UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2017

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______ to _______

Commission File No. 001-16501

Global Power Equipment Group Inc.
(Exact name of registrant as specified in its charter)

Delaware	**73-1541378**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

400 E. Las Colinas Blvd., Suite 400
Irving, TX 75039
(Address of principal executive offices) (Zip code)

(214) 574-2700
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐		Accelerated filer	☐
Non-accelerated filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☒

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of December 14, 2017, there were 17,926,019 shares of common stock of Global Power Equipment Group Inc. outstanding.

GLOBAL POWER EQUIPMENT GROUP INC. AND SUBSIDIARIES

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Part I—FINANCIAL INFORMATION

Item 1. Financial Statements.

GLOBAL POWER EQUIPMENT GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in thousands, except share data)	June 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 8,509	$ 2,805
Restricted cash	14,685	8,765
Accounts receivable, net of allowance of $1,636 and $1,634, respectively	55,776	59,280
Inventories:		
Raw material	4,872	4,210
Finished goods	753	699
Inventory reserve	(1,070)	(981)
Costs and estimated earnings in excess of billings	47,948	52,696
Assets held for sale	—	22,832
Other current assets	6,189	7,936
Total current assets	137,662	158,242
Property, plant and equipment, net	11,819	12,596
Goodwill	36,456	36,456
Intangible assets, net	23,457	24,801
Other long-term assets	641	747
Total assets	$ 210,035	$ 232,842
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 19,868	$ 19,076
Accrued compensation and benefits	12,146	10,640
Billings in excess of costs and estimated earnings	11,977	6,754
Accrued warranties	4,572	5,806
Liabilities related to assets held for sale	—	1,151
Other current liabilities	36,231	33,915
Total current liabilities	84,794	77,342
Long-term debt, net	43,500	45,341
Deferred tax liabilities	15,264	15,499
Other long-term liabilities	7,742	7,526
Total liabilities	151,300	145,708
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Common stock, $0.01 par value, 170,000,000 shares authorized and 18,947,127 and 18,855,409 shares issued, respectively, and 17,587,751 and 17,485,941 shares outstanding, respectively	189	188
Paid-in capital	78,079	76,708
Accumulated other comprehensive loss	(7,417)	(9,513)
Retained earnings	(12,103)	19,764
Treasury stock, at par (1,359,376 and 1,369,468 common shares, respectively)	(13)	(13)
Total stockholders' equity	58,735	87,134
Total liabilities and stockholders' equity	$ 210,035	$ 232,842

See accompanying notes to condensed consolidated financial statements.

GLOBAL POWER EQUIPMENT GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(in thousands, except per share data)	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Revenue				
Services	$ 57,981	$ 55,809	$ 99,213	$ 124,538
Electrical Solutions	10,532	22,202	24,079	39,839
Mechanical Solutions	17,901	28,776	34,579	65,132
Total revenue	86,414	106,787	157,871	229,509
Cost of revenue				
Services	51,227	50,345	98,414	109,470
Electrical Solutions	12,560	20,223	27,730	37,877
Mechanical Solutions	14,963	26,933	28,493	58,065
Total cost of revenue	78,750	97,501	154,637	205,412
Gross profit	7,664	9,286	3,234	24,097
Selling and marketing expenses	1,858	2,639	3,694	5,217
General and administrative expenses	11,820	14,194	24,763	30,166
(Gain) loss on sale of business and net assets held for sale	—	8,193	(239)	8,193
Depreciation and amortization expense(1)	1,228	2,193	2,502	4,409
Total operating expenses	14,906	27,219	30,720	47,985
Operating income (loss)	(7,242)	(17,933)	(27,486)	(23,888)
Interest expense, net	2,108	1,997	3,816	4,657
Foreign currency (gain) loss	301	(129)	457	179
Other (income) expense, net	1	64	—	59
Total other (income) expenses, net	2,410	1,932	4,273	4,895
Loss before income tax	(9,652)	(19,865)	(31,759)	(28,783)
Income tax expense (benefit)	541	247	(95)	1,114
Net loss	$ (10,193)	$ (20,112)	$ (31,664)	$ (29,897)
Basic loss per common share	$ (0.58)	$ (1.16)	$ (1.81)	$ (1.73)
Diluted loss per common share	$ (0.58)	$ (1.16)	$ (1.81)	$ (1.73)

(1) Excludes depreciation and amortization expense for the three months ended June 30, 2017 and 2016 of $0.4 million and $0.6 million, respectively, and for the six months ended June 30, 2017 and 2016 of $0.7 million and $1.2 million, respectively, included in cost of revenue.

See accompanying notes to condensed consolidated financial statements.

GLOBAL POWER EQUIPMENT GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)

(in thousands)	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Net loss	$ (10,193)	$ (20,112)	$ (31,664)	$ (29,897)
Foreign currency translation adjustment	1,507	(1,093)	2,096	11
Comprehensive loss	$ (8,686)	$ (21,205)	$ (29,568)	$ (29,886)

See accompanying notes to condensed consolidated financial statements.

GLOBAL POWER EQUIPMENT GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)

(in thousands, except share data)	Common Shares $0.01 Per Share Shares	Common Shares $0.01 Per Share Amount	Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Shares Shares	Treasury Shares Amount	Total
Balance, December 31, 2016	18,855,409	$ 188	$76,708	$ (9,513)	$ 19,764	(1,369,468)	$ (13)	$ 87,134
Issuance of restricted stock units	91,718	1	(1)	—	—	—	—	—
Tax withholding on restricted stock units	—	—	(223)	—	—	10,092	—	(223)
Share-based compensation	—	—	1,401	—	—	—	—	1,401
Dividends	—	—	—	—	(9)	—	—	(9)
Net loss	—	—	—	—	(31,664)	—	—	(31,664)
Adoption of ASU 2016-09 (Note 3)			194		(194)			—
Foreign currency translation	—	—	—	2,096	—	—	—	2,096
Balance, June 30, 2017	18,947,127	$ 189	$78,079	$ (7,417)	$(12,103)	(1,359,376)	$ (13)	$ 58,735

See accompanying notes to condensed consolidated financial statements.

GLOBAL POWER EQUIPMENT GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands)	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Operating activities:		
Net loss	$ (31,664)	$ (29,897)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Deferred income tax expense (benefit)	(234)	465
Depreciation and amortization on plant, property and equipment and intangible assets	3,170	5,638
Amortization of deferred financing costs	81	116
Loss on disposals of property, plant and equipment	45	39
(Gain) loss on sale of business and net assets held for sale	(239)	8,193
Bad debt expense	(9)	(233)
Stock-based compensation	1,858	1,366
Payable-in-kind interest	531	—
Changes in operating assets and liabilities, net of business sold:		
Accounts receivable	3,974	17,624
Inventories	(508)	(250)
Costs and estimated earnings in excess of billings	6,553	(11,749)
Other current assets	5,940	(132)
Other assets	244	145
Accounts payable	446	(2,365)
Accrued and other liabilities	168	6,744
Accrued warranties	(1,251)	(1,423)
Billings in excess of costs and estimated earnings	5,136	(4,538)
Net cash provided by (used in) operating activities	(5,759)	(10,257)
Investing activities:		
Proceeds from sale of business, net of restricted cash and transaction costs	20,206	—
Net transfers of restricted cash	(2,608)	(3,129)
Proceeds from sale of property, plant and equipment	14	5
Purchase of property, plant and equipment	(583)	(508)
Net cash provided by (used in) investing activities	17,029	(3,632)
Financing activities:		
Repurchase of stock-based awards for payment of statutory taxes due on stock-based compensation	(223)	(153)
Debt issuance costs	(1,704)	—
Dividends paid	(9)	—
Proceeds from long-term debt	161,599	—
Payments of long-term debt	(165,515)	(1,000)
Net cash provided by (used in) financing activities	(5,852)	(1,153)
Effect of exchange rate changes on cash	286	219
Net change in cash and cash equivalents	5,704	(14,823)
Cash and cash equivalents, beginning of year	2,805	22,239
Cash and cash equivalents, end of quarter	$ 8,509	$ 7,416
Supplemental Disclosures:		
Cash paid for interest	$ 3,416	$ 3,343
Cash paid for income taxes, net of refunds	$ 992	$ 789
Noncash repayment of revolving credit facility	$ (36,224)	$ —
Noncash upfront fee related to senior secured term loan facility	$ (3,150)	$ —

See accompanying notes to condensed consolidated financial statements.

GLOBAL POWER EQUIPMENT GROUP INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1—BASIS OF PRESENTATION

Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") on a basis consistent with that used in the Annual Report on Form 10-K for the year ended December 31, 2016 filed by Global Power Equipment Group Inc. and its wholly owned subsidiaries ("Global Power," "we," "us," "our" or the "Company") with the United States (the "U.S.") Securities and Exchange Commission ("SEC") on September 12, 2017 (the "2016 Form 10-K") and include all normal recurring adjustments necessary to present fairly the unaudited condensed consolidated balance sheets and statements of operations, comprehensive loss, cash flows and stockholders' equity for the periods indicated. All significant intercompany transactions have been eliminated. These notes should be read in conjunction with the audited consolidated financial statements included in the 2016 Form 10-K. Accounting measurements at interim dates inherently involve greater reliance on estimates than at year-end. The results of operations for the three and six month periods are not necessarily indicative of the results to be expected for the full year.

The Company reports on a fiscal quarter basis utilizing a "modified" 4-4-5 calendar (modified in that the fiscal year always begins on January 1 and ends on December 31). However, the Company has continued to label its quarterly information using a calendar convention. The effects of this practice are modest and only exist when comparing interim period results. The reporting periods and corresponding fiscal interim periods are as follows:

Reporting Interim Period	Fiscal Interim Period	
	2017	2016
Three Months Ended March 31	January 1, 2017 to April 2, 2017	January 1, 2016 to April 3, 2016
Three Months Ended June 30	April 3, 2017 to July 2, 2017	April 4, 2016 to July 3, 2016
Three Months Ended September 30	July 3, 2017 to October 1, 2017	July 4, 2016 to October 2, 2016

NOTE 2—LIQUIDITY

The Company's condensed consolidated financial statements have been prepared on a going concern basis, which assumes that it will be able to meet its obligations and continue its operations during the next year. These financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern.

For the three and six months ended June 30, 2017, the Company had a net loss of $10.2 million and $31.7 million, respectively, and negative cash flows from operations of $5.8 million for the six months ended June 30, 2017. Historically, the Company has funded its operations through cash on hand, asset sales and draws against its $150.0 million revolving credit facility (as amended or supplemented from time to time, the "Revolving Credit Facility"), as necessary. As a result of the Company's continued non-compliance with the financial and certain other covenants under the Revolving Credit Facility, in July 2016, the administrative agent exercised its rights and assumed control over certain of the Company's accounts by implementing a cash dominion process that used receipts of collateral to directly pay down debt, while allowing the Company to continue to borrow, subject to certain restrictions. As a result of this action, the Company's liquidity under the Revolving Credit Facility was severely constrained from that time until its termination in June 2017. Since June 2017, the Company's liquidity has remained very constrained as a result of continued losses, inconsistent cash flows from operations and its inability to borrow additional amounts for short-term working capital needs or issue additional standby letters of credit.

During 2017, the following series of significant events occurred:

- During the first four months of 2017, the Company repatriated $10.0 million in cash from its Netherlands subsidiary.
- In June 2017, the Company refinanced the Revolving Credit Facility and entered into a $45.0 million, 4.5-year senior secured term loan facility (the "Initial Centre Lane Facility") with an affiliate of Centre Lane Partners, LLC ("Centre Lane").

- In August 2017, the Company entered into an amendment to the Initial Centre Lane Facility (the "Centre Lane Amendment" and, together with the Initial Centre Lane Facility, the "Centre Lane Facility") to provide for a $10.0 million first-out term loan (the "First-Out Loan"), which matures on September 30, 2018. The remaining balance on the Centre Lane Facility does not mature until 2021.

- After repayment of the Revolving Credit Facility and fees associated with both the Initial Centre Lane Facility and the Centre Lane Amendment, the Company's net cash proceeds were $15.3 million.

- On October 11, 2017, the Company sold substantially all of the operating assets and liabilities of its Mechanical Solutions segment for $43.3 million in cash, resulting in net proceeds of $40.9 million. The net proceeds were used to pay down $34.0 million of the Company's outstanding debt, including full repayment of the First-Out Loan. In addition, this payment removed the minimum liquidity requirements under the Centre Lane Facility and satisfied the criteria necessary to avoid a payable-in-kind ("PIK") rate increase on January 1, 2018.

- On October 31, 2017, the Company completed the sale of its manufacturing facility in Mexico and auctioned the remaining production equipment and other assets for net proceeds of $3.6 million. Net proceeds of $1.9 million from the sale of the facility and equipment were used to reduce outstanding debt under the Centre Lane Facility. The manufacturing facility was included in the Company's Mechanical Solutions reporting segment.

- The remaining proceeds of $8.6 million from the sale of Mechanical Solutions and the sale of the Mexican manufacturing facility and equipment were used to fund working capital requirements.

Management, in conjunction with the Board of Directors of the Company, continues to assess and implement steps in its liquidity plan, which currently consists of the following:

- Focusing on shortening the collection cycle time on the Company's accounts receivables and lengthening the payment cycle time on its accounts payables;

- Reducing ongoing operating expenses wherever possible, including workforce reductions and curtailments at underutilized facilities;

- Seeking an asset-based lending facility that will enable the Company to issue letters of credit, as well as supplement its working capital needs and potentially reduce our outstanding term debt; and

- Assessing strategic alternatives, including the potential complete divestiture of the Electrical Solutions segment in an effort to reduce our outstanding term debt.

