0%	36.0%
TechnipFMC's share in investment	$ 276.9	$ 234.9	$ —
Carrying amount	$ 276.9	$ 234.9	$ —

In addition to the interest in Dofcon and TTSJV W.L.L disclosed above, TechnipFMC also has interests in a number of individually immaterial associates that are accounted for using the equity method. None of the investments in joint ventures and associates is individually material, therefore summarized financial information (at 100%) are presented below:

(In millions)	**December 31,**	
Data at 100%	**2021**	**2020**
Non-current assets	$ 86.6	$ 346.1
Current assets	72.7	1,449.8
Total assets	$ 159.3	$ 1,795.9
Total equity	$ 75.3	$ 483.4
Non-current liabilities	5.7	16.2
Current liabilities	78.3	1,296.3
Total equity and liabilities	$ 159.3	$ 1,795.9

Summarized statement of total comprehensive income (at 100%) are presented below:

(In millions)	**Year Ended December 31,**	
Data at 100%	**2021**	**2020**
Revenue	$ 137.7	$ 167.7
Depreciation and amortization	(11.3)	(11.6)
Interest expense	(1.2)	(2.3)
Income tax expense (benefit)	(1.0)	(1.4)
(Loss) for the period	$ (11.6)	$ (29.8)
Other comprehensive income (loss)	(6.6)	18.5
Total comprehensive income (loss)	$ (18.2)	$ (11.3)

Summarized financial information is not provided for the interest in Technip Energies as of December 31, 2021 since the investment was classified as held for sale as of the Spin-off date and significant influence over its operations ceased by the end of the period, as further described in Note 2.

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

The following tables include the costs, the accumulated depreciation and impairment losses by type of tangible assets:

(In millions)	**Land**	**Buildings**	**Vessels**	**Machinery and Equipment**	**Assets under Construction**	**Other**	**Total**
Net book value as of December 31, 2019	$ 102.4	$ 399.8	$ 1,300.3	$ 1,045.2	$ 128.9	$ 178.8	$ 3,155.4
Costs	97.6	703.1	2,528.8	2,360.8	148.1	554.0	6,392.4
Accumulated depreciation	(7.8)	(242.1)	(740.1)	(1,016.8)	—	(394.1)	(2,400.9)
Accumulated impairment	(8.1)	(93.7)	(585.0)	(441.2)	(2.5)	(15.8)	(1,146.3)
Net book value as of December 31, 2020	$ 81.7	$ 367.3	$ 1,203.7	$ 902.8	$ 145.6	$ 144.1	$ 2,845.2
Costs	$ 88.5	$ 624.1	$ 2,535.5	$ 2,283.6	$ 110.3	$ 328.1	$ 5,970.1
Accumulated depreciation	(7.6)	(149.0)	(795.2)	(1,036.9)	—	(206.4)	(2,195.1)
Accumulated impairment	(8.1)	(103.6)	(580.7)	(429.3)	(1.8)	(14.9)	(1,138.4)
Net book value as of December 31, 2021	$ 72.8	$ 371.5	$ 1,159.6	$ 817.4	$ 108.5	$ 106.8	$ 2,636.6

In connection with our annual test for impairment of goodwill as of October 31, property, plant and equipment was also tested for impairment at that date. In estimating property, plant and equipment value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit). For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, an impairment loss is recognized. An impairment loss is recognized as an expense immediately as part of operating profit (loss) in the consolidated statements of income.

In estimating certain vessels' recoverable amounts, we obtained independent valuations, which represent the fair value less costs of disposal. At the year end, triggering events were identified which led to an impairment assessment being performed over certain vessels by estimating its value in use.

The income approach estimates the value in use by discounting the vessel's estimated future cash flows using a weighted-average cost of capital that reflects current market conditions. To calculate the future cash flows, we used estimates of economic and market assumptions, including growth rates in revenues, costs, estimates of future expected changes in operating margins, tax rates and cash expenditures. The future revenues are estimated based on the vessel working days, working day rate, and are adjusted to match changes in our business strategy and estimates as discussed in Note 1.

We did not record any impairment of vessels during the year ended December 31, 2021.

2021

The $24.4 million of property, plant and equipment impairments recorded in 2021 consisted of $22.8 million of property, plant and equipment impairments recorded in our Subsea segment and $1.6 million of property, plant and equipment impairments recorded in our Surface Technologies segment.

2020

Due to the substantial decline in global demand for oil caused by the COVID-19 pandemic in 2020 we reviewed the future utilization of our vessels and the service potential of our subsea service and surface equipment and determined that the carrying amount of certain properties, plant and equipment exceeded their respective recoverable amounts. Assessing these asset groups for recoverability required the use of unobservable inputs that involves significant judgment. Such judgments include expected future asset utilization while taking into account reduced future capital spending by certain customers in response to market conditions.

The $172.3 million of property, plant and equipment impairments during the year ended December 31, 2020 consisted of $92.9 million attributable to plant, equipment and various machinery infrastructure in our Subsea operating segment; $79.4 million mainly related to building and surface equipment in our Surface Technologies reportable segment. As of December 31, 2020, these impaired assets were recorded at their recoverable amount of $464.7 million. We measured the recoverable amount by estimating the amount and timing of net future cash flows, which are Level 3 unobservable inputs, and discounting them using a risk-adjusted rate of interest of 10.8%.

In December 2020, we announced our intent to sell our G1200 vessel as part of our overall strategy to optimize the profile and size of our Subsea fleet. As of December 31, 2020, we evaluated the vessel's book value and adjusted it by $8.3 million to the lower of its carrying amount or estimated fair value less cost to sell. An impairment charge of $8.3 million was recorded within Impairment, Restructuring and Other Expenses in our consolidated statement of income for the year ended December 31, 2020.

A reconciliation of the carrying amount of property, plant and equipment is as following:

(In millions)	Land	Buildings	Vessels	Machinery and Equipment	Assets under Construction	Other	Total
Net book value as of December 31, 2019	$ 102.4	$ 399.8	$ 1,300.3	$ 1,045.2	$ 128.9	$ 178.8	$ 3,155.4
Additions	1.7	21.1	32.1	143.6	63.9	34.6	297.0
Disposal	(11.5)	(8.9)	(1.2)	(5.9)	—	0.7	(26.8)
Depreciation expense for the year	(0.6)	(23.4)	(98.3)	(166.0)	—	(34.1)	(322.4)
Impairment	(4.7)	—	(16.4)	(150.5)	(0.7)	—	(172.3)
Net foreign exchange differences	(1.4)	(5.2)	23.2	(10.4)	(7.6)	(16.6)	(18.0)
Other	(4.2)	(16.1)	(36.0)	46.8	(38.9)	(19.3)	(67.7)
Net book value as of December 31, 2020	81.7	367.3	1,203.7	902.8	145.6	144.1	2,845.2
Additions	0.2	75.9	33.0	91.3	38.1	6.0	244.5
Acquisitions through business combinations	—	7.8	—	9.6	—	—	17.4
Spin-off of Technip Energies	(7.6)	(37.7)	—	(20.1)	—	(40.2)	(105.6)
Disposals	—	(1.5)	(45.4)	(13.4)	0.6	(2.7)	(62.4)
Depreciation expense for the Year	(0.6)	(19.8)	(98.2)	(154.8)	—	(19.7)	(293.1)
Impairment	—	(12.6)	—	(11.7)	—	(0.1)	(24.4)
Net foreign exchange differences	(1.0)	(6.8)	(11.9)	(18.4)	(1.8)	(6.3)	(46.2)
Other	0.1	(1.1)	78.4	32.1	(74.0)	25.7	61.2
Net book value as of December 31, 2021	$ 72.8	$ 371.5	$ 1,159.6	$ 817.4	$ 108.5	$ 106.8	$ 2,636.6

NOTE 12. GOODWILL AND INTANGIBLE ASSETS, NET

12.1 Intangible assets, net

The components of intangible assets were as follows:

(In millions)	Goodwill	Acquired Technology	Customer Relationships	Tradenames	Licenses, Patents and Trademarks	Software	Other	Total
Net book value as of December 31, 2019	$ 5,654.6	$ 166.1	$ 199.5	$ 540.8	$ 49.7	$ 75.2	$ 55.3	$ 6,741.2
Costs	9,038.3	240.0	285.4	636.7	187.3	253.0	106.7	10,747.4
Accumulated amortization	—	(98.9)	(114.4)	(127.7)	(135.5)	(178.9)	(65.2)	(720.6)
Accumulated impairment	(6,383.6)	—	—	—	—	(7.4)	—	(6,391.0)
Net book value as of December 31, 2020	$ 2,654.7	$ 141.1	$ 171.0	$ 509.0	$ 51.8	$ 66.7	$ 41.5	$ 3,635.8
Costs	140.9	240.0	285.4	632.7	68.9	108.2	71.6	1,547.7
Accumulated amortization	—	(123.9)	(142.9)	(157.6)	(65.8)	(84.8)	(10.7)	(585.7)
Accumulated impairment	—	—	—	—	—	—	(7.4)	(7.4)
Net book value as of December 31, 2021	$ 140.9	$ 116.1	$ 142.5	$ 475.1	$ 3.1	$ 23.4	$ 53.5	$ 954.6

A reconciliation of the carrying amount of intangible assets is as follows:

(In millions)	Goodwill	Acquired Technology	Customer Relationships	Tradenames	Licenses, Patents and Trademarks	Software	Other	Total
Net book value as of December 31, 2019	$ 5,654.6	$ 166.1	$ 199.5	$ 540.8	$ 49.7	$ 75.2	$ 55.3	$ 6,741.2
Additions	—	—	—	—	2.7	16.3	(0.1)	18.9
Amortization charge for the year	—	(25.0)	(28.5)	(31.8)	(1.8)	(22.4)	(14.2)	(123.7)
Impairment	(2,997.7)	—	—	—	—	(6.0)	—	(3,003.7)
Net foreign exchange differences (1)	(2.2)	—	—	—	1.0	3.3	0.5	2.6
Other	—	—	—	—	0.2	0.3	—	0.5
Net book value as of December 31, 2020	2,654.7	141.1	171.0	509.0	51.8	66.7	41.5	3,635.8
Additions	—	—	—	—	—	2.0	1.2	3.2
Spin-off of Technip Energies	(2,512.5)	—	—	—	(51.0)	(22.6)	(54.5)	(2,640.6)
Acquisitions	—	—	—	—	4.5	—	45.7	50.2
Amortization charge for the year	—	(25.0)	(28.5)	(31.9)	0.6	(9.2)	(0.1)	(94.1)
Net foreign exchange differences (1)	(1.3)	—	—	—	(0.3)	(0.1)	—	(1.7)
Other	—	—	—	(2.0)	(2.5)	(13.4)	19.7	1.8
Net book value as of December 31, 2021	$ 140.9	$ 116.1	$ 142.5	$ 475.1	$ 3.1	$ 23.4	$ 53.5	$ 954.6

(1) Goodwill is partially denominated in Euro.

TechnipFMC recognized identifiable intangible assets acquired in business combinations. All of the acquired identifiable intangible assets are subject to amortization and, where applicable, foreign currency translation adjustments. There are no intangible assets other than goodwill with indefinite useful life.

12.2 Goodwill

A reconciliation of carrying amounts of goodwill by reporting segment are as follows:

	Subsea	Technip Energies	Surface Technologies (1)	Total
December 31, 2019	$ 2,866.8	$ 2,423.6	$ 364.2	$ 5,654.6
Transfers	(21.2)	46.1	(24.9)	—
Impairment	(2,800.2)	—	(197.5)	(2,997.7)
Translation	(45.4)	42.8	0.4	(2.2)
December 31, 2020	—	2,512.5	142.2	2,654.7
Spin-off of Technip Energies	—	(2,512.5)	—	(2,512.5)
Translation	—	—	(1.3)	(1.3)
December 31, 2021	$ —	$ —	$ 140.9	$ 140.9

(1) Surface Technologies includes Surface Americas and Surface International operating segments. While the CODM receives separate reports for each of the Surface region, the Surface Americas and Surface International operating segments have been aggregated into one reportable segment Surface Technologies as they have similar characteristics.

Goodwill was tested for impairment utilizing the methodology in accordance with the accounting policy in Note 1.

The valuation of GCGUs for the purpose of the goodwill impairment test, the recoverable amount of the GCGUs was primarily determined by estimating value in use. The income approach estimates the value in use by discounting each GCGU's estimated future cash flows using a weighted-average cost of capital that reflects current market conditions and the risk profile of the GCGU. To calculate the future cash flows, TechnipFMC used estimates of economic and market assumptions, including growth rates in revenues, costs, estimates of future expected changes in operating margins, tax rates and cash expenditures. The future revenues are adjusted to match changes in TechnipFMC's business strategy and management's judgmental assessments as discussed in Note 1.

We did not record any impairment of goodwill during the year ended December 31, 2021 in our Surface International operating segment.

During the first half of 2020, triggering events were identified which led to performing interim goodwill impairment testing in our Subsea, Surface Americas and Surface International operating segments as of June 30, 2020. These events included the COVID-19 pandemic breakout, commodity price declines, and a significant decrease in our market capitalization as well as those of our peers and customers. The estimation of recoverable amounts of our Subsea, Surface Americas and Surface International operating segments was determined based on value in use calculations. An interim impairment test during the first quarter of 2020 resulted in $2,800.2 million, $12.2 million and $185.3 million of goodwill impairment charges in our Subsea, Surface Americas and Surface International operating segments, respectively. The goodwill at our Subsea and Surface Americas operating segments was fully impaired at June 30, 2020.

Significant Estimates

The following table presents the significant estimates used by management in determining the recoverable amount of our relevant operating segments for the years ended December 31, 2021 and 2020:

	Year Ended December 31,	
	2021	**2020**
Year of cash flows before terminal value	4	4
Risk-adjusted post-tax discount rate	10.4%	9.5%

During the years ended December 31, 2021 and 2020, the significant estimates used by management in determining the recoverable amount described above relate to Technip Energies and Surface International operating segments only.

NOTE 13. OTHER NON-CURRENT ASSETS

Other non-current assets consisted of the following:

	December 31,	
(In millions)	**2021**	**2020**
Non-current financial assets at amortized cost, gross	$ 104.9	$ 186.9
Loss allowance	(1.2)	(11.7)
Non-current financial assets at amortized cost, net	103.7	175.2
Non-quoted equity instruments at Fair Value Through Profit or Loss ("FVTPL")	2.7	2.6
Quoted equity instruments at FVTPL	25.0	65.6
Total non-current assets, net	$ 131.4	$ 243.4

NOTE 14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following:

(In millions)	December 31, 2021	December 31, 2020
Cash at bank and in hand	$ 1,299.0	$ 3,159.4
Cash equivalents	28.4	1,648.3
Total cash and cash equivalents	$ 1,327.4	$ 4,807.7
U.S. dollar	$ 619.7	$ 1,880.8
Euro	118.2	1,724.7
Pound sterling	105.2	110.6
Norwegian krone	90.6	77.8
Australian dollar	71.1	34.6
Malaysian ringgit	28.8	138.4
Other	293.8	840.8
Total cash and cash equivalents by currency	$ 1,327.4	$ 4,807.7
Fixed term deposits	$ 4.5	$ 1,634.7
Other	23.9	13.6
Total cash equivalents by nature	$ 28.4	$ 1,648.3

A substantial portion of cash and securities are recorded or invested in either Euro or U.S. dollar which are frequently used by TechnipFMC within the framework of its commercial relationships. Cash and securities in other currencies correspond either to deposits retained by subsidiaries located in countries where such currencies are the national currencies in order to ensure their own liquidity, or to amounts received from customers prior to the payment of expenses in these same currencies or the payment of dividends. Short-term deposits are classified as cash equivalents along with the other securities.

NOTE 15. TRADE RECEIVABLES, NET AND CONTRACT ASSETS

Trade receivables, net and contract assets include trade accounts receivable from completed contracts, contract assets and other miscellaneous invoices (e.g. trading, procurement services). TechnipFMC's trade receivables and contracts assets mainly constitute a homogeneous portfolio of major oil and gas, petrochemical or oil-related companies.

TechnipFMC applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. On that basis, all potential uncollectible receivables as of December 31, 2021 and 2020 were determined as follows for both trade receivables and contract assets:

	December 31,			
	2021		2020	
(In millions)	Trade Receivables	Contract Assets	Trade Receivables	Contract Assets
Gross amount	$ 1,042.7	$ 965.8	$ 2,498.3	$ 1,267.8
Opening loss allowance	$ (108.9)	$ (1.0)	$ (101.1)	$ (2.5)
Spin-off of Technip Energies	68.7	—	—	—
(Increase) decrease in loss allowance	(7.3)	0.6	(69.1)	1.1
Used allowance reversals	6.8	—	55.5	—
Unused allowance reversals	6.7	0.7	9.6	—
Effects of foreign exchange and other	5.0	1.6	(3.8)	0.4
Closing loss allowance	$ (29.0)	$ 1.9	$ (108.9)	$ (1.0)
Total, net	$ 1,013.7	$ 967.7	$ 2,389.4	$ 1,266.8

See Note 31 for further information on impairment losses of trade receivables and TechnipFMC's exposure to credit risk and foreign currency risk.

NOTE 16. INVENTORIES

Inventories consisted of the following:

	December 31,	
(In millions)	**2021**	**2020**
Raw materials	$ 250.1	$ 272.4
Work in process	178.7	245.2
Finished goods	618.0	763.9
Total inventories, net	$ 1,046.8	$ 1,281.5

All amounts in the table above are reported net of obsolescence reserves of $116.6 million and $162.8 million as of December 31, 2021 and 2020, respectively.

NOTE 17. OTHER CURRENT ASSETS

Other current assets consisted of the following:

	December 31,	
(In millions)	**2021**	**2020**
Current financial assets at amortized cost	$ 21.9	$ 64.2
Current financial assets, total	21.9	64.2
Value added tax receivables	222.4	450.5
Other tax receivables	70.6	90.7
Prepaid expenses	50.7	111.7
Asset held for sale	4.9	47.3
Other	56.8	128.8
Other current assets, total	405.4	829.0
Total other current assets, net	$ 427.3	$ 893.2

NOTE 18. STOCKHOLDERS' EQUITY

18.1 Changes in TechnipFMC's ordinary shares and treasury shares

As of December 31, 2021 and 2020, TechnipFMC's share capital was 450,700,480 ordinary shares and 449,466,233 ordinary shares, respectively. On November 27, 2019, TechnipFMC redeemed 50,000 redeemable shares of £1 each and canceled one deferred ordinary share of £1 in the capital of TechnipFMC.

The movements in share capital were as follows:

(In millions of shares)	**Ordinary Shares**	**Ordinary Shares held in Employee Benefit Trust**	**Treasury Shares**
December 31, 2019	447.1	—	—
Stock awards	2.4	—	—
December 31, 2020	449.5	—	—
Stock awards	1.2	—	—
December 31, 2021	450.7	—	—

18.2 Dividends

As an English public limited company, we are required under U.K. law to have available "distributable reserves" to conduct share repurchases or pay dividends to shareholders. Distributable reserves are a statutory requirement and are not linked to a IFRS reported amount (e.g. retained earnings, net income and other reserves). The declaration and payment of dividends require the authorization of our Board of Directors, provided that such dividends on issued share capital may be paid only out of our "distributable reserves" on our statutory balance sheet. Therefore, we are not permitted to pay dividends out of share capital, which includes share premium

Our articles of association permit us by ordinary resolution of the shareholders to declare dividends, provided that the directors have made a recommendation as to its amount. The dividend shall not exceed the amount recommended by the directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify the payment. When recommending or declaring payment of a dividend, the directors are required under English law to comply with their duties, including considering our future financial requirements.

Dividends declared and paid during the year ended December 31, 2020 were $59.2 million. See Note 2 for additional information regarding the Distribution of Technip Energies.

18.3 Capital management

For the purpose of our equity capital management, equity capital includes issued ordinary shares, share premium and all other equity reserves attributable to the equity holders of TechnipFMC. The primary objective of our capital management is to maximize shareholder value.

We monitor our capital structure and take actions in light of economic conditions and the requirements of our financial covenants. To manage our capital structure, from time to time we may adjust the return capital to shareholders or issue new shares. We have also met all our financial covenants set forth by our loans and borrowings.

In 2017, the Board of Directors authorized a share repurchase program of up to $500.0 million in ordinary shares. In December 2018, the Board of Directors authorized an extension of the share repurchase program of up to $300.0 million of additional shares. We did not repurchase any shares during the years ended December 31, 2021 or 2020. As of December 31, 2021, we had $207.8 million of shares authorized for repurchase. Repurchased shares are canceled and not held in treasury.

As of December 31, 2021, our securities authorized for issuance under equity compensation plans were as follows:

	Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (in thousands)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (in $)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (in thousands)
Equity compensation plans approved by security holders	1,576.1	$ 20.17	14,352.3
Equity compensation plans not approved by security holders	—	—	—
Total	1,576.1	$ 20.17	14,352.3

We had no unregistered sales of equity securities during the years ended December 31, 2021 and 2020.

