

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>MCDERMOTT THRIFT PLAN</u>	1b Three-digit plan number (PN) ▶	<u>003</u>	
	1c Effective date of plan <u>04/01/1978</u>		
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>MCDERMOTT INVESTMENTS, LLC</u> <u>757 N. ELDRIDGE PARKWAY</u> <u>HOUSTON, TX 77079</u>	2b Employer Identification Number (EIN) <u>74-1032246</u>	2c Plan Sponsor's telephone number <u>281-870-5243</u>	2d Business code (see instructions) <u>237990</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2015	STEVE ALLEN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor MCDERMOTT THRIFT PLAN ADMINISTRATIVE COMMITTEE 757 N. ELDRIDGE PARKWAY HOUSTON, TX 77079	3b Administrator's EIN 72-0831725 3c Administrator's telephone number 281-870-5243 <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 6930
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 904
a(2) Total number of active participants at the end of the plan year	6a(2) 773
b Retired or separated participants receiving benefits	6b 109
c Other retired or separated participants entitled to future benefits.....	6c 3524
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 4406
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 19
f Total. Add lines 6d and 6e	6f 4425
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 4376
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 82
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2S 2T 3H 3F	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014		
A Name of plan MCDERMOTT THRIFT PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 MCDERMOTT INVESTMENTS, LLC	D Employer Identification Number (EIN) 74-1032246	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

THE VANGUARD GROUP, INC.

23-1945930

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 25 37 52	NONE	161150	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

TOWERS WATSON

52-1868818

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
99	NONE	50569	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

TOWERS WATSON

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	NONE	48949	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

JONES WALKER, LLP

72-0445111

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
99	NONE	44449	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

LJ MOSBY, PC

84-1656069

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
99	NONE	23000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

BUCK CONSULTANTS

13-3954297

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
99	NONE	9000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

► **File as an attachment to Form 5500.**

OMB No. 1210-0110

2014

This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning	01/01/2014	and ending	12/31/2014
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A Name of plan
MCDERMOTT THRIFT PLAN

B Three-digit plan number (PN)	►	003
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500
MCDERMOTT INVESTMENTS, LLC

D Employer Identification Number (EIN)
74-1032246

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: **VANGUARD RETIREMENT SAVINGS TR II**

b Name of sponsor of entity listed in (a): **VANGUARD FIDUCIARY TRUST COMPANY**

c EIN-PN 23-2186884-023	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 71328906
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>MCDERMOTT THRIFT PLAN</u>		B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MCDERMOTT INVESTMENTS, LLC</u>		D Employer Identification Number (EIN) <u>74-1032246</u>

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	265164	232339
(2) Participant contributions.....	1b(2)	326530	331416
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)	1626566	1605536
(9) Value of interest in common/collective trusts	1c(9)	83945790	71328906
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	177708723	161258984
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	31201210	6447177
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	295073983	241204358

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	295073983	241204358
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	4118146	
(B) Participants	2a(1)(B)	7486357	
(C) Others (including rollovers)	2a(1)(C)	1052059	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		12656562

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	59727	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		59727

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	5156360	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		5156360

(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	8675967	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	11366634	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-2690667

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-13877405	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-13877405

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		1539155
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		7718834
c Other income.....	2c		181766
d Total income. Add all income amounts in column (b) and enter total.....	2d		10744332

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	64677684	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)	-6712	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		64670972
f Corrective distributions (see instructions).....	2f		20379
g Certain deemed distributions of participant loans (see instructions).....	2g		-8051
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	333286	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		333286
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		65016586

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-54272254
l Transfers of assets:			
(1) To this plan.....	2l(1)		441248
(2) From this plan.....	2l(2)		38619

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: LJ MOSBY, P.C.

