

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON INTERNAL CONTROL PROCEDURES

Report of the Chairman of the Board of Directors to the Shareholders' Meeting on the Board Composition, Conditions for the Preparation and Organization of its Work, the Board's Internal Control Procedures and Risk Management Procedures Put in Place by the Company (Article L. 225-37 of the French Commercial Code)

This report was prepared pursuant to the provisions of Article L. 225-37 of the French Commercial Code. Its purpose is to describe the composition of the Board of Directors as well as the application of the principle of fair representation of women and men within the Board of Directors, the conditions of the preparation and the organization of the Board of Directors' work, to present the rules and principles decided upon by the Board of Directors for the compensation and benefits of any nature awarded to corporate representatives, as well as the internal control and risk management procedures implemented by the Group, in particular those procedures relating to the preparation and processing of accounting and financial information for the annual and consolidated accounts.

This report aims to provide a description of the work completed, undertaken or scheduled by the Company. It does not in any case intend to demonstrate that the Company has control over all of the risks it is facing.

This report refers to the Management Report included in the Reference Document of the Company for the financial year

ended December 31, 2015, regarding the disclosure of information referred to in Article L. 225-100-3 of the French Commercial Code on the structure of the Company's share capital and on facts that may have an impact in the event of a tender offer.

This report has been prepared by the Chairman of the Board of Directors of the Company together with the Group Internal Control Department and Group Legal Division. The outline was presented for comments to the Internal Control Steering Committee and reviewed by the various departments of the Group Finance and Control Division. The report was reviewed by the Audit Committee on February 22, 2016, and approved by the Board of Directors of the Company on February 23, 2016.

When used in this report, the terms "Technip" and "Group" refer collectively to Technip SA, the Group's parent company, and to all its directly and indirectly consolidated subsidiaries located both in and outside France.

The term "Company" refers exclusively to Technip SA, the Group's parent company.

Compliance with Code

In accordance with Article L. 225-37 of the French Commercial Code, the Company declares that it voluntarily refers to and enforces the AFEP-MEDEF corporate governance code on listed companies of December 2008, resulting from the consolidation of the AFEP-MEDEF report of October 2003 and the AFEP-MEDEF recommendations of January 2007 and October 2008 concerning the compensation of executive directors of listed companies, and

the recommendation of April 2010 concerning increasing women's presence on Boards of Directors (hereinafter the "AFEP-MEDEF Code"). The AFEP-MEDEF Code, last updated in November 2015, is available on the MEDEF website (www.medef.fr).

At the Company's request, an independent corporate governance consultant has reviewed this Report and has confirmed that the Company complies with the provisions of the AFEP-MEDEF Code.

1. Composition of the Board of Directors and Conditions for the Preparation and Organization of its Work

1.1. Composition of the Board of Directors and its Committees

As of December 31, 2015, the Board of Directors comprised 12 members. It does not include any directors representing employees or employee shareholders. It comprises five women and six directors of a nationality other than French. Since the Annual General Meeting on April 25, 2013, Technip met in advance the second threshold of 40% to be achieved in 2016

(Article 6.4 of the AFEP-MEDEF Code) regarding the fair representation of women and men. In accordance with Article 6 of the AFEP-MEDEF Code, the Board regularly examines the balance in its composition, notably regarding the fair representation of women and men, nationalities and skills diversity.

Pursuant to Article 14-4 of the Company's Articles of Association, the term of Board members is set at four years. This duration respects the recommendations of Article 14 of the AFEP-MEDEF Code.

In accordance with the recommendations of Article 14 of the AFEP-MEDEF Code, in order to facilitate a smooth renewal of the Board and to prevent “renewal en masse”, and resulting from the resolution adopted at the Company’s Combined Shareholders’ Meeting on April 27, 2007, the Board of Directors, at its meeting on the same day, introduced a rolling renewal system, pursuant to which one-half of its members’ terms of office should be renewed every two years.

In accordance with the recommendations of the AFEP-MEDEF Code, the characterization of “independent director” of Board members of the Company is discussed and reviewed every year by the Board of Directors upon the Nominations and Remunerations Committee’s proposal (Article 9.3 of the AFEP-MEDEF Code).

At its meeting on February 16, 2015, the Nominations and Remunerations Committee reviewed the characterization of “independent director” of the Company’s Board members which were in office at the date of this Committee with regard to the definition and criteria used in the AFEP-MEDEF Code. This review was also made on February 22, 2016.

Therefore a director is independent when he or she has no relationship of any kind whatsoever with the corporation, its Group or the management of either that is such as to influence his or her judgment (Article 9.4). This means that the independent director shall not:

- be an employee or executive director of the corporation, or an employee or director of its parent or a company that it consolidates, and not having been in such a position for the previous five years;

- be an executive director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director of the corporation (currently in office or having held such office going back five years) is a director;
- be a customer, supplier, investment banker or commercial banker that is material for the corporation or its group, or for a significant part of whose business the corporation or its group accounts;
- be related by close family ties to an executive director;
- have been an auditor of the corporation within the previous five years;
- have been a director of the corporation for more than 12 years. Loss of the status of independent director on the basis of this criterion should only occur upon expiry of the term of office during which the 12-year limit is reached.

The Nominations and Remunerations Committee presented its conclusions regarding the independence of the directors to the Board of Directors which adopted them at its meeting on February 17, 2015.

As of December 31, 2015, the Board of Directors was composed of nine independent members. It therefore exceeds the recommendations of the AFEP-MEDEF Code, which stipulates that one-half of the Board members must be independent in companies where the share capital is widely held and with no controlling shareholders (Article 9.2).

As of December 31, 2015, the members of the Board of Directors were as follows:

Name	Main position Professional address Age – Nationality	Position within the Board of Directors	Term
Thierry Pilenko	Technip's Chairman and Chief Executive Officer 89, avenue de la Grande Armée – 75116 Paris 58 – French	Technip's Chairman and Chief Executive Officer	Date of first appointment: April 27, 2007. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
C. Maury Devine	Corporate Director 1219 35th Street NW Washington – DC 20007 – USA 64 – American	Senior Independent Director Independent Director	Date of first appointment: April 28, 2011. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
Olivier Appert*	General Delegate of the National Academy of Technologies of France Grand Palais – Avenue Franklin Roosevelt – Porte C 75008 66 – French	Director	Date of first appointment: May 21, 2003. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
Pascal Colombani	Chairman of the Board of Directors of Valeo 43, rue Bayen – 75017 Paris 70 – French	Independent Director	Date of first appointment: April 27, 2007. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
Leticia Costa	Partner at Prada Assessoria Empresarial Ltda Rua Tenente Negrão, 140 – 14 th floor – cj 141 – 04530-030 – São Paulo – SP – Brazil 55 – Brazilian	Independent Director	Date of first appointment: April 28, 2011. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
Marie-Ange Debon	Senior Executive Vice-President of SUEZ Group and Chief Executive Officer of the International Division Tour CB21 – 16, place de l'Iris – 92040 Paris La Défense 50 – French	Director	Date of first appointment: July 20, 2010. Date of last appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.
Manisha Girotra	Chief Executive Officer of Moelis & Company India Private Limited Suite 3103 – Hotel Four Seasons Dr E. Moses Road, Worli – Mumbai 400018 – India 46 – Indian	Independent Director	Date of first appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.
Alexandra Bech Gjørv	Chief Executive Officer of Stiftelsen SINTEF Postboks 4760 Sluppen NO-7465 Trondheim – Norway 50 – Norwegian	Independent Director	Date of first appointment: October 23, 2012. Date of last appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.
Gérard Hauser	Corporate Director 89, avenue de la Grande Armée – 75116 Paris 74 – French	Independent Director	Date of first appointment: April 30, 2009. Date of last appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.
John O'Leary	Chief Executive Officer of Strand Energy Strand Energy – PO Box 38396 – Dubai Industrial Park – Dubai – United Arab Emirates 60 – Irish	Independent Director	Date of first appointment: April 27, 2007. Date of last appointment: April 23, 2015. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.
Joseph Rinaldi	Partner in Davis Polk & Wardwell Davis Polk & Wardwell – 450 Lexington Avenue – New York NY 10017 – USA 58 – Australian and Italian	Independent Director	Date of first appointment: April 30, 2009. Date of last appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.
Pierre-Jean Sivignon	Deputy Chief Executive Officer and Chief Financial Officer of the Carrefour Group 33, avenue Emile Zola – TSA 55 555 - 92649 Boulogne-Billancourt 59 – French	Independent Director	Date of first appointment: April 25, 2013. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.