18.4 Accumulated other comprehensive income (loss)

Accumulated other comprehensive income (loss) are as follows:

(In millions)	Cash Flow Hedges [1]	Gains (Losses) on Defined Benefit Pension Plans	Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss) – TechnipFMC plc	Accumulated Other Comprehensive Income (Loss) – Non-Controlling Interests	Total Accumulated Other Comprehensive Income (Loss)
December 31, 2019	$ (39.7)	$ (73.2)	$ (824.5)	$ (937.4)	$ (5.6)	$ (943.0)
Net gain/(loss) before reclassification to profit or loss, net of tax	59.7	(83.5)	(172.9)	(196.7)	0.6	(196.1)
Reclassification to profit or loss, net of tax	(20.0)	—	—	(20.0)	—	(20.0)
Other comprehensive (loss)/income, net of tax	39.7	(83.5)	(172.9)	(216.7)	0.6	(216.1)
December 31, 2020	$ —	$ (156.7)	$ (997.4)	$ (1,154.1)	$ (5.0)	$ (1,159.1)
Net gain/(loss) before reclassification to profit or loss, net of tax	(68.1)	131.7	32.7	96.3	0.1	96.4
Reclassification to profit or loss, net of tax	14.1	—	—	14.1	—	14.1
Reclassification to profit or loss due to Spin-off of Technip Energies, net of tax	(14.5)	—	181.4	166.9	—	166.9
Other comprehensive (loss)/income, net of tax	(68.5)	131.7	214.1	277.3	0.1	277.4
Spin-off of Technip Energies	—	37.2	—	37.2	—	37.2
December 31, 2021	$ (68.5)	$ 12.2	$ (783.3)	$ (839.6)	$ (4.9)	$ (844.5)

(1) Recorded under this heading is the effective portion of the change in fair value of the financial instruments qualified as cash flow hedging, as well as foreign exchange gains and losses corresponding to the effective portion of non-derivative financial assets or liabilities that are designated as a hedge of a foreign currency risk.

18.5 Non-controlling interests

Non-controlling interests amounting to $15.7 million and $103.8 million as of December 31, 2021 and 2020, respectively, did not represent a material component of TechnipFMC's consolidated financial statements in the years ended December 31, 2021, and 2020.

As a result of the spin-off of Technip Energies transaction, non-controlling interest of $21.8 million has been derecognized as of February 16, 2021.

NOTE 19. SHARE-BASED COMPENSATION

Incentive compensation and award plan

On January 11, 2017, we adopted TechnipFMC's Incentive Award Plan (the "Plan"). The Plan provides certain incentives and awards to officers, employees, non-employee directors and consultants of TechnipFMC and its subsidiaries. The Plan allows our Board of Directors to make various types of awards to non-employee directors and the Compensation and Talent Committee (the "Committee") of the Board of Directors to make various types of awards to other eligible individuals. Awards may include share options, share appreciation rights, performance share units, restricted share units, restricted shares or other awards authorized under the Plan. All awards are subject to the Plan's provisions, including all share-based grants previously issued by FMC Technologies and Technip prior to consummation of the Merger. Under the Plan, 15.2 million ordinary shares were authorized for awards in 2017. On the record date of the Spin-off, 11.9 million shares remained available under the Plan, which were adjusted to reflect the Spin-off using an adjustment ratio. After this adjustment 15.2 million ordinary shares remained authorized for awards under the Plan as of February 17, 2021. As of December 31, 2021, 7.8 million ordinary shares were available for future grant.

The exercise price for options is determined by the Committee but cannot be less than the fair market value of our ordinary shares at the grant date. Restricted share and performance share unit grants generally vest after three years of service.

Under the Plan, our Board of Directors has the authority to grant non-employee directors share options, restricted shares, restricted share units and performance shares. Unless otherwise determined by our Board of Directors, awards to non-employee directors generally vest one year from the date of grant. Restricted share units are settled when a director ceases services to the Board of Directors. As of December 31, 2021, outstanding awards to active and retired non-employee directors included 184.6 thousand of share units. As of December 31, 2020, outstanding awards to active and retired non-employee directors included 254.3 thousand of share units.

We recognize compensation expense and the corresponding tax benefits for awards under the Plan. The compensation expense under the Plan was as follows:

	Year Ended December 31,	
(In millions)	2021	2020
Share-based compensation expense	$ 26.8	$ 38.3
Income tax benefits related to share-based compensation expense	7.2	10.3

In connection with the Spin-off and in accordance with the employee matters agreement, TechnipFMC has made certain adjustments to the exercise price and the number of share-based compensation awards. Share options and restricted share units were modified and converted into similar awards of the entity where the employee is working post the Spin-off using an adjustment ratio with the intention of preserving the intrinsic value of the awards prior to the Spin-off. Performance share units have been modified and converted to restricted share units at the target value using the adjustment ratio. The pre-tax share-based compensation expense due to the adjustments was $5.2 million in fiscal year 2021. All outstanding share awards and share options for employees transferred to Technip Energies were canceled in connection with the Spin-off.

Additionally, in connection with the Spin-off, the Board of Directors approved amendments to certain outstanding long-term incentive awards on January 28, 2021. The amendments provided for the accelerated vesting on February 2, 2021 of certain stock-based awards that were otherwise scheduled to vest between June 1, 2021 and November 31, 2021.

Share-based compensation expense is recognized over the lesser of the stated vesting period of three years or the period until the employee reaches age 62 (the retirement eligible age under the plan).

As of December 31, 2021 and 2020, the portion of share-based compensation expense related to outstanding awards to be recognized in future periods is as follows:

	December 31, 2021		December 31, 2020	
Share-based compensation expense not yet recognized (In millions of U.S. dollars)	$	51.6	$	68.1
Weighted-average recognition period (in years)		1.42		1.8

Restricted share units

A summary of the non-vested restricted share units activity is as follows:

	2021			2020		
(Shares in thousands)	Shares		Weighted-Average Grant Date Fair Value	Shares		Weighted-Average Grant Date Fair Value
Non-vested as of January 1	6,121.9	$	18.43	4,525.9	$	27.44
Granted	2,893.0	$	7.97	3,836.0	$	9.27
Vested	(667.1)	$	37.57	(1,909.1)	$	27.16
Cancelled/forfeited	(882.6)	$	13.75	(330.9)	$	15.71
Adjustment due to Spin-off	2,124.3		12.37	—	$	—
Non-vested as of December 31	9,589.5	$	11.35	6,121.9	$	18.43

The total grant date fair value of restricted stock share units vested during the years ended December 31, 2021 and 2020 was $25.1 million and $51.8 million, respectively.

Performance share units

The Board of Directors has granted certain employees, senior executives and Directors or Officers performance share units that vest subject to achieving satisfactory performances. For performance share units issued on or after January 1, 2017, performance is based on results of return on invested capital and total shareholder return ("TSR").

For the performance share units which vest based on TSR, the fair value of performance shares is estimated using a combination of the closing stock price on the grant date and the Monte Carlo simulation model. The weighted-average fair value and the assumptions used to measure the fair value of performance share units subject to performance-adjusted vesting conditions in the Monte Carlo simulation model were as follows:

	Year Ended December 31, 2021		Year Ended December 31, 2020	
Weighted-average fair value (1)	$	11.50	$	10.02
Expected volatility (2)		62.7 %		38.3 %
Risk-free interest rate (3)		0.4 %		0.4 %
Expected performance period in years (4)		2.9		3.0

(1) The weighted-average fair value was based on performance share units granted during the period.
(2) Expected volatility is based on normalized historical volatility of our shares over a preceding period commensurate with the expected term of the performance share units.
(3) The risk-free rate for the expected term of the performance share units is based on the U.S. Treasury yield curve in effect at the time of grant.
(4) For awards subject to service-based vesting, due to the lack of historical exercise and post-vesting termination patterns of the post-Merger employee base, the expected term was estimated using a simplified method for all awards granted in 2020.

A summary of the non-vested performance share units activity is as follows:

(Shares in thousands)	Shares		Weighted Average Grant Date Fair Value
Balance as of December 31, 2020	4,840.7	$	17.55
Granted	2,426.2	$	11.5
Exercised	(111.3)	$	30.42
Cancelled/forfeited	(1,723.2)	$	16.03
Adjustment due to Spin-off	(3,122.8)		12.37
Balance as of December 31, 2021	2,309.6	$	13.26

The total grant date fair value of performance shares vested during years ended December 31, 2021 and 2020 was $3.4 million and $43.2 million, respectively.

Share option awards

The fair value of each share option award is estimated as of the date of grant using the Black-Scholes options pricing model or the Cox Ross Rubinstein binomial model.

Share options awarded prior to 2017 were granted subject to performance criteria based upon certain targets, such as total shareholder return, return on capital employed, and operating profit (loss) from recurring activities. Subsequent share options granted are time-based awards vesting over three years. We did not grant any share option awards during the years ended December 31, 2021 or 2020.

The following is a summary of share option transactions during year ended December 31, 2021:

(Shares in thousands)	Shares		Weighted average exercise price	Weighted average remaining life
Balance as of December 31, 2020	4,598.4	$	29.77	4.2
Granted	—	$	—	—
Exercised	—	$	—	—
Cancelled	(532.0)	$	24.1	—
Adjustment due to the Spin-off	(2,490.3)		31.94	
Balance as of December 31, 2021	1,576.1	$	20.17	6.3
Exercisable as of December 31, 2021	939.3	$	22.99	5.6

The aggregate intrinsic value of stock options outstanding and stock options exercisable as of December 31, 2021 was nil and nil, respectively.

Cash received from the share option exercises was nil during each of the years ended December 31, 2021 and 2020. The total intrinsic value of share options exercised during each of the years ended December 31, 2021 and 2020 was nil. To exercise share options, an employee may choose (1) to pay, either directly or by way of the group savings plan, the share option strike price to obtain shares, or (2) to sell the shares immediately after having exercised the share option (in this case, the employee does not pay the strike price but instead receives the intrinsic value of the share options in cash).

The following summarizes significant ranges of outstanding and exercisable share options as of December 31, 2021:

	Options Outstanding			Options Exercisable	
Exercise Price Range	Number of options (in thousands)	Weighted average remaining life (in years)	Weighted average exercise price (in $)	Number of options (in thousands)	Weighted average exercise price (in $)
$16.00-$19.00	636.7	7.20	$ 16.46	—	$ —
$20.00-$24.00	721.2	5.60	$ 22.28	721.2	$ 22.28
$25.00-$26.00	218.2	5.60	$ 25.32	218.2	$ 25.32
TOTAL	1,576.1	6.30	$ 20.17	939.4	$ 23.00

The following summarizes significant ranges of outstanding and exercisable options as of December 31, 2020:

	Options Outstanding			Options Exercisable	
Exercise Price Range	Number of options (in thousands)	Weighted average remaining life (in years)	Weighted average exercise price (in $)	Number of options (in thousands)	Weighted average exercise price (in $)
$20.00-$33.00	4,087.2	4.6	$ 26.68	2,949.5	$ 26.90
$45.00-$51.00	33.0	1.0	$ 45.49	33.0	$ 45.49
$55.00-$57.00	478.2	0.4	$ 56.93	478.3	$ 56.93
TOTAL	4,598.4	4.2	$ 29.77	3,460.8	$ 31.47

NOTE 20. DEBT

20.1 Debt

Short-term debt and current portion of long-term debt consisted of the following:

(In millions)	December 31, 2021 Carrying amount	December 31, 2021 Fair Value	December 31, 2020 Carrying amount	December 31, 2020 Fair Value
Commercial papers	$ —	$ —	$ 1,525.2	$ 1,527.7
Synthetic bonds due 2021	—	—	551.1	552.0
3.40% 2012 Private placement due 2022	169.9	171.9	—	—
Bank borrowings	72.6	72.6	56.5	56.5
Other	35.4	35.4	28.8	28.5
Total short-term debt and current portion of long-term	$ 277.9	$ 279.9	$ 2,161.6	$ 2,164.7

Long-term debt--Long-term debt consisted of the following:

(In millions)	December 31, 2021 Carrying Amount	December 31, 2021 Fair Value	December 31, 2020 Carrying Amount	December 31, 2020 Fair Value
3.45% Senior Notes due 2022	$ —	$ —	$ 500.0	$ 513.2
3.40% 2012 Private placement due 2022	—	—	184.0	188.8
3.15% 2013 Private placement due 2023	147.0	153.6	159.0	163.7
3.15% 2013 Private placement due 2023	141.5	147.5	153.3	161.8
5.75% 2020 Private placement due 2025	223.7	247.1	241.1	256.8
6.50% Senior notes due 2026	619.8	678.2	—	—
4.00% 2012 Private placement due 2027	84.9	90.9	91.9	99.7
4.00% 2012 Private placement due 2032	110.2	111.9	119.0	136.8
3.75% 2013 Private placement due 2033	110.6	105.0	119.5	126.4
Bank borrowings and other	340.8	340.8	224.7	224.8
Total long-term debt	1,778.5	1,875.0	1,792.5	1,872.0
Commercial paper	—	—	1,525.2	1,527.7
Bank borrowings and other	108.0	108.0	85.3	85.0
Synthetic bonds due 2021	—	—	551.1	552.0
3.40% 2012 Private placement due 2022	169.9	171.9	—	—
Total short-term debt and current portion of long-term	277.9	279.9	2,161.6	2,164.7
Total debt	$ 2,056.4	$ 2,154.9	$ 3,954.1	$ 4,036.7

Debt Financing Transactions in Connection with the Spin-off

In connection with the Spin-off, we executed a series of refinancing transactions, in order to provide a capital structure with sufficient cash resources to support future operating and investment plans.

Debt Issuance

- On February 16, 2021, we entered into a credit agreement, which provides for a $1.0 billion three-year senior secured multicurrency revolving credit facility (“Revolving Credit Facility”) including a $450.0 million letter of credit subfacility; and
- On January 29, 2021, we issued $1.0 billion of 6.50% senior notes due 2026 (the “2021 Notes”).

Repayment of Debt

The proceeds from the debt issuance described above along with the available cash on hand, were used to fund:

- the repayment of all $542.4 million of the outstanding Synthetic Convertible Bonds that matured in January 2021;
- the repayment of all $500.0 million aggregate principal amount of outstanding 3.45% Senior Notes due 2022. In connection with the repayment, we recorded a loss on extinguishment of debt of $23.5 million related to the difference between the amount paid and the net carrying value of the debt; and
- the termination of the $2.5 billion senior unsecured revolving credit facility entered into on January 17, 2017; the termination of the €500.0 million Euro Facility entered into on May 19, 2020, and the termination of the CCFF Program entered into on May 19, 2020. In connection with the termination of these credit facilities, we repaid $830.9 million of the outstanding commercial paper borrowings.

Credit Facilities and Debt

Revolving Credit Facility - On February 16, 2021, we entered into a credit agreement, which provides for a $1.0 billion three-year senior secured multicurrency Revolving Credit Facility including a $450.0 million letter of credit subfacility. We incurred $34.8 million of debt issuance costs in connection with the Revolving Credit Facility. These debt issuance costs are deferred and are included in other assets in our consolidated balance sheet as of December 31, 2021. The deferred debt issuance costs are amortized to interest expense over the term of the Revolving Credit Facility.

Availability of borrowings under the Revolving Credit Facility is reduced by the outstanding letters of credit issued against the facility. As of December 31, 2021, there were $16.7 million letters of credit outstanding and availability of borrowings under the Revolving Credit Facility was $983.3 million.

Borrowings under the Revolving Credit Facility bear interest at the following rates, plus an applicable margin, depending on currency:

- U.S. dollar-denominated loans bear interest, at the Company’s option, at a base rate or an adjusted rate linked to the London interbank offered rate (“Adjusted LIBOR”); and
- Euro-denominated loans bear interest on an adjusted rate linked to the Euro interbank offered rate.

The applicable margin for borrowings under the Revolving Credit Facility ranges from 2.50% to 3.50% for Eurocurrency loans and 1.50% to 2.50% for base rate loans, depending on a total leverage ratio. The Revolving Credit Facility is subject to customary representations and warranties, covenants, events of default, mandatory repayment provisions and financial covenants.

Our loans denominated in United States dollars (“USD”), at our option, and sterling-denominated loans, under our Revolving Credit Facility bear interest at an adjusted rate linked to the London Interbank Offered Rate (“LIBOR”) and our euro-denominated loans under the Revolving Credit Facility bear interest at an adjusted rate linked to the Euro Interbank Offered Rate (“EURIBOR”). The United Kingdom’s Financial Conduct Authority (the “FCA”), which regulates LIBOR, has announced that the publication of LIBOR on the current basis would cease and no longer be representative immediately after December 31, 2021 (in the case of all sterling, euro, Swiss franc and Japanese yen settings, and one-week and two-month USD settings) and immediately after June 30, 2023 (in the case of all remaining USD settings).

Despite this deferral in regard to USD, the FCA has confirmed that use of USD LIBOR will not be permitted in most new contracts after December 31, 2021 and while the FCA is requiring the LIBOR administrator to publish one-, three- and six-month sterling and Japanese yen LIBOR rates for a limited time following December 31, 2021 using a synthetic methodology, such synthetic LIBOR rates are also only permitted for legacy use. The agreements governing our Credit Facilities include customary provisions to provide for replacement of LIBOR with an alternative benchmark rate when LIBOR ceases to be available. The International Swaps and Derivatives Association has developed provisions for SOFR-based fall-back rates to apply upon permanent cessation of LIBOR and has published a protocol to enable market participants to include the new provisions in existing swap agreements. We do not expect the impact of the transition from LIBOR to be material.

2021 Notes - On January 29, 2021, we issued $1.0 billion of 6.50% senior notes due 2026. The interest on the 2021 Notes is paid semi-annually on February 1 and August 1 of each year, beginning on August 1, 2021. The 2021 Notes are senior unsecured obligations and are guaranteed on a senior unsecured basis by substantially all of our wholly-owned U.S. subsidiaries and non-U.S. subsidiaries in Brazil, the Netherlands, Norway, Singapore and the United Kingdom. We incurred $25.7 million of debt issuance costs in connection with issuance of the 2021 Notes. These debt issuance costs are deferred and are included in long-term debt in our consolidated balance sheet as of December 31, 2021. The deferred debt issuance costs are amortized to interest expense over the term of the 2021 Notes, which approximates the effective interest method.

During 2021, we completed two tender offers and purchased for cash $366.9 million of the outstanding 2021 Notes. We paid a cash premium of $29.5 million to the note holders who tendered and wrote-off $8.9 million of bond issuance costs.

As of December 31, 2021, we were in compliance with all debt covenants.

Commercial paper - As of December 31, 2021, we had no commercial paper outstanding. Commercial paper borrowings were issued at market interest rates. In accordance with the terms of the new Revolving Credit Facility, we do not have an ability to issue any new commercial paper notes going forward. As of December 31, 2020, our commercial paper borrowings had a weighted average interest rate of 0.34% on the U.S. dollar denominated borrowings. As of December 31, 2020, we had $225.8 million of outstanding commercial paper borrowings under this program.

Synthetic bonds - In 2016, we issued €450.0 million principal amount of 0.875% convertible bonds. Interest on the synthetic bonds was payable semi-annually in arrears on January 25 and July 25 of each year, beginning July 26, 2016. The synthetic bonds were repaid during the first quarter of 2021.

Senior Notes - As of December 31, 2020, we had outstanding 3.45% $500.0 million senior notes due October 1, 2022. The senior notes were redeemed during the first quarter of 2021.

Private Placement Notes

2020 Issuances:

During 2020, we completed the private placement of €200 million aggregate principal amount of the 2020 Private Placement Notes. The 2020 Private Placement Notes bear interest of 5.75% and are due June 2025. Prior to 2021, these notes had an interest of 4.50%. Interest on the notes is payable annually in arrears on June 30 of each year beginning June 30, 2020. The 2020 Private Placement Notes contain usual and customary covenants and events of default for notes of this type.

2013 Issuances:

In October 2013, we completed the private placement of €355.0 million aggregate principal amount of senior notes. The notes were issued in three tranches with €100.0 million bearing interest at 3.75% and due October 2033 (the “Tranche A 2033 Notes”), €130.0 million bearing interest of 3.15% and due October 2023 (the “Tranche B 2023 Notes) and €125.0 million bearing interest of 3.15% and due October 2023 (the “Tranche C 2023 Notes” and, collectively with the “Tranche A 2033 Notes” and the “Tranche B 2023 Notes”, the “2013 Private Placement Notes”).

Interest on the Tranche A 2033 Notes is payable annually in arrears on October 7 each year, beginning October 7, 2014. Interest on the Tranche B 2023 Notes is payable annually in arrears on October 16 of each year beginning October 16, 2014. Interest on the Tranche C 2023 Notes is payable annually in arrears on October 18 of each year, beginning October 18, 2014.

2012 Issuances:

In June 2012, we completed the private placement of €325.0 million aggregate principal amount of notes. The notes were issued in three tranches with €150.0 million bearing interest at 3.40% and due June 2022 (the "Tranche A 2022 Notes"), €75.0 million bearing interest of 4.0% and due June 2027 (the "Tranche B 2027 Notes") and €100.0 million bearing interest of 4.0% and due June 2032 (the "Tranche C 2032 Notes" and, collectively with the "Tranche A 2022 Notes and the "Tranche B 2027 Notes", the "2012 Private Placement Notes"). Interest on the Tranche A 2022 Notes and the Tranche C 2032 Notes is payable annually in arrears on June 14 of each year beginning June 14, 2013. Interest on the Tranche B 2027 Notes is payable annually in arrears on June 15 of each year, beginning June 15, 2013.

The 2013 and 2012 Private Placement Notes contain usual and customary covenants and events of default for notes of this type. In the event of a change of control resulting in a downgrade in the rating of the notes below BBB-, the 2013 and 2012 Private Placement Notes may be redeemed early by any bondholder, at its sole discretion. The 2013 and 2012 Private Placement Notes are our unsecured obligations. The 2013 and 2012 Private Placement Notes will rank equally in right of payment with all of our existing and future unsubordinated debt.

Term loan - In December 2016, we entered into a £160.0 million term loan agreement to finance the Deep Explorer, a diving support vessel ("DSV"), maturing December 2028. Under the loan agreement, interest accrues at an annual rate of 2.813%. This loan agreement contains usual and customary covenants and events of default for loans of this type.