NOTE 3—RECENT ACCOUNTING PRONOUNCEMENTS

New accounting pronouncements implemented by the Company during the first quarter of 2017 or requiring implementation in future periods are discussed below.

In the first quarter of 2017, the Company adopted Accounting Standards Update ("ASU") 2016-09, "Improvements to Employee Share-Based Payment Accounting." This ASU is intended to simplify various aspects of accounting for share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities, classification on the statement of cash flows and forfeiture rate calculations. As a result of the adoption of ASU 2016-09, excess tax benefits and tax deficiencies associated with option exercises and vested share awards are now recognized as income tax benefit or expense in the consolidated statement of operations instead of in additional paid-in capital. The previously unrecognized excess tax benefits as of December 31, 2016 were recorded as a decrease to deferred tax assets. However, given the valuation allowance placed on the Company's deferred tax assets, the recognition of excess tax benefits and tax deficiencies upon adoption did not have an impact on the Company's retained earnings. As a result of adopting the new standard utilizing the modified retrospective approach, the Company's deferred tax assets increased $2.6 million, with a corresponding increase in its valuation allowance. Additionally, the excess tax benefits are now presented as an operating activity on the consolidated statement of cash flows, rather than as a financing activity. The adoption of the guidance affecting the cash flow presentation did not have an impact on the Company's consolidated statements of cash flows. The Company also elected to account for forfeitures as they occur, rather than estimate expected forfeitures. The adoption of this new guidance resulted in a cumulative-effect adjustment of $0.2 million decrease to retained earnings as of January 1, 2017, related to the accounting for forfeitures using the modified retrospective method.

In the first quarter of 2017, the Company adopted ASU 2015-11, "Simplifying the Measurement of Inventory." This ASU requires an entity to measure inventory, other than that measured using last-in-first-out or the retail inventory method, at the lower of cost or net realizable value, which is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The adoption of ASU 2015-11 did not have a material impact on the Company's financial position, results of operations or cash flows.

In August 2017, the Financial Accounting Standards Board ("FASB") issued ASU 2017-12, "Targeted Improvements to Accounting for Hedging Activities," which is intended to better align an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. ASU 2017-12 is effective for annual and interim periods beginning after December 15, 2018 and should be applied on a retrospective basis for cash flow and net investment hedges existing on the date of adoption. The amendments to the presentation and disclosure guidance should be applied on a prospective basis. The Company does not expect the adoption of ASU 2017-12 to have a material impact on its financial position, results of operations or cash flows.

In November 2016, the FASB issued ASU 2016-18, "Restricted Cash (a consensus of the FASB Emerging Issues Task Force)." ASU 2016-18 requires an entity to include in its cash and cash-equivalent balances in the statement of cash flows those amounts that are deemed to be restricted cash and restricted cash equivalents. ASU 2016-18 is effective for interim and annual reporting periods beginning after December 15, 2017. We do not expect the adoption of ASU 2016-18 to have a material impact on our financial position or results of operations. We are currently evaluating the impact adoption will have on our statement of cash flows.

In February 2016, the FASB issued ASU 2016-02, "Leases." The primary difference between the current requirement under generally accepted accounting principles in the U.S. and ASU 2016-02 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases. ASU 2016-02 requires that a lessee recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. The asset will be based on the liability, subject to adjustment, such as for initial direct costs. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases), while finance leases will result in a front-loaded expense pattern (similar to current capital leases). Classification will be based on criteria that are largely similar to those applied in current lease accounting. ASU 2016-02 is effective for annual and interim periods beginning after December 15, 2018, and early adoption is permitted. ASU 2016-02 must be adopted using a modified retrospective transition, and provides for certain practical expedients. The Company has not determined the potential impact of the adoption of ASU 2016-02 on its financial position, results of operations and cash flows.

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers," which provides new guidance for revenue recognized from contracts with customers and will replace the existing revenue recognition guidance. ASU 2014-09 requires that revenue is recognized at an amount the Company is entitled to upon transferring control of goods or services to customers, as opposed to when risks and rewards transfer to a customer. In July 2015, the FASB issued ASU 2015-14, "Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date," which deferred the effective date of ASU 2014-09 by one year, making it effective for the interim reporting periods within the annual reporting period beginning after December 15, 2017. This standard may be applied on a retrospective basis to all prior periods presented or on a modified retrospective basis with a cumulative adjustment to retained earnings in the year of adoption. The Company anticipates adopting the standard using the modified retrospective method. The Company has begun initial discussions on significant differences and scoping; however, it has not determined the impact the adoption will have on its consolidated financial statements, related disclosures and internal controls.

The FASB has issued several additional ASUs to provide implementation guidance on ASU 2014-09, including ASU 2016-08, "Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)" issued in March 2016 and ASU 2016-10, "Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing" issued in April 2016. The Company will consider this guidance in evaluating the impact of ASU 2014-09.

NOTE 4—ASSETS HELD FOR SALE AND DISPOSITION

Assets Held for Sale

In June 2016, the Company engaged a financial advisor to assist with the sale of its wholly owned subsidiary, Hetsco, Inc. (“Hetsco”), in order to pay down debt. Hetsco was previously included in the Services segment. In connection with the Company’s decision to sell Hetsco, the net assets were adjusted to estimated fair value less estimated selling expenses which resulted in a write-down of $8.3 million in 2016. The assets and liabilities of Hetsco were reclassified to “assets held for sale” and “liabilities related to assets held for sale,” respectively, in the consolidated balance sheet for December 31, 2016. The significant assets and liabilities of Hetsco as of December 31, 2016 were as follows:

(in thousands)		December 31, 2016
Accounts receivable	$	4,739
Other assets		642
Property and equipment		1,230
Goodwill and other intangible assets		16,221
Assets held for sale	$	22,832
Accounts payable	$	355
Accrued liabilities		796
Liabilities related to assets held for sale	$	1,151

Disposition of Hetsco

On January 13, 2017, the Company sold the stock of Hetsco for $23.2 million in cash, inclusive of working capital adjustments. After transaction costs and an escrow withholding of $1.5 million, the net proceeds of $20.2 million were used to reduce debt. In the first quarter of 2017, the Company recorded a $0.2 million adjustment, which reduced the $8.3 million loss recorded in 2016. A summary of Hetsco’s income (loss) before income taxes for the three and six months ended June 30, 2017 and 2016 is as follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
(in thousands)	2017		2016		2017		2016	
Income (loss) before income taxes	$	—	$	(7,929)	$	489	$	(8,039)

NOTE 5—EARNINGS PER SHARE

As of June 30, 2017, the Company’s 17,587,751 shares outstanding included 19,362 shares of contingently issued but unvested restricted stock. As of June 30, 2016, the Company’s 17,425,095 shares outstanding included 36,073 shares of contingently issued but unvested restricted stock. Restricted stock is excluded from the calculation of basic weighted average shares outstanding, but its impact, if dilutive, is included in the calculation of diluted weighted average shares outstanding.

Basic earnings per common share are calculated by dividing net income by the weighted average common shares outstanding during the period. Diluted earnings per common share are based on the weighted average common shares outstanding during the period, adjusted for the potential dilutive effect of common shares that would be issued upon the vesting and release of restricted stock awards and units.

Basic and diluted loss per common share are calculated as follows:

(in thousands, except per share data)	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Net loss	$ (10,193)	$ (20,112)	$ (31,664)	$ (29,897)
Basic loss per common share:				
Weighted average common shares outstanding	17,551,664	17,338,255	17,511,232	17,280,866
Basic loss per common share	$ (0.58)	$ (1.16)	$ (1.81)	$ (1.73)
Diluted loss per common share:				
Weighted average common shares outstanding	17,551,664	17,338,255	17,511,232	17,280,866
Diluted effect:				
Unvested portion of restricted stock units and awards	—	—	—	—
Weighted average diluted common shares outstanding	17,551,664	17,338,255	17,511,232	17,280,866
Diluted loss per common share	$ (0.58)	$ (1.16)	$ (1.81)	$ (1.73)

The weighted average number of shares outstanding used in the computation of basic and diluted earnings (loss) per share does not include the effect of the following potential outstanding common stock. The effects of these potentially outstanding shares were not included in the calculation of diluted earnings (loss) per share because the effect would have been anti-dilutive.

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Unvested service-based restricted stock units and awards	215,854	369,154	228,905	264,137
Unvested performance and market-based restricted stock units	861,758	38,267	861,758	38,267
Stock options	122,000	122,000	122,000	122,000

NOTE 6—INCOME TAXES

The overall effective income tax rate for continuing operations during the three and six months ended June 30, 2017 and 2016 was as follows:

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Effective income tax rate	(5.6)%	(1.2)%	0.3%	(3.9)%

The effective income tax rate differs from the statutory federal income tax rate of 35% primarily because of the full valuation allowances recorded on the Company's U.S. and certain foreign deferred tax assets and the income tax rate differential between the Company's foreign jurisdictions in which the Company has taxable presences and the U.S.

For the three and six months ended June 30, 2017, we recorded income tax expense of $0.5 million, or (5.6)% of pretax income, and income tax benefit of $0.1 million, or 0.3% of pretax income, respectively, compared with $0.2 million of income tax expense, or (1.2)% of pretax income and $1.1 million, or (3.9)% of pretax income, respectively, in the corresponding periods of 2016. The increase in income tax provision for the three months ended June 30, 2017 compared with the corresponding period in 2016 was related to an increase in our foreign tax provision. The decrease in income tax provision for the six months ended June 30, 2017 compared with the corresponding period in 2016 was related to a reduction in net deferred tax liabilities primarily from a $2.2 million decrease in indefinite-lived intangibles deferred tax liabilities that cannot be used to offset deferred tax assets subject to valuation allowance as a result of the disposition of Hetsco in the first quarter of 2017. This decrease for the six months ended June 30, 2017 was partially offset by a $0.6 million increase in foreign tax provision and a $0.4 million decrease in the release of uncertain tax liabilities related to expiring statutes of limitations compared with the corresponding period in 2016.

As of June 30, 2017 and 2016, the Company would have needed to generate approximately $237.6 million and $195.6 million, respectively, of future financial taxable income to realize its deferred tax assets.

The Company withdrew the permanent reinvestment assertion of its foreign earnings from its Netherlands-based operations in the third quarter of fiscal 2015; therefore, the Company provided for U.S. income taxes on the earnings generated by its Netherlands-based operations, as well as recognition of a corresponding deferred tax liability. As of June 30, 2017, the Company does not have any undistributed earnings in any of its other foreign subsidiaries because all of their earnings were taxed as deemed dividends.

As of June 30, 2017 and December 31, 2016, the Company provided for a liability of $4.0 million and $4.2 million, respectively, for unrecognized tax benefits related to various federal, foreign and state income tax matters, which was included in long-term deferred tax assets and other long-term liabilities. If recognized, the entire amount of the liability would affect the effective tax rate. As of June 30, 2017, the Company accrued approximately $1.8 million in other long-term liabilities for potential payment of interest and penalties related to uncertain income tax positions.

NOTE 7—DEBT

Revolving Credit Facility: In February 2012, the Company entered into a $100.0 million Revolving Credit Facility with Wells Fargo Bank, National Association, as Administrative Agent, U.S. Bank National Association, as Syndication Agent, and the various lending institutions party thereto. In December 2013, the Revolving Credit Facility was increased from $100.0 million to $150.0 million. The Company gave a first priority lien on substantially all of its assets as security for the Revolving Credit Facility, which was in place until the Company refinanced its debt with Centre Lane in June 2017.

As a result of the refinancing, there were no amounts outstanding under the Revolving Credit Facility as of June 30, 2017. As of December 31, 2016, the Company had $45.3 million of revolving credit loans outstanding under the Revolving Credit Facility, and it was not in compliance with the financial and certain other covenants. As a result of the Company's non-compliance under the Revolving Credit Facility, on a number of occasions in 2016 and 2017, prior to refinancing the Revolving Credit Facility, the Company entered into amendments and limited waivers with its lenders, which were in effect until the Company refinanced the outstanding debt balance on the Revolving Credit Facility in June 2017.

Pursuant to the terms of such amendments and limited waivers, immediately prior to refinancing, the Revolving Credit Facility provided total commitments available to the Company of $45.1 million and only allowed for borrowings up to a maximum of $31.6 million, exclusive of outstanding standby letters of credit, as well as other restrictions. Until the Company refinanced its debt in June 2017, the Revolving Credit Facility had a reduced revolving letter of credit facility of up to $13.5 million and no longer provided access to multi-currency funds. The Company paid an unused line fee of 0.75% pursuant to the terms of the Revolving Credit Facility.

The Company was subject to interest rate changes on its London Interbank Offered Rate ("LIBOR") based borrowings under the Revolving Credit Facility. During the first half of 2017, the Company borrowed $152.8 million on the Revolving Credit Facility, and it repaid $165.5 million. As a result of the subsequent refinancing, the outstanding debt balance was classified as long-term debt on the Company's condensed consolidated balance sheets as of both June 30, 2017 and December 31, 2016. During the first half of 2016, the Company had no incremental borrowings on the Revolving Credit Facility, and it repaid $1.0 million.

Centre Lane Term Facility: In June 2017, funds affiliated with Centre Lane purchased and assumed the outstanding debt from the Company's then-existing lenders under the Revolving Credit Facility. The Company replaced the Revolving Credit Facility with a 4.5-year senior secured term loan facility with an affiliate of Centre Lane as Administrative Agent and Collateral Agent, and the other lenders from time to time party thereto (collectively, the "Lenders"). The Centre Lane Facility is governed by the terms of the Senior Security Credit Agreement, dated June 16, 2017, as amended by the Centre Lane Amendment on August 17, 2017. While not a party to the Centre Lane Facility, entities associated with Wynnefield Capital, Inc., the Company's largest equity investor, funded $6.0 million of the Centre Lane Facility. After payment of the Revolving Credit Facility and fees associated with both the Initial Centre Lane Facility and the Centre Lane Amendment, net cash proceeds were $15.3 million.