* Didier Houssin, Chairman and Chief Executive Officer of IFP Énergies nouvelles, was appointed by the Board of Directors on February 23, 2016 to replace Olivier Appert who resigned.

The other offices held by Board members, as of February 29, 2016, are indicated in Section 4.1.1 c to the Reference Document of the Company for the year ended December 31, 2015.

In order to assist it in fulfilling its duties and responsibilities, the Board of Directors has established four special Committees: an Audit Committee and a Nominations and Remunerations Committee, thereby complying with the recommendations made in the AFEP-MEDEF Code (Articles 16, 17 and 18); a Strategic Committee and an Ethics and Governance Committee in order to meet specific concerns as permitted by the AFEP-MEDEF Code (Article 15).

As of December 31, 2015, the four committees members were as follows:

Audit Committee

Member	Title	Date of first appointment
Pierre-Jean Sivignon	Chairman*	April 25, 2013
Pascal Colombani	Member	October 23, 2012
Marie-Ange Debon	Member	October 26, 2010
Alexandra Bech Gjørsv	Member	October 23, 2012
Joseph Rinaldi	Member	April 23, 2015

* Chairman since April 24, 2014.

All of the Audit Committee members have, due to their education and professional experience, qualifications in financial and accounting matters which goes beyond the requirements of Article L. 823-19 of the French Commercial Code which directs that at least one member of the Audit Committee shall have such experience and qualifications. 80% of the Audit Committee members are independent directors, *i.e.*, more than two thirds of its members as required by the recommendations of the AFEP-MEDEF Code (Article 16.1) and by Article L. 823-19 of the French Commercial Code which directs that at least one member of the Audit Committee shall be independent. In accordance with the AFEP-MEDEF Code, the Chairman and Chief Executive Officer, the only executive officer, is not a member of the Audit Committee (Article 16.1).

Nominations and Remunerations Committee

Member	Title	Date of first appointment
Gérard Hauser	Chairman	June 23, 2010
C. Maury Devine	Member	April 28, 2011
John O'Leary	Member	April 25, 2013

As permitted by Article 17 of the AFEP-MEDEF Code, there is a unique committee for nominations and remunerations. All of the Nominations and Remunerations Committee members are independent directors, which goes beyond the AFEP-MEDEF's recommendations that state a Committee should be comprised of a majority of independent directors (Articles 17.1 and 18.1). In addition, in accordance with Article 18.1, the Committee is chaired by an independent director.

Strategic Committee

Member	Title	Date of first appointment
Pascal Colombani	Chairman	April 27, 2007
Joseph Rinaldi	Vice Chairman	June 23, 2010
Olivier Appert*	Member	May 21, 2003
Manisha Girotra	Member	June 14, 2013
Gérard Hauser	Member	April 30, 2009
John O'Leary	Member	June 14, 2013

* Didier Houssin replaced Olivier Appert as member of this Committee on February 23, 2016.

More than 80% of the members of the Strategic Committee were independent directors.

Ethics and Governance Committee

Member	Title	Date of first appointment
C. Maury Devine	Chairwoman*	April 25, 2013
Olivier Appert**	Member	December 9, 2008
Leticia Costa	Member	April 23, 2015
Alexandra Bech Gjørsv	Member	April 25, 2013
John O'Leary	Member	April 23, 2015

* Chairwoman since April 24, 2014.

** Didier Houssin replaced Olivier Appert as member of this Committee on February 23, 2016.

80% of the Ethics and Governance Committee members were independent directors.

General Management of the Company

The Ordinary Shareholders' Meeting of April 23, 2015 renewed Thierry Pilenko for the second time as a director for a four-year term expiring after the Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.

At its meeting of April 23, 2015, the Board of Directors (i) renewed Thierry Pilenko as Chairman of the Board of Directors, (ii) reelected to combine the offices of Chairman and Chief Executive Officer of the Company into one office, after having determined that this form of organization was the most appropriate to the Company in the light of the two previous mandates, and (iii) renewed Thierry Pilenko as Chairman and Chief Executive Officer for the duration of his term of office with the Board of Directors. Technip had reinforced existing control mechanisms in creating a function of Senior Independent Director whose missions are detailed in Section 4.1.2 of the Reference Document of the Company for the year ended December 31, 2015. The Internal Rules of the Board of Directors which were last amended in 2015 indicated that the appointment of a Senior Independent Director is mandatory when a single person fills the positions of Chairman of the Board and Chief Executive Officer. On April 23, 2015, the Board of Directors entrusted this position to C. Maury Devine for a period of two years until the date of the Shareholders' Meeting approving the financial statements for the year ending December 31, 2016.

As of December 31, 2015, the Board of Directors had appointed no Executive Vice President (*Directeur Général Délégué*).

1.2. Company Shares Held by the Directors

Pursuant to Article 14 of the Articles of Association effective as of December 31, 2015, each director is required to hold at least

As of December 31, 2015, to the Company's knowledge, each of the Board members holds the following number of shares in registered form:

Members of the Board of Directors	Number of Technip shares held as of 12/31/2015
Thierry Pilenko	208,500
Olivier Appert	1,045
Pascal Colombani	415
Leticia Costa	400
Marie-Ange Debon	415
C. Maury Devine	400
Manisha Girotra	400
Alexandra Bech Gjørvi	400
Gérard Hauser	2,076
John O'Leary	800
Joseph Rinaldi	400
Pierre-Jean Sivignon	400
TOTAL	215,651

400 Company shares in registered form. Therefore, in accordance with Article 20 of the AFEP-MEDEF Code, each director is the personal shareholder of a fairly significant number of shares in relation to the attendance fees received by the directors.

1.3. Role and Practices of the Board of Directors

Role and Powers of the Board of Directors

The Board of Directors determines the direction of the Company's operations and oversees its implementation. Subject to the powers expressly assigned to the Shareholders' Meetings, and within the scope of the corporate purpose, it shall take up any and all issues affecting the Company's proper operation and shall decide on any issues concerning it in its meetings.

The Board of Directors' functioning is ruled by an Internal Charter, which was approved by the Board of Directors on May 21, 2003, and is periodically updated (last updated February 23, 2016). The internal rules as a whole can be found on the Company's website and an extract can be read in Section 4.1.2 of the Reference Document of the Company for the year ended December 31, 2015 in compliance with the requirements of Article 1.3 of the AFEP-MEDEF Code.

In accordance with Article 17-3 of the Company's Articles of Association, the Board of Directors performs controls and verifications it deems appropriate.

It ensures, with the assistance of the Audit Committee in particular, that internal control entities function properly, that the Statutory Auditors are carrying out their work in a satisfactory manner and that the Board Committees it has created function properly.

The Board may establish special Committees and determine their composition and responsibilities. These Committees perform their activities under the Board of Directors' responsibility. As of December 31, 2015, the Board was assisted by four Committees: the Audit Committee, the Nominations and Remunerations Committee, the Strategic Committee and the Ethics and Governance Committee.

In accordance with Article 10.3 of the AFEP-MEDEF Code, the Board's Internal Charter provides that it formally assesses its operating policies, at regular intervals of no more than three years. In addition, it organizes a discussion regarding its operations once a year.

Practice of the Board of Directors

A. MEETINGS AND REPORTS OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors organizes and administers the work of the Board of Directors, on which he gives a report at the Shareholders' Meeting.

The Board of Directors meets at least four times a year, or more frequently as may be required by the circumstances. During the 2015 financial year, the Board met 11 times among which one meeting was under the form of a strategic seminar of one day and a half in December 2015. The attendance rate for all directors was 95%.

The average duration of a Board of Directors' meeting was approximately three hours and a half.

After reviewing the reports of each of the Audit Committee, the Strategic Committee, the Nominations and Remunerations Committee and the Ethics and Governance Committee on issues within the scope of their respective missions, the Board of Directors worked in 2015, among others, on the following matters:

- Financial and accounting matters:
 - review and setting of the annual accounts and consolidated financial statements for the financial year 2014, the first half-year consolidated financial statements for financial year 2015, upon the Audit Committee's recommendation and the Statutory Auditors' opinion;
 - review of draft press releases announcing the financial results under the period reviewed;
 - review of the half-year report and 2015 interim financial information upon the Audit Committee's recommendation;
 - review of the 2016 budget and the investment plan;
 - review of the cash flow forecast; and
 - assessment of the provisional management accounts.