Bank borrowings - In January 2019, we executed a sale-leaseback transaction to finance the purchase of a deepwater dive support vessel, Deep Discoverer (the "Vessel") for the full transaction price of $116.8 million. The sale-leaseback agreement ("Charter") was entered into with a French joint-stock company, owned by Credit Industrial et Commercial ("CIC") which was formed for the sole purpose to purchase and act as the lessor of the Vessel. It is a variable interest entity, which is fully consolidated in our consolidated financial statements. The transaction was funded through debt of $96.2 million which is primarily long-term, expiring on January 8, 2031.

Prior to June 2021, we leased operating facilities in San Antonio, Brighton and Odessa which we subsequently purchased from the lessors. In June 2021, we entered into three agreements with Bank of America, N.A. to refinance the purchase of previously leased office and industrial properties in San Antonio, Brighton and Odessa, each expiring in January 2023, with an extension option for additional five years that we expect to exercise. As a result, the remaining obligations under the existing arrangement of $28.7 million were derecognized and we recorded a financial liability of $51.2 million and we have pledged our interest in the properties as collateral.

Foreign committed credit - We have committed credit lines at many of our international subsidiaries for immaterial amounts. We utilize these facilities for asset financing and to provide a more efficient daily source of liquidity. The effective interest rates depend upon the local national market.

Analysis by type of interest rate after yield management is described in Note 31.

20.2 Secured financial debts excluding finance leases

Secured debts are as follows:

	December 31,					
	2021			2020		
(In millions)	Guarantee	Without Guarantee	Total	Guarantee	Without Guarantee	Total
Current facilities and other	$ —	$ 76.5	$ 76.5	$ —	$ 10.7	$ 10.7
Short-term portion of long-term debt	26.4	175.0	201.4	38.7	633.9	672.6
Total short-term debt and current portion of long-term	26.4	251.5	277.9	38.7	644.6	683.3
Total long-term debt, less current portion and finance leases	851.6	926.9	1,778.5	201.7	3,069.1	3,270.8
Total debt excluding finance leases	$ 878.0	$ 1,178.4	$ 2,056.4	$ 240.4	$ 3,713.7	$ 3,954.1

NOTE 21. PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFIT PLANS

21.1 Description of TechnipFMC's current benefit plans

We have funded and unfunded defined benefit pension plans which provide defined benefits based on years of service and final average salary.

We are required to recognize the funded status of defined benefit post-retirement plans as an asset or liability in the consolidated statement of financial position and recognize changes in that funded status in comprehensive income in the year in which the changes occur. Further, we are required to measure the plan's assets and its obligations that determine its funded status as of the date of the consolidated statement of financial position. We have applied this guidance to our domestic pension and other post-retirement benefit plans as well as for many of our non-U.S. plans, including those in the United Kingdom, Germany, France and Canada.

In the case of funded plans, we ensure that the investment positions are managed to achieve long-term investments that are in line with the obligations under the pension schemes. Our objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

We actively monitor how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. We have not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Our pension investment strategy emphasizes maximizing returns consistent with balancing risk. Excluding our international plans with insurance-based investments, 98.8% of our total pension plan assets represent the U.S. qualified plan and the U.K. plan. These plans are primarily invested in equity securities to maximize the long-term returns of the plans.

On December 31, 2017, we amended the U.S. retirement plans (the "Plans") to freeze benefit accruals for all participants of the Plans as of December 31, 2017. After that date, participants in the Plans will no longer accrue any further benefits and participants' benefits under the Plans will be determined based on credited service and eligible earnings as of December 31, 2017.

Foreign-based employees are eligible to participate in TechnipFMC-sponsored or government-sponsored benefit plans to which we contribute. Several of the foreign defined benefit pension plans sponsored by us provide for employee contributions; the remaining plans are noncontributory. The most significant of these plans are in the Netherlands, France and the United Kingdom.

We have other post-retirement benefit plans covering substantially all of our U.S. unionized employees. The post-retirement health care plans are contributory; the post-retirement life insurance plans are noncontributory.

We expect to contribute approximately $12.3 million to our international pension plans, representing primarily the U.K. qualified pension plans. We do not expect to make any contributions to our U.S. Qualified Pension Plan and our U.S. Non-Qualified Defined Benefit Pension Plan in 2022. All of the contributions are expected to be in the form of cash.

The following table summarizes expected benefit payments from our various pension and post-retirement benefit plans through 2030 as of December 31, 2021. Actual benefit payments may differ from expected benefit payments.

(In millions)	Expected benefit payments
2022	$ 54.8
2023	59.2
2024	59.5
2025	60.0
2026-2030	337.4
Total	$ 570.9

21.2 Remeasurement Effects Recognized in Other Comprehensive Income (OCI)

	December 31,	
(In millions)	2021	2020
Actuarial (gain) loss due to experience on defined benefit obligation	$ 22.8	$ (20.7)
Actuarial (gain) due to demographic assumption changes in defined benefit obligation	(1.3)	(5.1)
Actuarial (gain) loss due to financial assumption changes in defined benefit obligation	(61.8)	133.4
Return on plan assets (greater) than discount rate	(89.9)	(39.0)
Change in irrecoverable surplus other than interest	4.9	(0.3)
Actuarial (income) loss recognized in other comprehensive income	$ (125.3)	$ 68.3

21.3 Defined benefit asset (liability) recognized in the consolidated statements of financial position

As of December 31, 2021, the net defined benefit liability of $160.9 million is comprised of a defined benefit asset of $71.5 million and defined benefit liability of $232.4 million as recognized in the statement of financial position. As of December 31, 2020, there was a gross defined benefit liability of $486.0 million recognized in the statement of financial position.

The amounts recognized in the statement of financial position and the movements in the net defined benefit obligation over the year are as follows:

(In millions)	Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Obligation
December 31, 2019	$ 1,592.5	$ 1,167.9	$ 424.6
Expense as recorded in the statement of income	62.0	28.3	33.7
Total current service cost	18.6	—	18.6
Net financial costs	37.5	28.3	9.2
Actuarial losses of the year	0.2	—	0.2
Settlement loss of the year	0.2	—	0.2
Administrative costs and taxes	5.5	—	5.5
Actuarial loss recognized in other comprehensive income	107.3	39.0	68.3
Actuarial loss on defined benefit obligation	107.3	39.0	68.3
- Experience	*(20.7)*	—	(20.7)
- Financial assumptions	133.4	—	133.4
- Demographic assumptions	(5.1)	—	(5.1)
Actuarial gain (loss) on plan assets	—	39.0	(39.0)
Change in irrecoverable surplus other than interest	(0.3)	—	(0.3)
Contributions and benefits paid	(84.6)	(27.0)	(57.6)
Contributions by employer	—	28.7	(28.7)
Contributions by employee	1.1	1.1	—
Benefits paid by employer	(28.9)	—	(28.9)
Benefits paid from plan assets	(56.8)	(56.8)	—
Exchange difference and other	47.4	33.6	13.8
Settlements	(21.3)	(21.5)	0.2
Other	3.2	0.2	3.0
December 31, 2020	$ 1,706.5	$ 1,220.5	$ 486.0
Spin-off of Technip Energies	(311.0)	(152.0)	(159.0)
Expense as recorded in the statement of income	41.3	21.0	20.3
Total current service cost	9.3	—	9.3
Net financial costs	28.1	21.0	7.1
Actuarial gains of the year	(0.5)	—	(0.5)
Administrative costs and taxes	4.4	—	4.4
Actuarial loss recognized in other comprehensive income	(40.3)	85.0	(125.3)
Actuarial loss on defined benefit obligation	(40.3)	85.0	(125.3)
- Experience	22.8	—	22.8
- Financial assumptions	(61.8)	—	(61.8)
- Demographic assumptions	(1.3)	—	(1.3)
Actuarial gain (loss) on plan assets	—	89.9	(89.9)
Change in irrecoverable surplus other than interest	—	(4.9)	4.9
Contributions and benefits paid	(86.9)	(33.0)	(53.9)
Contributions by employer	—	34.3	(34.3)
Contributions by employee	0.9	0.9	—
Benefits paid by employer	(19.6)	—	(19.6)
Benefits paid from plan assets	(68.2)	(68.2)	—
Exchange difference and other	(12.0)	(8.9)	(3.1)
Other	(4.1)	—	(4.1)
December 31, 2021	$ 1,293.5	$ 1,132.6	$ 160.9

In 2021 and 2020, the discounted defined benefit obligation included $1,214.3 million and $1,469.3 million for funded plans and $79.0 million and $238.3 million for unfunded plan assets, respectively.

Below are the details of the principal categories of plan assets by country in terms of percentage of their total fair value:

	December 31, 2021					
(In %)	Bonds	Shares	Real Estate	Cash	Other	Total
Eurozone	— %	— %	— %	— %	100 %	100 %
United Kingdom	5 %	77 %	11 %	7 %	— %	100 %
United States	— %	92 %	— %	8 %	— %	100 %

	December 31, 2020					
(In %)	Bonds	Shares	Real Estate	Cash	Other	Total
Eurozone	— %	— %	— %	— %	100 %	100 %
United Kingdom	11 %	71 %	7 %	11 %	— %	100 %
United States	— %	92 %	— %	8 %	— %	100 %

21.4 Actuarial assumptions

	December 31, 2021			
	Discount Rate	Future Salary Increase (above Inflation Rate)	Healthcare Cost Increase Rate	Inflation Rate
Eurozone	1.0% to 1.2%	2.0% to 3.2%	NA	1.9% to 2.10%
United Kingdom	1.9 %	N/A	NA	2.9% to 3.6%
United States	2.9 %	4.0 %	NA	NA

	December 31, 2020			
	Discount Rate	Future Salary Increase (above Inflation Rate)	Healthcare Cost Increase Rate	Inflation Rate
Eurozone	From 0.30% to 0.70%	From 1.50% to 3.90%	3.00	From 1.50% to 1.90%
United Kingdom	1.5 %	2.9 %	NA	From 2.50% to 2.90%
United States	2.5 %	4.0 %	NA	NA

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	December 31, 2021			
	Assumed life expectations for a retiree age 65			
	Retiring at the end of the reporting period		Retiring 15 years after the end of the reporting period	
(in years)	Male	Female	Male	Female
Eurozone	24	28	27	31
United Kingdom	22	24	23	25
United States	20	22	21	23

	December 31, 2020			
	Assumed life expectations for a retiree age 65			
	Retiring at the end of the reporting period		Retiring 15 years after the end of the reporting period	
(in years)	Male	Female	Male	Female
Eurozone	24	27	28	31
United Kingdom	21	23	23	25
United States	21	23	19	21

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

The discount rates as of December 31, 2021 of the Eurozone, United Kingdom and the United States zones 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 (rated AA). 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 and mortality assumptions as of December 31, 2021 remain unchanged compared to 2020. A 25% decrease in the discount rate would increase the defined benefit obligation by approximately 99.7%. A 25% increase in the discount rate would decrease the defined benefit obligation by approximately (3.9)%. A one year decrease in the life expectancy would decrease the defined benefit obligation by approximately (3.6)%. A one year increase in the life expectancy would increase the defined benefit obligation by approximately 3.6%.

21.5 Other plans

Savings plans - The TechnipFMC Retirement Savings Plan (“Qualified Plan”), a qualified salary reduction plan under Section 401(k) of the Internal Revenue Code, is a defined contribution plan. Additionally, we have a non-qualified deferred compensation plan, the Non-Qualified Plan, which allows certain highly compensated employees the option to defer the receipt of a portion of their salary. We match a portion of the participants’ deferrals to both plans. Both plans relate to FMC Technologies, Inc.

Participants in the Non-Qualified Plan earn a return based on hypothetical investments in the same options as our 401(k) plan, including TechnipFMC plc stock (“FTI Stock Fund”). In March 2019, the FTI Stock Fund was removed from the Non-Qualified Plan. Changes in the market value of these participant investments are reflected in other income (expense), net. The deferred compensation obligation is measured based on the actuarial present value of the benefits owed to the employee. As of December 31, 2021 and 2020, our liability for the Non-Qualified Plan was $30.0 million and $36.4 million, respectively, and was recorded in other non-current liabilities. We hedge the financial impact of changes in the participants’ hypothetical investments by purchasing the investments that the participants have chosen. Changes in the fair value of these investments are recognized as an offset to other income (expense), net. As of December 31, 2021 and 2020, we had investments for the Non-Qualified Plan totaling $24.1 million and $22.8 million at fair market value, respectively.

We recognized expense of $21.5 million and $21.3 million for matching contributions to these plans in 2021 and 2020, respectively. Additionally, we recognized expense of $9.0 million and $8.3 million for non-elective contributions in 2021 and 2020, respectively.

NOTE 22. PROVISIONS (CURRENT AND NON-CURRENT)

Movements in each class of provision as of December 31, 2020 are as follows:

(In millions)	As of December 31, 2019	Increase	Used Reversals	Unused Reversals	Net foreign exchange differences	Other	As of December 31, 2020
Tax	$ 0.7	$ —	$ —	$ (0.6)	$ 0.1	$ —	$ 0.2
Litigation	7.6	—	—	—	0.4	(1.5)	6.5
Restructuring obligations (2)	15.6	20.6	(4.8)	(1.1)	(1.1)	(2.1)	27.1
Provisions for claims	8.7	0.4	(0.1)	(0.5)	0.9	—	9.4
Other non-current provisions	15.1	0.2	(0.2)	(0.6)	—	(5.5)	9.0
Total non-current provisions	47.7	21.2	(5.1)	(2.8)	0.3	(9.1)	52.2
Contingencies related to contracts	116.7	69.3	(8.1)	(61.1)	1.4	(7.3)	110.9
Tax	23.8	1.3	—	(4.9)	—	—	20.2
Litigation (1)	160.1	33.8	(12.8)	(6.7)	(4.9)	(1.1)	168.4
Restructuring obligations	33.1	105.8	(77.0)	(12.7)	2.8	3.7	55.7
Provisions for claims	0.3	—	—	—	—	—	0.3
Other current provisions	142.6	89.5	(104.1)	(31.9)	(9.2)	0.8	87.7
Total current provisions	476.6	299.7	(202.0)	(117.3)	(9.9)	(3.9)	443.2
Total provisions	$ 524.3	$ 320.9	$ (207.1)	$ (120.1)	$ (9.6)	$ (13.0)	$ 495.4

Movements in each class of provision as of December 31, 2021 are as follows:

(In millions)	As of December 31, 2020	Increase	Used Reversals	Unused Reversals	Foreign Exchange Adjustments	Spin-off of Technip Energies	Other	As of December 31, 2021
Tax	$ 0.2	$ —	$ —	$ —	$ —	$ (0.2)	$ —	$ —
Litigation	6.5	—	—	—	—	(6.5)	—	—
Restructuring obligations (2)	27.1	2.1	(2.3)	—	(0.5)	(10.2)	(4.1)	12.1
Provisions for claims	9.4	—	—	—	—	(9.4)	—	—
Other non-current provisions	9.0	1.9	—	—	—	(5.7)	—	5.2
Total non-current provisions	$ 52.2	$ 4.0	$ (2.3)	$ —	$ (0.5)	$ (32.0)	$ (4.1)	$ 17.3
Contingencies related to contracts	110.9	14.0	(3.6)	(26.2)	(1.0)	(51.6)	(9.1)	33.4
Tax	20.2	0.4	—	(1.2)	(0.2)	(0.7)	—	18.5
Litigation	168.4	13.4	(9.8)	(7.8)	(2.1)	(60.3)	1.4	103.2
Restructuring obligations	55.7	28.5	(35.5)	(17.7)	(1.1)	(12.0)	2.4	20.3
Provisions for claims	0.3	—	—	—	—	(0.3)	—	—
Other current provisions	87.7	113.6	(67.7)	(17.6)	(2.4)	(11.0)	(0.5)	102.1
Total current provisions	443.2	169.9	(116.6)	(70.5)	(6.8)	(135.9)	(5.8)	277.5
Total provisions	**$ 495.4**	**$ 173.9**	**$ (118.9)**	**$ (70.5)**	**$ (7.3)**	**$ (167.9)**	**$ (9.9)**	**$ 294.8**

(1) Litigation - Includes provision of $70.0 million for the years ended December 31, 2021 and 2020, respectively, regarding U.S. Department of Justice related to investigation of offshore platform projects awarded between 2003 and 2007, performed in Brazil by a joint venture company in which Technip S.A. was a minority participant, and also certain other projects performed by Technip S.A. subsidiaries in Brazil between 2002 and 2013. On June 25, 2019, we announced a global resolution to pay a total of $301.3 million. As part of this resolution, we entered into a three-year Deferred Prosecution Agreement. See Note 27 for further details. The remaining unpaid balance pursuant to the Deferred Prosecution Agreement was reversed from provisions and recorded in other current liabilities and other non-current liabilities. See Note 24 for details.
(2) Restructuring obligations - In December 2019, we initiated a company-wide reduction in workforce intended to reduce costs and better align our workforce with current and anticipated activity levels, which resulted in the recognition of severance costs relating to termination benefits and other restructuring charges. See Note 23 for further details.

The accounting policy principles utilized to evaluate the amounts and types of provisions for liabilities and charges are described in Note 1.

NOTE 23. IMPAIRMENT, RESTRUCTURING AND OTHER EXPENSES

Impairment, restructuring and other expenses were as follows:

	Year Ended December 31,	
(In millions)	**2021**	**2020**
Subsea	$ 53.5	$ 3,031.7
Surface Technologies	7.6	301.6
Corporate and other	5.6	4.3
Total restructuring, impairment, and other expense	$ 66.7	$ 3,337.6

Goodwill, property, plant and equipment and right-of-use assets impairments

Subsequent to the Spin-off, certain real estate rationalization actions were taken, and as a result, we recorded $24.2 million of impairment charges relating to our operating lease right-of-use assets and $24.9 million of impairment of property, plant and equipment during the year ended December 31, 2021.

Due to the substantial decline in global demand for oil caused by the COVID-19 pandemic in 2020 we reviewed the future utilization of our vessels and service potential of our subsea service and surface equipment and determined that the carrying amount of our goodwill and some of our long-lived assets exceeded their respective fair values. We recorded $3,083.4 million and $190.4 million, respectively, related to goodwill and long-lived assets impairments. The $190.4 million of long-lived asset impairments during the year ended December 31, 2020 consisted of $88.4 million attributable to plant, equipment and various machinery infrastructure in our Subsea operating segment; $82.0 million mainly related to building and surface equipment in our Surface reportable segment; and $20.0 million of operating lease right-of-use assets impairments.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amounts of such assets may not be recoverable. Assessing the recoverability of assets to be held and used requires the use of unobservable inputs, which involves significant judgment. Such judgments include expected future asset utilization while taking into account reduced future capital spending by certain customers in response to market conditions.

Restructuring and other expenses

Restructuring and other charges primarily consisted of severance and other employee related costs and COVID-19 related expenses across all segments. Restructuring and other charges were as follows:

	Year Ended December 31,		
	2021	2020	
(In millions)	Restructuring and other charges	Restructuring and other charges	COVID-19 Expenses
Subsea	$ 9.3	$ 66.5	$ 50.1
Surface Technologies	5.7	13.2	7.7
Corporate and other	2.6	4.3	—
Total	$ 17.6	$ 84.0	$ 57.8

COVID-19 related expenses represent unplanned, one-off, incremental and non-recoverable costs incurred solely as a result of COVID-19 pandemic situation, which would not have been incurred otherwise. COVID-19 related expenses primarily included (a) employee payroll and travel, operational disruptions associated with quarantining, personnel travel restrictions to job sites and shutdown of manufacturing plants and sites; (b) supply chain and related expediting costs of accelerated shipments for previously ordered and undelivered products; (c) costs associated with implementing additional information technology to support remote working environments; and (d) facilities-related expenses to ensure safe working environments.

Prolonged uncertainty in energy markets could lead to further future reductions in capital spending from our customer base. In turn, this may lead to changes in our strategy. We will continue to take actions designed to mitigate the adverse effects of the rapidly changing market environment and expect to continue to adjust our cost structure to market conditions. If market conditions continue to deteriorate, we may record additional restructuring charges and additional impairments of our property, plant and equipment and equity method investments.

NOTE 24. OTHER LIABILITIES (CURRENT AND NON-CURRENT)

Other current liabilities are as follows:

	December 31,	
(In millions)	**2021**	**2020**
Redeemable financial liability	$ —	$ 184.2
Current financial liabilities at Fair Value Through Profit or Loss, total	—	184.2
Other taxes payable	71.0	221.3
Accruals on completed contracts	86.2	174.9
Social security liability	70.4	108.9
Payable on litigation settlement	—	51.5
Other	202.8	241.1
Other current liabilities, total	430.4	797.7
Total other current liabilities	$ 430.4	$ 981.9

Other non-current liabilities are as follows:

	December 31,	
(In millions)	**2021**	**2020**
Redeemable financial liabilities	$ —	$ 104.7
Non-current financial liabilities at Fair Value through Profit or Loss, total	—	104.7
Obligations on non-qualified employee retirement plans	30.0	36.4
Subsidies	0.4	4.9
Other	51.9	60.6
Other non-current liabilities	82.3	101.9
Total other non-current liabilities	$ 82.3	$ 206.6

A mandatorily redeemable financial liability was recognized in 2016 to account for the fair value of the non-controlling interests in the equity of legal onshore/offshore contract entities which own and account for the design, engineering and construction of the Yamal LNG plant. This financial liability was periodically revalued to its fair value, in order to reflect current expectations about the obligation. TechnipFMC recognized a loss of $202.0 million in 2020 pursuant to payments of $224.2 million. The carrying amount of Yamal LNG redeemable financial liability as of December 31, 2020 was $246.6 million. On February 16, 2021, we completed the separation of the Technip Energies segment and, accordingly, Yamal LNG redeemable financial liability was spun-off. See Note 2 for further details. The uncertain tax provisions were presented within other non-current liabilities in 2020 and have been represented to income taxes payable for the 2020 comparable.