(2) EIN: 84-1656069

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c			
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
4d			
e Was this plan covered by a fidelity bond?	X		10000000
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4g			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k			
l Has the plan failed to provide any benefit when due under the plan?		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
THE BABCOCK & WILCOX COMPANY THRIFT PLAN	72-1172705	002

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>MCDERMOTT THRIFT PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MCDERMOTT INVESTMENTS, LLC</u>	D Employer Identification Number (EIN) <u>74-1032246</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>23-2186884</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Report of Independent Auditors

To the Thrift Plan Administrative Committee of the McDermott Thrift Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the McDermott Thrift Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years ended December 31, 2014 and 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Vanguard Fiduciary Trust Company ("Vanguard" or the "trustee"), the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee held the Plan's investment assets and executed investment transactions. The Plan administrator has obtained a certification from Vanguard as of December 31, 2014 and 2013 and for the years then ended that the information provided to the Plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matters

The Plan has elected to early adopt the accounting and disclosure provisions of Accounting Standards Update 2015-12, with retroactive application to 2013, as described by the last paragraph of Note 2 to the financial statements.

We were engaged for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of Assets Held at Year End as of December 31, 2014, which is the responsibility of Plan management, is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule.

Report on Form and Content In Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in black ink, appearing to read "LJ Mosby, P.C.", is positioned above the date and location.

October 8, 2015
Houston, Texas

MCDERMOTT THRIFT PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
December 31, 2014 and 2013
EIN: 74-1032246 Plan No. 003

MCDERMOTT THRIFT PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

December 31, 2014 and 2013

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Report of Independent Auditors

To the Thrift Plan Administrative Committee of the McDermott Thrift Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the McDermott Thrift Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years ended December 31, 2014 and 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Vanguard Fiduciary Trust Company ("Vanguard" or the "trustee"), the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee held the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from Vanguard as of December 31, 2014 and 2013 and for the years then ended that the information provided to the Plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matters

The Plan has elected to early adopt the accounting and disclosure provisions of Accounting Standards Update 2015-12, with retroactive application to 2013, as described by the last paragraph of Note 2 to the financial statements.

We were engaged for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of Assets Held at Year End as of December 31, 2014, which is the responsibility of Plan management, is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule.

Report on Form and Content In Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



October 8, 2015
Houston, Texas

MCDERMOTT THRIFT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	<u>2014</u>	<u>2013</u>
Assets:		
Investments at Fair Value (Notes 2, 4 and 5)	\$ 167,706,161	\$ 208,909,933
Investments in Fully Benefit Responsive Investment Contracts at Contract Value	71,328,906	83,945,790
Receivables:		
Notes Receivable – Participant Loans	1,605,536	1,626,566
Participant Contributions	331,416	326,530
Employer Contributions	<u>232,339</u>	<u>265,164</u>
Total Assets	241,204,358	295,073,983
Liabilities	<u>—</u>	<u>—</u>
Net Assets Available for Benefits	<u>\$ 241,204,358</u>	<u>\$ 295,073,983</u>

The accompanying notes are an integral part of the financial statements.

MCDERMOTT THRIFT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31,	
	<u>2014</u>	<u>2013</u>
Additions to net assets attributed to:		
Interest income from notes receivable – participant loans	\$ 59,727	\$ 67,600
Investment Income:		
Interest	1,539,155	1,676,379
Dividends	5,156,360	4,256,057
Net appreciation (depreciation) in fair value of investments	(8,849,238)	23,183,533
Other income	<u>181,766</u>	<u>60,972</u>
Total investment income	(1,971,957)	29,176,941
Contributions:		
Participant	7,486,357	10,248,165
Participant rollovers	1,052,059	1,111,253
Employer	<u>4,118,146</u>	<u>7,041,838</u>
Total contributions	<u>12,656,562</u>	<u>18,401,256</u>
Total additions	<u>10,744,332</u>	<u>47,645,797</u>
Deductions from net assets attributed to:		
Benefits paid to participants or beneficiaries	64,683,300	30,107,101
Administrative expenses	<u>333,286</u>	<u>26,450</u>
Total deductions	<u>65,016,586</u>	<u>30,133,551</u>
Net increase (decrease) before plan transfers	(54,272,254)	17,512,246
Plan transfers	<u>402,629</u>	<u>(27,566)</u>
Net increase (decrease)	(53,869,625)	17,484,680
Net assets available for benefits:		
Beginning of year	<u>295,073,983</u>	<u>277,589,303</u>
End of year	<u>\$ 241,204,358</u>	<u>\$ 295,073,983</u>