- Preparation of the Annual Shareholders' Meeting:
 - the notice of the meeting, determination of the agenda and draft resolutions; and
 - review of the Reference Document and setting of the information of the Management Report of the Board of Directors, of the Annual Financial Report, of the Chairman's Report on Internal Control and of the Society and Environment Report included in the Reference Document;
 - review and validation of the non-binding opinion on the components of the compensation of the Chairman and Chief Executive Officer ("say on pay") to be presented to the shareholders.
- Decisions, in particular regarding:
 - the determination of the Chairman and Chief Executive Officer's compensation and of its objectives for 2015;
 - the composition of the special Committees of the Board of Directors;
 - the list of directors qualified as "independent directors";
 - the distribution of directors' fees;
 - the implementation of the authorization of 2015 Annual General Meeting relating to repurchase of shares;
 - the grant of one tranche of options, the grant of one tranche of performance shares, the recording of the share capital increase resulting from the exercise of the share subscription options, the recording of the share capital increase resulting from the payment of the dividend in shares, the recording of the share capital increase resulting from the implementation of an increase of capital in the context of a Group Employee Plan; and
 - the authorization to issue parent company guarantees.
- Review, in particular, of the information and the strategy on the Group's operations.

At the end of each Board meeting, directors only, including the Chairman and Chief Executive Officer meet (executive sessions). To optimize the participation to such sessions, it can be decided to put them before the meeting of the Board of Directors. In all cases when debates personally relate to the Chairman and CEO (assessment of his performance, set up of his compensation, renewal of his mandate etc), directors met without the presence of the latter. Furthermore, the last Board of Directors' meeting in 2015 decided that directors meet on a regular basis without the presence of the Chairman and CEO, the only executive director of the Company.

B. ASSESSMENT OF THE BOARD OF DIRECTORS

In accordance with the provisions of its internal rules and with the provisions of the AFEP-MEDEF Code (Article 10), the Board of Directors conducted on February 17, 2015, a global review of its own operation policies as well as those of its Committees and concluded that they were all functioning properly.

Furthermore, the Board of Directors pursued the implementation of the recommendations contained in the last in-depth evaluation which was conducted in 2014 with the assistance of an external consultant. On December 9, 2015, the Board of Directors made an implementation progress especially pointing out the following:

- a specific focus on the follow up of strategic issues especially with the meeting of the Board of Directors in strategic seminar of one day and a half in December 2015;

- the use of a new software for the directors to make documents available;
- a better interaction between directors and members of Committees;
- a strengthening of the operational involvement of the Ethics and Governance Committee with the appointment of John O'Leary in this Committee.

C. RIGHT TO INFORMATION AND COMMUNICATION FOR DIRECTORS

The Chairman of the Board of Directors monitors the proper functioning of the Company's bodies and ensures, in particular, that directors are in a position to perform their duties. The Chairman of the Board of Directors must send to each director all documents which are necessary to perform their duties.

Directors receive all the information which is useful to the exercise of their duties in accordance with the agenda prior to each Board meeting. To this end, the Company complies with its internal rules that provide that documents to be reviewed in a Board meeting are circulated the week before the meeting.

Furthermore, the Chairman has exchanges, on a regular basis and when necessary, with directors between meetings of the Board.

The Directors' Charter adopted on May 21, 2003, as amended on February 23, 2016, provides that each director must be carefully prepared for Board meetings and Committees' meetings, that he or she is a member of, and has an obligation to review the documentation made available to him or her. He or she can request the Chairman of the Company, the Chief Executive Officer and the Executive Vice Presidents, for any and all additional information that he or she deems necessary or useful. In compliance with Article 13 of the AFEP-MEDEF Code, if he or she believes this is necessary, a director can ask for training on the specifics of the Company, its work and its business sector.

D. LIMITATION OF THE POWERS OF THE CHIEF EXECUTIVE OFFICER

In accordance with Article 19-1 of the Company's Articles of Association, the Board of Directors delegated to the Chairman and Chief Executive Officer all authority granted by French law with the ability to delegate such authority in specific areas.

1.4. Specific Provisions Regarding the Participation in General Shareholders' Meeting

I Shareholders' Meetings (Article 23 of the Articles of Association)

CONVENING AND HOLDING OF SHAREHOLDERS' MEETINGS – DELIBERATIONS

Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by a Director so appointed by the Board of Directors, or failing which, the Shareholders' Meeting shall appoint a Chairman.

The vote tellers' functions are performed by two shareholders who are present and who agree to perform these duties, and who have by themselves or by proxy the largest number of votes.

The presiding Committee appoints a secretary, who must be chosen from outside the members of the Meeting.

It is to be noted that directors are yearly invited to assist to General Meeting. Most of the time, they are effectively present since the Board of Directors regarding the financial information of the first quarter holds two days before the General Meeting and the General Meeting is each year followed by a meeting of the Board of Directors.

PARTICIPATION

All shareholders may, in accordance with the conditions set forth under applicable laws and regulations, either personally attend the Shareholders' Meetings, cast an absentee vote, or be represented by another shareholder or by their spouse or civil partner. Moreover, they may be represented by any other natural or legal person of his or her choice.

The right to participate in Shareholders' Meetings arises through the registration of the shares in the name of the shareholder, or his or her intermediary registered on his or her behalf pursuant to Article L. 228-1 of the French Commercial Code, as of 00:00 a.m. (Paris time) on the second business day preceding the Shareholders' Meeting, in accordance with applicable regulations.

Any legal entity that is a shareholder may participate in the Shareholders' General Meetings through its legal representatives or by any other person appointed by it for this purpose.

The shareholders may, subject to the conditions set forth under applicable laws and regulations, send their proxy and mail voting form for any Shareholders' Meeting, either in paper form, or, subject to the decision of the Board of Directors at the time at which the Shareholders' Meeting is convened, by electronic means.

When using a proxy and mail voting form or casting an absentee vote electronically, the electronic signature may result from a procedure allowing for the reliable identification of the shareholder, evidencing the link between the signature and the form to which it is affixed.

The Board of Directors may decide, at the time that the Shareholders' Meeting is convened, that the shareholders may participate in the Shareholders' Meeting *via* videoconference or by other means of telecommunication, including the internet, subject to the regulations applicable at the time of their use.

All shareholders who participate in the Shareholders' Meeting by one of the aforementioned means shall be deemed present for the purposes of the quorum and for the calculation of a majority.

The Company will be able, in accordance with applicable regulations, to use electronic communication instead of communication by post in order to satisfy the formalities specified by the regulations.

DOUBLE VOTING RIGHTS (ARTICLE 12 OF THE ARTICLES OF ASSOCIATION)

Since November 24, 1995, double voting rights, taking into account the fraction of the share capital that they hold, have been attributed to all fully paid-up shares which have been registered in the name of the same shareholder for at least two years.

In the event of an increase in share capital by capitalization of reserves, profits or premiums, double voting rights shall also be granted as from the time of their issue to registered shares. They will be granted free of charge to a shareholder in respect of their existing shares, entitling such shareholder to the benefit of the double voting right.

Registered shares benefiting from double voting rights that are converted into bearer form, for any reason whatsoever, shall lose such double voting rights.

2. Rules and Principles Determined by the Board of Directors for the Compensation and Benefits of the Corporate Representatives

2.1. Compensation of the Chairman and Chief Executive Officer

The compensation of the Company's Chairman and Chief Executive Officer is determined by the Board of Directors, upon the recommendation of the Nominations and Remunerations Committee (Article 23.1 of the AFEP-MEDEF Code).

Every year, Technip retains external and independent consultants (Hay and Towers Watson), who are chosen by the Nominations and Remunerations Committee, to analyze the following market practices:

1. CAC 40 companies excluding financial companies (35 companies in 2015);
2. Industrial and engineering companies belonging to CAC 40 and SBF 80 (33 companies in 2015);
3. European oil companies (nine companies in 2015); and
4. US oil companies based in Texas (20 companies in 2015).

The compensation of the Chairman and Chief Executive Officer is composed of both a fixed and a variable portion.

In accordance with Article 23.2.2 of the AFEP-MEDEF Code, the fixed portion is reviewed at relatively long intervals since the base gross compensation (fixed portion) of Thierry Pilenko has remained unchanged since 2011.

The variable portion of compensation is based on the fixed compensation for the previous year. For 2015, the target variable portion is equal to 120% of the annual base compensation. In accordance with Article 23.2.3 of the AFEP-MEDEF Code, the variable portion of the compensation is subject to precise and predetermined objectives. 70% of the target variable portion is linked to the financial performance of the Group (quantitative criteria) and 30% is linked to the achievement of individual objectives (qualitative criteria). These objectives are directly linked to Technip's strategy and cannot be disclosed for confidentiality reasons.