The Initial Centre Lane Facility provides for an initial loan in an aggregate principal amount of $45.0 million, and the Centre Lane Amendment provides for the First-Out Loan, for an additional aggregate principal amount of $10.0 million. The

Initial Centre Lane Facility has a maturity date of December 16, 2021. The First-Out Loan has a maturity date of September 30, 2018.

The Initial Centre Lane Facility requires payment of an annual administration fee of $25,000 and an upfront fee equal to 7% of the aggregate commitments provided under the Centre Lane Facility. The upfront fee bears interest at a rate of LIBOR plus 19% annual PIK interest. The upfront fee is payable upon the earlier of maturity or the occurrence of certain events, including significant debt prepayments or asset sales that may occur prior to maturity. In addition to those fees, the Centre Lane Amendment also requires the Company to pay an upfront fee equal to 7% of the First-Out Loan commitments, which bears interest at the same rate as the initial upfront fee, and an exit fee equal to 7% of the aggregate outstanding principal amount of the First-Out Loan commitments, which is payable upon the maturity date of the First-Out Loan.

Borrowings under the Centre Lane Facility initially bear interest at LIBOR plus the sum of 9% per year, payable in cash, plus 10% PIK interest. Cash interest is payable monthly, and the PIK interest accrues to and increases the principal balance on a monthly basis. Starting on January 1, 2018, the PIK interest rate will increase to 15% per year, unless the Company elects to make a prepayment on the principal of $25.0 million. The cash interest rate will remain unchanged.

On October 11, 2017, the Company sold substantially all of the operating assets and liabilities of its Mechanical Solutions segment and used a portion of the proceeds to pay down $34.0 million of the Company's outstanding debt and related fees, including full repayment of the First-Out Loan. This payment satisfied the criteria necessary to avoid the PIK rate increase on January 1, 2018. Additionally, on October 31, 2017, the Company completed the sale of its manufacturing facility in Mexico and auctioned the remaining production equipment and other assets for net proceeds of $3.6 million, of which $1.9 million was used to reduce the principal amount of the Initial Centre Lane Facility. The remainder was used to fund working capital requirements.

The Company's obligations under the Centre Lane Facility are guaranteed by all of its wholly owned domestic subsidiaries, subject to customary exceptions. The Company's obligations are secured by first priority security interests on substantially all of its assets and those of its wholly owned domestic subsidiaries. This includes 100% of the voting equity interests of the Company's domestic subsidiaries and certain specified foreign subsidiaries and 65% of the voting equity interests of other directly owned foreign subsidiaries, subject to customary exceptions.

The Company may voluntarily prepay the Centre Lane Facility at any time or from time to time, in whole or in part, in a minimum amount of $1.0 million of the outstanding principal amount, plus any accrued but unpaid interest on the aggregate amount of the term loans being prepaid, plus a prepayment premium, to be calculated as follows (the "Prepayment Premium"):

Period	**Prepayment Premium as a Percentage of Aggregate Outstanding Principal Prepaid**
June 16, 2017 to June 16, 2018	3%
June 17, 2018 to June 16, 2019	2%
June 17, 2019 to June 16, 2020	1%
After June 16, 2020	0%

Subject to certain exceptions, the Company must prepay an aggregate principal amount equal to 100% of its Excess Cash Flow (as defined in the Centre Lane Facility), minus the sum of all voluntary prepayments, within five business days after the date that is 90 days following the end of each fiscal year. The Centre Lane Facility also requires mandatory prepayment of certain amounts in the event the Company or its subsidiaries receive proceeds from certain events and activities, including, among others, asset sales, casualty events, the issuance of indebtedness and equity interests not otherwise permitted under the Centre Lane Facility and the receipt of tax refunds or extraordinary receipts in excess of $500,000, plus, in certain instances, the applicable Prepayment Premium, calculated as set forth above.

The Centre Lane Facility contains customary representations and warranties, as well as customary affirmative and negative covenants. The Centre Lane Facility contains covenants that may, among other things, limit the Company's ability to incur additional debt, incur liens, make investments or capital expenditures, declare or pay dividends, engage in mergers, acquisitions and dispositions, engage in new lines of business or certain transactions with affiliates and change accounting policies or fiscal year.

The Centre Lane Facility also requires the Company to regularly provide financial information to the Lenders, as well as maintain certain total leverage ratios, fixed charge coverage ratios and minimum levels of liquidity, beginning on September

30, 2018. The Company's capital expenditures are limited.

Events of default under the Centre Lane Facility include, but are not limited to, a breach of any of the financial covenants or any representations or warranties, failure to timely pay any amounts due and owing, the commencement of any bankruptcy or other insolvency proceeding, judgments in excess of certain acceptable amounts, the occurrence of a change in control, certain events related to ERISA matters and impairment of security interests in collateral or invalidity of guarantees or security documents.

If an event of default occurs, the Lenders may, among other things, declare all borrowings to be immediately due and payable, together with accrued interest and fees, and exercise remedies under the collateral documents related to the Centre Lane Facility. As of June 30, 2017, the Company was in compliance with the covenants under the Centre Lane Facility.

The following table summarizes the Company's long-term debt with Centre Lane:

(in thousands)		**As of June 30, 2017**
Term loan, due 2021	$	48,393
Unamortized deferred financing costs		(4,893)
Long-term debt, net	$	43,500

The weighted average interest rate on borrowings under the Revolving Credit Facility and the Centre Lane Facility was 17.4% for the six months ended June 30, 2017.

European Credit Facility: On June 13, 2008, Braden-Europe B.V., Global Power Professional Services Netherlands B.V. and Global Power Netherlands B.V. (collectively, "Global Power Netherlands") entered into a EUR 14,000,000 Credit Facility (as continued, amended or supplemented from time to time, the "ABN AMRO Credit Facility") with ABN AMRO Bank N.V. ("Original ABN AMRO"). In 2010, Original ABN AMRO transferred its claims, rights and obligations under the ABN AMRO Credit Facility to a new entity also known as ABN AMRO Bank N.V. ("New ABN AMRO"), as confirmed by the Amendment to Existing Credit Agreement (the "ABN AMRO Amendment"), dated July 25, 2011, among Global Power Netherlands and New ABN AMRO. The ABN AMRO Amendment incorporated the standard ABN AMRO General Credit Provisions. The ABN AMRO Credit Facility automatically renews each year on the same terms and conditions, so long as certain financial conditions are satisfied.

The ABN AMRO Credit Facility is a Euro-denominated facility with an overdraft facility of EUR 1,000,000 and a contingent liability facility of EUR 13,000,000, under which letters of credit may be issued. Global Power Netherlands' interest rate was 2.0% per annum at June 30, 2017, and it pays a facility fee of 0.25% per quarter. Proceeds of borrowings under the ABN AMRO Credit Facility may be used for Global Power Netherlands' business activities. Global Power Netherlands has, by a right of pledge, given a first priority lien on substantially all of its assets as security for the ABN AMRO Credit Facility. The three entities that comprise Global Power Netherlands are jointly and severally liable under the ABN AMRO Credit Facility.

The ABN AMRO Credit Facility imposes a number of covenant requirements on Global Power Netherlands. Global Power Netherlands' tangible net worth must at all times represent at least 35% of Global Power Netherlands' adjusted balance sheet total. The adjusted balance sheet total is defined as total assets minus the sum of intangible assets, deferred tax assets, participating interests, receivables from shareholders and/or directors and shares held in the company, as shown in the annual accounts, as well as any off-balance sheet guarantee exposure. Global Power Netherlands may not make profit distributions without the prior written consent of New ABN AMRO or if Global Power Netherlands' tangible net worth is less than 35% of Global Power Netherlands' adjusted balance sheet total. Global Power Netherlands will not have a current account with its mother or sister companies. Global Power Netherlands will inform New ABN AMRO in advance of any future guarantees. Global Power Netherlands' annual accounts shall be prepared in accordance with International Accounting Standards Board standards. New ABN AMRO retains the right to revise the ABN AMRO Credit Facility and related security package if Global Power Professional Services Netherlands B.V. and Global Power Netherlands B.V. begin to conduct business outside the Netherlands. Global Power Netherlands is restricted from granting any second-ranking right of pledge to other parties.

As of June 30, 2017 and December 31, 2016, no overdraft amounts were outstanding under this facility, and Global Power Netherlands was in compliance with all covenants under the ABN AMRO Credit Facility.

In connection with the sale of substantially all of the operating assets and liabilities of the Company's Mechanical

Solutions segment on October 11, 2017, the ABN AMRO Credit Facility was assumed by the purchaser.

Letters of Credit and Bonds: In line with industry practice, the Company is often required to provide letters of credit and surety and performance bonds to customers. These letters of credit and bonds provide credit support and security for the customer if the Company fails to perform its obligations under the applicable contract with such customer.

The interest rate on letters of credit issued under the Revolving Credit Facility letter of credit sublimit was 8.5% per annum at the time the Company refinanced its debt.

As of June 30, 2017, the Company had $11.7 million outstanding standby letters of credit that were originally issued under the Revolving Credit Facility and $11.2 million outstanding under the ABN AMRO Facility. As of June 30, 2017, there were no amounts drawn upon these letters of credit. In addition, as of June 30, 2017, the Company had outstanding surety bonds on projects of $38.9 million. The Centre Lane Facility does not provide for letters of credit; therefore, the Company is currently unable to obtain new letters of credit.

Deferred Financing Costs: Deferred financing costs are amortized over the terms of the related debt facilities using the effective yield method. The Company did not incur any interest expense associated with the amortization of deferred financing costs on the Revolving Credit Facility for the three months ended June 30, 2017 and incurred less than $0.1 million for the six months ended June 30, 2017. For each of the three and six months ended June 30, 2016, total interest expense associated with the amortization of deferred financing costs on the Company's Revolving Credit Facility was $0.1 million. Total interest expense associated with the amortization of deferred financing costs on the Centre Lane Facility was less than $0.1 million for each of the three and six months ended June 30, 2017.

As of June 30, 2017, the Company did not have any unamortized deferred financing costs related to the Revolving Credit Facility. The Company had unamortized deferred financing costs of $4.9 million related to the Centre Lane Facility, which were included in long-term debt on the accompanying June 30, 2017 condensed consolidated balance sheet. The Company had unamortized deferred financing costs of less than $0.1 million related to the Revolving Credit Facility, which were included in other long-term assets on the accompanying December 31, 2016 condensed consolidated balance sheet.

NOTE 8—FINANCIAL INSTRUMENTS

Derivative Financial Instruments: The Company selectively uses financial instruments in the management of its foreign currency exchange exposures. These financial instruments are considered derivatives under Accounting Standards Codification ("ASC") 815–Derivatives and Hedging and are analyzed at the individual contract level to determine whether a contract qualifies for hedge accounting. As discussed below, the Company did not hold any foreign currency forward exchange contracts at June 30, 2017 and held seven at December 31, 2016. The Company measured fair value and recorded the associated change in value using available market rates for forward contracts of the same duration to mark the contracts to market.

As of June 30, 2017, the Company did not have any foreign currency contract commitments related to Euro-denominated engineering and construction obligations. As of December 31, 2016, the Company had a total gross notional amount of $10.0 million of foreign currency contract commitments, none of which extended beyond April 2017.

The Company designates only those contracts that closely match the underlying transactions as hedges for accounting purposes. These hedges resulted in substantially no ineffectiveness in the Company's condensed consolidated statements of operations, and there were no components excluded from the assessment of hedge effectiveness for the three and six months ended June 30, 2017. All of the instruments were highly liquid and were not entered into for trading purposes.

Derivative instruments are presented on a gross basis on the Company's condensed consolidated balance sheet. The assets and liabilities in the table below reflect the gross amount of derivative instruments at June 30, 2017 and December 31, 2016.

The fair value of the Company's derivatives designated as hedging instruments on the condensed consolidated balance sheet was as follows:

(in thousands)	Asset Derivatives Balance Sheet Location	June 30, 2017	December 31, 2016
Foreign exchange contracts	Other current assets	$ —	$ 748

As of June 30, 2017 and December 31, 2016, the Company did not have any derivative assets or liabilities not designated as hedging instruments.

The following table shows the impact of derivatives on the Company's condensed consolidated statements of operations:

		Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	Location	2017	2016	2017	2016
Foreign exchange contracts designated as hedging instruments	Other (income) expense, net	$ (39)	$ 72	$ (92)	$ (71)

The gains and losses recognized in earnings on hedging instruments for the fair value hedges offset the amount of gains and losses recognized in earnings on the hedged item in the same location in the condensed consolidated statements of operations.

Fair Value of Financial Instruments: ASC 820–Fair Value Measurement defines fair value as the exit price, which is the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a three-tier fair value hierarchy, which categorizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in the active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The Company's financial instruments as of June 30, 2017 and December 31, 2016 consisted primarily of cash and cash equivalents, restricted cash, receivables, payables and debt instruments. The carrying values of these financial instruments approximate their respective fair values, as they are either short-term in nature or carry interest rates that are periodically adjusted to market rates.