The accompanying notes are an integral part of the financial statements.

MCDERMOTT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2014 and 2013

NOTE 1 – DESCRIPTION OF PLAN

The following description of the McDermott Thrift Plan (the “Plan”) provides only general information. Participants should refer to the Summary Plan Description for more detailed information or to the official plan document for complete information.

General

The Plan is a defined contribution plan administered by the Thrift Plan Administrative Committee as appointed by the governing body of McDermott Investments, LLC (f/k/a McDermott Incorporated) (the “Company”). Recordkeeping and investment management of the funds (as directed by the Thrift Plan Administrative Committee and/or Investment Committee) is the responsibility of The Vanguard Group, Inc. (“Vanguard”) and Vanguard Fiduciary Trust Company (the “Trustee”), a wholly owned subsidiary of Vanguard. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

The Plan covers substantially all employees of the Company and participating subsidiary and affiliated companies (collectively referred to as the “Employer”), except non-resident alien employees who do not earn income in the United States.

Contributions

Under the Plan, participants can elect to contribute, on a pre-tax, Roth or traditional after-tax basis, up to 6% of their compensation in 1% increments as basic contributions and an additional 19% of their compensation in 1% increments as supplemental contributions. Contributions are funded into the Plan shortly after each pay period. Basic and supplemental contributions may be invested in increments of 1% into any or all of the options offered under the Plan (except the McDermott Stock Fund). These investment options include Vanguard Retirement Savings Trust II and various other funds offered by Vanguard. The Vanguard funds include domestic and international stock funds, fixed income mutual funds and a series of target retirement funds. Target retirement funds invest in stocks, bonds and short-term reserves. The target retirement funds gradually and automatically shift to more conservative investments over time based on the time remaining to the target retirement date. New employees are automatically enrolled in the Plan at a 3% pre-tax employee contribution level with an option to elect out of contributing to the Plan at any time. Participants may be allowed to complete rollover contributions of assets from another qualified retirement savings plan into the Plan under certain conditions.

Employer matching contributions are made in amounts equal to one-half of the participants’ basic contributions each pay period. Additionally, the Company makes a Flat Company Contribution equal to 3% of a participant’s Basic Compensation each pay period. All Company contributions are made in cash.

Participants in the Plan are entitled to transfer, in 1% increments and in unlimited number, subject to any restrictions set forth in the prospectus of the investment options, their accumulated participant and Employer contributions and related fund earnings to other investment options, subject to the following restrictions: (a) contributions (and related fund earnings) other than Employer matching contributions cannot be transferred into the McDermott Stock Fund (although Employer matching contributions, plus gains and losses originally invested in the McDermott Stock Fund and transferred out of that fund may be transferred back into the McDermott Stock Fund); (b) participants cannot transfer into and out of the same fund effective on the same valuation date; and (c) participants cannot transfer into a fund unless at least 60 days has elapsed since the most recent transfer out of that fund.

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NOTES TO FINANCIAL STATEMENTS December 31, 2014 and 2013

Although it has not expressed any intent to do so, the Company has the right under the Plan to reduce or discontinue Employer contributions at any time.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of the (a) Employer's contribution and (b) Plan earnings. The benefits to which a participant is entitled is limited to the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in Employer matching contributions occurs at retirement, death, disability, involuntary termination for reasons other than cause or after three years of service regardless of years of participation in the Plan. Employer Flat Company Safe Harbor contributions made after 2013 are immediately and fully vested.