The share of the variable portion which is linked with a financial target (70% of the total) is broken down into two objectives:

- up to 50% on the Group operating income budgeted for 2015: the share of the variable portion is (i) nil if real performance is below 75% of the budgeted amount (minimum level), (ii) between 0% and 120% for a performance equal to 75% to 100% of the budgeted amount, (iii) between 120% and 150% for a performance equal to 100% to 110% of the budgeted amount,

(iv) between 140% and 160% for a performance equal to 110% to 120% of the budgeted amount and (v) between 150% and 200% for a performance equal to 110% to 125% of the budgeted amount (maximum level); and

- up to 20% on the percentage of gross margin on order intake: the share will be: (i) nil if real performance is below 75% of the budgeted amount (minimum level) and (ii) between 0% and 100% for a performance equal to 75% to 100% of the budgeted amount (maximum level).

The share of the variable portion corresponding to the individual objectives is composed as follows:

- strategic criteria linked to the strategic development of the Group and to Quality;
- HSE (Health/Safety/Environment) criteria which is key to the Group;

Weight	Nature	Scale	Effective realization	Weighted realization
70%	Financial objectives (OIFRA, gross margin on order intake)	0 to 200%	120-130% ^(*)	71.2%
30%	Individual objectives	0 to 100%	76.7%	23.4%
100%				94.6%

(*) The acceleration triggered above 100% is equal to 2.1%. It has not been applied during the 2015 year as described below.

The variable portion due to Thierry Pilenko for the financial year 2015 will be paid in 2016.

Thierry Pilenko does not receive any directors' fees for the positions he holds as a director of the Company or in the Group companies.

Thierry Pilenko benefits from a supplementary health insurance and a repatriation insurance.

In compliance with Article 23.2.6 of the AFEP-MEDEF Code, there is no specific retirement plan for Thierry Pilenko as the Chairman and Chief Executive Officer.

The Chairman and Chief Executive Officer benefits from a defined contribution supplemental retirement plan for Group executives. In compliance with Decree No. 2016-182 of February 23, 2016, below is a description of the main features of the defined contribution supplemental retirement plan for the benefit of Thierry Pilenko:

- title of the commitment: defined-benefit collective pension scheme;
- reference to the applicable statutory regime of the scheme: Article 83 of the French General Tax Code;
- conditions to benefit from the scheme and other eligibility conditions: the beneficiary must be an employee having an annual gross base salary four times higher than the French Social Security ceiling (*i.e.* a gross annual amount of €152,160 for 2015);
- methods for determining the reference salary under the scheme and calculating the rights of beneficiaries: gross annual base salary capped at eight times the yearly French Social Security ceiling (*i.e.* €304,320 gross annually for 2015);
- vesting features: quarterly in arrears;
- if applicable, existence of a ceiling, formula and conditions to the ceiling calculation: 8% of the annual base gross salary capped at eight times the ceiling of the French Social Security (*i.e.* 8% of €304,320 gross and annual for 2015);
- funding terms and conditions: employer's contribution paid to an insurance company;
- estimated amount of the annual annuity payment at the end of the reporting period: €7,295 gross and annually; and

- criteria linked to human resources such as gender diversity, management and talents development, succession plan.

If achieved Group current operating income is superior to the budgeted objective, a multiplier rate is calculated, up to a maximum of 2. It is then applied to the other variable portion criteria in order to calculate the 2015, final variable share, which is capped at 200% of the target variable portion.

Based on the actual rate of achievement of objectives set for 2015 the variable compensation of Thierry Pilenko as mentioned hereabove has been calculated as follows, after examination by the Nominations and Remunerations Committee on February 22, 2016 and after setting by the Board of Directors on February 23, 2016:

- tax and social charges levied on the scheme: contribution used to calculate the tax basis with the fixed 20%-rate ("*forfait social*").

The Chairman and Chief Executive Officer also benefits from the Company's supplemental retirement plan for Executive Committee (Excom) members. In compliance with the provisions of Decree No. 2016-182 of February 23, 2016, below is a description of the main features of the supplemental retirement plan with defined-benefit scheme for the benefit of Thierry Pilenko:

- title of the commitment: defined-benefit pension scheme;
- reference to the applicable statutory regime of the scheme: Article 39 of the French General Tax Code;
- conditions to benefit from the scheme and other eligibility conditions:
 - be a Comex member for a minimum period of five years,
 - the retirement income guarantee will only be due in the following events: a departure from the Company after his 60th birthday; a departure from the Company as a result of a 2nd or 3rd category disability (as defined under French law); a departure from the Company after his 55th birthday provided that such departure is not the result of gross misconduct or negligence (*faute grave* or *faute lourde*) on his part and that the beneficiary performs no subsequent professional activity after leaving the Company and until he benefits from a pension under the general French Social Security scheme;
- methods for determining the reference salary specified by the scheme and calculating the rights of beneficiaries: the reference gross salary will be the annual average of gross compensation actually paid to the beneficiary during the five years preceding the effective date of his departure from the Company;
- vesting features: annually; 1.8% per year of service, on the 4th tranche of gross annual compensation paid, *i.e.*, exceeding eight times the French Social Security ceiling, which is compliant with Article 23.2.6 of the AFEP-MEDEF Code. Due to the date of renewal of Thierry Pilenko's mandate, no performance conditions could apply to this scheme as of this date;
- if applicable, existence of a ceiling, formula and conditions to the ceiling calculation: a seniority of up to 15 years;

- funding terms and conditions: employer's contribution paid to an insurance company;
- estimated amount of the annual annuity payment as of December 31, 2015: €292,452 gross and annually; and
- tax and social charges levied on the scheme: the Company has elected the pre-financing "Fillon option" equal to 24%.

In compliance with Article 23.2.6 of the AFEP-MEDEF Code, the annual replacement ratio at retirement should not be higher than 45% of the reference income *i.e.* 21.5%. The ratio for Thierry Pilenko complies with this condition.

110,000 stock options and 33,000 performance shares were granted to Thierry Pilenko over financial year 2015 corresponding to 0.12% of the share capital as of the day of the General Meeting dated April 23, 2015.

The Board of Technip, on the recommendation of the Nominations and Remunerations Committee, has decided that the grant of the long term incentive plans for the Chairman & CEO (*mandataire social*) could represent a face value up to 330% of his annual gross base salary, the value being the one used in the accounting norms (IFRS). The 2015 grant represented 177% of the annual gross base salary.

In financial year 2015, Thierry Pilenko exercised 109,000 share subscription options. It should be noted that the compensation policy for the Chairman and Chief Executive Officer, who is the only executive director (*dirigeant mandataire social*), is at risk: 100% of the granted shares, options and deferred compensation is subject to performance conditions.

In addition, the Board of Directors fixed for the Chairman and Chief Executive Officer a holding rule for performance shares and stock options which have been granted since 2007 corresponding to 25% of the realized net gain, thus complying with Article 23.2.1 of the AFEP-MEDEF Code.

Furthermore, complying with recommendations of the AFEP-MEDEF Code, the Board of Directors decided that, on acquisition of performance shares, Thierry Pilenko will be required to purchase a number of shares of the Company corresponding to 5% of the acquired performance shares. This requirement will not apply to Thierry Pilenko as long as he owns Technip shares for a value equal to at least 100% of his net base compensation (the said compensation being that of the year preceding the acquisition of the performance shares, and the value of Technip share being

that of the close of market of the day before the performance shares were acquired).

Thierry Pilenko is not a beneficiary of any share subscription warrants issued by the Company or any other company of the Group.

In the context of the renewal of the mandate of Thierry Pilenko, the Board of Directors on April 23, 2015, upon recommendation of the Nominations and Remunerations Committee, proposed a worldwide non-compete agreement for a 24-month period. In compliance with Article 23.2.5 of the AFEP-MEDEF Code and according to this agreement, Thierry Pilenko could receive an amount corresponding to two years of gross fixed annual compensation paid (gross fixed compensation plus variable compensation). The basis of calculation would be the average of the gross annual compensation paid over the last three years, the payment of which would be paid on a monthly basis.

2.2. Directors' Fees Granted to Members of the Board of Directors

The Shareholders' Meeting of April 25, 2013 set the amount of directors' fees allocated to members of the Board of Directors for each of the financial years 2013, 2014 and 2015 at €800,000.