NOTE 25. ACCOUNTS PAYABLE, TRADE

Trade payables amounted to $1,293.6 million as of December 31, 2021 as compared to $2,741.1 million as of December 31, 2020. Trade payables maturities are linked to the operating cycle of supply contracts and mature within 12 months.

NOTE 26. WARRANTY OBLIGATIONS

Warranty obligations are included within "Other current liabilities" in our consolidated statements of financial position as of December 31, 2021 and 2020. A reconciliation of warranty obligations for the years ended December 31, 2021 and 2020 as follows:

	Year Ended December 31,	
(In millions)	**2021**	**2020**
Balance at beginning of period	$ 109.6	$ 121.7
Warranty expenses	54.0	52.0
Adjustment to existing accruals	(56.5)	(48.2)
Claims paid	(20.9)	(15.9)
Balance at end of period	$ 86.2	$ 109.6

NOTE 27. COMMITMENTS AND CONTINGENT LIABILITIES

Contingent liabilities associated with guarantees - In the ordinary course of business, we enter into standby letters of credit, performance bonds, surety bonds, and other guarantees with financial institutions for the benefit of our customers, vendors, and other parties. The majority of these financial instruments expire within five years. Management does not expect any of these financial instruments to result in losses that, if incurred, would have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

Guarantees made by our consolidated subsidiaries consisted of the following:

	December 31,	
(In millions)	**2021**	**2020** [3]
Financial guarantees [1]	$ 177.4	$ 310.1
Performance guarantees [2]	1,069.0	4,659.6
Maximum potential undiscounted payments	$ 1,246.4	$ 4,969.7

(1) Financial guarantees represent contracts that contingently require a guarantor to make payments to a guaranteed party based on changes in an underlying agreement that is related to an asset, a liability, or an equity security of the guaranteed party. These tend to be drawn down only if there is a failure to fulfill our financial obligations.
(2) Performance guarantees represent contracts that contingently require a guarantor to make payments to a guaranteed party based on another entity's failure to perform under a non-financial obligating agreement. Events that trigger payment are performance-related, such as failure to ship a product or provide a service.
(3) As of December 31, 2020, financial guarantees of $204.4 million and performance guarantees of $3,306.6 million were related to Technip Energies.

We believe the ultimate resolution of our known contingencies will not materially adversely affect our consolidated financial position, results of operations, or cash flows.

Contingent liabilities associated with legal and tax matters - We are involved in various pending or potential legal and tax actions or disputes in the ordinary course of our business. These actions and disputes can involve our agents, suppliers, clients, and venture partners, and can include claims related to payment of fees, service quality, and ownership arrangements, including certain put or call options. We are unable to predict the ultimate outcome of these actions because of their inherent uncertainty. However, we believe that the most probable, ultimate resolution of these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

On March 28, 2016, FMC Technologies received an inquiry from the U.S. Department of Justice ("DOJ") related to the DOJ's investigation of whether certain services Unaoil S.A.M. provided to its clients, including FMC Technologies, violated the U.S. Foreign Corrupt Practices Act ("FCPA"). On March 29, 2016, Technip S.A. also received an inquiry from the DOJ related to Unaoil. We cooperated with the DOJ's investigations and, with regard to FMC Technologies, a related investigation by the SEC.

In late 2016, Technip S.A. was contacted by the DOJ regarding its investigation of offshore platform projects awarded between 2003 and 2007, performed in Brazil by a joint venture company in which Technip S.A. was a minority participant, and we have also raised with the DOJ certain other projects performed by Technip S.A. subsidiaries in Brazil between 2002 and 2013. The DOJ has also inquired about projects in Ghana and Equatorial Guinea that were awarded to Technip S.A. subsidiaries in 2008 and 2009, respectively. We cooperated with the DOJ in its investigation into potential violations of the

FCPA in connection with these projects. We contacted and cooperated with the Brazilian authorities (Federal Prosecution Service (“MPF”), the Comptroller General of Brazil (“CGU”) and the Attorney General of Brazil (“AGU”)) with their investigation concerning the projects in Brazil and have also contacted and are cooperating with French authorities (the Parquet National Financier (“PNF”)) with their investigation about these existing matters.

On June 25, 2019, we announced a global resolution to pay a total of $301.3 million to the DOJ, the SEC, the MPF, and the CGU/AGU to resolve these anti-corruption investigations. We will not be required to have a monitor and will, instead, provide reports on our anti-corruption program to the Brazilian and U.S. authorities for two and three years, respectively.

As part of this resolution, we entered into a three-year Deferred Prosecution Agreement (“DPA”) with the DOJ related to charges of conspiracy to violate the FCPA related to conduct in Brazil and with Unaoil. In addition, Technip USA, Inc., a U.S. subsidiary, pled guilty to one count of conspiracy to violate the FCPA related to conduct in Brazil. We will also provide the DOJ reports on our anti-corruption program during the term of the DPA.

In Brazil, our subsidiaries Technip Brasil - Engenharia, Instalações E Apoio Marítimo Ltda. and Flexibrás Tubos Flexíveis Ltda. entered into leniency agreements with both the MPF and the CGU/AGU. We have committed, as part of those agreements, to make certain enhancements to their compliance programs in Brazil during a two-year self-reporting period, which aligns with our commitment to cooperation and transparency with the compliance community in Brazil and globally.

In September 2019, the SEC approved our previously disclosed agreement in principle with the SEC Staff and issued an Administrative Order, pursuant to which we paid the SEC $5.1 million, which was included in the global resolution of $301.3 million.

To date, the investigation by PNF related to historical projects in Equatorial Guinea and Ghana has not reached resolution. We remain committed to finding a resolution with the PNF and will maintain a $70.0 million provision related to this investigation. Additionally, the PNF recently informed us that it is reviewing other historical projects in Angola. We are not aware of any evidence that would support a finding of liability with respect to these projects, or whether the PNF would seek to impose any additional penalty. As we continue our discussions with PNF towards a potential resolution of all of these matters, the amount of a settlement could exceed this provision.

There is no certainty that a settlement with PNF will be reached or that the settlement will not exceed current accruals. The PNF has a broad range of potential sanctions under anticorruption laws and regulations that it may seek to impose in appropriate circumstances including, but not limited to, fines, penalties, confiscations and modifications to business practices and compliance programs. Any of these measures, if applicable to us, as well as potential customer reaction to such measures, could have a material adverse impact on our business, results of operations, and financial condition. If we cannot reach a resolution with the PNF, we could be subject to criminal proceedings in France, the outcome of which cannot be predicted.

Contingent liabilities associated with liquidated damages - Some of our contracts contain provisions that require us to pay liquidated damages if we are responsible for the failure to meet specified contractual milestone dates and the applicable customer asserts a conforming claim under these provisions. These contracts define the conditions under which our customers may make claims against us for liquidated damages. Based upon the evaluation of our performance and other commercial and legal analysis, management believes we have appropriately recognized probable liquidated damages as of December 31, 2021 and 2020, and that the ultimate resolution of such matters will not materially affect our consolidated financial position, results of operations, or cash flows.

Note 28. FINANCIAL INSTRUMENTS

28.1 Financial assets and liabilities by category

Financial assets and financial liabilities are as follows:

	December 31, 2021			
	Analysis by Category of Financial Instruments			
(In millions)	Carrying Amount	At Fair Value through Profit or Loss	Assets/ Liabilities at Amortized cost	At Fair Value through OCI
Trade receivables, net	$ 1,013.7	$ —	$ 1,013.7	$ —
Other financial assets	153.3	27.7	125.6	—
Derivative financial instruments	120.8	3.9	—	116.9
Cash and cash equivalents	1,327.4	1,327.4	—	—
Total financial assets	$ 2,615.2	$ 1,359.0	$ 1,139.3	$ 116.9
Long-term debt, less current portion	1,778.5	—	1,778.5	—
Non-current lease liabilities	646.6	—	646.6	—
Short-term debt and current portion of long-term debt	277.9	—	277.9	—
Accounts payable, trade	1,293.6	—	1,293.6	—
Derivative financial instruments	176.6	21.5	—	155.1
Current lease liabilities	126.2	—	126.2	—
Total financial liabilities	$ 4,299.4	$ 21.5	$ 4,122.8	$ 155.1

	December 31, 2020			
	Analysis by Category of Financial Instruments			
(In millions)	Carrying Amount	At Fair Value through Profit or Loss	Assets/ Liabilities at Amortized cost	At Fair Value through OCI
Trade receivables, net	$ 2,389.4	$ —	$ 2,389.4	$ —
Other financial assets	307.6	68.2	239.4	—
Derivative financial instruments	337.3	85.9	—	251.4
Cash and cash equivalents	4,807.7	4,807.7	—	—
Total financial assets	$ 7,842.0	$ 4,961.8	$ 2,628.8	$ 251.4
Long-term debt, less current portion	1,792.5	—	1,792.5	—
Non-current lease liabilities	881.0	—	881.0	—
Other non-current financial liabilities	104.7	104.7	—	—
Short-term debt and current portion of long-term debt	2,161.6	—	2,161.6	—
Accounts payable, trade	2,741.1	—	2,741.1	—
Derivative financial instruments	190.5	15.6	—	174.9
Current lease liabilities	273.9	—	273.9	—
Other current financial liabilities	184.2	184.2	—	—
Total financial liabilities	$ 8,329.5	$ 304.5	$ 7,850.1	$ 174.9

The following explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, TechnipFMC has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	December 31, 2021			
(In millions)	Level 1	Level 2	Level 3	Total
Investments:				
Nonqualified plan:				
Investment in Technip Energies	$ 317.3	$ —	$ —	$ 317.3
Traded securities (1)	25.0	—	—	25.0
Money market fund	—	2.4	—	2.4
Stable value fund	—	0.3	—	0.3
Held-to-maturity debt securities	—	24.0	—	24.0
Derivative financial instruments:				
Foreign exchange contracts	—	120.8	—	120.8
Financial assets	$ 342.3	$ 147.5	$ —	$ 489.8
Derivative financial instruments:				
Foreign exchange contracts	—	176.5	—	176.5
Financial liabilities	$ —	$ 176.5	$ —	$ 176.5

	December 31, 2020			
(In millions)	Level 1	Level 2	Level 3	Total
Investments:				
Nonqualified plan:				
Traded securities (1)	$ 65.6	$ —	$ —	$ 65.6
Money market fund	—	1.7	—	1.7
Stable value fund	—	0.9	—	0.9
Derivative financial instruments:				
Foreign exchange contracts	—	337.3	—	337.3
Assets	$ 65.6	$ 339.9	$ —	$ 405.5
Redeemable financial liability	$ —	$ —	$ 288.9	$ 288.9
Derivative financial instruments:				
Foreign exchange contracts	—	190.5	—	190.5
Liabilities	$ —	$ 190.5	$ 288.9	$ 479.4

(1) Includes equity securities, fixed income and other investments measured at fair value.

During the financial years 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Non-Qualified plan––The fair value measurement of our traded securities is at FVTPL and is based on quoted prices that we have the ability to access in public markets. Our stable value fund and money market fund are valued at the net asset value of the shares held at the end of the quarter, which is based on the fair value of the underlying investments using information reported by our investment adviser at period-end.

Redeemable financial liabilities––The following redeemable financial liabilities were recognized during 2020:

- *Yamal redeemable financial liability* - The mandatorily redeemable financial liability related to our voting control interests in legal Technip Energies contract entities which owned and accounted for the design, engineering and construction of the Yamal LNG plant. The fair value was determined using a discounted cash flow model. The key assumptions used in applying the income approach were the selected discount rates and the expected dividends to be distributed in the future to the non-controlling interest holders. Expected dividends to be distributed were based on the non-controlling interests' share of the expected profitability of the underlying contract, a 15% discount rate and the overall timing of completion of the project. A decrease of one percentage point in the discount rate would have increased the liability by $2.0 million as of December 31, 2020. On February 16, 2021, we completed the separation of the Technip Energies segment and, accordingly, Yamal LNG redeemable financial liability was spun-off. See Note 2 for further details.

- *TIOS redeemable financial liability* - In 2018, we acquired a 51% share in TIOS. On acquisition date a redeemable financial liability was recorded at fair value of a written put option. On initial recognition the fair value of the put option over non-controlling interest was determined as the present value of the expected redemption price of the written put option. TIOS redeemable financial liability was classified as a current financial liability and stated at its redemption value totaling $42.3 million as of December 31, 2020. We acquired the remaining 49% interest in TIOS at a total price of $48.7 million and settled TIOS redeemable financial liability during 2021.

The fair value measurement of our redeemable financial liabilities is based upon significant unobservable inputs not observable in the market and is consequently classified as a Level 3 fair value measurement. Changes in the fair value of our Level 3 mandatorily redeemable financial liabilities is recorded as interest expense in the consolidated statements of income and is presented below.

	Yamal	TIOS
	December 31,	
(In millions)	**2020**	**2020**
Balance as of January 1	$ 268.8	$ 41.2
Expenses recognized in the statements of income	(202.0)	(1.1)
Settlements of mandatorily redeemable financial liability	224.2	—
Balance as of December 31	291.0	40.1

Fair value of debt—The fair values (based on Level 2 inputs) of our debt, carried at amortized cost, are presented in Note 20 Debt.

28.2 Derivative financial instruments

For purposes of mitigating the effect of changes in exchange rates, we hold derivative financial instruments to hedge the risks of certain identifiable and anticipated transactions and recorded assets and liabilities in our consolidated statement of financial position. The types of risks hedged are those relating to the variability of future earnings and cash flows caused by movements in foreign currency exchange rates. Our policy is to hold derivatives only for the purpose of hedging risks associated with anticipated foreign currency purchases and sales created in the normal course of business and not for speculative purposes.

Generally, we enter into hedging relationships such that changes in the fair values or cash flows of the transactions being hedged are expected to be offset by corresponding changes in the fair value of the derivatives. For derivative instruments that qualify as a cash flow hedge, the effective portion of the gain or loss of the derivative, which does not include the time value component of a forward currency rate, is reported as a component of OCI and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. For derivative instruments not designated as hedging instruments, any change in the fair value of those instruments are reflected in earnings in the period such change occurs.

See Note 31 for further details.

We hold the following types of derivative instruments:

Foreign exchange rate forward contracts—The purpose of these instruments is to hedge the risk of changes in future cash flows of highly probable purchase or sale commitments denominated in foreign currencies and recorded assets and liabilities in our consolidated statement of financial position.

We held the following material net positions as of 2021 and 2020 in local currency (LC):

	December 31, 2021			
	Maturity			
(In millions except for rates)	**1-12 months**	**12-24 months**	**Beyond 24 months**	**Total**
Australian dollar				
Notional amount (LC)	135.4	29.9	17.1	182.4

Average forward rate (LC/USD)	1.40	1.40	1.40	1.40
USD equivalent	98.1	21.7	12.4	132.2
Brazilian real				
Notional amount (LC)	1,631.3	(331.6)	—	1,299.7
Average forward rate (LC/USD)	5.60	5.60	5.60	5.60
USD equivalent	292.3	(59.4)	—	232.9
British pound				
Notional amount (LC)	(296.3)	99.7	(0.7)	(197.3)
Average forward rate (LC/USD)	0.7	0.70	0.70	0.70
USD equivalent	(399.5)	134.5	(1.0)	(266.0)
Canadian dollar				
Notional amount (LC)	16.5	2.7	—	19.2
Average forward rate (LC/USD)	1.3	1.30	1.30	1.30
USD equivalent	13.0	2.1	—	15.1
Euro				—
Notional amount (LC)	717.0	61.5	(3.2)	775.3
Average forward rate (LC/USD)	0.9	0.90	0.90	0.90
USD equivalent	812.1	69.7	(3.6)	878.2
Indian rupee				—
Notional amount (LC)	264,581.4	—	(263,700.0)	881.4
Average forward rate (LC/USD)	74.3	74.30	74.30	74.30
USD equivalent	3,560.9	—	(3,549.0)	11.9
Indonesian rupiah				—
Notional amount (LC)	(309,356.9)	—	263,700.0	(45,656.9)
Average forward rate (LC/USD)	14,278.0	14,278.00	14,278.00	14,278.00
USD equivalent	(21.7)	—	18.5	(3.2)
Malaysian ringgit				—
Notional amount (LC)	(536.3)	(72.0)	(19.1)	(627.4)
Average forward rate (LC/USD)	4.2	4.20	4.20	4.20
USD equivalent	(128.7)	(17.2)	(4.6)	(150.5)
Mexican peso				—
Notional amount (LC)	(116.7)	—	—	(116.7)
Average forward rate (LC/USD)	20.4	20.40	20.40	20.40
USD equivalent	(5.7)	—	—	(5.7)
Norwegian krone				—
Notional amount (LC)	(189.7)	1,173.4	(15.7)	968.0
Average forward rate (LC/USD)	8.4	8.40	8.40	8.40
USD equivalent	(21.5)	133.1	(1.8)	109.8
Singapore dollar				—
Notional amount (LC)	123.1	2.3	—	125.4
Average forward rate (LC/USD)	1.3	1.30	—	1.30
USD equivalent	91.2	1.7	—	92.9
Swedish Krona				—
Notional amount (LC)	—	(7.0)	—	(7.0)
Average forward rate (LC/USD)	6.60	6.60	6.60	6.60

USD equivalent	—	(1.1)	—	(1.1)
New Israeli Shekel				
Notional amount (LC)	2.1	—	—	2.1
Average forward rate (LC/USD)	3.1	3.1	3.1	3.1
USD equivalent	0.7	—		0.7
Russian Ruble				—
Notional amount (LC)	925.0	—	—	925.0
Average forward rate (LC/USD)	74.3	74.3	74.3	74.3
USD equivalent	12.5	—	—	12.5
Kuwaiti dinar				—
Notional amount (LC)	(3.3)	—	—	(3.3)
Average forward rate (LC/USD)	0.30	0.30	0.30	0.30
USD equivalent	(10.9)	—	—	(10.9)
Yuan Renminbi				—
Notional amount (LC)	(9.9)	—	—	(9.9)
Average forward rate (LC/USD)	6.7	—	—	—
USD equivalent	(1.6)	0.1	—	(1.5)
U.S. dollar	(817.2)	(300.9)	(1.8)	(1,119.9)

	December 31, 2020			
	Maturity			
(In millions except for rates)	**1-12 months**	**12-24 months**	**Beyond 24 months**	**Total**
Australian dollar				
Notional amount (LC)	27.3	45.2	5.7	78.2
Average forward rate (LC/USD)	1.3	1.3	1.3	1.3
USD equivalent	21.1	34.9	4.4	60.4
Brazilian real				
Notional amount (LC)	(951.4)	1,632.8	—	681.4
Average forward rate (LC/USD)	5.2	5.2	5.2	5.2
USD equivalent	(183.1)	314.2	—	131.1
British pound				
Notional amount (LC)	653.5	96.0	22.1	771.6
Average forward rate (LC/USD)	0.7	0.7	0.7	0.7
USD equivalent	892.9	131.3	30.1	1,054.3
Canadian dollar				
Notional amount (LC)	(4.4)	(2.7)	—	(7.1)
Average forward rate (LC/USD)	1.3	1.3	1.3	1.3
USD equivalent	(3.4)	(2.2)	—	(5.6)
Columbian peso				
Notional amount (LC)	37,142.2	—	—	37,142.2
Average forward rate (LC/USD)	3,432.5	3,432.5	3,432.5	3,432.5
USD equivalent	10.8	—	—	10.8
Euro				
Notional amount (LC)	1,406.1	367.6	20.8	1,794.5
Average forward rate (LC/USD)	0.8	0.8	0.8	0.8
USD equivalent	1,725.2	451.0	25.5	2,201.7

Hong Kong dollar				
Notional amount (LC)	(95.1)	(2.5)	—	(97.6)
Average forward rate (LC/USD)	7.8	7.8	7.8	7.8
USD equivalent	(12.3)	(0.3)	—	(12.6)
Indian rupee				
Notional amount (LC)	2,694.3	478.0	(0.3)	3,172.0
Average forward rate (LC/USD)	73.1	73.1	73.1	73.1
USD equivalent	36.9	6.5	—	43.4
Indonesian rupiah				
Notional amount (LC)	(201,679.0)	—	—	(201,679.0)
Average forward rate (LC/USD)	14,105.0	14,105.0	14,105.0	14,105.0
USD equivalent	(14.3)	—	—	(14.3)
Japanese yen				
Notional amount (LC)	1,300.0	(175.6)	—	1,124.4
Average forward rate (LC/USD)	103.1	103.1	—	103.1
USD equivalent	12.6	(1.7)	—	10.9
Malaysian ringgit				
Notional amount (LC)	745.0	146.0	—	891.0
Average forward rate (LC/USD)	4.0	4.0	4.0	4.0
USD equivalent	185.2	36.3	—	221.5
Mexican peso				
Notional amount (LC)	(26.3)	843.7	470.6	1,288.0
Average forward rate (LC/USD)	19.9	19.9	19.9	19.9
USD equivalent	(1.3)	42.3	23.6	64.6
Norwegian krone				
Notional amount (LC)	501.5	149.9	1,070.2	1,721.6
Average forward rate (LC/USD)	3.2	3.2	3.2	3.2
USD equivalent	156.0	(79.7)	125.4	201.7
Singapore dollar				
Notional amount (LC)	165.8	5.4	—	171.2
Average forward rate (LC/USD)	1.3	1.3	—	1.3
USD equivalent	125.4	4.1	—	129.5
Kuwaiti dinar				
Notional amount (LC)	1.0	—	—	1.0
Average forward rate (LC/USD)	0.3	0.3	0.3	0.3
USD equivalent	3.4	0.1	—	3.5
Yuan Renminbi				
Notional amount (LC)	35.9	—	—	35.9
Average forward rate (LC/USD)	6.5	—	—	—
USD equivalent	5.5	—	—	5.5
U.S. dollar	(1,847.1)	(989.0)	(86.0)	(2,922.1)

Foreign exchange rate instruments embedded in purchase and sale contracts—In general embedded derivative instruments are separated from the host contract if the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to those of the host contract and the host contract is not marked-to-market at fair value. The purpose of these instruments is to match offsetting currency payments and receipts for particular projects, or comply with government restrictions on the currency used to purchase goods in certain countries.