The following table shows the Company's financial instruments measured at fair value on its condensed consolidated balance sheets as of June 30, 2017 and December 31, 2016, and the related fair value input categories:

		Fair Value Measurements at Reporting Date Using		
(in thousands)	Total Fair Value Assets June 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Foreign exchange contracts	$ —	$ —	$ —	$ —

		Fair Value Measurements at Reporting Date Using		
(in thousands)	Total Fair Value Assets December 31, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Foreign exchange contracts	$ 748	$ —	$ 748	$ —

NOTE 9—COMMITMENTS AND CONTINGENCIES

Litigation and Claims: The Company is from time to time party to various lawsuits, claims and other proceedings that arise in the ordinary course of its business. With respect to all such lawsuits, claims and proceedings, the Company records a reserve when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The Company does not believe that the resolution of any currently pending lawsuits, claims and proceedings, either individually or in the aggregate, will have a material adverse effect on its financial position, results of operations or liquidity. However, the outcomes of any currently pending lawsuits, claims and proceedings cannot be predicted, and therefore, there can be no assurance that this will be the case.

A putative shareholder class action, captioned *Budde v. Global Power Equipment Group Inc.,* is pending in the U.S. District Court for the Northern District of Texas naming the Company and certain former officers as defendants. This action and another action were filed in May and June of 2015, and in July of 2015 the court consolidated the two actions. On May 1,

2017, the lead plaintiff filed a second consolidated amended complaint that names the Company and three of its former officers as defendants. It alleges violations of the federal securities laws arising out of matters related to the Company's restatement of certain financial periods and claims that the defendants made material misrepresentations and omissions of material fact in certain public disclosures during the putative class period in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 10b-5, as promulgated thereunder. The plaintiffs seek class certification on behalf of persons who acquired the Company's stock between September 7, 2011 and May 6, 2015, monetary damages of "more than $200 million" on behalf of the putative class and an award of costs and expenses, including attorneys' fees and experts' fees. The Company intends to defend against this action. On June 26, 2017, the Company and the individual defendants filed a motion to dismiss the complaint. On August 23, 2017, the lead plaintiff filed its opposition to that motion. On September 22, 2017, defendants filed their reply brief in further support of their motion to dismiss. Oral argument has been requested; however, the court has not yet granted that request or set a date. Litigation is subject to many uncertainties, and the outcome of this action is not predictable with assurance. At this time, the Company is unable to predict the possible loss or range of loss, if any, associated with the resolution of this litigation, or any potential effect such may have on the Company or its business or operations.

The Division of Enforcement of the SEC is conducting a formal investigation into possible securities law violations by the Company relating to disclosures it made concerning certain financial information, including its cost of sales and revenue recognition, as well as related accounting issues. The Company is cooperating with the SEC in its investigation, including through the production of documents to, and the sharing of information with, the SEC Enforcement Staff. At this time, the Company cannot predict the outcome or the duration of the SEC investigation or any other legal proceedings or any enforcement actions or other remedies that may be imposed on it arising out of the SEC investigation.

A former operating unit of Global Power has been named as a defendant in a limited number of asbestos personal injury lawsuits. Neither the Company nor its predecessors ever mined, manufactured, produced or distributed asbestos fiber, the material that allegedly caused the injury underlying these actions. The bankruptcy court's discharge order issued upon the Company's emergence from bankruptcy in January 2008 extinguished the claims made by all plaintiffs who had filed asbestos claims against it before that time. The Company believes the bankruptcy court's discharge order should serve as a bar against any later claim filed against it, including any of its subsidiaries, based on alleged injury from asbestos at any time before emergence from bankruptcy. In any event, in all of the asbestos cases finalized post-bankruptcy, the Company has been successful in having such cases dismissed without liability. Moreover, during 2012, the Company secured insurance coverage that will help to reimburse the defense costs and potential indemnity obligations of its former operating unit relating to these claims. The Company intends to vigorously defend all currently active actions, all without liability, and it does not anticipate that any of these actions will have a material adverse effect on its financial position, results of operations or liquidity. However, the outcomes of any legal action cannot be predicted and, therefore, there can be no assurance that this will be the case.

Contingencies: During 2014, the Company entered into an agreement with a partner in connection with a power plant equipment installation project. The agreement contains certain performance liquidated damage clauses in favor of the customer. While the Company believes its performance in the project met its direct contractual obligations, it nonetheless has joint and several liability for other aspects of the overall project performance. Therefore, it is possible, though unlikely, that the Company will not incur any liability for performance related issues under the contract. The Company currently estimates that the most likely range of potential liability arising from the contractual provisions described above will be between $4.9 million to $31.3 million. The maximum liability under the terms of the agreement is $33.0 million less the $1.7 million in liquidated damages that the Company has already incurred. The minimum liability per the agreement is 20 percent of the total contract value less the $1.7 million in liquidated damages that the Company has already incurred. Because the Company does not believe any amount in that $4.9 million to $31.3 million range is a better estimate than any other amount, it had accrued the minimum amount in the range as of both June 30, 2017 and December 31, 2016.

In an effort to provide uninterrupted customer service, the Company has from time to time performed additional work under contracts without first obtaining the requisite customer approvals for change orders per the contract terms. In the event the customer subsequently disputes the change orders, they become claims under U.S. GAAP with strict criteria which must be met prior to recognizing revenue. Therefore, the Company defers recognizing revenue related to unsigned disputed change orders until the dispute is resolved. Since U.S. GAAP requires the Company to recognize the cost of performing the work covered by the change orders at the time of incurrence, to the extent the Company is able to resolve the disputes and recognize revenue in a future period, that revenue will have a 100% gross margin associated with it in that future period. As of June 30, 2017, the Company has deferred recognizing revenue on $22.9 million of unsigned, disputed change orders. The amount which the Company will ultimately be able to recognize in revenue is not reasonably estimable at this point in time and the amount recognized, if any, could be substantially less than the amount of the unsigned, disputed change orders.

Warranty: Estimated costs related to product warranty are accrued using the specific identification method. Estimated costs related to service warranty are accrued as revenue is recognized and included in the cost of revenue. Estimated costs are based upon past warranty claims, sales history, the applicable contract terms and the remaining warranty periods. Warranty terms vary by contract but generally provide for a term of four years or less. The Company manages its exposure to warranty claims by having its field service and quality assurance personnel regularly monitor projects and maintain ongoing and regular communications with the customer.

A reconciliation of the changes to the Company's warranty reserve during the six month period ended June 30, 2017 is as follows:

(in thousands)	June 30, 2017
Balance at the beginning of the period	$ 5,806
Provision for the period	916
Settlements made (in cash or in kind) for the period	(1,439)
Other adjustments	(711)
Balance at the end of the period	$ 4,572

NOTE 10—STOCK-BASED COMPENSATION PLANS

During the second quarter of 2017, service-based restricted stock units totaling 295,376 were granted to employees at a grant date fair value of $4.30 per share. Restricted stock units granted to employees in 2017 generally vest over a period of two years. The fair value of restricted stock units represents the closing price of the Company's common stock on the date of grant. No restricted stock units were granted to employees during the second quarter of 2016.

In the second quarter of 2017, performance-based restricted stock units totaling 332,469 were awarded to employees at a grant date fair value of $4.67. The 2017 units contain performance conditions based on either a two year relative total shareholder return goal or a stock price goal. These restricted stock units will vest at the end of the two year relative total shareholder return performance period. However, if the relative total shareholder return goal is not met, then the restricted stock units will vest on the later of the last day of the performance period or the date that the stock price is achieved. The share price goal will be met if the Company's common stock price per share equals or exceeds $6.00 for any period of 30 consecutive trading days during the three-year period ending on March 31, 2020. The fair value of the performance-based restricted stock units is estimated using the Monte Carlo simulation model. No performance-based restricted stock units were awarded to employees during the second quarter of 2016.

The 2017 service-based and performance-based restricted stock units discussed above have the potential to be settled in cash or other assets if our shareholders do not approve additional shares under the Company's 2015 Equity Incentive Plan. Therefore, the fair value of these units is re-measured each reporting period. As of June 30, 2017, the Company had a $0.8 million liability related to these units which was included in other long-term liabilities on the Company's balance sheet.

In the second quarter of 2017, cash-based awards totaling $0.9 million were awarded to employees. The cash-based awards granted to employees generally vest over a period of two years and are accounted for as liability awards. No cash-based awards were issued to employees during the second quarter of 2016.

During the second quarter of 2017, performance-based and service-based restricted stock units of 46,600 and 27,000, respectively, were granted to certain employees outside of the 2015 Equity Incentive Plan. These restricted stock units generally vest over a period of two years and will be settled in common stock. Therefore, these restricted stock units are accounted for as equity awards. No restricted stock units were granted to employees outside the 2015 Equity Incentive Plan during the second quarter of 2016.

NOTE 11—SEGMENT INFORMATION

The Company's operating segments engage in business activities from which they may earn revenues and incur expenses and for which discrete information is available. Operating results for the operating segments are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segments and to assess performance. Operating segments are aggregated for reporting purposes when the operating segments are identified as similar in accordance with the basic principles and aggregation criteria in the accounting standards. The Company's reporting segments are based primarily on product lines. The reporting segments have different lines of management responsibility as each business requires different marketing strategies and management expertise.

As of June 30, 2017, the Company structured its business into the following three reporting segments: Services, Electrical Solutions and Mechanical Solutions. See "Item 1. Business" in the Company's 2016 Form 10-K for more information about the reporting segments, including types of products and services from which each reporting segment derives its revenue. Corporate includes expenses related to the Company's corporate headquarters and interest expense related to its long-term debt.

The Company uses operating income (loss) to compare and evaluate the financial performance of its reporting segments. The accounting policies for the Company's reporting segments are the same as those described in "Note 3—Summary of Significant Accounting Policies" of the audited consolidated financial statements included in the Company's 2016 Form 10-K.

The following tables present certain financial information by reportable segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
External Revenue (in thousands)	**2017**	**2016**	**2017**	**2016**
Services	$ 57,981	$ 55,809	$ 99,213	$ 124,538
Electrical Solutions	10,532	22,202	24,079	39,839
Mechanical Solutions	17,901	28,776	34,579	65,132
Total external revenue	$ 86,414	$ 106,787	157,871	229,509

For each of the three and six months ended June 30, 2017 and 2016, the Company had no inter-segment revenue.

	Three Months Ended June 30,		Six Months Ended June 30,	
Depreciation and Amortization [(1)] (in thousands)	**2017**	**2016**	**2017**	**2016**
Services	$ 127	$ 805	$ 246	$ 1,610
Electrical Solutions	928	1,052	1,855	2,108
Mechanical Solutions	307	702	652	1,413
Corporate	201	245	417	507
Total depreciation and amortization	$ 1,563	$ 2,804	$ 3,170	$ 5,638

(1) Depreciation and amortization included in cost of revenue for the three months ended June 30, 2017 and 2016 was $0.4 million and $0.6 million, respectively, and for the six months ended June 30, 2017 and 2016 was $0.7 million and $1.2 million, respectively.

A reconciliation of total segment operating income (loss) to loss before income tax is as follows:

Operating Income (Loss) (in thousands)	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Services	$ 3,085	$ (8,732)	$ (6,121)	$ (5,181)
Electrical Solutions	(4,313)	(473)	(8,337)	(3,189)
Mechanical Solutions	(207)	(1,813)	(442)	(339)
Corporate	(5,807)	(6,915)	(12,586)	(15,179)
Operating (loss) income	(7,242)	(17,933)	(27,486)	(23,888)
Interest expense, net	2,108	1,997	3,816	4,657
Foreign currency (gain) loss	301	(129)	457	179
Other (income) expense, net	1	64	—	59
Loss before income tax	$ (9,652)	$ (19,865)	$ (31,759)	$ (28,783)

A reconciliation of segment assets to total assets is as follows:

Assets (in thousands)	June 30, 2017	December 31, 2016
Services	$ 88,313	$ 111,792
Electrical Solutions	39,024	38,435
Mechanical Solutions	57,448	67,360
Corporate	25,250	15,255
Total assets	$ 210,035	$ 232,842

Total assets in the Services segment as of June 30, 2017 and December 31, 2016 included amounts related to subcontracts with Westinghouse Electric Company, LLC (“Westinghouse”) for two nuclear power plant projects. On March 29, 2017, Westinghouse filed for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court, Southern District of New York.

As of June 30, 2017, the Company was due $8.7 million for pre-petition services rendered to Westinghouse on the two projects. In November 2017, pursuant to agreements with the owners of both projects, the Company received a partial payment of $6.4 million for pre-petition services. Based on the Company’s evaluation of available information, it expects the remaining amount outstanding for pre-petition services of $2.3 million to be recoverable. The Company has filed mechanic’s liens in Georgia against the property of the owners of the project for the remainder of the amount due for pre-petition services rendered to Westinghouse.

On July 31, 2017, one of the projects was cancelled by the owner of the project, and the Company demobilized from the site. The Company continues to provide services to the remaining project site at the request of the owner of the project. The amounts for post-petition services have been billed to the owners of the projects and, to the extent not already collected, are expected to be recoverable.

NOTE 12—SUBSEQUENT EVENTS

In November 2017, the Company received a payment of $6.4 million for amounts due from Westinghouse. See “Note 11—Segment Information” for additional information.

In October 2017, the Company sold substantially all of the operating assets and liabilities of its Mechanical Solutions segment for approximately $43.3 million in cash, subject to certain customary working capital adjustments. Approximately $0.2 million was withheld and placed in escrow to satisfy certain indemnification obligations. The full amount is eligible for release after one year. The Company used $34.0 million of the net proceeds to repay debt under the Centre Lane Facility. The remaining proceeds were used for general working capital requirements. In addition, On October 31, 2017, the Company completed the sale of its manufacturing facility in Mexico and auctioned the remaining production equipment and other assets for net proceeds of $3.6 million. Net proceeds of $1.9 million from the sale of the facility and equipment were used to reduce debt, and the remainder was used to fund working capital requirements. The facility was included in the Company’s Mechanical

Solutions reporting segment. As a result of these disposals, the Mechanical Solutions segment will be accounted for as a discontinued operation as of September 30, 2017.