In compliance with Article 21.1 of the AFEP-MEDEF Code, the Board of Directors determines the terms of payment of directors' fees (*jetons de présence*) including a significant variable portion. On the proposal of the Nominations and Remunerations Committee, the Board of Directors finalized the distribution of Directors' fees for 2015 as follows:

- both a fixed amount and an amount depending on the attendance rate at Board of Directors' meetings, plus an amount which is different depending if the attendance to the meeting requires travel inside the same continent or transoceanic or transcontinental travel;
- an amount paid according to attendance rate at the committees' meetings;
- an additional fixed amount is awarded to the Senior Independent Director and Chairmen of the Committees adjusted, if needed, on a prorata basis.

Directors (other than the Chairman and Chief Executive Officer) do not receive any other compensation from the Company or companies of the Group.

3. Information Required Pursuant Article L. 225-100-3 of the French Commercial Code

Information required pursuant to Article L. 225-100-3 of the French Commercial Code is reported in the following sections of the Reference Document of the Company for the year ended

December 31, 2015: Sections 1.7.2, 2, 4.1.1, 4.2, 6.3.7, 7.2.4, 7.3.2, 7.3.3, 7.3.6 and 7.4 of said Reference Document.

4. Internal Control Procedures and Risk Management Procedures Put in Place by the Company

The Group is structured around two business segments, Subsea and Onshore/Offshore, to which report the Regions and the Business Units responsible for the operational units and projects placed under their responsibility. Business segment management are responsible, within their area of responsibility for leading the business, the projects and the operations in accordance with the strategic objectives defined by the Board of Directors and the General Management. The functional departments help the General Management to monitor activities and to define norms and standards of control.

The Group functional departments include, among other, the HSE and safety department as well as the Corporate Risk Management department which report directly to the Chairman and CEO, the Finance Department to which report among other the Group Internal Audit, the Internal Control and the Information Systems and Telecommunication Department, the Group General Counsel to which report, among other the Compliance department and Insurances, and the Human Resources department to which report Sustainable Development Department.

Internal Control and risk management systems contribute in a complementary way to the control of the activities and to the achievement of the Group objectives.

In order to manage inherent risks in its business, the Group maintains internal control and risk management procedures and tools which are organized according to a three levels structure: Group, Regions/Business units, Operational Unit/Project. These tools that have gradually developed and are based on the fundamental concept of a Project.

The Chairman and Chief Executive Officer, assisted by the Group Chief Financial Officer (Group CFO), ensures that effective control measures are deployed within the Group and that possible dysfunctions related to internal controls are subject to appropriate corrective measures. The Audit Committee of the Company monitors the assessment of internal control procedures as well as all measures for any significant issues encountered, which is defined by the Group, based on the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) revised in 2013. This framework is considered equivalent to the reference framework of the of the French Financial Market Authority (*Autorité des marchés financiers*, AMF).

In this framework, internal control is a process intended to provide reasonable assurance that the objectives related to operations, reporting and compliance with applicable laws and regulations are achieved. As for any internal control systems, it cannot provide an absolute guarantee that all risks are completely controlled or eliminated.

The internal control and risk management process cover refer to the processes of the consolidated entities.

Under these internal control principles, which are part of the corporate governance organization, the Audit Committee is responsible for monitoring the efficiency of internal control and risk management systems, assisted by the Corporate Risk Management department and the Internal Audit and Internal Controls departments. These rules are particularly designed to allow the Board of Directors to ensure that internal control is effective and published information available to shareholders and financial market is reliable.

4.1. Internal Control Procedures within the Group

This report addresses the five internal control components defined by COSO, *i.e.*, control environment, risk assessment procedure, control activities, information and communication and internal control monitoring.

■ Control Environment

The control environment is based primarily on the Group values (Do the right thing, Trust the team, Encouraging a fair return for all, Take it further) and the six charters which follow these values and refer to ethics, health and safety at work, social and environmental responsibility, quality and security of people and goods. Furthermore, the Group is committed to supporting and promoting the principles of the "Global Compact", a United Nations program regarding human rights, labor, environment and ethics within its sphere of influence.

INTEGRITY AND ETHICS

The Group's values and business principles set out in the Values and the charters as well as the in the business integrity guide are circulated to employees and available on Group intranet site.

The Group is committed to reflecting its Values as well as the Ethics Charter in staff operations and its relationship with stakeholders, such as contractors, suppliers and partners in all countries where the Group operates.

The Ethics and Compliance Committee is composed of senior managers from across the Group and reports directly to Technip's Chairman and Chief Executive Officer. It ensures proper adherence to the Group's Ethics Charter and all internal regulations derived therefrom. It makes proposals to the Chairman and Chief Executive Officer and to the Board in respect of ethics and compliance. The Ethics and Compliance Committee also organizes reports from Regional managers on the application of the Charter. In addition, any employee can address an issue to the Ethics and Compliance Committee on any subject relating to the principles provided in the Ethics Charter. A whistleblowing procedure provides a structure to report potential conflicts or incidents in financial, accounting and anti-bribery areas. The Ethics and Compliance Committee is chaired by the Group Chief Compliance Officer.

At executive level, directors and senior managers have signed the "Code of Ethics applicable to the Group's Directors, Executive Management and Senior Financial Officers". This code is an addendum to the Ethics Charter setting forth specific rules applying to them in terms of conflict of interest, public reporting, compliance and personal responsibility. Senior Management has circulated a "No Gift Instruction" note explaining the procedure for the acceptance of a gift in a professional environment to employees worldwide and communicates the "Rules of Good Conduct relating to the communication and the use of privileged information".

Annual employee appraisals refer to “analysis of skills and professional behavior” with individual commitment to ethical values.

OVERSIGHT RESPONSIBILITY

The Board of Directors places a great deal of importance on its composition and that of its Committees. It relies on the work of the Nominations and Remunerations Committee which Chairman and Chief Executive Officer is not a member, in accordance with the AFEP-MEDEF Code (Article 17.1 and 18.1) to ensure a high rate of independence, diversity and a complementarity in competencies of their director’s profiles.

Technip has reinforced its existing control mechanisms with the creation in 2010 of the Senior Independent Director’s function whose missions are detailed in Section 4.1 of this Reference Document.

The directors are required to comply with the Directors’ Charter and to abide by the Group Values that are formulated in Technip’s Group Values Charter. They must also follow the Rules of Good Conduct relating to the communication and use of privileged information by corporate officers, executives and employees of the Group.

The four special Committees set up by the Board of Directors have their own Charter describing their respective duties, responsibilities and practices.

Each of these Committees is comprised of at least three directors appointed by the Board of Directors.

Their work is presented to the Board of Directors in a written report.

For more information about governance bodies assignment and practices, please refer to the Section 4.1 of the Reference Document of the Company for financial year ended December 31, 2015.

STRUCTURE, AUTHORITY AND RESPONSIBILITY

General Management ensures that the Regions and Business Units in charge of the management of the operational units and the projects execute, control and periodically assess the Group activities. General Management regularly reviews the relevance of the organizational structure so as to be able to adapt them quickly to changes in the activities and in the environment in which these are carried out.

The operational management is responsible for controlling the operations and maintaining and effective and updated internal control, support functions (such as Finance, Legal, Human Resources) assist operational management in the development of the operations and Internal Audit provides recommendations to improve the efficiency of the internal control system and the operational procedures.

The accountability system is defined and formalized at all levels of the organization through organization notes, organization charts, appointment notes, job descriptions and delegation of powers. Each Region / Business Unit has established, in accordance with policies and standards defined by the Group and published on the intranet site, rules of delegation of powers and procedures that apply within its specific scope of responsibilities.

Organizational structures and delegations of powers are as well defined and formalized within each significant project organization.

TRAINING AND RETENTION OF EMPLOYEES

The Group Human Resources policy is based primarily on the Group’s Values and especially the Social charter as well as on the policies and standards defined by the Group and published on the intranet site, the Group developed a referential of pivotal jobs that define for each main function the level of competencies needed to fulfilled the various positions in the organization. Within each organization, the job descriptions define the competencies and expertise necessary for employees to carry out their functions effectively.

The Group’s Human Resources function shapes, with the support of its the Regional organization, policies aimed at attracting talents, as well as policies for employee training, coaching, assessment of retention such as annual appraisals, training programs and compensation and benefits schemes.

ACCOUNTABILITY

The Board of Directors, with the support of the Audit Committee, ensures that the internal control functions are operating properly.