Forfeitures

Forfeited nonvested accounts are invested in the Vanguard Prime Money Market Fund, which is the designated forfeiture fund and may be used to reduce future Employer contributions under the Plan and to defray reasonable administrative expenses of the Plan. As of December 31, 2014 and 2013, there were unapplied forfeitures of \$186,519 and \$623,850, respectively. The Company applied forfeitures of \$1,122,435 and \$175,604 to reduce Employer contributions funded into the trust for the years ended December 31, 2014 and 2013, respectively, and to pay \$175,966 and \$23,000 in administrative fees in 2014 and 2013, respectively.

Notes Receivable – Participant Loans

Participants may borrow from their Plan account a minimum of \$1,000 up to a maximum equal to the lesser of (a) \$50,000, minus the highest outstanding loan balance, if any, the participant had during the one-year period prior to the date the new loan is made, or (b) 50% of his vested account balance. A single loan can be outstanding at any one time. Loan terms range from 1 to 5 years or up to 20 years, with a minimum of 6 years, for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a fixed rate over the life of the loan (except for maximum limits applicable to participants with outstanding loans during military leave of absence). Interest rates on new loans are determined monthly at 1% over a published prime rate. Loan payments of principal and interest are repaid via payroll deduction or, in limited situations, by check, money order or automatic debit from the participant's personal bank account.

Withdrawals and Distributions

Participants may elect in-service withdrawals of all or part of the value of their after-tax contributions, rollover contributions and vested Employer contributions, and any earnings on those funds. Withdrawals may subject the participant to certain suspension periods during which contributions may not be made. Hardship withdrawals may be requested on pre-tax and/or Roth contributions. The Plan also permits participants who have separated from service to make withdrawals twice a year, with no age restrictions.

Depending upon the type of separation from service, including severance from employment, death, disability, or retirement, a participant may elect to receive the vested value of his account as a lump-sum

MCDERMOTT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2014 and 2013

distribution, to roll over the funds to an IRA or other qualified plan, or to receive instalment payments, an annuity or a combination of the above options. Payments are paid in cash except MII common stock, which at the participant's election, may be distributed in kind.

Income Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated June 15, 2012, that the terms of the Plan and the related trust are compliant with applicable sections of the Internal Revenue Code. The Plan has been amended since that date to incorporate regulatory changes, but the Plan administrators believe the Plan's design and operations continue to be in accordance with the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require the Plan administrators to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrators have analyzed the tax positions taken by the Plan and have concluded that as of December 31, 2014 there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrators believe it is no longer subject to income tax examinations for years prior to 2011.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right to amend, terminate or otherwise modify the Plan at any time, subject to the provisions of ERISA, solely at the discretion of the governing body of the Company. In the event of Plan termination, participants will immediately become 100% vested in their accounts.

Plan Amendment

Effective January 1, 2014, the Plan was amended to a) merge the DeepSea Engineering and Management 401(k) Profit Sharing Plan and Trust ("DeepSea Plan") into the Plan in accordance with Internal Revenue Code Section 414(l) and Treasury Regulation §1.414(l)-1(d), b) convert the Plan into an Internal Revenue Code Section 401(k)(12) safe harbor plan resulting in the Flat Company Contribution (which previously vested over 3 years) being converted to a safe harbor non-elective contribution subject to immediate vesting and c) update certain other provisions of the Plan.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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NOTES TO FINANCIAL STATEMENTS December 31, 2014 and 2013

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Such estimates include those regarding fair value. Actual results could differ from those estimates and those differences could be material.