In August 2017, the Company and Centre Lane entered into the Centre Lane Amendment, which provided the Company with further funds in the form of the First-Out Loan, which matures in September 2018. The Centre Lane Facility replaced the Revolving Credit Facility. See “Note 7—Debt” for further discussion.

Subsequent to June 30, 2017, the Company had three employees covered under its executive severance plan or employment agreements who ceased their employment with the Company. Therefore, the Company recognized approximately $1.5 million in severance, which is to be paid out over the terms of the agreements, ranging from 12 to 18 months.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (this "Form 10-Q") and its exhibits contain or incorporate by reference various forward-looking statements that express a belief, expectation or intention or are otherwise not statements of historical fact. Forward-looking statements generally use forward-looking words, such as "may," "will," "could," "project," "believe," "anticipate," "expect," "estimate," "continue," "potential," "plan," "forecast" and other words that convey the uncertainty of future events or outcomes. These forward-looking statements are not guarantees of our future performance and involve risks, uncertainties, estimates and assumptions that are difficult to predict. Therefore, our actual outcomes and results may differ materially from those expressed in these forward-looking statements. Investors should not place undue reliance on any of these forward-looking statements. Except as required by law, we undertake no obligation to further update any such statements, or the risk factors described in our 2016 Form 10-K under the heading "Item 1A. Risk Factors," to reflect new information, the occurrence of future events or circumstances or otherwise. Forward-looking statements may include information concerning the following, among other items:

- our high level of indebtedness;
- our ability to make interest and principal payments on our debt and satisfy the other covenants contained in the Centre Lane Facility;
- our ability to enter into new lending facilities and to access letters of credit;
- our ability to generate sufficient cash resources to continue funding operations;
- our pending putative securities class action;
- the SEC Division of Enforcement's pending formal investigation into possible securities law violations by the Company;
- our material weaknesses in internal control over financial reporting and our ability to maintain effective controls over financial reporting in the future;
- changes in our senior management, financial reporting and accounting teams;
- our ability to timely prepare and file our periodic reports;
- our ability to comply with certain financial covenants of our debt obligations;
- a failure to implement our business strategies;
- a failure to realize operating and growth initiatives and opportunities;
- our competitive position;
- market outlook and trends in our industry;
- the results of the bankruptcy filing of Westinghouse and the effects of such filing on the construction projects, including construction delays, abandonment, cost overruns and the advisability and feasibility of completing such units;
- our contract backlog and related amounts to be recognized as revenue;
- our expected financial condition;
- our future cash flows;
- our expected results of operations;
- future capital and other expenditures;
- availability of raw materials and inventories;
- the impact of Hurricane Harvey or other natural disasters;
- plans and objectives of management;
- future exposure to currency devaluations or exchange rate fluctuations;
- future income tax payments and utilization of net operating loss and foreign tax credit carryforwards;
- future compliance with orders of and agreements with regulatory agencies;
- expected outcomes of legal or regulatory proceedings and their expected effects on our results of operations; and
- any other statements regarding future growth, future cash needs, future operations, business plans and future financial results.

These forward-looking statements represent our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, including unpredictable or unanticipated factors that we have not discussed in this Form 10-Q. Many of those factors are outside of our control and could cause actual results to differ materially from the results expressed or implied by the forward-looking statements.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. Investors should consider the areas of risk and uncertainty described above, as well as those discussed in our 2016 Form 10-K under the heading “Risk Factors.” Except as may be required by applicable law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, and we caution investors not to rely upon them unduly.

The following discussion provides an analysis of the results of operations for each of our business segments, an overview of our liquidity and capital resources and other items related to our business. In October 2017, we sold substantially all of the operating assets and liabilities of our Mechanical Solutions segment, including our manufacturing facility in Mexico. Unless otherwise specified, the financial information and discussion in this Form 10-Q is as of June 30, 2017 and does not reflect the sale of our Mechanical Solutions segment, which will be reported as a discontinued operation as of September 30, 2017. See “Note 12—Subsequent Events” for additional information on the sale of our Mechanical Solutions segment. This discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto included in this Form 10-Q and our audited consolidated financial statements and notes thereto included in our 2016 Form 10-K.

Backlog

Our backlog consists of firm orders or blanket authorizations from our customers. Backlog may vary significantly from reporting period to reporting period due to the timing of customer commitments. The time between receipt of an order and actual completion, or delivery, of our products and services varies from a few weeks to a year or more.

We add a booking to our backlog for Mechanical Solutions segment and Electrical Solutions segment orders when we receive a purchase order or other written contractual commitment from a customer. We reduce backlog for those segments as revenue is recognized or upon cancellation.

The services we provide through our Services segment are typically carried out under construction contracts, long-term maintenance contracts and master service agreements. Backlog related to fixed-price contracts represents the total amount of revenue we expect to record in the future as a result of performing work under contracts that have been awarded to us. With respect to multi-year maintenance contracts, we include in backlog the amount of revenue we expect to receive for the succeeding 12-month period, regardless of the remaining life of the contract. Revenue estimates included in our backlog can be subject to change as a result of project accelerations, cancellations or delays due to various factors, including, but not limited to, the customer’s budgetary constraints and adverse weather. These factors can also cause revenue amounts to be realized in different periods and at levels other than those originally projected. Additional work that is not identified under the original contract is added to our backlog when we reach an agreement with the customer as to the scope and pricing of that additional work. Capital project awards are typically defined in terms of scope and pricing at the time of a contractual commitment from the customer. Upon receipt of a customer commitment, we add capital project bookings to our backlog at full contract value, regardless of the time frame anticipated to complete the project. Maintenance services and capital project bookings are removed from our backlog as work is performed and revenue is recognized, or upon cancellation.

Backlog is not a measure defined by accounting principles generally accepted in the U.S., and our methodology for determining backlog may vary from the methodology used by other companies in determining their backlog amounts. Backlog may not be indicative of future operating results, and projects in our backlog may be cancelled, modified or otherwise altered by our customers.

The following table summarizes our backlog, by segment:

(in thousands)		June 30, 2017	December 31, 2016
Services	$	122,778	138,567
Electrical Solutions		59,622	55,891
Mechanical Solutions		33,100	37,792
Total	$	215,500	232,250

Services. Backlog as of June 30, 2017 decreased $15.8 million from December 31, 2016. The decline was driven primarily by the completion of the spring outage work related to a maintenance and modification contract, accounting for $18.3 million of the decline. Additionally, we are currently performing services on a one-time non-nuclear industrial project, which resulted in a decline of $4.5 million. The declines were partially offset by additional volume relating to our nuclear coatings contract for construction activities at Plant Vogtle Units 3 and 4, which accounted for $7.8 million of incremental backlog. The owners of Plant Vogtle Units 3 and 4 have announced that they have decided to continue construction to complete the projects. The decision is contingent upon the approval of the Georgia Public Service Commission, which is scheduled to occur by the end of 2017.

Electrical Solutions. Backlog as of June 30, 2017 increased $3.7 million from December 31, 2016 due to a delay in the production of multiple large control house projects that were originally expected to ship during the second quarter of 2017. This increase was partially offset by the cancellation of a multi-unit control house project during the first quarter of 2017.

Mechanical Solutions. Backlog as of June 30, 2017 decreased $4.7 million from December 31, 2016 due to a slowdown in diverter product line orders with one of our key original equipment manufacturer customers in 2017.

Results of Operations

Our summary financial results for the three and six months ended June 30, 2017 and 2016 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2017**	**2016**	**2017**	**2016**
Revenue:				
Services	$ 57,981	$ 55,809	$ 99,213	$ 124,538
Electrical Solutions	10,532	22,202	24,079	39,839
Mechanical Solutions	17,901	28,776	34,579	65,132
Total revenue	86,414	106,787	157,871	229,509
Cost of revenue:				
Services	51,227	50,345	98,414	109,470
Electrical Solutions	12,560	20,223	27,730	37,877
Mechanical Solutions	14,963	26,933	28,493	58,065
Total cost of revenue	78,750	97,501	154,637	205,412
Gross profit	7,664	9,286	3,234	24,097
Gross profit percentage	8.9%	8.7%	2.0%	10.5%
Selling and marketing expenses	1,858	2,639	3,694	5,217
General and administrative expenses	11,107	12,652	22,330	25,711
Restatement expenses	713	1,542	2,433	4,455
(Gain) loss on sale of business and net assets held for sale	—	8,193	(239)	8,193
Depreciation and amortization expense[1]	1,228	2,193	2,502	4,409
Total operating expenses	14,906	27,219	30,720	47,985
Operating (loss) income	(7,242)	(17,933)	(27,486)	(23,888)
Interest expense, net	2,108	1,997	3,816	4,657
Foreign currency (gain) loss	301	(129)	457	179
Other (income) expense, net	1	64	—	59
Loss before income tax	(9,652)	(19,865)	(31,759)	(28,783)
Income tax expense (benefit)	541	247	(95)	1,114
Net loss	$ (10,193)	$ (20,112)	$ (31,664)	$ (29,897)

(1) Excludes depreciation and amortization expense for the three months ended June 30, 2017 and 2016 of $0.4 million and $0.6 million, respectively, and for the six months ended June 30, 2017 and 2016 of $0.7 million and $1.2 million, respectively, included in cost of revenue.

Segment Operating Data

Services

(in thousands)	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Revenue	$ 57,981	$ 55,809	$ 99,213	$ 124,538
Gross profit	6,754	5,464	799	15,068
Operating income (loss)	3,085	(8,732)	(6,121)	(5,181)

Revenue for the three months ended June 30, 2017 increased $2.2 million compared with the corresponding period in 2016 due to the timing of a scheduled outage related to a maintenance and modification contract. The timing of the scheduled outage resulted in an $18.5 million increase in revenue for the three months ended June 30, 2017 compared with the corresponding period in 2016. Additionally, for the three months ended June 30, 2017, an increase in volume associated with a nuclear construction site contributed $2.3 million of incremental revenue compared with the corresponding period in 2016. These increases in revenue for the three months ended June 30, 2017 compared with the corresponding period in 2016 were partially offset by decreases in revenue of $5.6 million as a result of the divestiture of the Hetsco business, $5.9 million as a result of the completion of construction and support services for the restart of a new build nuclear reactor and $5.2 million as a result of non-recurring fixed-price projects.

Revenue for the six months ended June 30, 2017 decreased $25.3 million compared with the corresponding period in 2016. The completion of construction and support services for the restart of a new build nuclear reactor in 2016 resulted in a $25.7 million decrease in revenue for the six months ended June 30, 2017. Additionally, the divestiture of the Hetsco business resulted in an $8.7 million decline in revenue and our large non-recurring fixed-price projects resulted in a $13.0 million decrease in revenue for the six months ended June 30, 2017 compared with the corresponding period in 2016. These declines in revenue for the six months ended June 30, 2017 compared with the corresponding period in 2016 were partially offset by a $20.7 million increase in revenue due to the timing of a scheduled outage related to a maintenance and modification contract. In addition, an increase in volume associated with a nuclear construction site contributed $5.0 million of incremental revenue for the six months ended June 30, 2017 compared with the corresponding period in 2016.

Gross profit for the three months ended June 30, 2017 increased $1.3 million compared with the corresponding period in 2016 due primarily to the non-recurrence of $2.6 million of costs related to estimated loss contracts recorded in 2016, partially offset by a $1.9 million decrease in gross profit as a result of the divestiture of Hetsco. Additionally, for the three months ended June 30, 2017, gross profit increased by $0.7 million as a result of a decrease in our estimated workers compensation accrual compared with the corresponding period in 2016.

Gross profit for the six months ended June 30, 2017 decreased $14.3 million compared with the corresponding period in 2016 due primarily to increases in estimated losses on certain contracts which resulted in a $10.5 million decrease in gross profit ($13.1 million of losses in 2017 compared with $2.6 million in 2016). These losses arose from our performance of work under unsigned (and subsequently disputed) change orders. While we may be able to recognize revenue related to such amounts in future periods, we do not currently meet the criteria to do so. See “Note 9—Commitments and Contingencies” for further discussion of unsigned change orders. Additionally, gross profit decreased $3.1 million for the six months ended June 30, 2017 as a result of the divestiture of Hetsco.

Operating income for the three months ended June 30, 2017 increased $11.8 million compared with the corresponding period in 2016 on a $1.3 million increase in gross profit. The additional increase in operating income for the three months ended June 30, 2017 was primarily due to the non-recurrence of an $8.2 million loss recognized during the corresponding period in 2016 related to net assets held for sale on our Hetsco business. Additionally, operating income increased $1.7 million for the three months ended June 30, 2017 compared with the corresponding period in 2016 due to a reduction in operating expenses as a result of the divestiture of Hetsco. Furthermore, we reorganized the Williams business unit (which is comprised of Williams Industrial Services Group, LLC, Williams Plant Services, LLC, Williams Specialty Services, LLC and Williams Industrial Services, LLC), which resulted in a $0.7 million decrease in operating expenses for the three months ended June 30, 2017 compared with the corresponding period in 2016.

Operating loss for the six months ended June 30, 2017 increased $0.9 million compared with the corresponding period in 2016 as a result of the $14.3 million decrease in gross profit, partially offset by an $8.2 million decrease in operating expenses due to the non-recurrence of the loss recognized during the corresponding period in 2016 related to net assets held for sale on our Hetsco business. Additionally, operating expenses decreased $3.3 million for the six months ended June 30, 2017, compared with the corresponding period in 2016 as a result of the divestiture of Hetsco. We also reorganized the Williams business unit, which resulted in a $1.6 million decrease in operating expenses for the six months ended June 30, 2017 compared with the corresponding period in 2016.