The Chairman and Chief Executive Officer implements the objectives determined by the Board of Directors. The Chairman and Chief Executive Officer is at the head of the Group’s corporate management and is assisted by the Executive Committee (Excom).

The Chairman and Chief Executive Officer and the Excom have a central coordination role that has a major influence on the control environment and sets the “tone at the top.” Through their responsibilities, they ensure that internal control procedures are in place and operative.

The Chairman and Chief Executive Officer is assisted by two specialized Committees:

- the Ethics and Compliance Committee: responsible for assisting the Chairman and Chief Executive Officer for ensuring proper adherence to the Group’s Ethics Charter and anti-corruption and other compliance policies and procedures; and
- the Disclosure Committee: responsible for assisting the Chairman and Chief Executive Officer and the Group CFO in their duties to ensure compliance with the laws and regulations applicable to listed companies, to give a true and fair view of the financial statements. This Committee meets four times a year.

Applying the Group’s strategic objectives, its organizational structure is based on Regions and Business Units with full operations, projects and P&L accountability, The Regions and the Business Units are assisted by the Group’s support functions and may be involved in one or several Business Segments (*i.e.* Subsea or Onshore/Offshore).

I Risk Management

All risks faced by the Group (risks related to the Group, its operations and industry, as well as regulatory and legal risks, industrial and environmental risks, credit/counter-party risks, liquidity risks and market risks as detailed in Section 2 of this Reference Document of the Company for the year ended December 31, 2015) are subject to risk assessment and risk management measures at different levels of the organization, from the Corporate Divisions to the relevant Regions, Operational entities and Projects.

SPECIFICATION OF OBJECTIVES

To implement the strategic options defined by the Board of Directors, the General Management ensures that objectives are defined at the various levels of the organization with regard to operations, reporting and compliance.

Operational objectives focus on achievement of the best standards regarding health and safety, with in particular the continuous development of the Pulse Program, on the objectives of order intake and realization of projects, as well as on the optimized and efficient use of human, financial and technical resources. They are in particular defined during budgetary processes and long term plan and are monitored regularly as part of the Business and Operations Reviews led by the General Management with the Regions and the Business Units.

IDENTIFICATION, ANALYSIS AND MANAGEMENT OF RISKS

The risk management is based on a three levels organization, a Group central organization which encompasses the Corporate Risk Management, the Group Internal Audit, and the Group Divisions, Regional and Project organizations.

CORPORATE RISK MANAGEMENT

Since June 2015, the Group's Risk Management function has been separated from the Internal Audit organization and combined with the Corporate Finance and Proposal Group function. It continues to report to the Group CFO. This function is responsible for providing an integrated approach of risk assessment, risk management as well as an early Identification of risks on projects at call for tender and bidding stage in close coordination with the Regions and the Business Units, as well as ensuring that the Risk Management organization is monitored at appropriate levels across the Group, which encompasses the monitoring of processes, tools and risk assessment.

His mission is to focus on Project risks with an aim to ensure that appropriate tools and processes are defined, reviewed and implemented consistently across the Group and in all Regions, Business Units and segments of activity. It is also responsible for monitoring the Portfolio and Enterprise Risk Management processes which are being reviewed and implemented across the Group. He participates in the identification and assessment of major risks faced by the Group and ensures the follow up and the implementation of the risk management strategy.

GROUP INTERNAL AUDIT

The Group Internal Audit assists the Group CFO in assessing and improving the effectiveness of risk management, control and governance processes. It is carried out within the framework

defined by Technip in the Internal Audit Charter and in compliance with the Internal Audit Plan issued at the beginning of each year and validated by the Executive Committee. This Plan considers the mapping of operations and risks, as well as the rotation of audits performed. It is also presented to and validated by the Audit Committee of the Board of Directors.

The Group Internal Audit monitors the implementation of the remediation action plans defined in the audit reports.

GROUP DIVISIONS

Under the authority of the Company's Chairman and Chief Executive Officer (CEO), the Group's structure is based on a number of Corporate Divisions. Each division helps to assess and mitigate the risks faced by the Group in its respective area of responsibility.

- In an effort to assess and manage risks with respect to the Group's operations, the President Onshore/Offshore and the President Subsea are responsible for the entire operational organization covering the business and operations for respectively the Onshore/ Offshore and Subsea segments. This includes commercial operations, Business Development, key accounts, tendering coordination and all operational assets and related resources as well as technology development. Since February 1, 2015, the Onshore-Offshore President and the Subsea President directly report to the Chairman and Chief Executive Officer.
- The Group General Counsel, to whom the Legal Division and the Corporate Secretary Office report, is responsible for all legal matters within the Group and for the definition of the Group's legal strategy and policy. He also prepares and oversees, among other things, the Group's contracting policies, assesses the terms and legal risks of contracts, manages any litigation proceedings arising from the performance of contracts and is in charge of the subscription and renewal of insurance policies in order in particular to minimize the contractual risks faced by the Group. Finally, he follows up on real estate issues within the Group.
- The Group Chief Compliance Officer reports to the Group General Counsel and the Company's Board of Directors through the Ethics and Governance Committee. The Group Chief Compliance Officer makes regular reports and recommendations concerning compliance to the Group General Counsel, Chairman and Chief Executive Officer and the Technip Ethics and Governance Committee. The Group Chief Compliance Officer may raise certain issues to the Chairman of the Technip Ethics and Governance Committee. Finally, the Group Chief Compliance Officer is also responsible for ensuring the application of the Ethics Charter and the effective implementation and enforcement of applicable anti-corruption and compliance policies.
- The Human Resources Division is responsible for managing the Group's human resources (recruitment, training, career and skills management, and compensation) in order to ensure that the Group attracts and retains the necessary personnel and participates in its professional development.
- The Communication Division, except for financial communications, reports to the Chairman and CEO.

- The Quality Health and Safety (QHSE) Department, the Global Procurement Department and the Group Business Cooperation Department have a double reporting line to the Presidents Onshore/Offshore and Subsea.
- The Finance and Control Division, under the supervision of the Group CFO, monitors the financial engineering of Projects. It also prepares statutory and consolidated financial statements as well as management accounts, is in charge of internal control, treasury management, tax management, audit and risk management, financial communications and investor relations. It also monitors the Information Technology Divisions.
- The Security Department, reporting to the Chairman and CEO, is among others in charge of carrying out independent IT security audits and more generally all necessary security audits within the Group, ensuring the implementation of relevant Master Security plans dedicated to Projects and insuring coherence and efficiency of the business continuity plan for Regions, headquarters and Projects.

REGIONAL ORGANIZATION

The Group organization is based on the “Principle of Regionality”, which delegates managerial responsibility to the appropriate level. Day-to-day operations are under the responsibility of the Regions and the Business Units.

As the Group’s core operational unit, each Region is defined by a territory, its operational resources (commercial and execution) and its projects. Each Region is responsible for their Profit and loss which requires full entrepreneurial leeway for operational decision making in respect of project execution and client relations.

The Subsea Division which reports directly to the President Subsea is responsible for the strategic management of Research and Development, fleet and manufacturing plants including expansion plans. Project management is handled by the Regions.

The Consultancy activities relative to subsea engineering and Project Management such as Genesis and PMC are gathered within two Business Units, Genesis and Project Management Consultancy, which report respectively to the President Subsea and the President Onshore/Offshore. They operate with the support, in addition to their own workforce, of the resources of Regions.

RISK MANAGEMENT OF PROJECTS

Risk assessment is conducted by the Group Divisions then across the Regions and the other components of the Group, down to the level of each individual Project. The assessment is structured through tools and procedures as defined by Corporate Finance Proposal Group and Corporate Risk Management and developed throughout the Group.

Before bidding for a Project, Technip conducts a cost evaluation and analyzes the technical, commercial, financial and legal aspects of the Project.

In Project where the services of a local partner are needed, the Technip Compliance Policy requires an investigation into the background and reputation of its prospective partners, to give it a factual basis for concluding that the partner is capable of performing the services and will do so in a manner that fully complies with Technip’s Anti-Corruption Policy.

Regional Bid Authorization procedures have been implemented to define applicable authority thresholds and approval levels within each Region’s scope of responsibility (Region or Corporate). Each bid must be authorized by the management through an Authorization To Tender (“ATT”). Once the bid is submitted, the previous cost evaluation and financial and legal analysis are updated. The contract cannot be entered into without an Authorization To Commit (“ATC”).

In addition to the risk assessment process at tender stage, risks are regularly assessed during the Project execution phase, through especially Project reviews.