As of 2021 and 2020 our portfolio of these instruments included the following material net positions:

	December 31, 2021			
(In millions except rates)	**1-12 months**	**12-24 months**	**Beyond 24 months**	**Total**
Brazilian real				
Notional amount (LC)	52.0	0.5	—	52.5
Average forward rate (LC/USD)	5.6	5.6	—	—
USD equivalent	9.3	0.1	—	9.4
Euro				
Notional amount (LC)	(7.3)	—	—	(7.3)
Average forward rate (LC/USD)	0.9	0.9	—	—
USD equivalent	(8.3)	—	—	(8.3)
Norwegian krone				
Notional amount (LC)	7.9	(1.8)	—	6.1
Average forward rate (LC/USD)	8.8	8.8	—	—
USD equivalent	0.9	(0.2)	—	0.7
U.S. dollar	(1.6)	0.4	—	(1.2)

	December 31, 2020			
(In millions except rates)	**1-12 months**	**12-24 months**	**Beyond 24 months**	**Total**
Brazilian real				
Notional amount (LC)	35.5	42.4	—	77.9
Average forward rate (LC/USD)	5.2	5.2	—	5.20
USD equivalent	6.8	8.2	—	15.0
Euro				
Notional amount (LC)	(6.8)	(1.9)	—	(8.7)
Average forward rate (LC/USD)	0.8	0.8	—	1.6
USD equivalent	(8.3)	(2.4)	—	(10.7)
Norwegian krone				
Notional amount (LC)	(143.5)	0.7	—	(142.8)
Average forward rate (LC/USD)	8.5	8.5	—	17.0
USD equivalent	(16.8)	0.1	—	(16.7)
U.S. dollar	10.7	(5.5)	—	5.2

Fair value amounts for all outstanding derivative instruments have been determined using available market information and commonly accepted valuation methodologies. Accordingly, the estimates presented may not be indicative of the amounts that we would realize in a current market exchange and may not be indicative of the gains or losses we may ultimately incur when these contracts are settled.

The following table presents the location and fair value amounts of derivative instruments reported in the consolidated statement of financial position:

	December 31, 2021		December 31, 2020	
(In millions)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Derivatives designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	$ 106.4	$ 139.5	$ 215.8	$ 151.6
Long-term - Derivative financial instruments	10.5	15.6	35.6	23.3
Total derivatives designated as hedging instruments	116.9	155.1	251.4	174.9
Derivatives not designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	3.9	21.5	85.6	15.6
Long-term - Derivative financial instruments	—	—	0.3	—
Total derivatives not designated as hedging instruments	3.9	21.5	85.9	15.6
Total derivatives	$ 120.8	$ 176.6	$ 337.3	$ 190.5

Cash flow hedges

Foreign exchange forward contracts listed above are designated as hedging instruments in cash flow hedges of forecast sales and forecast purchases in different local currencies. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). We have established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

We recognized loss of $(3.8) million and $(0.2) million for the 2021 and 2020, respectively, due to discontinuance of hedge accounting as it was probable that the original forecasted transaction would not occur. Cash flow hedges of forecasted transactions, net of tax, resulted in accumulated other comprehensive (loss) of $(68.5) million and $nil million as of 2021 and 2020, respectively. We expect to transfer approximately $3.4 million earnings from accumulated OCI to earnings during the next 12 months when the anticipated transactions actually occur. All anticipated transactions currently being hedged are expected to occur by the second half of 2024.

The following represents the effect of cash flow hedge accounting on the consolidated statements of income for the 2021 and 2020:

(In millions)	Year Ended December 31, 2021				Year Ended December 31, 2020			
Total amount of income (expense) presented in the consolidated statements of income associated with hedges and derivatives	Revenue	Cost of sales	Selling, general and administrative expense	Other income (expense), net	Revenue	Cost of sales	Selling, general and administrative expense	Other income (expense), net
Cash Flow hedge gain (loss) recognized in income								
Foreign Exchange Contracts								
Amounts reclassified from accumulated OCI to income (loss)	$ (29.7)	$ 10.7	0.2	$ 32.9	$ (83.7)	$ 68.5	$ (0.4)	$ (4.4)
Ineffective amounts	(1.8)	(3.3)	—	3.8	—	—	—	(0.2)
Total cash flow hedge gain (loss) recognized in income	(31.5)	7.4	0.2	36.7	(83.7)	68.5	(0.4)	(4.6)
Gain (loss) recognized in income on derivatives not designated as hedging instruments	1.3	0.3	—	(13.3)	(0.8)	3.4	—	22.7
Total	$ (30.2)	$ 7.7	$ 0.2	$ 23.4	$ (84.5)	$ 71.9	$ (0.4)	$ 18.1

Impact of hedging on equity

A reconciliation of cash flow hedge reserves in OCI attributable to TechnipFMC plc are as follows:

	Cash flow hedge reserve	
	Year Ended December 31,	
(In millions)	2021	2020
Balance at beginning of period	—	(39.7)
Spin-off of Technip Energies	(14.5)	—
Effective portion of changes in fair value	(77.6)	65.4
Amount reclassified to profit or loss	14.1	(20.0)
Tax effect	9.5	(5.7)
Balance at end of period	$ (68.5)	$ —

28.3 Offsetting financial assets and financial liabilities

We execute derivative contracts with counterparties that consent to a master netting agreement, which permits net settlement of the gross derivative assets against gross derivative liabilities. Each instrument is accounted for individually and assets and liabilities are not offset. As of 2021 and 2020 we had no collateralized derivative contracts.

The following tables present both gross information and net information of recognized derivative instruments:

	December 31, 2021			December 31, 2020		
(In millions)	Gross Amount Recognized	Amounts Not Offset Permitted Under Master Netting Agreements	Net Amount	Gross Amount Recognized	Amounts Not Offset Permitted Under Master Netting Agreements	Net Amount
Derivative assets	$ 120.8	$ (78.6)	$ 42.2	$ 337.3	$ (134.0)	$ 203.3
Derivative liabilities	176.6	(78.6)	$ 97.9	190.5	(134.0)	56.5

NOTE 29. PAYROLL STAFF

As of December 31, 2021, TechnipFMC had approximately 20,000 full-time employees.

The average monthly number of employees (including executive directors) employed by TechnipFMC during the years ended December 31, 2021 and 2020 are as follows:

By function:	2021	2020
Production / Services	14,184	15,525
Selling and distribution	1,823	1,984
General and administrative	3,839	3,960
Total	19,846	21,469

NOTE 30. RELATED PARTIES DISCLOSURES

30.1 Transactions with related parties and equity affiliates

Receivables, payables, revenues and expenses which are included in our consolidated financial statements for all transactions with related parties, defined as entities related to our directors and main shareholders as well as the partners of our consolidated joint ventures, were as follows.

Accounts receivables consisted of receivables due from following related parties:

	December 31,	
(In millions)	2021	2020
Equinor ASA	$ —	$ 24.1
Dofcon Navegacao	22.7	4.2
Techdof Brasil AS	4.5	8.0
Others	2.5	14.5
Total trade receivables	$ 29.7	$ 50.8

Dofcon Navegacao is an equity method investment. Techdof Brasil AS is a wholly owned subsidiary of Dofcon Brasil AS, our equity method affiliate. In October 2020, we added a new member to our Board of Directors who was an executive of Equinor ASA.

Accounts payables consisted of payables due to following related parties:

(In millions)	December 31, 2021	2020
Crescent Energy	$ 2.7	$ —
Dofcon Navegacao	—	1.5
Arkema	0.9	0.5
Others	1.9	5.2
Total trade payables	$ 5.5	$ 7.2

Additionally, we have note receivable balance of $12.6 million and $37.6 million with Dofcon Brasil AS as of December 31, 2021 and 2020, respectively. Dofcon Brasil AS is a variable interest entity and accounted for as an equity method investment. These are included in other assets in our consolidated balance sheets.

Revenue consisted of amount from following related parties:

(In millions)	Year Ended December 31, 2021	2020
Equinor ASA	$ —	$ 119.6
Dofcon Navegacao	9.9	3.4
Techdof Brasil AS	15.8	11.2
Others	14.0	18.5
Total revenue	$ 39.7	$ 152.7

Techdof Brasil AS is a wholly owned subsidiary of Dofcon Brasil AS, our equity method affiliate. Equinor Brasil is a subsidiary of Equinor ASA in Brazil.

Expenses consisted of amount to following related parties:

(In millions)	Year Ended December 31, 2021	2020
Arkema S.A.	$ 3.8	$ 1.5
Serimax Holdings SAS	7.6	0.4
Magma Global Limited	8.8	14.0
Jumbo Shipping	—	16.0
Dofcon Navegacao	26.7	24.0
Others	18.5	21.2
Total expenses	$ 65.4	$ 77.1

Serimax Holdings SAS is an equity method affiliate. Magma Global Limited was an equity method affiliate through September 30, 2021. In October 2021, we purchased the remaining ownership interest in Magma Global, see Note 3 for further details.

Members of our Board of Directors serve on the Board of Directors for Arkema S.A. and Jumbo Shipping.

30.2 Executive compensation

The below table sets forth the single figure of remuneration for the years ended December 31, 2021 and 2020 for each of TechnipFMC's executive directors; the Chief Executive Officer and the Executive Chair. In May 2019, our Chief Executive Officer assumed the role of Executive Chair when the former Executive Chair retired.

	Chief Executive Officer	
(In U.S. dollars)	**2021**	**2020**
Salary (1)	$ 1,223,164	$ 988,800
Taxable benefits (2)	68,279	48,659
Annual incentive (3)	7,738,779	4,578,600
Long-term incentive awards (4)	10,744,161	354,027
Pension-related benefits	305,339	247,770
Total remuneration	$ 20,079,722	$ 6,217,856

(1) Salary provides a fixed level of market competitive compensation to our executive director that reflects his major responsibilities. Base pay is set with reference to market median, based on responsibility, experience, individual performance, and contributions to the business.

Salary for our Chair and CEO is unchanged since March 1, 2018. The salary provided for 2020 includes a 30% temporary pay reduction to the Chair and CEO effective May 1, 2020 and ending December 31, 2020.
(2) The taxable benefits for 2020 for the Chair and CEO includes: (i) personal use of Company automobile of $6,727; (ii) financial planning services of $18,000; (iii) UK tax preparation fees of $5,204, (iv) company paid life insurance fees of $578; (v) club dues of $8,863 and (vi) security services of $9,287.
(3) The amount disclosed in the Annual Incentive Awards column for 2020 for our Chair and CEO represents the sum of annual cash incentive bonus and time-based (non-performance based) RSUs awarded in 2020. In 2020, our Chair and CEO's annual cash incentive was $1,668,600, calculated using a target bonus of 135% of salary, a BPI rating of 75%, and an API rating of 175%. The time-based (non-performance based) RSUs awarded in 2020 were valued at $2,910,000, comprising 30% of the Chair and CEO's long-term equity incentive target value of $9,700,000.
(4) The amount disclosed in the Long-Term Incentive Awards line for 2020 for our Chair and CEO represents the value of performance-based RSUs subject to performance (ROIC) and market-based (TSR) vesting conditions with a performance period ending December 31, 2020.
(5) The amount disclosed in the Pension-Related Benefits represents the value of the Company contributions to the U.S. 401(K) and non-qualified defined contribution plans.

NOTE 31. MARKET RELATED EXPOSURE

31.1 Liquidity risk

Most of our cash is managed centrally and flows through centralized bank accounts controlled and maintained by TechnipFMC globally and in many operating jurisdictions to best meet the liquidity needs of our global operations.

Net (debt) cash

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

The following table provides a reconciliation of our cash and cash equivalents to net (debt) cash, utilizing details of classifications from our consolidated statement of financial position:

	December 31,	
(In millions)	**2021**	**2020**
Cash and cash equivalents	$ 1,327.4	$ 4,807.7
Less: Short-term debt and current portion of long-term debt	277.9	2,161.6
Less: Long-term debt, less current portion	1,778.5	1,792.5
Less: Lease liabilities	772.8	1,154.9
Net (debt) cash	$ (1,501.8)	$ (301.3)

Cash flows

Operating cash flows from continuing operations - During 2021, we generated $836.3 million in operating cash flows from continuing operations, as compared to $929.9 million in 2020, resulting in a $93.6 million decrease compared to 2020. The decrease in cash generated by operating activities from continuing operations in 2021 as compared to 2020 was primarily due to timing differences on project milestones and vendor payments.

Investing cash flows from continuing operations - Investing activities from continuing operations used $18.9 million and $121.2 million in 2021 and 2020, respectively. The decrease of $102.3 million in cash used for investing activities was primarily due to proceeds received from the ongoing sale of shares in our investment in Technip Energies, the sales of assets and decreased capital expenditures during 2021.

Financing cash flows from continuing operations - Financing activities from continuing operations used $1,529.6 million and $808.6 million in 2021 and 2020, respectively. The increase of $721.0 million in cash used for financing activities was due primarily to the increased debt pay down activity during 2021.

Debt and Liquidity

In connection with the Spin-off, we executed a series of refinancing transactions, in order to provide a capital structure with sufficient cash resources to support future operating and investment plans.

Debt Issuance

- On February 16, 2021, we entered into a credit agreement, which provides for a $1.0 billion three-year senior secured multicurrency revolving credit facility ("Revolving Credit Facility") including a $450.0 million letter of credit subfacility; and
- On January 29, 2021, we issued $1.0 billion of 6.50% senior notes due 2026 (the "2021 Notes").

Repayment of Debt

The proceeds from the debt issuance described above along with the available cash on hand, were used to fund:

- the repayment of all $542.4 million of the outstanding Synthetic Convertible Bonds that matured in January 2021;
- the repayment of all $500.0 million aggregate principal amount of outstanding 3.45% Senior Notes due 2022. In connection with the repayment, we recorded a loss on extinguishment of debt of $23.5 million related to the difference between the amount paid and the net carrying value of the debt; and
- the termination of the $2.5 billion senior unsecured revolving credit facility entered into on January 17, 2017; the termination of the €500.0 million Euro Facility entered into on May 19, 2020, and the termination of the CCFF Program entered into on May 19, 2020. In connection with the termination of these credit facilities, we repaid $830.9 million of the outstanding commercial paper borrowings.

Total borrowings as of December 31, 2021 and 2020 were $2,056.4 million and $3,954.1 million, respectively. See Note 20 for further details.

Availability of borrowings under the Revolving Credit Facility is reduced by the outstanding letters of credit issued against the facility. As of December 31, 2021, there were $16.7 million letters of credit outstanding and availability of borrowings under the Revolving Credit Facility was $983.3 million.

During 2021, we completed two tender offers and purchased for cash $366.9 million of the outstanding 2021 Notes. We paid a cash premium of $29.5 million to the note holders who tendered and wrote-off $8.9 million of bond issuance costs. In connection with the repayment of all $500.0 million aggregate principal amount of outstanding 3.45% Senior Notes due 2022, we recorded a loss on extinguishment of debt of $23.5 million. As of December 31, 2021, we were in compliance with all restrictive covenants under our credit facilities. See Note 20 for further details.

Credit Ratings - Our credit ratings with Standard and Poor's ("S&P") are BB+ for our long-term unsecured, guaranteed debt (2021 Notes) and BB for our long-term unsecured debt (the Private Placement notes). Our credit ratings with Moody's are Ba1 for our long-term unsecured, guaranteed debt.

The contractual, undiscounted repayment schedule of financial liabilities are as follows:

(In millions)	2022	2023	2024	2025	2026	2027 and beyond	Total
Debt	$ 277.9	$ 396.4	$ 56.9	$ 281.1	$ 661.8	$ 382.3	$ 2,056.4
Interest on debt	102.7	89.5	77.6	67.1	19.0	59.0	414.9
Accounts payable, trade	1,293.6	—	—	—	—	—	1,293.6
Derivative financial instruments	161.0	15.3	0.3	—	—	—	176.6
Finance lease liabilities	150.2	108.3	102.3	83.1	74.7	675.9	1,194.5
Total financial liabilities as of December 31, 2021	$ 1,985.4	$ 609.5	$ 237.1	$ 431.3	$ 755.5	$ 1,117.2	$ 5,136.0

(In millions)	2021	2022	2023	2024	2025	2026 and beyond	Total
Debt	$ 2,161.6	$ 717.7	$ 346.1	$ 26.3	$ 267.6	$ 434.8	$ 3,954.1
Interest on debt	58.1	51.0	32.1	24.2	18.7	73.3	257.4
Accounts payable, trade	2,741.1	—	—	—	—	—	2,741.1
Derivative financial instruments	167.2	21.9	1.4	—	—	—	190.5
Redeemable financial liability	184.2	66.3	43.5	33.1	—	—	327.1
Finance lease liabilities	279.4	191.5	137.1	117.6	79.2	471.4	1,276.2
Total financial liabilities as of December 31, 2020	$ 5,591.6	$ 1,048.4	$ 560.2	$ 201.2	$ 365.5	$ 979.5	$ 8,746.4

31.2 Foreign currency exchange rate risk

We conduct operations around the world in a number of different currencies. Many of our significant foreign subsidiaries have designated the local currency as their functional currency. Our earnings are therefore subject to change due to fluctuations in foreign currency exchange rates when the earnings in foreign currencies are translated into U.S. dollars. We do not hedge this translation impact on earnings. A 10% increase or decrease in the average exchange rates of all foreign currencies as of December 31, 2021, would have changed our revenue and profit (loss) before income taxes attributable to TechnipFMC by approximately $303.5 million and $16.8 million, respectively.

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

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

For our foreign currency forward contracts hedging anticipated transactions that are accounted for as cash flow hedges, a 10% increase in the value of the U.S. dollar would have resulted in an additional loss of $55.4 million in the net fair value of cash flow hedges reflected in our consolidated statement of financial position as of December 31, 2021.

31.3 Interest rate risk

We assess effectiveness of forward foreign currency contracts designated as cash flow hedges based on changes in fair value attributable to changes in spot rates. We exclude the impact attributable to changes in the difference between the spot rate and the forward rate for the assessment of hedge effectiveness and recognize the change in fair value of this component immediately in earnings. Considering that the difference between the spot rate and the forward rate is proportional to the differences in the interest rates of the countries of the currencies being traded, we have exposure in the unrealized valuation of our forward foreign currency contracts to relative changes in interest rates between countries in our results of operations.

Our interest-bearing loans and borrowings were split between fixed and floating rate as follows:

(In millions)	December 31, 2021	December 31, 2020
Fixed Rate	$ 1,864.6	$ 3,927.0
Floating Rate	191.8	27.1
Total debt	$ 2,056.4	$ 3,954.1

Sensitivity analysis as of December 31, 2021

TechnipFMC's floating rate debt amounted to $191.8 million compared to an aggregate total debt of $2,056.4 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, 2021, the net short-term cash position of TechnipFMC (cash and cash equivalents, less short-term financial debts) amounted to $923.3 million.

As of December 31, 2021, a 1% (100 basis points) increase in interest rates would lower the fair value of the fixed rate synthetic bonds, convertible bonds and private placements by $33.5 million before tax. A 1% (100 basis points) decrease in interest rates would raise the fair value by $47.3 million before tax.

A 1% (100 basis points) increase in interest rates would generate an additional profit of $10.5 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.

Sensitivity analysis as of December 31, 2020

TechnipFMC's floating rate debt amounted to $27.1 million compared to an aggregate total debt of $3,954.1 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, 2020, the net short-term cash position of TechnipFMC (cash and cash equivalents, less short-term financial debts) amounted to $2,372.2 million.

As of December 31, 2020, a 1% (100 basis points) increase in interest rates would lower the fair value of the fixed rate synthetic bonds, convertible bonds and private placements by $40.9 million before tax. A 1% (100 basis points) decrease in interest rates would raise the fair value by $43.8 million before tax.

A 1% (100 basis points) increase in interest rates would generate an additional profit of $26.4 million before tax in the net cash position. A 1% (100 basis points) decrease in interest rates would generate a loss of the same amount.

31.4 Credit risk

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

By their nature, financial instruments involve risk, including credit risk, for non-performance by counterparties. Financial instruments that potentially subject us to credit risk primarily consist of trade receivables, contract assets, contractual cash flows from our debt instruments (primarily loans), cash equivalents and deposits with banks, as well as derivative contracts. We manage the credit risk on financial instruments by transacting only with what management believes are financially secure counterparties, requiring credit approvals and credit limits, and monitoring counterparties' financial condition. Our maximum exposure to credit loss in the event of non-performance by the counterparty is limited to the amount drawn and outstanding on the financial instrument. We mitigate credit risk on derivative contracts by executing contracts only with counterparties that consent to a master netting agreement, which permits the net settlement of gross derivative assets against gross derivative liabilities.

We apply the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. TechnipFMC's trade receivables and contracts assets constitute a homogeneous portfolio. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. TechnipFMC has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on a selection of TechnipFMC's subsidiaries that cover a representative part of TechnipFMC's consolidated trade receivables and contract assets at each period end.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before December 31, 2021 or December 31, 2020, respectively, and the corresponding historical credit losses experienced within this period.