Electrical Solutions

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2017**	**2016**	**2017**	**2016**
Revenue	$ 10,532	$ 22,202	$ 24,079	$ 39,839
Gross profit	(2,028)	1,979	(3,651)	1,962
Operating loss	(4,313)	(473)	(8,337)	(3,189)

Revenue for the three and six months ended June 30, 2017 decreased $11.7 million and $15.8 million, respectively, compared with the corresponding periods in 2016. The decreases in revenue for the three and six months ended June 30, 2017 were driven partially by the loss of a major customer following the closure of our Chattanooga, Tennessee plant in the second half of 2016. The closure of our Chattanooga, Tennessee plant and the loss of our customer there had a $5.5 million and $9.8 million negative impact on revenue for the three and six months ended June 30, 2017, respectively, compared with the corresponding period in 2016. Additionally, revenue for the three and six months ended June 30, 2017 declined $6.2 million and $6.0 million, respectively, due to a reduction in volume compared with the corresponding period in 2016. These reductions in volume were largely due to delays in completing projects at our Houston, Texas facility.

Gross profit for the three and six months ended June 30, 2017 decreased $4.0 million and $5.6 million, respectively, compared with the corresponding periods in 2016. As a result of the decreases in revenue for the three and six months ended June 30, 2017, gross profit for the related periods decreased $2.0 million and $2.4 million, respectively, compared with the corresponding periods in 2016. In addition, changes in estimated losses on certain contracts were recorded in the earliest open period impacted and resulted in decrease in gross profit of $2.0 million and $3.8 million for the three and six months ended June 30, 2017, respectively, compared with the corresponding periods in 2016. We accrued $3.1 million for loss contracts for the three months ended June 30, 2017 versus $1.1 million in 2016, and $6.5 million for loss contracts for the six months ended June 30, 2017 versus $2.8 million in 2016. These losses were the result of incurring liquidated damages due to missing delivery dates as well as operating inefficiencies on certain projects – particularly in our Houston, Texas facility. The decrease in gross profit for the six months ended June 30, 2017 was partially offset by a $0.6 million increase in gross profit as a result of targeted pricing changes, product mix and improvements in productivity (outside the Houston facility) compared with the corresponding period in 2016.

Operating loss for the three and six months ended June 30, 2017 increased $3.8 million and $5.1 million, respectively, compared with the corresponding period in 2016 due primarily to the decrease in gross profit discussed above.

Mechanical Solutions.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2017**	**2016**	**2017**	**2016**
Revenue	$ 17,901	$ 28,776	$ 34,579	$ 65,132
Gross profit	2,938	1,843	6,086	7,067
Operating loss	(207)	(1,813)	(442)	(339)

Revenue for the three and six months ended June 30, 2017 decreased $10.9 million and $30.6 million, respectively, compared with the corresponding periods in 2016 due to large air intake system projects from the Middle East region in 2016 that did not recur in 2017. In addition, revenue for the three and six months ended June 30, 2016 included $1.4 million and $3.3 million, respectively, of revenue from TOG Manufacturing Company, Inc. which, along with TOG Holdings, Inc. (collectively, "TOG"), was sold in July 2016.

Gross profit for the three months ended June 30, 2017 increased $1.1 million, while gross margin percentage improved to 16.4% compared with 6.4% for the corresponding period in 2016. The increase in gross profit for the three months ended June 30, 2017 was due to $2.0 million in loss contract accruals that were recorded in the corresponding period in 2016. This increase in gross profit for the three months ended June 30, 2017 was partially offset by the decrease in revenue and a $0.3 million decline in gross profit as a result of the sale of TOG.

Gross profit for the six months ended June 30, 2017 decreased $1.0 million while gross margin percentage improved to 17.6% compared with 10.9% for the corresponding period in 2016. The decrease in gross profit for the six months ended June 30, 2017 resulted from a decrease in revenue and a $0.6 million decline in gross profit as a result of the sale of TOG in July 2016. Gross margin percentage for the six months ended June 30, 2017 increased as a result of $2.6 million of loss contract accruals that were recorded in the corresponding period in 2016.

Operating loss for the three months ended June 30, 2017 decreased $1.6 million. The increase in gross profit of $1.1 million accounted for most of the decrease in the operating loss. Operating expenses decreased by $0.5 million in 2017 as a result of the sale of TOG and lower wage expense partially offset by a $0.5 million increase in severance expense due to a reduction in our U.S. work force compared with the corresponding period in 2016.

Operating loss for the six months ended June 30, 2017 increased $0.1 million. Lower gross profit of $1.0 million was largely offset by a $0.9 million decrease in operating expenses largely from the sale of TOG in 2016 and lower wage expense partially offset by a $0.5 million increase in severance expense due to a reduction in our U.S. work force compared with the corresponding period in 2016.

Corporate

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2017**	**2016**	**2017**	**2016**
Operating loss	(5,807)	(6,915)	(12,586)	(15,179)

Operating loss for the three and six months ended June 30, 2017 decreased $1.1 million and $2.6 million, respectively, compared with the corresponding periods in 2016 due primarily to a decrease in restatement expenses of $0.8 million and $2.0 million, respectively, due to the wind-down of restatement activities in conjunction with the filing of our Annual Report on Form 10-K for the year ended December 31, 2015 (the "2015 Report") on March 15, 2017, which included the restatement of certain prior period financial results.

Other

Operating Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2017**	**2016**	**2017**	**2016**
Selling and marketing expenses	$ 1,858	$ 2,639	$ 3,694	$ 5,217
General and administrative expenses	11,107	12,652	22,330	25,711
Restatement expenses	713	1,542	2,433	4,455
(Gain) loss on sale of business and net assets held for sale	—	8,193	(239)	8,193
Depreciation and amortization expenses	1,228	2,193	2,502	4,409
Total	$ 14,906	$ 27,219	$ 30,720	$ 47,985

Selling and Marketing Expenses. Consolidated selling and marketing expenses include the costs associated with selling and marketing our products and services. Major components of these costs are personnel, sales commissions, sales promotion, advertising, literature, bidding, estimating and trade shows. Consolidated selling and marketing expenses for the three and six months ended June 30, 2017 decreased $0.8 million and $1.5 million, respectively, compared with the corresponding periods in 2016 due primarily to a decrease in labor expenses of $0.4 million and $1.1 million, respectively, and a decrease in incentive compensation of $0.4 million and $0.1 million, respectively. Additionally, for the six months ended June 30, 2017, travel and entertainment expenses decreased $0.2 million compared with the corresponding period in 2016.

General and Administrative Expenses. Consolidated general and administrative expenses include general management, compensation and benefits of employees, officers and directors that are not direct costs of active projects, legal and professional fees and other general expenses, but not expenses incurred in connection with the restatement of our historical financial results and related matters. Consolidated general and administrative expenses for the three and six months ended June 30, 2017 decreased $1.6 million and $3.4 million, respectively, compared with the corresponding periods in 2016. The decrease in consolidated general and administrative expenses for the three and six months ended June 30, 2017 was due primarily to a decrease of $0.7 million and $1.6 million, respectively, in labor expenses, a decrease of $0.8 million and $1.0 million, respectively, in incentive compensation and a decrease of $0.2 million and $0.4 million, respectively, in travel and entertainment expenses compared with the corresponding periods in 2016. These decreases for the three and six months ended June 30, 2017 were partially offset by an increase in stock-based compensation expense of $0.3 million and $0.6 million, respectively, and an increase in bad debt expense of $0.2 million and $0.3 million, respectively, compared with the corresponding periods in 2016.

Restatement Expenses. Restatement expenses for the three and six months ended June 30, 2017 decreased $0.8 million and $2.0 million, respectively, compared with the corresponding periods in 2016 due to the wind-down of restatement activities in conjunction with the filing of the 2015 Report, which included the restatement of certain prior period financial results. Restatement expenses primarily consisted of fees for legal and accounting services. We expect to continue to incur legal expenses in future periods, although at a lower level, in conjunction with the SEC investigation related to the restatement.

(Gain) Loss on Sale of Business and Net Assets Held for Sale. Loss on sale of business and net assets held for sale for the three and six months ended June 30, 2017 decreased $8.2 million and $8.4 million, respectively, compared with the corresponding periods in 2016. In connection with our decision to sell Hetsco in June 2016, the net assets were adjusted to estimated fair value less estimated selling expenses, which resulted in a write-down of $8.2 million for each of the three and six months ended June 30, 2016. For the six months ended June 30, 2017, we recorded an adjustment that reduced the loss by $0.2 million. No such write-downs of net assets were recognized for the three and six months ended June 30, 2017.

Depreciation and Amortization Expenses. Depreciation and amortization expenses consist primarily of depreciation of fixed assets and amortization of definite-lived intangible assets and exclude amounts included in cost of revenue. Depreciation and amortization expenses for the three and six months ended June 30, 2017 decreased $1.0 million and $1.9 million, respectively, compared with the corresponding periods in 2016 due primarily to the decline in depreciable assets resulting from the sale of Hetsco in January 2017.

Other (Income) Expense, Net

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2017**	**2016**	**2017**	**2016**
Interest expense, net	$ 2,108	$ 1,997	$ 3,816	$ 4,657
Foreign currency (gain) loss	301	(129)	457	179
Other (income) expense, net	1	64	—	59
Total	2,410	1,932	4,273	4,895

Total other expense, net, for the three and six months ended June 30, 2017 increased $0.5 million and decreased $0.6 million, respectively, compared with the corresponding periods in 2016. The increase in total other expense, net, for the three months ended June 30, 2017 was due to a $0.4 million loss on foreign currency and a $0.1 million increase in interest expense, net compared with the corresponding period in 2016. The decrease in total other expense, net, for the six months ended June 30, 2017 was due to a $0.8 million decrease in interest expense, net and a $0.3 million loss on foreign currency compared to the corresponding period in 2016.

Income Tax Expense (Benefit)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2017**	**2016**	**2017**	**2016**
Income tax expense (benefit)	$ 541	$ 247	$ (95)	$ 1,114

Income tax expense for the interim periods is based on estimates of the effective tax rate during the entire fiscal year. The effective income tax rate is based upon the estimated income during the calendar year, the estimated composition of the income in different jurisdictions and discrete adjustments, if any, in the applicable quarterly periods for settlements of tax audits or assessments and the resolution or identification of tax position uncertainties.

For the three and six months ended June 30, 2017, we recorded income tax expense of $0.5 million, or (5.6)% of pretax income, and income tax benefit of $0.1 million, or 0.3% of pretax income, respectively, compared with $0.2 million of income tax expense, or (1.2)% of pretax income and $1.1 million, or (3.9)% of pretax income, respectively, in the corresponding periods of 2016. The difference between our effective tax rate and the federal statutory tax rate for the three and six months ended June 30, 2017 and 2016 was related to the full valuation allowances recorded on our U.S. and certain foreign deferred tax assets and the income tax rate differential between our foreign jurisdictions in which we have taxable presences and the U.S. The increase in income tax provision for the three months ended June 30, 2017 compared with the corresponding period in 2016 was related to an increase in our foreign tax provision. The decrease in income tax provision for the six months ended

June 30, 2017 compared with the corresponding period in 2016 was related to a reduction in net deferred tax liabilities primarily from a $2.2 million decrease in indefinite-lived intangibles deferred tax liabilities that cannot be used to offset deferred tax assets subject to valuation allowance as a result of the disposition of Hetsco in the first quarter of 2017. This decrease for the six months ended June 30, 2017 was partially offset by a $0.6 million increase in foreign tax provision and a $0.4 million decrease in the release of uncertain tax liabilities related to expiring statutes of limitations compared with the corresponding period in 2016.

Liquidity and Capital Resources

During the first half of 2017, our principal sources of liquidity were cash on hand and borrowings under the Revolving Credit Facility and proceeds from the Centre Lane Facility. However, during the first five months of 2017 and throughout 2016, we were not in compliance with the covenants contained in the Revolving Credit Facility. During the first five months of 2017 and throughout 2016, our liquidity was constrained because effective July 22, 2016, the administrative agent under the Revolving Credit Facility exercised rights that enabled it to control certain of our accounts by implementing a cash dominion process to use receipts of collateral to directly pay down debt, while allowing us to borrow subject to certain restrictions. During this time, we generated additional liquidity through working capital management. Our principal uses of cash were to pay for customer contract-related material, labor and subcontract labor, operating expenses, interest expense on the Revolving Credit Facility, restatement-related expenses and capital assets.

In June 2017, we refinanced the outstanding balance due under the Revolving Credit Facility when we entered into the Centre Lane Facility. See discussion in "Note 7—Debt" to the unaudited condensed consolidated financial statements included in this Form 10-Q and below under "Our Credit Facilities." Nonetheless, our liquidity constraints have continued in 2017, and we continue to rely on working capital management, funds from the Centre Lane Facility and proceeds from the sale of substantially all of the assets and liabilities of our Mechanical Solutions segment as our principal sources of liquidity. See discussion in "Note 2—Liquidity" to the unaudited condensed consolidated financial statements included in this Form 10-Q.

Cash and Cash Equivalents

As of June 30, 2017, our operating unrestricted cash and cash equivalents increased $5.7 million to $8.5 million from $2.8 million as of December 31, 2016. The operating cash balance of $8.5 million as of June 30, 2017 consisted of $3.3 million of cash held in U.S. bank accounts and $5.2 million of cash held in non-U.S. bank accounts. We have funded our business objectives and operations through asset sales, net cash flows from operations and the proceeds from the Centre Lane Facility.