Control Operations

In order to give reasonable insurance that risks related to financial reporting, operations and the Group’s assets are mitigated, control activities are at all levels, in Regions, projects and within all Corporate functions throughout the Group.

PRINCIPLE FOR SELECTION AND DEVELOPMENT OF CONTROLS

In particular, these control activities aim to ensure that the following principles are followed:

- organizational structures and responsibilities are defined and documented, business objectives are reviewed, key performance indicators are monitored, tenders and newly appointed partners are duly authorized, regular Project and asset reviews are conducted at the entity, regional or Group level, and client invoicing is monitored and approved;
- the segregation of incompatible tasks are monitored with respect to custody of assets, authorization of transactions and recording and control procedures, with the aim of reducing the risk of error or fraud;
- budgets and forecasts are reviewed according to Group objectives;
- reconciliations of physical assets are performed to ensure the corresponding accounts accurately reflect the reality;
- the Group Controlling Department prepares and distributes to the entire Group formal procedures for financial reporting in the form of quarterly statements and accounting rules, in accordance with accounting standards. Significant estimates and other significant accounting assessments are subject to a systematic review and comply with accounting standards and are consistent with current practices within the Group;
- competency and experience requirements for key personnel are defined and documented; standards and procedures are applied for the entire employment contract cycle. Training/orientation is provided to newly hired personnel and personnel turnover is monitored. Checks and reconciliations are performed in the payroll chain from the calculation of pay, to pay slip issuance up until payment;
- the delegation of authority for decision-making and the Group’s commitments towards third parties are formalized, regularly reviewed and updated. Permanent procedures are managed, adjusted and reviewed.

- prospective suppliers are identified and selected on the basis of comparison charts approved by authorized personnel according to delegation rights and powers. Commitments are duly authorized, invoices reconciled with work undertaken/goods delivered and approved. Payments are verified and accounting records are checked;
- in relation to IT security, controls exist to ensure that data is accessible to authorized persons, data is not changed by unauthorized actions, usage is logged, relevant users are identified and data is not accessed by unauthorized persons. Controls ensure that key users validate changes and are the only ones authorized to request the start of production.

POLICIES AND PROCEDURES

Management of the Group's reference documentation and related framework is coordinated by the Group Quality department. Permanent procedures and policies are categorized according to five different levels: the Golden Book, Group Operating Principles and Standards, Group Instructions, Group Business Guidelines and Regions' Management Principles and Responsibilities. These documents are available on the Group intranet.

- The Golden Book is intended to give a comprehensive overview of the three themes which underpin the Group's management principles and responsibilities:
 - the Group's Core Values, encompassing its Ethics, Social, Environmental, Health and Safety, Security and Quality Charters, and its Quality, Risk, Health Safety and Environmental Policies;
 - the Core Management Principles and structure of the Group, including the role of the Regions; and
 - the role of Corporate Functions.

The management principles in this Golden Book are valid for all entities controlled by the Group and are applied throughout the Group.

- The Group Operating Principles and Standards (GOPS) and Group Instructions are a collection of the general instructions, rules and procedures which are applicable throughout the Group. The GOPS are classified into sections, each section being related to one corporate function. In addition to the GOPS, Group Instructions may be issued from time to time by the members of the Executive Committee or people acting on their behalf. Group Instructions are more detailed instructions in specialized areas that help in the implementation of the GOPS in the day-to-day business.
- To facilitate compliance with the GOPS, Corporate Functions issue and communicate Group Business Guidelines, that provide non-binding guidance to promote the use of "best practices" and support Operating Centers to improve their operational performance.
- According to the requirements stated in the Golden Book, GOPS and Group Instructions are mandatory across the Group and provide the overriding framework with which the Regions conduct their operational autonomy. Regions also issue their own detailed Management Principles and Responsibilities, as do their sub-divisions (Business Units, Projects).

Each Corporate Function is responsible for performing a yearly review of its GOPS in order to verify that they still adequately match the business objectives, implementing modifications or even cancelation if needed. Group Quality & Methods (GQM), reporting to the Group QHSE Director, participates in these reviews and facilitates their formalization. These reviews highlight topics and areas which audits should focus upon.

At Regional level, effective implementation of GOPS is raised as a standard agenda item in the planned Quality Management Reviews.

Information and Communication

Information and Communication is an integral part of the Group's internal control framework as the Group is committed to reflecting its Values and internal control practices in staff operations and its relationship with stakeholders, such as suppliers and partners in all countries where the Group operates.

INTERNAL COMMUNICATION

The Group has implemented information release procedures and processes based in particular on internet portal facilities accessible by any employee which give access to Group's Values, Charters, Policies, and Procedures in force across the Group as well as to the ethics and individual behaviors policies that rule the business and to which each employee is required to comply with.

A professional alert system is in place and allows Group employees to raise to the Ethic and Compliance Committee any concern related to finance, reporting and prevention against fraud and corruption likely to represent a risk for the Group.

In 2015, to answer the increase in external fraud attempts, the Group has launched an information program that aims at increasing employees' awareness of fraudsters' processes and relevant answers and behaviors to make and follow to protect the Group assets. An e-learning training program has been implemented to ensure the training of a largest number of employees to the best practices in this matter.

With respect to the Group's knowledge base and talent, Technip University strives to promote expertise and maximize know-how, develop managerial skills, promote multicultural environment and facilitate integration.

EXTERNAL COMMUNICATION

The circulation of information and public relations within the Group (except for financial communication) are coordinated and monitored by the Communication Department.

The external communication of material information concerning the Group business and achievements is prepared as part of the internal procedures put in place by the Communication Department.

The Investor Relations Department focuses on financial communication and ensures that investors and the public receive accurate, precise and fairly presented information on the Group's financial and operating performance, in accordance with French law and the French Financial Market Authority's (AMF) General Regulation.

INFORMATION AND COMMUNICATION SYSTEMS

The Information Technology (IT) Department (among others) has the responsibility for improving IT and communication tools ensuring the security of systems and data and the consistency of IT systems in all Group's entities.

In 2015, a global IT organization has been implemented with the aim to strengthen convergence and harmonization of IT systems used for Subsea and Onshore/Offshore projects as well as IT applications used by support functions.

Monitoring

ORGANIZATION

Internal control is monitored at all levels within the Group. The roles of major stakeholders are described below.

Audit Committee

The Audit Committee has a central oversight role to ensure that the internal control system is in place, operative and efficient as this enables the Board of Directors to ensure the quality of internal controls as well as the integrity of the information disclosed to shareholders and financial markets.

The annual Internal Control assessment report and the Report of the Chairman of the Board of Directors to the Shareholders' Meeting on internal control and risk management procedures implemented by the Company were presented to the Audit Committee.

Management

The Group's Management is responsible for the implementation and evaluation of internal control procedures. Management, at different levels of the decision-making process, Group, Regions and business Units, Operational entities and Projects maintains internal control documentation in relation with its activities.

The management is responsible for ensuring that controls operate effectively and for overseeing the assessment of their operating effectiveness on a self-assessment basis. This self-assessment is performed through questionnaires for the control environment and through design assessment and operating effectiveness testing of controls described in risk and control matrices for business transactional processes and IT-related controls (Information Technologies).

As part of the annual evaluation process, each Regions' President and CFO, as well as the managers of the Corporate Function, are required to represent by way of a letter of affirmation that, to their knowledge, the internal control system has operated effectively during the reporting period. Each deficiency is reported in that letter and must be followed by a remediation plan. In addition, each signatory is required to confirm at the end of the third quarter that the remediation plans determined in the previous year's assessment have been implemented.

Group Internal Audit

The Group Internal Audit has an independent and objective function and is in charge of evaluating the proper operation of the Group in all areas and provides its management with an assurance on the level of control of its operations. In particular, it evaluates the relevance and effectiveness of internal control systems through audits of specific Projects, Regions, Processes and transverse topics at Group level. It contributes to the improvement of the Group's operations through its recommendations.

It is centralized at Group level and audit work is conducted by a team of 16 auditors (end of 2015). The Senior Vice President Group Audit reports to the Executive Committee on the work performed, particularly on the effectiveness of the internal controls of the domains reviewed. The implementation of recommendations made by the Group Internal Audit is closely followed up. The summary results of the internal audit reports and the status of implementation of the recommendations are also communicated to the Audit Committee of the Board of Directors.

Internal Control

The Internal Control function is organized according to three circles: Group, Regions and Business Units, and Operational entities and Projects.