Risks and Uncertainties

The Plan provides for various investment options. Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of the investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

Investment Valuation and Income Recognition

The Plan's investments approximate fair value. Benefit-responsive investment contracts in the reported value of the Vanguard Retirement Savings Trust II fund are valued at contract value based on values supplied by contract issuers for the underlying contracts as contract value (\$1.00 per share) is the only value at which participants can initiate transactions within this fund. Shares of registered investment companies are valued at quoted market prices which are based on the market values of underlying investments held. The McDermott Stock Fund is valued at its year-end unit closing price (comprised of year-end market price plus uninvested cash position).

Purchases and sales of investments are recorded on the trade dates. Interest income is accrued as earned; dividends are recorded as income on the ex-dividend date. Capital gain distributions are included in dividend income.

Net Appreciation (Depreciation)

The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) of those investments (except for fully benefit responsive investments).

Contributions

Employee and Employer contributions are funded shortly after each pay period. Contributions receivable as of December 31 represent contributions withheld from employees and due from the employer that were not funded until shortly after December 31.

Notes Receivable – Participant Loans

Notes receivable – participant loans are measured at their unpaid principal balance plus any accrued, but unpaid interest and are excluded from investments in the fair value tables in Note 5 as proscribed by

MCDERMOTT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2014 and 2013

Accounting Standards Update 2010-25. Delinquent notes receivable are reclassified as benefits paid based upon the terms of the Plan document.

Payment of Benefits

Benefits are recorded when paid and are based on the fair value of the respective funds at the effective date of the withdrawal. Benefits are paid in cash except that MII common stock may be distributed, at the participant's election, in kind.

Administrative and Investment Expenses

Participants with outstanding plan loans are charged a loan origination fee of \$40.00 and an annual loan maintenance fee of \$25.00, each of which is deducted from the participant's account. Beginning in April 2014, participant accounts are charged \$12.50 per quarter to help defray a portion of the recordkeeping, trustee and other administrative costs of operating the Plan. Plan administrative expenses from that date forward also include direct billings to the Plan that are not paid by the Employer. Forfeitures may be used to reduce the charges to active participant accounts and to pay administrative invoices. Prior to that date, the majority of the Plan expenses were paid by the employer and were not reflected in the Plan's financial statements, or through increased investment expense ratios on the Plan's investments.

New Accounting Pronouncements

On July 31, 2015 the Financial Accounting Standards Board (the FASB) issued Accounting Standards Update (ASU) 2015-12 "Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962) and Health and Welfare Benefit Plans (Topic 965)" to simplify reporting for the financial statements of employee benefit plans. The ASU eliminates or reduces the scope of several financial statement disclosures required in financial statements and becomes effective for plan years beginning after December 15, 2015, with earlier application permitted. Among the simplifications included in the ASU are the elimination of fair value presentation of fully benefit-responsive investment contracts (using only contract value in the financial statements), elimination of separate disclosure of investments exceeding 5% of the net assets available for benefits, and elimination of the disaggregation of investments by nature, characteristics and risk, with presentation of fair value to be made only by investment type (such as mutual funds). The Plan has elected to early adopt the provisions of ASU 2015-12 in these financial statements, with retroactive presentation of comparative 2013 data.

NOTE 3 – RELATED PARTY TRANSACTIONS

Participants in the Plan invest in shares of mutual funds managed by an affiliate of the Trustee and may also invest in shares of Employer common stock. Notes receivable – participant loans also qualify as party-in-interest transactions. Transactions in such investments qualify as party-in-interest transactions which are exempt from the prohibited transaction rules. The Company provides certain administrative services on behalf of the Plan with no compensation or reimbursement from the Plan.

MCDERMOTT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2014 and 2013

NOTE 4 – FINANCIAL INFORMATION CERTIFIED BY THE TRUSTEE (Unaudited)

Pursuant to the provisions of 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan's administrator elected that independent auditors not perform any auditing procedures with respect to the information certified by the Trustee, except for comparing such information to the related financial statements. All financial data included in the financial statements and supplemental schedule and their accompanying notes relating to investments, income from investments, and net appreciation in fair value of investments was obtained from the information certified by the Trustee and is unaudited.