Our Credit Facilities

Revolving Credit Facility

On February 21, 2012, we entered into a $100.0 million Revolving Credit Facility with Wells Fargo Bank, National Association, as Administrative Agent, U.S. Bank National Association, as Syndication Agent and the various lending institutions party thereto. Effective December 17, 2013, we exercised our rights under the accordion feature pursuant to and in accordance with the terms of the Revolving Credit Facility and increased the revolving credit commitments available to us under the Revolving Credit Facility from $100.0 million to $150.0 million. We gave a first priority lien on substantially all of our assets as security for the Revolving Credit Facility, which had a maturity date of February 21, 2017 until that maturity date was extended to June 12, 2017. In mid-June 2017, we entered into the Centre Lane Facility; therefore; no amounts were outstanding under the Revolving Credit Facility as of June 30, 2017. As of December 31, 2016, we had $45.3 million of revolving credit loans outstanding under the Revolving Credit Facility, and we were not in compliance with the financial and certain other covenants. As a result of our non-compliance under the Revolving Credit Facility, on a number of occasions in 2016 and 2017, prior to refinancing the Revolving Credit Facility, we entered into amendments and limited waivers with our lenders, which were in effect until we refinanced the outstanding debt balance on the Revolving Credit Facility in June 2017.

Pursuant to the terms of such amendments and limited waivers, the Revolving Credit Facility provided total available commitments of $45.1 million and only allowed for borrowings up to a maximum of $31.6 million, exclusive of outstanding standby letters of credit, and other restrictions. Until we refinanced our debt in June 2017, the Revolving Credit Facility had a reduced revolving letter of credit facility of up to $13.5 million, which no longer provided access to multi-currency funds. Our ability to access the maximum amount of availability was dependent upon certain conditions as defined in the Revolving Credit Facility. We paid an unused line fee of 0.75% pursuant to the terms of the Revolving Credit Facility.

Until we refinanced our debt with Centre Lane, we were subject to interest rate changes on our LIBOR-based variable interest rate under the Revolving Credit Facility. During the first half of 2017, we borrowed $152.8 million on the Revolving Credit Facility, and we repaid $165.5 million. During the first half of 2016, we had no incremental borrowings on the Revolving Credit Facility, and we repaid $1.0 million.

Centre Lane Facility

In June 2017, funds affiliated with Centre Lane purchased and assumed the outstanding debt from our then-existing lenders under the Revolving Credit Facility. We replaced the Revolving Credit Facility when we entered into the Initial Centre Lane Facility, a 4.5-year senior secured term loan facility, with an affiliate of Centre Lane as Administrative Agent and Collateral Agent, and the other Lenders from time to time party thereto. The Centre Lane Facility is governed by the terms of the Senior Secured Credit Agreement, dated June 16, 2017, as amended by the Centre Lane Amendment on August 17, 2017. While not a party to the Centre Lane Facility, entities associated with Wynnefield Capital, Inc., our largest equity investor, funded $6.0 million of the Centre Lane Facility. After payment of the Revolving Credit Facility and fees associated with both the Initial Centre Lane Facility and the Centre Lane Amendment, net cash proceeds were $15.3 million.

The Initial Centre Lane Facility provides for an initial loan in an aggregate principal amount of $45.0 million, and the Centre Lane Amendment provides for the First-Out Loan, for an additional aggregate principal amount of $10.0 million. The Initial Centre Lane Facility has a maturity date of December 16, 2021. The First-Out Loan matures on September 30, 2018.

The Initial Centre Lane Facility requires payment of an annual administration fee of $25,000 and an upfront fee equal to 7% of the aggregate commitments provided under the Centre Lane Facility. The upfront fee bears interest at a rate of LIBOR plus 19% annual PIK interest. The upfront fee is payable upon the earlier of maturity or the occurrence of certain events, including significant debt prepayments or asset sales that may occur prior to maturity. In addition to those fees, the Centre Lane Amendment also requires us to pay an upfront fee equal to 7% of the First-Out Loan commitments, which bears interest at the same rate as the initial upfront fee, and an exit fee equal to 7% of the aggregate outstanding principal amount of the First-Out Loan commitments, which is payable upon the maturity date of the First-Out Loan.

Borrowings under the Centre Lane Facility initially bear interest at LIBOR plus the sum of 9% per year, payable in cash, plus 10% PIK interest. Cash interest is payable monthly, and the PIK interest accrues to and increases the principal balance on a monthly basis. Starting on January 1, 2018, the PIK interest rate will increase to 15% per year, unless we elect to make a prepayment on the principal of $25.0 million. The cash interest rate will remain unchanged.

On October 11, 2017, we sold substantially all of the operating assets and liabilities of our Mechanical Solutions segment and used a portion of the proceeds to pay down $34.0 million of our outstanding debt and related fees, including full repayment of the First-Out Loan. This payment satisfied the criteria necessary to avoid the PIK rate increase on January 1, 2018. Additionally, on October 31, 2017, we completed the sale of our manufacturing facility in Mexico and auctioned the remaining production equipment and other assets for net proceeds of $3.6 million, of which $1.9 million was used to reduce the principal amount of the Initial Centre Lane Facility, and the remainder was used to fund working capital requirements.

Our obligations under the Centre Lane Facility are guaranteed by all of our wholly owned domestic subsidiaries, subject to customary exceptions. Our obligations are secured by first priority security interests on substantially all of our assets and those of our wholly owned domestic subsidiaries. This includes 100% of the voting equity interests of our domestic subsidiaries and certain specified foreign subsidiaries and 65% of the voting equity interests of other directly owned foreign subsidiaries, subject to customary exceptions.

We may voluntarily prepay the term loans at any time or from time to time, in whole or in part, in a minimum amount of $1.0 million of the outstanding principal amount, plus any accrued but unpaid interest on the aggregate amount of the term loans being prepaid, plus a Prepayment Premium, to be calculated as follows:

Period	Prepayment Premium as a Percentage of Aggregate Outstanding Principal Prepaid
June 16, 2017 to June 16, 2018	3%
June 17, 2018 to June 16, 2019	2%
June 17, 2019 to June 16, 2020	1%
After June 16, 2020	0%

Subject to certain exceptions, we must prepay an aggregate principal amount equal to 100% of our Excess Cash Flow (as defined in the Centre Lane Facility), minus the sum of all voluntary prepayments, within five business days after the date that is 90 days following the end of each fiscal year. The Centre Lane Facility also requires mandatory prepayment of certain amounts in the event we or our subsidiaries receive proceeds from certain events and activities, including, among others, asset sales, casualty events, the issuance of indebtedness and equity interests not otherwise permitted under the Centre Lane Facility and the receipt of tax refunds or extraordinary receipts in excess of $500,000, plus, in certain instances, the applicable Prepayment Premium, calculated as set forth above.

The Centre Lane Facility contains customary representations and warranties, as well as customary affirmative and negative covenants. The Centre Lane Facility contains covenants that may, among other things, limit the Company's ability to incur additional debt, incur liens, make investments, declare or pay dividends, engage in mergers, acquisitions and dispositions, engage in new lines of business or certain transactions with affiliates and change accounting policies or fiscal year.

The Centre Lane Facility also requires us to regularly provide financial information to the Lenders, as well as maintain certain total leverage ratios, fixed charge coverage ratios and minimum levels of liquidity beginning, September 30, 2018. Our capital expenditures are limited.

Events of default under the Centre Lane Facility include, but are not limited to, a breach of any of the financial covenants or any representations or warranties, failure to timely pay any amounts due and owing, the commencement of any bankruptcy or other insolvency proceeding, judgments in excess of certain acceptable amounts, the occurrence of a change in control, certain events related to ERISA matters and impairment of security interests in collateral or invalidity of guarantees or security documents.

If an event of default occurs, the Lenders may, among other things, declare all borrowings to be immediately due and payable, together with accrued interest and fees, and exercise remedies under the collateral documents related to the Centre Lane Facility. As of June 30, 2017, we were in compliance with the covenants under the Centre Lane Facility.

The weighted average interest rate on borrowings under the Revolving Credit Facility and the Centre Lane Facility was 17.4% for the six months ended June 30, 2017.

European Credit Facility

On June 13, 2008, Braden Europe B.V., Global Power Professional Services Netherlands B.V. and Global Power Netherlands B.V. (collectively, "Global Power Netherlands") entered into a EUR 14,000,000 Credit Facility (as continued, amended or supplemented from time to time, the "ABN AMRO Credit Facility") with ABN AMRO Bank N.V. ("Original ABN AMRO"). In 2010, Original ABN AMRO transferred its claims, rights and obligations under the ABN AMRO Credit Facility to a new entity also known as ABN AMRO Bank N.V. ("New ABN AMRO"), as confirmed by the Amendment to Existing Credit Agreement (the "ABN AMRO Amendment"), dated July 25, 2011, between Global Power Netherlands and New ABN AMRO. The ABN AMRO Amendment incorporated the standard ABN AMRO General Credit Provisions. The ABN AMRO Credit Facility is automatically renewed each year on the same terms and conditions, so long as certain financial conditions are satisfied.

The ABN AMRO Credit Facility is a Euro-denominated facility with an overdraft facility of EUR 1,000,000 and a contingent liability facility of EUR 13,000,000, under which letters of credit may be issued. Global Power Netherlands' interest rate was 2.0% per annum at June 30, 2017, and it pays a facility fee of 0.25% per quarter. Proceeds of borrowings under the ABN AMRO Credit Facility may be used for Global Power Netherlands' business activities. Global Power Netherlands has, by a right of pledge, given a first priority lien on substantially all of its assets as security for the ABN AMRO Credit Facility. The three entities that comprise Global Power Netherlands are jointly and severally liable under the ABN AMRO Credit Facility.

The ABN AMRO Credit Facility imposes a number of covenant requirements on Global Power Netherlands. Global Power Netherlands' tangible net worth must at all times represent at least 35% of Global Power Netherlands' adjusted balance sheet total. The adjusted balance sheet total is defined as total assets minus the sum of intangible assets, deferred tax assets, participating interests, receivables from shareholders and/or directors and shares held in the company, as shown in the annual accounts, as well as any off-balance sheet guarantee exposure. Global Power Netherlands may not make profit distributions without the prior written consent of New ABN AMRO or if Global Power Netherlands' tangible net worth is less than 35% of Global Power Netherlands' adjusted balance sheet total. Global Power Netherlands will not have a current account with its mother or sister companies. Global Power Netherlands will inform New ABN AMRO in advance of any future guarantees. Global Power Netherlands' annual accounts shall be prepared in accordance with the International Accounting Standards Board's standards. New ABN AMRO retains the right to revise the ABN AMRO Credit Facility and related security package if Global Power Professional Services Netherlands B.V. and Global Power Netherlands B.V. begin to conduct business outside the Netherlands. Global Power Netherlands shall not grant any second ranking right of pledge to other parties.

As of June 30, 2017, no overdraft amounts were outstanding under this facility, and Global Power Netherlands was in compliance with all covenants under the ABN AMRO Credit Facility.

In connection with the sale of substantially all of the operating assets and liabilities of our Mechanical Solutions segment on October 11, 2017, the ABN AMRO Credit Facility was assumed by the purchaser.

Letters of Credit and Bonds

In line with industry practice, we are often required to provide letters of credit and surety and performance bonds to customers. These letters of credit and bonds provide credit support and security for the customer if we fail to perform our obligations under the applicable contract with such customer. The interest rate on letters of credit issued under the Revolving Credit Facility letter of credit sublimit was 8.5% per annum at the time of the refinancing in mid-June 2017. To the extent that a letter of credit had an expiration date beyond the original Revolving Credit Facility maturity date of February 21, 2017, cash collateral of an amount equal to 105% of the face amount of such letter of credit was provided as security for all reimbursement and other letter of credit obligations. The Centre Lane Facility does not provide for letters of credit; therefore, we are currently unable to obtain new letters of credit.

As of June 30, 2017, we had $11.7 million outstanding standby letters of credit that were originally issued under the Revolving Credit Facility and $11.2 million outstanding under the ABN AMRO Facility. As of June 30, 2017, there were no amounts drawn upon these letters of credit. As of December 31, 2016, our outstanding standby letters of credit issued under the Revolving Credit Facility and our ABN AMRO facility were $11.8 million and $10.0 million, respectively.

As of June 30, 2017, we provided cash collateral of $12.2 million for letters of credit with expiry dates beyond the Revolving Credit Facility's original maturity date. In addition, as of June 30, 2017, we had outstanding surety bonds on projects of $38.9 million. As of December 31, 2016, we provided cash collateral of $7.9 million for letters of credit with expiry dates beyond the Revolving Credit Facility's original maturity date. In addition, as of December 31, 2016, we had outstanding surety bonds on projects of $32.7 million.

Deferred Financing Costs

Deferred financing costs are amortized over the terms of the related debt facilities using the effective yield method. We incurred no interest expense associated with the amortization of deferred financing costs on the Revolving Credit Facility for the three months ended June 30, 2017 and incurred less than $0.1 million for the six months ended June 30, 2017. For each of the three and six months ended June 30, 2016, total interest expense associated with the amortization of deferred financing costs on the Revolving Credit Facility was $0.1 million. Total interest expense associated with the amortization of deferred financing costs on the Centre Lane Credit Facility was less than $0.1 million for each of the three and six months ended June 30, 2017.

As of June 30, 2017, we had no unamortized deferred financing costs related to the Revolving Credit Facility. We had unamortized deferred financing costs of $4.9 million related to the Centre Lane Facility, which are included in long-term debt on the accompanying June 30, 2017 condensed consolidated balance sheet. We had unamortized deferred financing costs of less than $0.1 million related to the Revolving Credit Facility, which are included in other long-term assets on the accompanying December 31, 2016 consolidated balance sheet.