The Internal Control Function's objective is to ensure that the processes designed to limit potential misstatements in financial statements, errors and fraud, are properly executed in compliance with rules, procedures and instructions.

The internal control organization operates according to a decentralized model. The Group corporate team contributes to the definition of the Group internal control framework designed by operational and support functions according to the values and objectives pursued by the Group and is responsible, within the framework of the yearly self-assessment process, for circulating the aforementioned reference framework, organizing and managing the yearly self-assessment campaign, reporting on the assessment results and monitoring the implementation of the remediation actions.

To meet these objectives the Group corporate organization is supported by Regional correspondents responsible for managing the process in the operational entities and the projects within their scope of responsibilities which, on their turn, are supported by a network of internal control correspondents within such entities and projects. These correspondents are in charge to describe and document the local controls implemented in coordination with the process owners, to assess their effectiveness and as the case may be to make sure that remediation plans are defined and implemented to remedy the identified deficiencies.

The main objectives of the self-assessment process are to support Regions and Corporate Functions to improve their control mechanisms, and to ensure that they have appropriate and robust verification and certification procedures in the scope covered by the self-assessment.

The Group Corporate Internal Control Department has a staff of four people that are supported by a network of 40 regional and local correspondents which for the majority of them cumulate their internal control responsibilities with other functions.

Specific tasks undertaken by the Internal Control Function on the key processes affecting the accuracy of the Group's financial reporting are further described in Section 4.2 of this Report.

The progress and results of the internal control evaluation are regularly coordinated and consolidated by the Group Internal Controlling Department and presented to the Group and Region's management.

The Group's long term objective is to ensure an adaptation and a continuous analysis and improvement of internal control mechanisms.

INTERNAL CONTROL ASSESSMENT PROCESS

A detailed documentation and a thorough and formalized assessment of internal controls are performed on a yearly basis in each significant organization of the Group from General Management organizations to Regions, Entities and Projects.

In 2015, the Group has implemented a new integrated software that supports the entire self-assessment process from the documentation of the framework through the self-assessment of the controls, the creation of the deficiencies and the monitoring of the related remediation actions.

The objectives pursued with the implementation of the new software are to strengthen the self-assessment process by the creation of a new evaluation step, formalized in the tool, which aims at performing the design assessment of the controls before moving to the testing step, reinforce the accountability of the internal control actors, regional and local correspondents, with validation workflows embedded in the tool and finally to benefit from the new flexibilities provided by an integrated tool for monitoring self-assessment campaign and analyzing self-assessment results.

The scope of self-assessment is reviewed each year and derives from an analysis of a combination of Operational entities and processes that are significant to the Group Financial reporting.

The self-assessment process is based on a set of risks and control matrices covering the following domains:

- the control Environment (assessed on the basis of questionnaires): Business and Organization, Finance, Human Resources, Permanent Procedures and Policies, Corporate Bodies, Ethics and Integrity, Internal Audit and Information Systems;
- the Business processes (assessed on the basis of tests): revenues, purchasing and procurement, payroll, capital expenditure, inventories, manufacturing and engineering, subcontracting, cost control, treasury, financial control, consolidation and tax;
- Information Technology (assessed on the basis of tests): security, operations and change management.

The thoroughness and level of detail in the assessment is adapted to the size and importance of each entity. Entities with the most contribution and/or risk must provide more information and answer more questions in the self-assessment process than those with less contribution or risk.

Where the results of the self-assessment indicate that controls are not at the required level either in design, operation or documentation, corrective action plans are required to be put in place. Each action plan must have a detailed timetable to complete the action and update the required control. The progress of action plans is regularly followed.

Results are consolidated and analyzed by the Group Internal Controlling Department. They are detailed to the Audit Committee in the context of the annual closing of Group's financial statements.

The Statutory Auditors have performed the specific and necessary verifications of the internal control in their capacity of auditors regarding the annual and consolidated financial statements and if needed, they communicate the result of their work to the Audit Committee.

4.2. Internal Control Procedures Related to the Preparation and Processing of Financial and Accounting Information

The objective of the internal control procedures regarding financial and accounting information is to ensure that the accounting, financial and management information submitted to the Group's corporate bodies and by its affiliates, as well as Group financial reporting and consolidation, reflect the Group's position in a true and fair manner.

Under the responsibility of the Group CFO, production of financial information is organized and carried out by the Group Controlling Department and relies on data provided by the different Business Finance Functions located in each entity or Region.

Accounting Standards

The consolidated financial statements of Technip are established according to the accounting standards of IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standard Board) and adopted by the European Union as of the date when the Board of Directors reviewed the accounts. IFRS principles are reflected in the GOPS and guidelines. The Group Controlling Department drafts and distributes to the entire Group the formal procedures for the production of financial information, in the form of quarterly instructions and accounting rules, in compliance with the published accounting standards.

The principles for estimates and other accounting judgments are subject to a systematic review for conformity with the accounting rules and for consistency with the practices in force within the Group. The Group's positions about changes in Generally Accepted Accounting Principles (GAAP) are subject to discussions with the Statutory Auditors and are subject to a detailed presentation to the Audit Committee.

Accounting Procedures

The main applicable procedures for the preparation of the consolidated financial statements are based on three tools:

- the Group Consolidation Reporting of Accounts Manual updated every year and communicated to all participants in the consolidation process;
- the GOPS relating to IFRS updated regularly and available on the Group's intranet; and
- the closing instructions sent out prior to each consolidation phase, which address the scope of consolidation, the timetable for submitting data, the specific issues requiring attention at year end and the main changes in accounting regulations and standards.

Accounts Closing Process

It is the responsibility of the local CFO to supervise the financial reporting process and the preparation of quarterly consolidation by the finance Directors of each entity while respecting the financial calendar prepared and circulated to Regions by the Group Controlling Department. The CFOs of the Regions monitor the financial reporting process for the entities within their scope of responsibility.

The accounts of the subsidiaries are prepared according to the Group accounting standards. An integrated IT application is used to consolidate the financial statements of the Group. When reporting packages are submitted for consolidation, each entity acknowledges the receipt of instructions, the package approval by the local CFO, the application of the Group Chart of Accounts Manual as well as of Group Accounting Principles.

An internal certification process is implemented to ensure the Region CFOs are responsible for the quality of the financial information prepared relating to their perimeter scope of responsibilities. Region CFOs are required to confirm by email that, to the best of their knowledge, the contribution to the Group's consolidated income from companies within their scope of consolidation as recorded in the consolidation software, as well as the management accounts as they appear in the internal reporting software system (Together), constitute a complete and accurate presentation of the operating results and order intake of the Region. This sign-off procedure applies to annual and half-yearly closings.

On a quarterly basis, the Group Controlling Department establishes the consolidated financial statements, *i.e.*, the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows.

For the preparation of consolidated financial statements, the Group Controlling Department relies foremost on the input of the Region CFOs, Group Tax and Legal Entities and Treasury as well as its own monthly follow up of Key Projects for the Group. The Group Controlling Department ensures a full analysis of project results and their impact on the financial statements. The Treasury Department analyzes the Group's cash position and the Group Tax and Legal Entities Department calculates the recorded taxes, deferred tax assets and liabilities and monitors the tax proof process with the Group Controlling Department.

The Statutory Auditors perform a review of the quarterly financial information with cut-off dates as of March 31, June 30 and September 30. The limited examination of the half-year condensed accounts as of June 30 is subject to a report of the external auditors with respect to the financial information of the first six months of the year.

The financial statements as of December 31 are subject to detailed audit procedures that are foremost formalized by the Report of the Statutory Auditors.

The quarterly financial statements, the half-year accounts and the financial statements for the year ended December 31 are presented to the Audit Committee and approved by the Board of Directors.

Annual Assessment Process of Procedures for the Production of the Group Financial Statements and Other Accounting and Financial Information

The assessment of the effectiveness of the internal controls and procedures for the preparation of accounting and financial information is part of the Group Internal Control's annual appraisal. The referential of the Group controls is regularly adapted to the activities changes of the Group and its risks.

The tasks carried out consist of:

- selecting and identifying the entities and processes that make a significant contribution to the preparation of the Group's accounting and financial information;
- documenting processes considered important for the preparation of the financial statements;
- identifying the risks associated with these processes to help improve fraud prevention;
- defining and documenting the existence of key controls to cover these major risks;
- assessing the effectiveness and implementation of controls through the analysis performed by the Group Internal Control system on test results obtained through the self-assessment internal control testing.