Credit risk exposure on our trade receivables and contract assets using a provision matrix are set out as follows:

	December 31, 2021					
	Days past due					
(In millions)	Current	Less than 3 months	3 to 12 months	Over 1 year	Total Trade Receivables	Contract Assets
Carrying amount - Gross	$ 532.9	$ 122.4	$ 182.0	$ 205.4	$ 1,042.7	$ 965.8
Weighted average expected credit loss rate	—	—	—	—	0.11 %	0.11 %

	December 31, 2020					
	Days past due					
(In millions)	Current	Less than 3 months	3 to 12 months	Over 1 year	Total Trade Receivables	Contract Assets
Carrying amount - Gross	$ 1,526.4	$ 411.4	$ 259.8	$ 300.7	$ 2,498.3	$ 1,267.8
Weighted average expected credit loss rate	—	—	—	—	0.18 %	0.18 %

NOTE 32. AUDITORS' REMUNERATION

Fees payable to TechnipFMC's auditors and its associates are as follows:

(In millions)	2021	2020
Fees payable to TechnipFMC plc's auditors for the audit of its annual financial statements including 404B internal control	$ 9.6	$ 17.3
Fees payable to TechnipFMC plc's auditors and its associates for the audit of its subsidiaries	2.6	4.7
Total fees payable for audit services	$ 12.2	$ 22.0
Audit related services	$ —	$ 3.5
Legal and tax related services	0.1	0.2
Other services	—	0.2
Total fees payable for other services	$ 0.1	$ 3.9

NOTE 33. SUBSIDIARIES, JOINT VENTURE UNDERTAKINGS AND EQUITY AFFILIATES

TechnipFMC's subsidiaries, joint venture undertakings and equity affiliates as of December 31, 2021 are listed below:

33.1 Directly owned subsidiaries

Company Name	Address	Share Class	Group interest held in %
FRANCE			
Compagnie Française De Réalisations Industrielles, Cofri SAS	1BIS Place de la Défense Tour Trinity 92400 Courbevoie	Ordinary shares	100
Seal Engineering SAS	19, Avenue Feuchères 30000 Nîmes	Ordinary shares	100
Technip N-Power SAS	1BIS Place de la Défense Tour Trinity 92400 Courbevoie	Ordinary shares	77.79[1]
Technip Offshore International SAS	1BIS Place de la Défense Tour Trinity 92400 Courbevoie	Ordinary shares	100
INDONESIA			
PT Technip Indonesia	Metropolitan Tower, 15th Floor, JL. R. A. Kartini Kav.	Equity interest	9
NETHERLANDS			
Technip Energies BV	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Technip Holding Benelux B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
UNITED KINGDOM			
TechnipFMC Corporate Holdings Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
VENEZUELA			
Technip Bolivar, C.A. en liquidation	523 Zona Industrial Matanzas, Planta De Bauxilum Puerto Ordaz Ciudad Bolivar	Ordinary shares	99.88[1]

(1) Subsidiary fully and indirectly owned by TechnipFMC, plc.

33.2 Indirectly owned subsidiaries

Company Name	Address	Share Class	Group interest held in %
ALGERIA			
FMC Technologies Algeria SARL	09 Rue Naama Sebti ex Paul Langevin, El Mouradia, 16 035 Alger, Algérie	Ordinary Shares	99.98
ARGENTINA			
FMC Technologies Argentina S.R.L.	c/o Allende & Brea Maipú 1300, 10th Floor Buenos Aires C1006ACT	Equity interest	100
AUSTRALIA			
FMC Technologies Australia Limited	66 Sparks Road - Henderson WA 6166	Ordinary shares	100
Technip Oceania Pty Ltd	1120 Hay St, West Perth WA 6005	Ordinary shares	100
BAHAMAS			
AMC Angola Offshore Ltd	c/o Trident Corporate Services Limited Provident House East Hill Street, Nassau	Ordinary shares	100
BRAZIL			
FMC Technologies do Brasil Ltda	Avenida Marquês de Sapucaí nº 200, 16º e 17º andares, Rio de Janeiro/RJ, CEP 20.210-912.	Equity interest	100

Company Name	Address	Share Class	Group interest held in %
GLBL Brasil Oleodutos E Serviços Ltda.	Avenida Marquês de Sapucaí nº 200, 16º e 17º andares, Rio de Janeiro/RJ, CEP 20.210-912.	Equity interest	100
Technip Brasil - Engenharia, Instalações e Apoio Marítimo Ltda.	Avenida Marquês de Sapucaí nº 200, 16º e 17º andares, Rio de Janeiro/RJ, CEP 20.210-912.	Equity interest	100
Cybernetix Produtos e Serviços do Brasil Ltda	Rua Paulo Emílio Barbosa, nº 2 sala 402 20211-178, Cidade Nova Rio de Janeiro	Equity interest	69.59
CAMEROON			
FMC Technologies Cameroon SARL	Zone Portuaire/Place de l'Udeac, P.B. 12804, Bonanjo, Douala	Equity interest	100
CANADA			
TechnipFMC Canada Limited	c/o McInnes Cooper 5th Floor, 10 Fort William Place P.O. Box 5939, St John's, NL A1C 5X4 Newfoundland and Labrador	Ordinary shares	100
CHINA			
FMC Technologies (Shanghai) Co., Ltd	Room 190 No. 55 Ding'an Road Xuhui District, Shanghai	Equity interest	100
FMC Technologies (Shenzhen) Co., Ltd.	Room H, 12/F, Times Plaza, 1 Taizi Road, Shekou, Nanshan District 518607 Shenzhen	Equity interest	100
EGYPT			
FMC Technologies Egypt LLC	2nd floor, building No. 80 located at Road 250 Maadi El Sarayat, Maadi	Ordinary shares	100
EQUATORIAL GUINEA			
TechnipFMC Equatorial Guinea SARL	Carretera de Aeropuerto, KM 5, APDO 925, Malabo	Ordinary shares	65
FRANCE			
Angoflex SAS	1BIS Place de la Défense Tour Trinity 92400 Courbevoie	Ordinary shares	100
Flexi France SAS	Rue Jean Huré 76580 Le Trait	Ordinary shares	100
FMC Technologies Overseas, SAS	Bâtiment C, Rue Nelson Mandela, Zone ECOParc, 89100 Sens	Ordinary shares	100
FMC Technologies SAS	Bâtiment C, Rue Nelson Mandela, Zone ECOParc, 89100 Sens	Ordinary shares	100
GABON			
FMC Technologies Gabon S.A.R.L.	Boite Postale (B.P) 277 Port Genti	Equity interest	90
GERMANY			
F.A. Sening GmbH	Regentstraße 1 25474 Ellerbek	Ordinary shares	100
Smith Meter GmbH	Regentstraße 1 25474 Ellerbek	Ordinary shares	100
GHANA			
FMC Technologies (Ghana) Limited	Commercial Port Gate 2 Takoradi P.O. Box CT 42, Cantonments, Accra	Ordinary shares	100
GNPC-TechnipFMC Engineering Services Limited	6th Floor, One Airport Square, Airport City, Accra PMB CT 305 Cantonments, Accr	Ordinary shares	70
GUYANA			
TechnipFMC Guyana INC.	c/o Cameron & Shepherd 2 Avenue of the Republic, Georgetown	Ordinary shares	100
HONG KONG			

Company Name	Address	Share Class	Group interest held in %
FMC Technologies Energy (Hong Kong) Limited	Suite 1106-8, 11/F., Tai Yau Building, No. 181 Johnston Road, Wanchai Hong Kong	Ordinary shares	100
FMC Technologies Energy Holdings (Shanghai) Ltd.	Suite 1106-8, 11/F., Tai Yau Building, No. 181 Johnston Road, Wanchai Hong Kong	Ordinary shares	100
INDIA			
FMC Technologies India Private Limited	Plot No.27(Part) Survey No. 124, Road No 12, Commerzone, Raheja IT Park, Opp. Institute of Preventive Medicine, Industrial Park, IDA Nacharam, Hyderabad, Telangana 500 076	Ordinary shares	100
INDONESIA			
PT FMC Santana Petroleum Equipment Indonesia	Jalan Cakung Cilincing Raya KM 2.5 Semper, Jakarta 14130	Ordinary shares	60
PT FMC Technologies Subsea Indonesia	Metropolitan Tower Lantai 15 Unit B, JL RA Kartini TB Simatupang Kav 14 RT/RW 010/04, Cilandak Barat, Cilandak, Jakarta Selatan 12430	Ordinary shares	95
IRAQ			
F.M.C Petroleum Services Ltd.	English Village Compound House 161 - Gulan Street - Erbil 31019 Iraq	Ordinary shares	100
Advanced Oil Services LLC	Al Mansour - District 609 - Alley 23, Building 70 - Office 15, Baghdad	Equity interest	100
ISLE OF MAN			
Subtec Asia Ltd	Burleigh Manor, Peel Road Douglas IM1 5EP	Ordinary shares	100
ITALY			
FMC Technologies S.r.l. a socio unico	Via Thomas Alva Edison n.110 ed. A 20099 Sesto San Giovanni (MI),	Equity interest	100
JERSEY			
CSO Oil & Gas Technology (West Africa) Ltd	26 New Street, St. Helier, Jersey, JE2 3RA	Ordinary shares	100
KAZAKHSTAN			
FMC Technologies Kazakhstan LLP	43/5 building, industrial area 3, birlik h.e., Kyzyktobe r.d., Munaily district | Aktau, Mangystau | 130006	Equity interest	100
LUXEMBOURG			
FMC Technologies Global Rental Tools S.a r.l	8-10 avenue de la Gare 1610 Luxembourg	Ordinary shares	100
FMC Technologies Tool Holdings S.ar.l	8-10 avenue de la Gare 1610 Luxembourg	Ordinary shares	100
MALAYSIA			
Asiaflex Products Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	59
Flexiasia Sdn Bhd	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	28.89
FMC Petroleum Equipment (Malaysia) Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	100
FMC Technologies Global Supply Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	100
MAURITIUS			

Company Name	Address	Share Class	Group interest held in %
Coflexip Stena Offshore (Mauritius) Ltd.	33, Edith Cavell Street 11324 Port Louis	Ordinary shares	100
GIL Mauritius Holdings Ltd	33, Edith Cavell Street 11324 Port Louis	Ordinary shares	100
Global Construction Mauritius Services Ltd (In Liquidation)	33, Edith Cavell Street 11324 Port Louis	Ordinary shares	100
Global Vessels Mauritius, Ltd. (In Liquidation)	33, Edith Cavell Street 11324 Port Louis	Ordinary shares	100
MEXICO			
FMC Technologies de México S.A. de R.L de C.V.	FMC Technologies de Mexico, S.A. de C.V. Laurel Lote 41, Manzana 19, Col. Bruno Pagliai Veracruz, Veracruz C.P. 91697	Ordinary shares	100
FMC Technologies Servicios Corporativos, S. de R.L de C.V.	FMC Technologies de Mexico, S.A. de C.V. Laurel Lote 41, Manzana 19, Col. Bruno Pagliai Veracruz, Veracruz C.P. 91697	Ordinary shares	100
Global Industries Mexico Holdings S. de R.L. de C.V.	Vasco de Quiroga 3000 Edificio Calakmul piso 6 Colonia Santa Fe CP 01210 México, D.F. México	Ordinary shares	100
Global Industries Services, S. de R.L. de C.V.	Vasco de Quiroga 3000 Edificio Calakmul piso 6 Colonia Santa Fe CP 01210 México, D.F. México	Class A, B and N	100
Global Offshore Mexico, S. de R.L. de C.V.	Vasco de Quiroga 3000 Edificio Calakmul piso 6 Colonia Santa Fe CP 01210 México, D.F. México	Ordinary shares	100
Global Vessels Mexico, S. de R.L. de C.V.	Vasco de Quiroga 3000 Edificio Calakmul piso 6 Colonia Santa Fe CP 01210 México, D.F. México	Ordinary shares	99
MOZAMBIQUE			
Technip Mozambique Lda	Distrito Urbano 1, Bairro Central Avenida da Vladmir Lénine n.˚1123 Ed. Topázio 8˚ andar Maputo	Ordinary Shares	100
MYANMAR			
Technip Myanmar Co. Ltd	No. 18 G/F, Ground Floor Tha Pyay Nyo Street ,Shin Saw Pu Quarter Sanchaung Township 11201	Ordinary shares	100
NETHERLANDS			
FMC Separation Systems B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
FMC Technologies B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
FMC Technologies Brazil Finance B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
FMC Technologies Global B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
FMC Technologies International Services B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
FMC Technologies Surface Wellhead B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
TSLP B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
TechnipFMC PLSV BV	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
TechnipFMC PLSV CV	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
Technip Offshore Contracting B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
Technip Offshore N.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
Technip Ships (Netherlands) B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
TechnipFMC Cash B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
TechnipFMC International Holdings B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares Preferred shares	100 100
TechnipFMC Pipelaying BV	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
NIGERIA			
Global Pipelines Plus Nigeria Ltd.	7 Town Planning way, Ilupeju, Lagos	Ordinary shares	99.99
Neptune Maritime Nigeria Ltd.	Neptune Base, Rumuolumeni PMB 017 (Trans Amadi), Rivers State Port Harcourt	Ordinary shares	66.91
TechnipFMC Nigeria Limited	22A Gerrard Road Ikoyi Lagos	Ordinary shares	100
Technip Offshore (Nigeria) Ltd	22A, Gerrard Road, Ikoyi, Lagos.	Ordinary shares	100
NORWAY			
Deep Purple AS	Kirkegårdsveien 45 3616 Kongsberg	Ordinary shares	100
FMC Kongsberg Subsea AS	Kirkegårdsveien 45 3616 Kongsberg	Ordinary shares	100
Technip Chartering Norge AS	Philip Pedersens vei 7 1366 Lysaker	Ordinary shares	100
Technip Norge AS	Philip Pedersens vei 7 1366 Lysaker	Ordinary shares	100
Technip-Coflexip Norge AS	Philip Pedersens vei 7 1366 Lysaker	Ordinary shares	100
TIOS AS	Lagerveien 23, 4033, Stavanger	Ordinary shares	100
TIOS Crewing AS	Lagerveien 23, 4022, Stavanger	Ordinary shares	100
Agat Technology AS	Lagerveien 23, 4022, Stavanger	Ordinary shares	100
POLAND			
FMC Technologies Sp.z.o.o.	Al. Jana Pawła II 43B Krakow 31-864 Poland	Ordinary shares	100
PORTUGAL			
Angoltech, SGPS, LDA.	Centro Empresarial Torres de Lisboa, Rua Tomás da Fonseca, Torre E, Piso 9	Ordinary shares	100
Lusotechnip Engenharia, Sociedade Unipessoal Lda.	Centro Empresarial Torres de Lisboa, Rua Tomás da Fonseca, Torre E, Piso 9 1600-209 Lisboa	Ordinary shares	100
RUSSIAN FEDERATION			
FMC Eurasia LLC	31 Bolshaya Yakimanka, 31, office 401, 119180 Moscow	Ordinary shares	100
SAUDI ARABIA			

Company Name	Address	Share Class	Group interest held in %
FMC Technologies Saudi Arabia Limited	PO Box 3076 2nd Industrial City Dammam 34326, Eastern Province	Ordinary shares	100
SINGAPORE			
FMC Technologies Global Services Pte. Ltd.	149 Gul Circle 629605 Singapore	Ordinary shares	100
FMC Technologies Singapore Pte. Ltd.	149 Gul Circle 629605 Singapore	Ordinary shares	100
Technip Singapore Pte. Ltd.	149 Gul Circle 629605 Singapore	Ordinary shares	100
SOUTH AFRICA			
FMC Technologies (Pty.) Ltd.	Koper Street Brackenfell 7560, Cape Town	Ordinary shares	100
SPAIN			
Global Industries Offshore Spain, S.L.	Arturo Soria 263B 28003 Madrid	Ordinary shares	100
SWITZERLAND			
FMC Kongsberg International GmbH	Bahnofstrasse 10 6300 Zurich	Ordinary shares	100
FMC Technologies GmbH	Bahnofstrasse 10 6300 Zug	Ordinary shares	100
THAILAND			
Global Industries Offshore (Thailand), Ltd.	18th Floor, Sathorn Thani Building 2, No. 92/52, North Sathorn Road, Kwaeng Silom, Khet Bangrak, Bangkok 10500	Ordinary shares	100
TUNISIA			
FMC Technologies Service SARL	Rue Lac Tanganyika, Immeuble Junior, Bureaux 2-3, Les Berges du Lac, 1053, La Marsa,Tunis	Ordinary shares	100
UNITED ARAB EMIRATES			
Technip Middle East FZCO	Office LB15310, P.O. Box 17864 Jebel Ali Free Zone Dubai	Ordinary shares	100
TechnipFMC Gulf FZE	Office LB15325, Jebel Ali Free Zone Dubai	Ordinary shares	100
UNITED KINGDOM			
AABB Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	48,880 Ordinary (equity) of 1p each 4,937,630 Ordinary deferred of 10p each	100 100
Control Systems International (UK) Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
Crosby Services International Ltd.	Enterprise Drive, Westhill, Aberdeenshire, AB32 6TQ	Ordinary shares	100
Forsys Subsea Limited (In Liquidation)	Birchin Court, 20 Birchin Lane, London, EC3V 9DU, UK	Share A Share B	100
FMC Kongsberg Services Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
FMC/KOS West Africa Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
FMC Technologies Global Business Services Ltd (In Liquidation)	Enterprise Drive, Westhill Aberdeenshire, AB32 6TQ	Ordinary shares	100
FMC Technologies Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
FMC Technologies Pension Plan Ltd	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
Magma Global Ltd	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
Spoolbase UK Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
Subsea I & C Services Limited	O Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
Subsea Maritime Services Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
Subsea Offshore Services Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
Schilling Robotics Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
Technip Maritime UK Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
Technip Offshore Holdings Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
Technip Offshore Manning Services Ltd	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
Technip Services Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
Technip Ships One Ltd	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
Technip UK Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
Technip-Coflexip UK Holdings Ltd	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
TechnipFMC DSV3 Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
TechnipFMC (Europe) Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
TechnipFMC Finance ULC	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
TechnipFMC International Finance Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
TechnipFMC International UK Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
TechnipFMC Umbilicals Ltd	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
TechnipFMC Island Offshore UK Limited	Pavilion 2, Aspect 32, Arnhall Business Park, Westhill, Aberdeenshire, Scotland, AB32 6FE	Ordinary shares	100
West Africa Subsea Services Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
UNITED STATES			
Control Systems International, Inc.	c/o CT Corporation Company, Inc. 3800 North Central Avenue, Suite 460 Topeka, Kansas 66603	Ordinary shares	100
FMC Subsea Service, Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
FMC Technologies Energy LLC	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Membership interest	100
FMC Technologies, Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
FMC Technologies Measurement Solutions, Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
FMC Technologies Overseas Ltd.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
FMC Technologies Separation Systems, Inc.	c/o CT Corporation System 1999 Bryan Street, Suite 900 Dallas, Texas 75201	Ordinary shares	100
FMC Technologies Surface Integrated Services, Inc.	c/o The Corporation Company 7700 E Arapahoe Road, Suite 220 Centennial, Colorado 80112-1268	Ordinary shares	100
FMX, LLC	c/o CT Corporation System 1999 Bryan Street, Suite 900 Dallas, Texas 75201	Membership interest	100
Schilling Robotics, LLC	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Membership interest	100
Subtec Middle East Ltd	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
TechnipFMC Umbilicals, Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
TechnipFMC USA, Inc	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
TechnipFMC US Holdings Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
TechnipFMC US LLC 1	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Membership Interest	100
TechnipFMC US LLC 2	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Membership Interest	100
The Red Adair Company, L.L.C.	c/o CT Corporation System 3867 Plaza Tower Baton Rouge, Louisiana, 70816	Membership interest	100
VENEZUELA			
FMC Wellhead de Venezuela, S.A.	Av. 62 # 147-35, Zona Industrial, Maracaibo, Zulia State, 4001	Ordinary shares	100
Technip Bolivar, C.A. en liquidation	523 Zona Industrial Matanzas, Planta De Bauxilum Puerto Ordaz Ciudad Bolivar	Ordinary shares	99.88[1]
VIETNAM			
FMC Technologies (Vietnam) Co., Ltd.	No. 29, Le Duan Street Ben Nghe Ward, Distric 1 Ho Chi Minh City	Equity interest	100

(1) Subsidiary fully and indirectly owned by TechnipFMC, plc.