The following is a summary of the Plan's financial information and data certified by the Trustee as complete and accurate.

	December 31,	
	2014	2013
Investments:		
Fair Value (based on quoted market values):		
Registered Investment Companies	\$ 160,335,184	\$ 176,399,275
McDermott International, Inc. Common Stock Fund	6,447,177	31,201,210
Money Market Fund	923,800	1,309,448
Contract Value – Vanguard Retirement Savings Trust II	71,328,906	83,945,790

	Year Ended December 31,	
	2014	2013
Investment Income:		
Interest	\$ 1,539,155	\$ 1,676,379
Dividends	5,156,360	4,256,057
Net appreciation (depreciation) in fair value of investments	(8,849,238)	23,183,532
Other income	181,766	60,972

NOTE 5 – FAIR VALUE OF INVESTMENTS

The Plan adopted Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* on January 1, 2008. This topic defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The topic also expands the disclosure requirements around fair value and establishes a hierarchy for valuation inputs that emphasizes the use of observable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Categorization of instruments within the fair level hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy under this topic are described below:

Level 1	Inputs are based on unadjusted quoted prices for identical instruments traded in active markets.
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MCDERMOTT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2014 and 2013

- Level 2 Inputs are based on unadjusted quoted prices for similar instruments in active markets or identical instruments in inactive markets and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 Inputs are generally unobservable and typically reflect estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are usually determined using model-based techniques that include option pricing models, discounted cash flow models and similar valuation techniques.

Following is a description of the primary valuation methodologies used to measure the fair value of each class of Plan assets at December 31, 2014 and 2013.

Registered investment companies: Valued at the net asset value (“NAV”) of shares held by the plan at year end as evidenced on national trading exchanges.

Company stock fund: Valued based on the last quoted price on the listed exchange.

Money market funds: Valued at the notional monetary amount held by the plan.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair Value Measurements

The following table sets forth by level, within the fair value hierarchy, the Plan’s assets at fair value as of December 31, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Registered investment companies	\$ 160,335,184	\$ —	\$ —	\$ 160,335,184
Company stock fund	6,447,177	—	—	6,447,177
Money market funds	923,800	—	—	923,800
Total	\$ 167,706,161	\$ —	\$ —	\$ 167,706,161

MCDERMOTT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2014 and 2013

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2013 (condensed to conform with presentation of 2014 data):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Registered investment companies	\$ 176,399,275	\$ —	\$ —	\$ 176,399,275
Company stock fund	31,201,210	—	—	31,201,210
Money market funds	1,309,448	—	—	1,309,448
Total	\$ 208,909,933	\$ —	\$ —	\$ 208,909,933

There were no Level 2 or 3 assets held by the Plan during 2014 and 2013. There were no transfers of assets between Levels during 2014 and 2013. The Plan's investment in the Vanguard Retirement Savings Trust II fund has been excluded from the tables above as it is valued at contract value as proscribed by ASU 2015-12.

The Vanguard Retirement Savings Trust II Fund is a common collective trust fund, which seeks to provide stable value primarily by investing in lower risk investments with insurance companies, other financial institutions and in other short-term instruments. At December 31, 2014 and 2013 the average yield rate earned by the fund was 2.30% and 1.98%, respectively, and the average crediting yield rate paid was 1.89% and 1.56%, respectively. The crediting rates within the fund typically reset quarterly based on the performance of the underlying investment and discounted cash flow analysis of contracted rates in comparison to prevailing and expected future interest rates. Restrictions may be imposed on withdrawals in the event of certain Plan level actions such as changes in the qualified status of the Plan, offering similar investment options or substantial transfers out of this fund. These actions may provide the fund issuer with the right to terminate the contract, which may affect the ability of the holders to settle their investment at contract value.

NOTE 6 – SUBSEQUENT EVENTS

The Plan administrator has reviewed and evaluated events subsequent to December 31, 2014 through October 8, 2015, the date the financial statements were available to be issued, for their impact on amounts recorded and related disclosures in these financial statements, and has incorporated the related effects as appropriate.

MCDERMOTT THRIFT PLAN

Schedule H line 4i - Schedule of Assets (Held at End of Year) - December 31, 2014

EIN: 74-1032246, Plan 003

As of December 31, 2014

(a)	(b)	(c)	(d)	(e)
	Identity of Issue	Investment Type	Cost	Fair Value
* Vanguard 500 Index Investor Shares		Registered Investment Company	<i>i</i>	\$ 35,101,714
* Vanguard Explorer Fund Investor Shares		Registered Investment Company	<i>i</i>	5,512,478
* Vanguard Extend Market Index Investor Shares		Registered Investment Company	<i>i</i>	7,436,546
* Vanguard Growth Index Investor Shares		Registered Investment Company	<i>i</i>	3,833,002
* Vanguard Morgan Growth Investor Shares		Registered Investment Company	<i>i</i>	7,585,331
* Vanguard Prime Money Market		Registered Investment Company	<i>i</i>	923,800
* Vanguard Small Cap Index Investor Shares		Registered Investment Company	<i>i</i>	16,244,992
* Vanguard Target Retirement 2010		Registered Investment Company	<i>i</i>	875,745
* Vanguard Target Retirement 2015		Registered Investment Company	<i>i</i>	9,236,736
* Vanguard Target Retirement 2020		Registered Investment Company	<i>i</i>	4,497,065
* Vanguard Target Retirement 2025		Registered Investment Company	<i>i</i>	11,638,196
* Vanguard Target Retirement 2030		Registered Investment Company	<i>i</i>	4,331,621
* Vanguard Target Retirement 2035		Registered Investment Company	<i>i</i>	7,864,098
* Vanguard Target Retirement 2040		Registered Investment Company	<i>i</i>	2,924,324
* Vanguard Target Retirement 2045		Registered Investment Company	<i>i</i>	7,400,646
* Vanguard Target Retirement 2050		Registered Investment Company	<i>i</i>	2,420,297
* Vanguard Target Retirement 2055		Registered Investment Company	<i>i</i>	1,026,258
* Vanguard Target Retirement 2060		Registered Investment Company	<i>i</i>	49,086
* Vanguard Target Retirement Income		Registered Investment Company	<i>i</i>	5,231,540
* Vanguard Total Bond Market Index Investor Shares		Registered Investment Company	<i>i</i>	12,312,723
* Vanguard Total Int'l Stock Index		Registered Investment Company	<i>i</i>	5,825,244
* Vanguard Windsor II Fund Investor Shares		Registered Investment Company	<i>i</i>	8,987,542
* Vanguard Retirement Savings Trust II		Common/Collective Trust	<i>i</i>	71,328,906
* McDermott Stock Fund		Company Stock Fund (transfers into this fund are restricted)	<i>i</i>	6,447,177
* Participant Loans		4.25% to 7.25%		1,605,536
Total assets				\$ 240,640,603

* – A party-in-interest as defined by ERISA.

i – The cost of participant-directed investments is not required to be disclosed.

This schedule was prepared based upon data that was certified as complete and accurate, by the Plan's trustee, Vanguard.

See accompanying report of independent auditors.

MCDERMOTT THRIFT PLAN

Schedule H line 4i - Schedule of Assets (Held at End of Year) - December 31, 2014

EIN: 74-1032246, Plan 003

As of December 31, 2014

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	Identity of Issue	Investment Type	Cost	Fair Value
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Total assets				\$ 240,640,603

* – A party-in-interest as defined by ERISA.

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This schedule was prepared based upon data that was certified as complete and accurate, by the Plan's trustee, Vanguard.

See accompanying report of independent auditors.