33.3 Joint ventures

Company Name	Address	Share Class	Group interest held in %
ANGOLA			
Angoflex Industrial Limitada	Rua 1 de Dezembro nº 15, Província de Benguela Lobito	Ordinary Shares	70
Technip Angola-Engenharia, Limitada	Rua Rei Katyavala, N.°43-45, Edificio Avenca Plaza, 5°. Andar 5364 Luanda	Ordinary Shares	60
TechnipFMC Angola, Limitada	Rua Major Marcelino Dias, Edifício ICON 2014, 8º andar Luanda - Angol	Ordinary Shares	49
BRAZIL			
DOFCON NAVEGAÇÃO LDA	Avenida Marquês de Sapucaí nº 200, 16º e 17º andares, Rio de Janeiro/RJ, CEP 20.210-912.	Ordinary shares	0.1
NORWAY			
Dofcon Brasil AS	Thormohlens Gate 53 C 5006 Bergen	Ordinary shares	50
Technip-DeepOcean PRS JV DA	Killingøy 5515 Haugesund	No capital	50
SAUDI ARABIA			
Global Al Rushaid Offshore Ltd	P O Box No 31685 31952 Al Khoba	Ordinary shares	50

33.4 Associated undertakings

Company Name	Address	Share Class	Group interest held in %
BOSNIA AND HERZEGOVINA			
Petrolinvest, D.D. Sarajevo	Tvornicka 3 71000 Sarajevo	Ordinary shares	33
FINLAND			
Creowave Oy	Yrttipellontie 10 H 90230 Oulu	Ordinary shares	24.9
FRANCE			
Serimax Holdings SAS	346 rue de la Belle Etoile 95700 Roissy en France	Ordinary shares	20
GHANA			
TechnipFMC Ghana Limited	6th Floor, One Airport Square 00233 Accra	Ordinary shares	49
INDONESIA			
PT Technip Indonesia	Metropolitan Tower, 15th Floor, JL. R. A. Kartini Kav. 14 (T.B Simatupang), Cilandak Jakarta Selatan 12430	Ordinary shares	9
MALAYSIA			
FMC Wellhead Equipment Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	49
Technip Marine (M) Sdn Bhd	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	28.89
NORWAY			
Kongsberg Technology Training Centre AS	Kirkegårdsveien 45 3616 KONGSBERG	Ordinary shares	33.33

33.5 Statutory audit exemption

TechnipFMC has agreed to provide guarantees over the liabilities of a number of its subsidiaries under Section 479C of Companies Act 2006. The following entities are therefore exempt from statutory audit requirements of the Act by virtue of Section 479A thereof:

Company Name	Company number
Technip Offshore Manning Services	4055455
Spoolbase UK Limited	5315706
West Africa Subsea Services Limited	10345570
Subsea Offshore Services Limited	9681629
Subsea I & C Limited	9460007
Subsea Maritime Services Limited	9919636
Schilling Robotics Limited	4848086
FMC/KOS West Africa Limited	621727
TechnipFMC (Europe) Limited	11437449
TechnipFMC DSV3 Limited	11489082
TechnipFMC International Finance Limited	11112457
TechnipFMC International UK Limited	11112462
TechnipFMC Corporate Holdings Limited	12346753

NOTE 34. SUBSEQUENT EVENTS

On January 10, 2022 we announced the sale of 9.0 million Technip Energies shares, representing approximately 5% of Technip Energies' issued and outstanding share capital, through a private sale transaction (the "January Sale"). The sale price of the shares in the January Sale was set at €13.15 per share, yielding total net proceeds of €118.4 million, or $135.1 million. Upon completion of the January Sale, we retained a direct stake of 12.9 million shares, representing 7.1% of Technip Energies' issued and outstanding share capital. As of March 16, 2022, the value of our investment in Technip Energies was $110.5 million.

On January 14, 2022 we paid £6 million, or $8.3 million for 750,000 ordinary shares in Orbital Marine Power (Orbital) to complete the investment in accordance with the Memorandum of Understanding between Technip Holding Benelux B.V. and Orbital. Orbital is a Scotland-based renewable energy company focused on the development and global application of its floating turbine technology. Upon completion of the investment, we will hold approximately 10.2% of the ordinary shares in Orbital.

On February 18, 2022, following a comprehensive review of the strategic objectives, we voluntarily delisted TechnipFMC's shares from Euronext Paris.

NOTE 35. RECONCILIATION OF US GAAP TO IFRS AND NON-GAAP MEASURES

35.1 Reconciliation of US GAAP to IFRS

In accordance with the Securities and Exchange Commission ("SEC"), TechnipFMC is required to prepare its Annual Report on Form 10-K for the three years ended December 31, 2021 in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and SEC rules and regulations pertaining to annual financial information.

To assist TechnipFMC's shareholders in understanding the differences in the basis of preparation of the TechnipFMC's consolidated financial statements, the tables below set out reconciliations from US GAAP to IFRS for Net Loss attributable to TechnipFMC plc for the years ended December 31, 2021 and 2020, respectively, together with a reconciliation of Total Equity from US GAAP to IFRS as of December 31, 2021 and December 31, 2020. These reconciliations set out all significant differences which are expected to result from the conversion from US GAAP to IFRS.

In the consolidated financial statements as of December 31, 2021 and for the two years then ended, the main differences between US GAAP and IFRS for TechnipFMC relate to the following:

(In millions)	December 31,			
	2021		2020	
Total TechnipFMC plc stockholders' equity in accordance with US GAAP	$	3,418.4	$	4,214.3
Leases		(54.7)		(50.9)
Goodwill		142.2		142.2
Impairment of property, plant and equipment		(24.0)		(24.9)
Defined benefit plans		(3.7)		(42.6)
Hedge accounting		19.8		3.8
LIFO adjustments		10.9		11.6
Other		(22.3)		(6.5)
Total equity in accordance with IFRS	$	3,486.6	$	4,247.0

(In millions)	Year Ended			
	2021		2020	
Net income (loss) attributable to TechnipFMC plc in accordance with US GAAP	$	13.3	$	(3,287.6)
Leases		(9.5)	$	(25.8)
Goodwill		—	$	86.0
Discontinued operations		392.1	$	—
Impairment of property, plant and equipment		(1.0)	$	(6.9)
Defined benefit plans		(31.9)	$	(10.3)
Hedge accounting		1.1	$	(4.7)
LIFO adjustments		(0.7)	$	0.7
Expected credit losses		—	$	(1.7)
Other		2.7	$	(8.1)
Net income (loss) attributable to TechnipFMC plc in accordance with IFRS	$	366.1	$	(3,258.4)

Leases

Under the US GAAP leasing accounting guidance, that was effective from January 1, 2019, at lease commencement, a lessee classifies a lease as a finance lease or an operating lease. Under the IFRS accounting guidance, lessees do not classify leases and all leases are treated under a single model that is similar to a finance lease model under US GAAP. TechnipFMC classified all of its leases as operating lease under US GAAP that resulted in significant accounting differences between the two standards.

Goodwill

Both US GAAP and IFRS require initial measurement of assets acquired, liabilities assumed and non-controlling interests in a business combination, subject to certain exceptions, at fair value. There are certain differences between fair value measurements under US GAAP and related measurement concepts in IFRS. On the merger date on January 16, 2017 the recognized goodwill under IFRS was higher when compared to the value of goodwill under US GAAP as of January 16, 2017.

In addition, in a valuation of TechnipFMC's CGUs for the purpose of goodwill impairment test an overall net impact of GAAP differences resulted in lower carrying values of Subsea and Surface Technologies operating segments and in a higher carrying value of Subsea operating segment under IFRS when compared to carrying values of these operating segments under US GAAP in 2021 and 2020, respectively. Under IFRS the differences in carrying values of our operating segments resulted in an additional goodwill impairment charge in 2021 and in a reduction of goodwill impairment charge in 2020.

Discontinued operations

The Spin-off of Technip Energies and related income from discontinued operations is accounted for differently under IFRS vs. US GAAP. Under IFRS, income from discontinued operations includes gain on Spin-off of Technip Energies, loss from discontinued operations (from January 1, 2021 through the Spin-off date) and losses on subsequent sales of Technip Energies shares during the period when Technip Energies was an equity method investment. See Note 2 for further details. Under GAAP, loss from discontinued operations represented loss from Technip Energies from January 1, 2021 through the Spin-off date.

Impairment of property, plant and equipment

US GAAP has a higher hurdle for impairment of long-lived assets (property, plant and equipment) than IFRS, meaning it is less likely for impairment charges to be recognized. Therefore, the US GAAP impairment test had yielded different results in 2017 that subsequently resulted in a positive impact to IFRS earnings in 2020.

Defined benefit plans

There are differences between the methodologies for defined benefits under IFRS compared to US GAAP. The most notable differences relate to accounting for actuarial gains and losses, recognition of prior service costs, special event accounting and calculation of the expected return on plan assets.

Under US GAAP all actuarial gains and losses are deferred in OCI and subsequently amortized to net income through a corridor approach as elected by TechnipFMC. Under IFRS actuarial gains and losses are recognized immediately in OCI for long-term benefit plans. Gains and losses are not subsequently recognized in net income in subsequent periods for these plans. Several small short-term plans (such as jubilee plans) do expense gains and losses directly in net income in the year incurred.

Under US GAAP prior service costs or credits from plan amendments are initially deferred in OCI and subsequently recognized in net income over the average remaining service period of active employees affected by the plan amendment. Under IFRS all past service costs and credits are immediately recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized.

Under US GAAP special events such as settlements and curtailments are recognized differently from IFRS. Under US GAAP settlements are triggered through lump sums exceeding a specified threshold in a given year, resulting in accelerated recognition of actuarial gains and losses. Under IFRS, settlements are triggered based on non-routine lump sum payments, with the settlement impact calculated as the difference between the cash payout and the present value of the benefit held on the balance sheet. Curtailments have different definitions of when to recognize, with US GAAP triggering a curtailment when an event causes a significant decrease in the plan's future service and IFRS triggering a curtailment based on a significant reduction in employee headcount based on a specific event. The net income impact under IFRS is calculated as the change in present value due to the curtailment, and US GAAP using a more complicated formula depending on whether the curtailment is a gain or loss, and whether any outstanding prior service cost exists.

The US GAAP expected return on plan assets is calculated using the expected long-term rate of return on invested assets in the underlying portfolio. Under IFRS, a "net interest" expense (income) on the net defined benefit liability (asset) is recognized as a component of defined benefit cost, based on the discount rate used to determine the obligation.

Hedge accounting

Using cash as a natural hedge instrument is not allowed under US GAAP. An adjustment to reclassify natural hedging results from income statement to OCI is recorded under IFRS.

LIFO adjustments

TechnipFMC has several subsidiaries that utilize LIFO cost accounting method under US GAAP. While LIFO is an allowable method under US GAAP, it is prohibited under IFRS. TechnipFMC records an adjustment to reverse the impact from LIFO costing method under IFRS in its consolidated financial statements.

Other

TechnipFMC recorded other various insignificant differences including differences from deferred taxes.

35.2 Non-GAAP measures

In addition to financial results determined in accordance with US GAAP, we provide non-GAAP financial measures (as defined in Item 10 of Regulation S-K of the Securities Exchange Act of 1934, as amended) below.

Net income, excluding charges and credits, as well as measures derived from it (including diluted earnings (loss) per share, excluding charges and credits; Income before net interest expense and taxes, excluding charges and credits ("Adjusted Operating profit"); Depreciation and amortization, excluding charges and credits; Earnings before net interest expense, income taxes, depreciation and amortization, excluding charges and credits ("Adjusted EBITDA"); and net cash) are non-GAAP financial measures.

Management believes that the exclusion of charges and credits from these financial measures enables investors and management to more effectively evaluate TechnipFMC's operations and consolidated results of operations period-over-period, and to identify operating trends that could otherwise be masked or misleading to both investors and management by the excluded items. These measures are also used by management as performance measures in determining certain incentive compensation. The foregoing non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, other measures of financial performance prepared in accordance with GAAP.

The following is a reconciliation of the most comparable financial measures under US GAAP to the non-GAAP financial measures.

	Year Ended December 31, 2021						
	Income (loss) from continuing operations attributable to TechnipFMC plc	Loss attributable to non-controlling interests from continuing operations	Provision for income taxes	Net interest expense and loss on early extinguishment of debt	Income before net interest expense and income taxes (Operating profit)	Depreciation and amortization	Earnings before net interest expense, income taxes, depreciation and amortization (EBITDA)
TechnipFMC plc, as reported	$ 87.8	$ (0.8)	$ 111.1	$ 205.2	$ 403.3	$ 385.4	$ 788.7
Charges and (credits):							
Impairment and other charges	85.8	—	—	—	85.8	—	85.8
Restructuring and other charges	27.3	—	0.8	—	28.1	—	28.1
Income from investment in Technip Energies	(322.2)	—	—	—	(322.2)	—	(322.2)
Foreign exchange gain	—	—	—	—	—	—	(15.8)
Adjusted financial measures	$ (121.3)	$ (0.8)	$ 111.9	$ 205.2	$ 195.0	$ 385.4	$ 564.6

Free cash flow (deficit) from continuing operations is defined as operating cash flows from continuing operations less capital expenditures. The following table reconciles cash provided by operating activities from continuing operations, which is the most directly comparable financial measure determined in accordance with GAAP, to free cash flow (non-GAAP measure).

(In millions)	Year Ended December 31, 2021
Cash provided by operating activities from continuing operations	$ 715.0
Capital expenditures	(191.7)
Free cash flow from continuing operations	$ 523.3

COMPANY FINANCIAL STATEMENTS

TECHNIPFMC PLC

FOR THE YEAR ENDED DECEMBER 31, 2021

Company No. 09909709

1. COMPANY STATEMENT OF FINANCIAL POSITION

(In millions)	Note	December 31, 2021	December 31, 2020
Assets			
Investments in subsidiaries	4	$ 10,052.4	$ 11,110.2
Property, plant and equipment, net		—	0.3
Intangible assets, net		1.4	1.5
Loan receivables – related parties	5	476.4	156.8
Other non-current financial assets		—	15.0
Deferred income taxes	6	—	5.1
Total non-current assets		10,530.2	11,288.9
Cash and cash equivalents		10.1	2.3
Trade and other receivables, net	7	48.3	205.0
Loan receivables - related parties	5	184.2	1,035.2
Derivative financial instruments	11	—	69.9
Income taxes receivable	8	95.5	154.3
Investment in Technip Energies	3	317.3	—
Other current assets		26.0	16.7
Total current assets		681.4	1,483.4
Total assets		$ 11,211.6	$ 12,772.3
Equity and Liabilities			
Ordinary shares	9	$ 450.7	$ 449.5
Retained earnings, net income and other reserves		2,551.9	1,618.8
Total shareholders' equity		3,002.6	2,068.3
Long-term debt	10	1,437.6	1,535.1
Loan payables – related parties	12	5,963.1	5,701.7
Deferred income taxes	6	1.8	—
Derivative financial instruments	11	—	1.1
Other non-current liabilities		0.1	123.9
Total non-current liabilities		7,402.6	7,361.8
Short-term debt	10	203.9	1,387.0
Trade and other payables	13	602.5	1,917.6
Income taxes payable	8	—	37.6
Total current liabilities		806.4	3,342.2
Total liabilities		8,209.0	10,704.0
Total equity and liabilities		$ 11,211.6	$ 12,772.3
At January 1		$ 1,618.8	$ 5,935.7
Profit /(loss) for the year		2,393.3	(4,556.4)
Other changes in retained earnings		(1,460.2)	239.5
Retained earnings		$ 2,551.9	$ 1,618.8

The accompanying notes are an integral part of the consolidated financial statements. The financial statements were approved by the Board of Directors and signed on its behalf by

Douglas J. Pferdehirt

Director and Chief Executive Officer

March 18, 2022

2. COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(In millions)	Ordinary Shares	Retained Earnings, Net Income and Other reserves	Total Shareholders' Equity
Balance as of December 31, 2019	$ 447.1	$ 5,935.7	$ 6,382.8
Net loss	—	(4,556.4)	(4,556.4)
Other comprehensive income/(loss)	—	239.1	239.1
Dividends (Note 9)	—	(59.2)	(59.2)
Issuance of ordinary shares (Note 9)	2.4	(9.4)	(7.0)
Share-based compensation (Note 9)	—	69.0	69.0
Balance as of December 31, 2020	$ 449.5	$ 1,618.8	$ 2,068.3
Net profit	—	2,393.3	2,393.3
Other comprehensive income/(loss)	—	(103.0)	(103.0)
Issuance of ordinary shares (Note 9)	1.2	—	1.2
Share-based compensation (Note 9)	—	26.8	26.8
Spin-off of Technip Energies (Note 3)	—	(1,384.0)	(1,384.0)
Balance as of December 31, 2021	$ 450.7	$ 2,551.9	$ 3,002.6

The accompanying notes are an integral part of the consolidated financial statements.

3. NOTES TO THE COMPANY FINANCIAL STATEMENTS

NOTE 1 - GENERAL CORPORATE INFORMATION

TechnipFMC plc, a public limited company incorporated and organized under the laws of England and Wales, with registered number 09909709, and with registered office at Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, United Kingdom ("TechnipFMC," the "Company," "we," or "our") is a global leader in the energy industry, delivering projects, products, technologies, and services. With our proprietary technologies and production systems, integrated expertise, and comprehensive solutions, we are transforming our customers' project economics. We have operational headquarters in Houston, Texas, United States, and in 2021 we principally operated across two business segments: Subsea and Surface Technologies.

TechnipFMC is a public limited company by shares, incorporated and domiciled in England and Wales (United Kingdom) and listed on the New York Stock Exchange ("NYSE"), trading under the "FTI" symbol. The address of the registered office is Hadrian House, Wincomblee Road, Newcastle upon Tyne, England, NE63PL. On February 18, 2022, following a comprehensive review of the strategic objectives, we voluntarily delisted TechnipFMC's shares from Euronext Paris.

NOTE 2 - ACCOUNTING PRINCIPLES

2.1 Basis of preparation

The financial statements for the year ended December 31, 2021 have been prepared in accordance with United Kingdom Accounting Standards – in particular Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") – and with the Companies Act 2006.

On December 31, 2020, International Financial Reporting Standards ("IFRS") as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. We transitioned to UK-adopted International Accounting Standards on January 1, 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in the framework.

The Company is a qualifying entity for the purposes of FRS 101. The application of FRS 101 has enabled the Company to take advantage of certain disclosure exemptions that would have been required had the Company adopted IFRS in full. The disclosure exemptions adopted by the Company are as follows:

- No detailed disclosures in relation to financial instruments;
- No cash flow statement;
- No disclosure of related party transactions with subsidiaries;
- No statement regarding the potential impact of forthcoming changes in financial reporting standards;
- No disclosure of "key management compensation" for key management other than the Directors;
- No disclosures relating to the Company's policy on capital management; and
- No disclosure of requirements of paragraph 45b and 46-52 of IFRS 2 Share based charges.

The Company's functional currency was determined to be U.S. dollars ("USD") as this is the primary economic environment in which the entity operates.

The financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities, which are measured at fair value. Accounting policies have been consistently applied throughout the reporting period. The financial statements of the Company for the year ended December 31, 2021 are presented in U.S. dollars, the presentation and functional currency of the Company, and all values are rounded to the nearest million included to one decimal place.

The directors have taken advantage of the exemption available under Section 408 of the Act and have not presented a profit and loss account for the Company.

Going concern

Following its assessment of going concern, the Company has formed a judgment that there are no material uncertainties that cast doubt on the Company's going concern status and that it is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the financial statements have been prepared on a going concern basis. Details of going concern assessment are provided in Note 1 of TechnipFMC consolidated financial statements.

2.2 Changes in accounting policies and disclosures

a) Standards, amendments and interpretations effective in 2021

The Company has applied the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 for the first time in its consolidated financial statements for the year ended December 31, 2021. These amendments did not have any impact on the Company's accounting policies and did not require retrospective adjustments.

2.3 Summary of significant accounting policies

The significant accounting policies, which have been used in the preparation of the Company financial statements, are set out below. These policies have been consistently applied to all years presented.

a) Investments

Investments are measured initially at cost, including transaction costs, less any provision for impairment.

At each balance sheet date, the Company reviews the carrying amounts of its investments to assess whether there is an indication that those assets may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods. A reversal of an impairment loss is recognized immediately in the income statement.

Dividend income is recognized when the right to receive payment is established.

b) Trade receivable and loans issued to related parties

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

Loans issued to related parties are initially measured at their fair values plus transaction costs and subsequently carried at amortized cost net of impairment allowance.

Interest income on loans issued to related parties is calculated by applying the effective interest rate to the gross carrying amount of a loan receivable.

c) Share-based employee compensation

The measurement of share-based compensation expense on restricted share awards is based on the market price at the grant date and the number of shares awarded. The share-based compensation expense for each award is recognized during the vesting period (i.e., the period in which the service and, where applicable, the performance conditions are fulfilled). The cumulative expense recognized for share-based employee compensation at each reporting date reflects the already expired portion of the vesting period and the Company's best estimate of the number of awards that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

d) Long term debt

Financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Current and non-current financial debts include bond loans, commercial paper programs and other borrowings. After initial recognition, debt is measured at amortized cost using the effective interest rate method. Transaction costs, such as issuance fees and redemption premium 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.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

e) Foreign currency transactions

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

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

Translation of financial statements of the Company's branch in foreign currency

The income statements of the Company's branch are translated into USD at the average exchange rate prevailing during the year. Statements of financial position are translated at the exchange rate at the closing date. Differences arising in the translation of financial statements of the branch are recorded in other comprehensive income as foreign currency translation reserve. The functional currency of the branch is the local currency (euro).

f) Derivative financial instruments and hedging

The Company uses derivative financial instruments, such as forward contracts, swaps and options to hedge its risks, in particular foreign exchange risks. Currently, every derivative financial instrument held by the Company 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 cash inflows or outflows against exchange rate fluctuations in relation to awarded commercial contracts.

See Note 28 of TechnipFMC consolidated financial statements for further details.

g) Cash and cash equivalents

Cash and cash equivalents consist of cash in bank and in hand, fixed term deposits and securities fulfilling the following criteria: an original maturity of less than three months, highly liquid, a fixed exchange value and an insignificant risk of loss of value. Securities are measured at their market value at year-end. Any change in fair value is recorded in the statement of income.

h) Share capital and dividend distribution

Ordinary shares and redeemable shares are classified as equity.

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. A corresponding amount is recognized directly in the statement of equity. Interim dividends are recognized when paid.

i) Taxation

Corporate tax is payable on taxable profits at amounts expected to be paid, or recovered, under the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognized to take account of temporary differences between the treatment of transactions for financial reporting purposes and their treatment for tax purposes. A deferred tax asset is only recognized when it is regarded as more likely than not there will be a suitable taxable profit from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

j) Non-current assets held for sale or distribution to equity holders

TechnipFMC classifies non-current assets as held for sale/or distribution to equity holders of the parent if their carrying amounts will be recovered principally through a sale transaction or a distribution rather than through continuing use. Such non-current assets classified as held for sale/or distribution are measured at the lower of their carrying amount and fair value less costs to sell or distribute. Costs to sell/or distribute are the incremental costs directly attributable to the sale or distribution, excluding finance costs and income tax expense.

The criteria for held for sale/or distribution classification is regarded as met only when the sale/or distribution is highly probable and the asset is available for immediate sale/ or distribution in its present condition. Actions required to complete the sale/or distribution should indicate that it is unlikely that significant changes to the sale/or distribution will be made or that the decision to sell/or distribute will be withdrawn. Management must be committed to the sale/or distribution expected within one year from the date of the classification.

k) Financial assets

Financial assets are categorized at initial recognition, as subsequently measured at either amortized cost, at fair value through other comprehensive income (“FVOCI”), or at fair value through profit or loss (“FVTPL”).

TechnipFMC currently has no financial assets at fair value through OCI.

Financial assets at fair value through profit or loss include:

- Financial assets held for trading (i.e., those which are acquired for the purpose of selling or repurchasing in the near term).

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

l) Cash dividend

The Company recognizes a liability to make cash distributions to its equity holders when the distribution is approved by its shareholders. A corresponding amount is recognized directly in the statement of equity.

m) Related parties

The Company is a qualifying entity for the purposes of FRS 101 and took advantage of the disclosure exemption not to provide a disclosure on the following:

- related party transactions with subsidiaries;
- “key management compensation” for key management other than the Directors.

n) Reclassifications

Certain prior-year amounts have been reclassified to conform to the current year's presentation

2.4 Use of critical accounting estimates, judgments and assumptions

The preparation of the financial statements requires the use of critical accounting estimates, judgments and assumptions 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.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date relate to the following:

• estimates on provision for expected credit losses on trade receivable and loans issued to related parties, and

• impairment of investments in subsidiaries.

The loss allowances for trade receivable and loans issued to related parties are based on assumptions about risk of default and expected credit loss rates and was estimated to be $3.2 million as of December 31, 2021. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

The Company assesses whether there are any indicators of impairment of investments at each reporting date. Investments are tested for impairment when there are both external and internal indicators that the carrying amount may not be recoverable.

Judgements

Areas of judgment that have the most significant effect on the amounts recognized in the consolidated financial statements relate to the separation transaction. See note 3 for further details.

There have been no other critical judgments made in applying the Company's accounting policies.

NOTE 3. SPIN-OFF

The Spin-off

On February 16, 2021, we completed the separation of Technip Energies. The transaction was structured as a spin-off ("The Spin-off"), which occurred by way of a pro rata dividend (the “Distribution”) to our shareholders of 50.1% of the outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC held at 5:00 p.m., Eastern Standard time, on the record date, February 17, 2021. Technip Energies N.V. is now an independent public company and its shares trade under the ticker symbol “TE” on the Euronext Paris Stock Exchange.

See Note 2 of TechnipFMC consolidated financial statements for further details.

On initial recognition at the Spin-off date we recorded the retained interest in Technip Energies at fair value of $1,377.9 million, being the market share price of the investment as of the Spin-off date. The gain on distribution of $2,736.4 million represents an excess of the fair value of the retained shares in Technip Energies N.V. over the carrying value of the investment in subsidiaries and other adjustments relating to the intercompany balances between Technip Energies and the Company, in accordance with the Separation and Distribution Agreement.

Investment in Technip Energies

Immediately following the completion of the Spin-off, we owned 49.9% of the outstanding shares of Technip Energies. At the Spin-off date the 49.9% retained interest was classified as an equity affiliate on the basis that TechnipFMC retained significant influence over Technip Energies through its retained stake and representation in Technip Energies Board.

IFRS 5 states that an asset is considered as held for sale provided two conditions are met: it must be available for immediate sale in its present condition and its sale must be highly probable. At the Spin-off date, when it became highly probable that the value of the investment in Technip Energies would be recovered through sale rather than continuing ownership, the investment in Technip Energies was classified as held for sale. As of the Spin-off date we committed to conduct an orderly sale of our remaining stake in Technip Energies over time and use the proceeds (net of broker fees and discounts) from future sales to further reduce our net leverage. We did not intend to remain a long-term shareholder of Technip Energies and planned to exit our ownership stake in a timely and orderly manner within a year.

Following the held for sale classification the remaining interest in Technip Energies equity affiliate was measured at the lower of its carrying amount and fair value less costs to sell. The fair value of the investment was determined using the market share price of Technip Energies shares. This is a Level 1 measurement as per the fair value hierarchy.

Following the September Sale we determined that TechnipFMC ceased to have a significant influence due to (i) the decrease in stake in Technip Energies to 12.2%, and (ii) due to decrease in representation on Technip Energies Board leading to one of nine seats. The investment in Technip Energies became a subject to accounting for equity instruments under IFRS 9 and was therefore recorded at fair value as of December 31, 2021 with changes in fair value ($16.1 million) reported in gain from investment in Technip Energies in the income statement. This is a Level 1 measurement as per the fair value hierarchy.

The following table summarizes the details of amounts realized upon the Spin-off transaction:

(In millions)		**February 16, 2021**
Amount of distribution payable to shareholders (fair value of 50.1% shares of Technip Energies)	$	1,383.5
Fair value of retained 49.9% shareholding		1,377.9
Less carrying amount of investments in Technip Energies at spin-off date		(1,709.0)
Debt and cash adjustment in accordance with separation and distribution agreement		1,684.0
Total gain on loss of control at Spin off		2,736.4
Income taxes		—
Total gain on loss of control on Spin-off, net of income taxes	$	2,736.4

The following table summarizes the details of Technip Energies share sales after Spin-off date:

(In millions)		
Proceeds from sale of shares, net of transaction costs	$	784.5
Carrying amount of 32.8% shares sold		(904.8)
Loss on sales of Technip Energies shares		(120.3)
Impairment of retained financial investment upon loss of significant influence		(46.8)
Income taxes		—
Loss on subsequent sales of Technip Energies shares		(167.1)
Proceeds from sale of additional shares, net of transaction costs		116.3
Carrying amount of 4.9% shares sold		(124.0)
Loss on sale of additional shares		(7.7)
Fair value measurement of financial investment in Technip Energies		16.2
Gain on financial investment in Technip Energies		8.5

The following table summarizes the total gain in respect of Technip Energies:

(In millions)		
Total gain on loss of control on Spin-off, net of income taxes	$	2,736.4
Loss on subsequent sales of Technip Energies shares included		(167.1)
Gain on financial investment in Technip Energies		8.5
Total gain in respect of Technip Energies	$	2,577.8

The following table summarizes the details of Technip Energies investment:

(in millions)		
Net book value of investment in Technip Energies subsidiaries at spin date	$	1,709.0
Spin via distribution leading to income statement gain		(1,709.0)
Classification as HFS equity associate		1,378.0
Movement for sale of shares/impairment		(951.0)
Classification at FVTPL on loss of significant influence		427.0
Fair value/disposal movements		(109.7)
Closing balance	$	317.3

NOTE 4 - INVESTMENTS IN SUBSIDIARIES

The movement in investments account balances are described below:

(In millions)		2021		2020
Net book value at January 1,	$	11,110.2	$	14,475.5
Spin-off of Technip Energies (Note 3)		(1,709.0)		—
Capital increase		—		6.8
Additions due to the spin-off of Technip Energies (2)		818.3		886.8
Impairments (1)		—		(4,486.5)
Net foreign exchange differences		(167.1)		227.6
Net book value as of December 31,	$	10,052.4	$	11,110.2

(1) Impairments relate to the carrying value of intermediate holding company investments. The methodology and assumptions used in reviewing the investments for impairment were the same as those used in the Goodwill review. See Note 11 of TechnipFMC consolidated financial statements for further details.

(2) During 2020, the Company executed a series of transactions to restructure and realign the ownership of its group entities in connection with the Spin-off. The transactions included the acquisition of additional ownership interest from 77.8% to 100.0% in its investment in Technip France for $194.2 million. The Company also restructured ownership of underlying investments and acquired a 100.0% direct interest in existing subsidiaries including Clecel SAS for $109.2 million, Technip E&C Limited for $188.3 million, and Kanfa AS for $52.1 million. Creation of new subsidiaries included a 77.79% direct interest in Technip N-Power for $38.5 million and a 100.0% direct interest in Technip Benelux B.V. for $223.0 million. See Note 33 of TechnipFMC consolidated financial statements for further details on the Spin-off transaction.

The Company's direct subsidiaries as of December 31, 2021 are listed below. The effective interest reflects holdings of ordinary shares. Details of other related undertakings are provided in Note 33 of TechnipFMC consolidated financial statements.

Company Name	Address	Share Class	Effective interest held in %
FRANCE			
Compagnie Francaise de Realisations	1bis Place de la Défense Tour Trinity 92400 Courbevoie	Ordinary	100
Seal Engineering SAS	19 Avenue Feuchères, 30000 Nimes	Ordinary	100
Serimax Holdings SAS	95700 Roissy en France	Ordinary	20
Technip N-Power SAS	1bis Place de la Défense Tour Trinity 92400 Courbevoie	Ordinary	100
Technip Offshore International SAS	1bis Place de la Défense Tour Trinity 92400 Courbevoie	Ordinary	100
INDONESIA			
PT Technip Indonesia	Metropolitan Tower, 15th Floor, JL. R. A. Kartini Kav.	Equity interest	9
NETHERLANDS			
FMC Technologies Global B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
Technip Holding Benelux B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
TechnipFMC International Holdings BV	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	99.84
UNITED KINGDOM			
TechnipFMC Corporate Holdings Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, UK	Ordinary shares	100
VENEZUELA			
Technip Bolivar, C.A.	523 Zona Industrial Matanzas, Planta De Bauxilum Puerto Ordaz Ciudad Bolivar	Ordinary shares	99.88
MALAYSIA			
Asiaflex Products Sdn Bhd	Suite 13.03, 13th Floor, 2017 Jalan Tun Razak, Kuala Lumpur, 50400	Ordinary shares	59
BRAZIL			
Technip Brasil - Engenharia, Instalacoes E Apoio Maritimo Ltda.	Avenida Marquês de Sapucaí nº 200, 16º e 17º andares Rio de Janeiro	Equity interest	100

NOTE 5 - LOAN RECEIVABLES - RELATED PARTIES

	December 31,	
(In millions)	**2021**	**2020**
Loan receivables - current	$ 476.4	$ 1,035.2
Loan receivables -non current	184.2	156.8
Total	$ 660.6	$ 1,192.0

The Company's loan receivables from related parties are unsecured and are stated net of impairment allowance of $0.0 million and $4.7 million as of December 31, 2021 and 2020, respectively.

Loan receivables from related parties primarily consist of loans to Technip Offshore International SAS ("TOI"), Technip UK Ltd ("Technip UK") and FMC Technologies, Inc. ("FMCTI"). The terms and interest rates for significant loans are detailed below:

- Loans to TOI consist of two loans in the amount of $31.9 million and $115.0 million respectively with 5 year terms and interest rates of 4.16% and 2.10% respectively.

- Loan to Technip UK is in the amount of $91.0 million with a 5 year term and interest rate of LIBOR GBP 6 months +0.5 basis point through May 16,2022. Due to the termination of GBP LIBOR on December 31,2021, the interest rate will change to SONIA 6 month+0.5 basis points.
- Loan to FMCTI in the amount of $233.0 million with a 9 month term and interest rate of 4.25%.

NOTE 6 - DEFERRED INCOME TAX

The tax rate utilized to compute deferred taxes depends on the location of the underlying transaction. The transactions carried out by the U.K. head office are tax effected using the U.K. tax rate. The transactions carried out by the French permanent establishment are tax effected using the French statutory tax rate of 27.5%.

The earnings of the U.K. head office are subject to the U.K. statutory rate of 19.0%. The profits or losses of the French permanent establishment are not taxable in the U.K. as the election under section 18A CTA 2009 has been validly made.

The net deferred tax assets and liabilities amounts to $(1.8) million and $5.8 million as of December 31, 2021 and 2020, respectively. The deferred tax balance comprises:

	December 31,	
(In millions)	**2021**	**2020**
Deferred tax relating to pensions	$ (1.8)	$ 0.2
Tax loss carry forward	—	5.6
Total	$ (1.8)	$ 5.8

The movement in the deferred tax asset is shown below:

	December 31,	
(In millions)	**2021**	**2020**
As of January 1	$ 5.8	$ 0.6
Movement relating to pensions	(1.8)	0.2
Credit to income statement	(5.8)	5.0
As of December 31	$ (1.8)	$ 5.8

NOTE 7 - TRADE AND OTHER RECEIVABLES

	December 31,	
(In millions)	**2021**	**2020**
Trade receivables - related parties	$ 27.1	$ 188.4
Prepaid expenses	10.7	16.5
Advances paid to suppliers	10.5	0.1
Trade and other receivables	$ 48.3	$ 205.0

The Company’s trade receivables from related parties are stated net of loss allowance of $6.4 million and $4.7 million as of December 31, 2021 and 2020, respectively.

NOTE 8 - INCOME TAX RECEIVABLE / INCOME TAX PAYABLE

The Company is a tax resident of the United Kingdom (the "U.K.") and maintains tax residency in France through a registered branch.

The Company maintains a permanent establishment in France which carries out the activities that were previously carried out by Technip. For tax purposes, this permanent establishment is the head of the French tax consolidated group. As such, the Company's French branch is liable for tax at the French statutory rate of 28.41% on French consolidated income.

In turn, the Company's French branch receives from the French affiliates members of the French tax consolidated group the income tax that these affiliates would have paid on a standalone basis if they had not been a member of the French tax consolidated group.

The current income tax credit booked by the Company's French branch is the difference between the income tax due on the consolidated income to the French tax authorities and the income tax received from the affiliates members of the French tax consolidated group.

NOTE 9 - STOCKHOLDERS' EQUITY

9.1 Changes in the Company's ordinary shares

As of December 31, 2021, TechnipFMC's share capital was 450,700,480 ordinary shares. As of December 31, 2020, TechnipFMC's share capital was 449,466,233 ordinary shares. The movements in share capital were as follows:

(In millions of shares)	Ordinary Shares
December 31, 2019	447.1
Stock awards	2.4
December 31, 2020	449.5
Stock awards	1.2
December 31, 2021	450.7

As an English public limited company, we are required under U.K. law to have available "distributable reserves" to conduct share repurchases or pay dividends to shareholders. Distributable reserves are a statutory requirement and are not linked to a IFRS reported amount (e.g. retained earnings, net income and other reserves). The declaration and payment of dividends require the authorization of our Board of Directors, provided that such dividends on issued share capital may be paid only out of our "distributable reserves" on our statutory balance sheet. Therefore, we are not permitted to pay dividends out of share capital, which includes share premium.

The Company's articles of association permit by ordinary resolution of the shareholders to declare dividends, provided that the directors have made a recommendation as to its amount. The dividend shall not exceed the amount recommended by the directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify the payment. When recommending or declaring payment of a dividend, the directors are required under English law to comply with their duties, including considering its future financial requirements.

The additional information required in relation to shareholder's equity is given in Note 18 to TechnipFMC consolidated financial statements.

9.2 Dividends

No dividends were declared and paid during the year ended December 31, 2021. $59.2 million of dividends were declared and paid during the year ended December 31, 2020. See Note 3 for additional information regarding the Distribution of Technip Energies.

9.3 Share-based compensation

See Note 19 of TechnipFMC consolidated financial statements for details of share-based payment schemes. Details of the directors' remuneration is provided in the Directors' Remuneration Report in the Company's Annual Report.

NOTE 10 - DEBT (SHORT-TERM AND LONG-TERM)

Debt consisted of the following:

	December 31, 2021		December 31, 2020	
(In millions)	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
5.75% Notes due 2025 (formerly 4.5%)	$ 223.7	$ 247.1	$ 241.0	$ 241.0
3.45% Senior Notes due 2022	—	—	459.9	459.2
3.40% Notes due 2022	—	—	184.0	180.6
3.15% Notes due 2023	147.0	153.6	159.5	156.8
3.15% Notes due 2023	141.5	147.5	153.3	150.5
Senior notes due 2026	619.8	678.2	—	—
4.00% Notes due 2027	84.9	90.9	92.0	96.4
4.00% Notes due 2032	110.2	111.9	122.7	127.8
3.75% Notes due 2033	110.5	105.0	122.7	123.8
Total Long-term debt	1,437.6	1,534.2	1,535.1	1,536.1
Synthetic bonds due 2021	—	—	543.6	513.1
UK Commercial Paper	—	—	817.3	817.3
3.40% Notes due 2022	169.9	171.9	—	—
Other	34.0	34.0	26.1	26.1
Total short-term debt and current portion of long-term debt	203.9	205.9	1,387.0	1,356.5
Total debt	$ 1,641.5	$ 1,740.1	$ 2,922.1	$ 2,892.6

Our loans denominated in United States dollars ("USD"), at our option, and sterling-denominated loans, under our Revolving Credit Facility bear interest at an adjusted rate linked to the London Interbank Offered Rate ("LIBOR") and our euro-denominated loans under the Revolving Credit Facility bear interest at an adjusted rate linked to the Euro Interbank Offered Rate ("EURIBOR"). The United Kingdom's Financial Conduct Authority (the "FCA"), which regulates LIBOR, has announced that the publication of LIBOR on the current basis would cease and no longer be representative immediately after December 31, 2021 (in the case of all sterling, euro, Swiss franc and Japanese yen settings, and one-week and two-month USD settings) and immediately after June 30, 2023 (in the case of all remaining USD settings). Despite this deferral in regard to USD, the FCA has confirmed that use of USD LIBOR will not be permitted in most new contracts after December 31, 2021 and while the FCA is requiring the LIBOR administrator to publish one-, three- and six-month sterling and Japanese yen LIBOR rates for a limited time following December 31, 2021 using a synthetic methodology, such synthetic LIBOR rates are also only permitted for legacy use. The agreements governing our Credit Facilities include customary provisions to provide for replacement of LIBOR with an alternative benchmark rate when LIBOR ceases to be available. The International Swaps and Derivatives Association has developed provisions for SOFR-based fall-back rates to apply upon permanent cessation of LIBOR and has published a protocol to enable market participants to include the new provisions in existing swap agreements.

We are currently assessing the impact as a result of the transition from LIBOR.

For details of long and short term debt included in the table above, see Note 20 of TechnipFMC consolidated financial statements.

NOTE 11 - DERIVATIVE FINANCIAL INSTRUMENTS

	December 31, 2020	
	Analysis by Category of Derivative Financial	
(In millions)	Carrying Amount	At Fair Value through Profit or Loss
Current assets		
Derivative financial instruments	$ 69.9	$ 69.9
Total	69.9	69.9
Non-current liabilities		
Derivative financial instruments	1.1	1.1
Total	$ 1.1	$ 1.1

As of December 31, 2021, the Company did not have any derivative financial instruments in assets or liabilities.

NOTE 12 - LOAN PAYABLES - RELATED PARTIES

Loan payables - related parties consists of the following:

	December 31,	
(In millions)	2021	2020
Borrowings from TechnipFMC Corporate Holdings Ltd (UK)	$ 2,889.1	$ —
Borrowings from TechnipFMC Holdings Ltd (UK)	—	2,735.0
Borrowings from TechnipFMC International (UK) Ltd	2,248.0	2,189.1
Borrowing from TechnipFMC (Europe) Ltd	384.2	374.2
Borrowing from TechnipFMC International Holdings BV	27.8	26.9
Borrowing from Technip- Coflexip UK Holdings Ltd	35.9	—
Borrowings from Technip Holding Benelux BV	276.0	267.3
Borrowings from Cofri SAS	102.1	109.2
Loan payables - related parties	$ 5,963.1	$ 5,701.7

Loan payables to related parties are unsecured and consist of borrowings from TechnipFMC Corporate Holdings Ltd (UK) (“Corporate Holdings Ltd”), TechnipFMC International (UK) Ltd (“International Ltd”), TechnipFMC Finance ULC (“Finance ULC”), and TechnipFMC (Europe) Ltd (“Europe Ltd”). The terms and interest rates for significant loans are detailed below.

- Loans from TechnipFMC Holdings Ltd were novated to Corporate Holdings Ltd on March 31, 2021, and primarily consist of three loans in the amount of $1,189.6 million, $919.0 million and $599.0 million respectively with 5 year terms and interest rates of 4.83%, 4.68% and 2.69% respectively.
- Loan from International Ltd is in the amount of $2,248.0 million with a 5 year term and interest rate of 2.69%.
- Loan from Europe Ltd is in the amount of $384.2 million with a 5 year term and interest rate of 2.69%.
- Loan from Technip Holding Benelux BV is in the amount of $275.5 million with a 5 year term and interest rate of 3.22%.

NOTE 13 - TRADE AND OTHER PAYABLES

Trade and other payables consists of the following:

	December 31,	
(In millions)	**2021**	**2020**
Overdraft with cash pool	$ 531.5	$ 1,675.2
Borrowings from TechnipFMC Holdings ltd (UK)	—	36.7
Trade payables - related parties	5.0	93.1
Other current liabilities	66.0	112.6
Trade and other payables	$ 602.5	$ 1,917.6

NOTE 14 - SUBSEQUENT EVENTS

On January 10, 2022 we announced the sale of 9.0 million Technip Energies shares, representing approximately 5% of Technip Energies' issued and outstanding share capital, through a private sale transaction (the "January Sale"). The sale price of the shares in the January Sale was set at €13.15 per share, yielding total net proceeds of €118.4 million, or $135.1 million. Upon completion of the January Sale, we retained a direct stake of 12.9 million shares, representing 7.1% of Technip Energies' issued and outstanding share capital. As of March 16, 2022 the value of our investment in Technip Energies was $110.5 million.

On January 14, 2022 we paid £6 million, or $8.3 million for 750,000 ordinary shares in Orbital Marine Power (Orbital) to complete the investment in accordance with the Memorandum of Understanding between Technip Holding Benelux B.V. and Orbital. Orbital is a Scotland-based renewable energy company focused on the development and global application of its floating turbine technology. Upon completion of the investment, we will hold approximately 10.2% of the ordinary shares in Orbital.

On February 18, 2022, following a comprehensive review of the strategic objectives, we voluntarily delisted TechnipFMC's shares from Euronext Paris.