Working Capital

Working capital represents total current assets less total current liabilities. At June 30, 2017, our working capital decreased $28.0 million, or 34.6%, to $52.9 million from $80.9 million at December 31, 2016. Current assets decreased $20.6 million during the first half of 2017, driven primarily by a $22.8 million decrease in assets held for sale, which were sold in January 2017. Current liabilities increased $7.5 million during the first half of 2017 due primarily to a $1.5 million increase in accrued compensation and benefits, a $5.2 million increase in billings in excess of costs and estimated earnings and a $2.3 million increase in other current liabilities. These increases were partially offset by a $1.2 million decrease in liabilities related to assets held for sale.

Net Cash Flows

Our net consolidated cash flows consisted of the following for the six months ended June 30:

Statement of Cash Flow Data (in thousands)	Six Months Ended June 30, 2017	2016
Cash flows provided by (used in):		
Operating activities	$ (5,759)	$ (10,257)
Investing activities	17,029	(3,632)
Financing activities	(5,852)	(1,153)
Effect of exchange rate changes on cash	286	219
Net change in cash and cash equivalents	$ 5,704	$ (14,823)

Our operating, investing and financing activities and the effect of exchange rate changes are described in more detail below.

Operating Activities

For the six months ended June 30, 2017 and 2016, net loss adjusted for noncash activities was $26.5 million and $14.3 million, respectively, and our working capital accounts provided $20.7 million and $4.1 million, respectively.

Investing Activities

During the first six months of 2017, we received $21.7 million from the sale of Hetsco, of which $1.5 million was held in escrow. During September 2017, $0.4 million was released from escrow to the purchaser as part of working capital adjustments.

Financing Activities

During the first six months of 2017, cash used for financing activities was $5.9 million. Repayment on the Revolving Credit Facility accounted for $165.5 million of the usage of cash, while proceeds from the Revolving Credit Facility and the Centre Lane Facility provided $161.6 million of cash. We also used cash for financing activities of $1.7 million in connection the refinancing of our long-term debt during the first half of 2017.

Effect of Exchange Rate Changes on Cash

For the six months ended June 30, 2017 and 2016, the effect of exchange rate changes increased cash $0.3 million and $0.2 million, respectively, primarily resulting from fluctuations in the Euro against the U.S. Dollar.

Dividends

We have not declared dividends since the first quarter of 2015 and do not anticipate declaring dividends in the near term. As of June 30, 2017, the terms of our Centre Lane Facility restricted our ability to pay dividends. In addition, the timing and amounts of any dividends would be subject to determination and approval by our Board of Directors. Dividends reported on the unaudited condensed consolidated statement of stockholders' equity and the unaudited condensed consolidated statements of cash flows included in this Form 10-Q are related to dividends on unvested restricted stock awards and units granted under pre-2014 long-term incentive compensation plans and are not related to a declared dividend.

Liquidity Outlook

As of December 14, 2017, our outstanding term-loan balance under the Centre Lane Facility was $25.1 million and we had cash and cash equivalents of $15.4 million, including $11.8 million of restricted cash. Currently, we do not have access to additional borrowings under the Centre Lane Facility or the ability to issue new letters of credit. However, we are actively pursuing a new asset-based lending facility ("ABL"), which would provide additional liquidity through new borrowings and the release of restricted cash currently collateralizing our standby letters of credit that were issued under our previous Revolving Credit Facility. Additionally, we expect that the new ABL would provide us the ability to issue new letters of credit.

We are assessing strategic alternatives, including the potential complete divestiture of the Electrical Solutions segment. Should a sale occur, the net proceeds would be used to further reduce the outstanding term-loan debt under the Centre Lane Facility, at which point we would pursue a refinancing of the long-term debt under more favorable terms.

The Company remains focused on executing the various liquidity plan initiatives as discussed herein, above in "Note 2—Liquidity" to the unaudited condensed consolidated financial statements and in the 2016 Form 10-K, including the evaluation of our general and administrative functional requirements and how we can optimize cost efficiencies related to those requirements.

Off-Balance Sheet Transactions

Our liquidity is currently not dependent on the use of off-balance sheet transactions but, in line with industry practice, we are often required to provide performance and surety bonds to customers and may be required to provide letters of credit. If performance assurances are extended to customers, generally our maximum potential exposure is limited in the contract with our customers. We frequently obtain similar performance assurances from third-party vendors and subcontractors for work performed in the ordinary course of contract execution. However, the total costs of a project could exceed our original cost estimates, and we could experience reduced gross profit or possibly a loss for a given project. In some cases, if we fail to meet certain performance standards, we may be subject to contractual liquidated damages.

As of June 30, 2017, we had a contingent liability for issued and outstanding standby letters of credit, generally issued to secure performance on customer contracts. As of June 30, 2017, we had $11.7 million of outstanding standby letters of credit that were originally issued under the Revolving Credit Facility and $11.2 million outstanding under the ABN AMRO Facility. As of June 30, 2017, there were no amounts drawn upon these letters of credit. In addition, as of June 30, 2017, we had outstanding surety bonds on projects of $38.9 million. Our subsidiaries also provide financial guarantees for certain contractual obligations in the ordinary course of business.

Critical Accounting Policies

There have been no material changes to our critical accounting policies as set forth in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," included in our 2016 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 4. Controls and Procedures.

The Company has evaluated, under the supervision of the Company's Co-Chief Executive Officers and Chief Financial Officer, the effectiveness of disclosure controls and procedures as of June 30, 2017. This is done in order to ensure that information the Company is required to disclose in reports that are filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Based on this evaluation, the Co-Chief Executive Officers and Chief Financial Officer concluded that the Company's disclosure controls and procedures were not effective as of June 30, 2017, due to the material weaknesses described in "Item 9A. Controls and Procedures" of the Company's 2016 Form 10-K.

To address these control weaknesses, the Company performed additional analysis and performed other procedures in order to prepare the unaudited condensed consolidated financial statements in accordance with accounting principles generally accepted in the U.S.

Notwithstanding the material weaknesses, management has concluded that the condensed consolidated financial statements included in this Form 10-Q present fairly, in all material aspects, the Company's financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the U.S.

Changes in Internal Controls over Financial Reporting

Under the applicable SEC rules (Exchange Act Rules 13a-15(f) and 15d-15(f)), management is required to evaluate any changes in internal control over financial reporting that occurred during each fiscal quarter that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

As discussed in "Item 9A. Controls and Procedures" of the 2016 Form 10-K, we have undertaken a broad range of remedial procedures to address material weaknesses in our internal control over financial reporting. These remedial procedures continued throughout the three and six months ended June 30, 2017 and will continue throughout the remainder of 2017.

While we continue to implement remediation efforts and design enhancements to our internal control procedures, we believe there were not any significant changes in internal controls implemented during the three and six months ended June 30, 2017.

Part II—OTHER INFORMATION

Item 1. Legal Proceedings.

The information included in "Note 9—Commitments and Contingencies" to the unaudited condensed consolidated financial statements in this Form 10-Q is incorporated by reference into this Item.

Item 1A. Risk Factors.

There have not been any material changes to our risk factors from those reported in our 2016 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Unregistered Sales of Equity Securities

There were no unregistered sales of equity securities during the period covered by this Form 10-Q.

Issuer Purchases of Equity Securities

There were no issuer purchases of equity securities during the period covered by this Form 10-Q.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit	Description
10.1	Form of Global Power Equipment Group Inc. Time-Based Restricted Share Unit Agreement (dated April 17, 2017).*
10.2	Form of Global Power Equipment Group Inc. Performance-Based Restricted Share Unit Agreement (dated April 17, 2017).*
10.3	Form of Global Power Equipment Group Inc. Cash-Based Award Agreement (dated April 17, 2017).*
31.1	Certification by the Co-Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Co-Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.3	Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by the Co-Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by the Co-Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.3	Certification by the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	GLOBAL POWER EQUIPMENT GROUP INC.
Date: December 19, 2017	By: /s/ Erin Gonzalez
	Erin Gonzalez, Chief Financial Officer (Duly authorized officer and principal accounting officer of the registrant)

Exhibit 10.1

GLOBAL POWER EQUIPMENT GROUP INC.
TIME-BASED RESTRICTED SHARE UNIT AGREEMENT

Notice of Restricted Share Unit Award

Global Power Equipment Group Inc. (the "Company") grants to the Grantee named below, in accordance with the terms of the Global Power Equipment Group Inc. 2015 Equity Incentive Plan (the "Plan") and this Time-Based Restricted Share Unit Agreement (the "Agreement"), the number of Restricted Share Units set forth below, as of the Date of Grant set forth below. Capitalized terms used in this Agreement without definition shall have the meanings assigned to them in the Plan.

Name of Grantee:	[Name]
Date of Grant:	April 17, 2017
Number of Restricted Share Units:	[ ]
Vesting Date:	March 31, 2019

Terms of Agreement

1. Grant of Restricted Share Units. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Plan, the Company hereby grants to the Grantee as of the Date of Grant, the Restricted Share Units set forth above. Each Restricted Share Unit shall represent the contingent right to receive one Share and shall at all times be equal in value to one Share. The Restricted Share Units shall be credited in a book entry account established for the Grantee until payment in accordance with Section 4 hereof (or forfeiture in accordance with Section 3 hereof).

2. Vesting of Restricted Share Units.

(a) In General. Subject to the Grantee's compliance with the restrictions of Section 8 hereof, or the terms of the Restrictive Covenants Agreement (as defined in Section 8) or of any separately executed covenant not to compete with the Company, as applicable:

(i) Restricted Share Units. The number of Restricted Share Units set forth above shall vest on the Vesting Date set forth above, provided that the Grantee shall have remained in the continuous employ of the Company or a Subsidiary through the Vesting Date.

(ii) Continuous Employment. For purposes of this Section 2, the continuous employment of the Grantee with the Company and its Subsidiaries shall not be deemed to have been interrupted, and the Grantee shall not be deemed to have ceased to be an employee of the Company and its Subsidiaries, by reason of the transfer of his or her employment among the Company and its Subsidiaries.

(b) Involuntary Termination or Termination for Good Reason. If, prior to the Vesting Date, the Grantee's employment with the Company or a Subsidiary is terminated (x) by the Company or a Subsidiary without Cause (as defined in the Plan) or by reason of the Grantee's Disability (as defined in the long-term disability plan of the Company or a Subsidiary applicable to the Grantee), (y) by the Grantee for Good Reason (as defined in the Plan), or (z) as a result of the Grantee's death, then, provided that, within forty-five (45) days after such termination, the Grantee (or the Grantee's estate, beneficiary or other successor) shall have executed and delivered a release of claims in a form provided by the Company and such release of claims shall have become effective and irrevocable in accordance with its terms, the Grantee shall become vested in a prorated portion of the Restricted Share Units equal to (i) the number of Restricted Share Units that would have become vested had the Grantee remained employed with the Company or a Subsidiary through the Vesting Date, multiplied by (ii) a fraction, the numerator of which is the number of days of continuous employment completed by the Grantee after the Date of Grant and the denominator of which is 713.

(c) Change in Control. The provisions of Section 21 of the Plan shall apply in the event of a Change in Control.

3. Forfeiture of Restricted Share Units.

(a) Forfeiture of Unvested Award. The Restricted Share Units that have not yet vested pursuant to Section 2 (and any right to unpaid Dividend Equivalents under Section 7 with respect to the Restricted Share Units), shall be forfeited automatically without further action or notice if (i) the Grantee ceases to be employed by the Company or a Subsidiary prior to the Vesting Date, except as otherwise provided in Section 2(b) or 2(c), or (ii) the Grantee breaches any of the restrictions of Section 8 hereof, the Restrictive Covenants Agreement or of any separately executed covenant not to compete with the Company, as applicable.

(b) Repayment of Award. The Restricted Share Units shall be subject to the provisions of Section 20 of the Plan regarding forfeiture and repayment of awards in the event of (i) the Grantee engaging in Detrimental Activity, (ii) the Grantee's breach of any of the restrictions of Section 8 hereof, the Restrictive Covenants Agreement (as defined herein) or of any separately executed covenant not to compete with the Company, as applicable, or (iii) as provided pursuant to the Company's Compensation Recovery Policy. Clause (iii) of the immediately preceding sentence shall be construed as a return of consideration due to your violation of your promises under Section 8 of this Agreement, the Restrictive Covenants Agreement or any separately executed covenant not to compete with the Company, as applicable, and not as a liquidated damages clause. Nothing contained herein shall eliminate, reduce or compromise (x) the Company's right to assert that the restrictions provided for in Section 8 of this Agreement, the Restrictive Covenants Agreement or any separately executed covenant not to compete with the Company, as applicable, are fully enforceable as written, or as modified by a court of competent jurisdiction as provided therein, (y) the application of temporary or permanent injunctive relief as a fully appropriate and applicable remedy to enforce the restrictions as provided therein, or (z) the Company's right to pursue other remedies at law or in equity. This Section 3(b) shall survive and continue in full force in accordance with its terms and the terms of the Plan notwithstanding any termination of the Grantee's employment or the payment of the Restricted Share Units as provided herein.

4. Payment of Vested Restricted Share Units. Except as otherwise provided in Section 14 of this Agreement, the Company shall deliver to the Grantee the Shares underlying the vested Restricted Share Units (if any) within ten (10) days following the Vesting Date (or within seventy (70) days following such earlier date as the Restricted Share Units become vested pursuant to this Agreement).

5. Transferability. The Restricted Share Units may not be transferred, assigned, pledged or hypothecated in any manner, or be subject to execution, attachment or similar process, by operation of law or otherwise, unless otherwise provided under the Plan. Any purported transfer or encumbrance in violation of the provisions of this Section 5 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Restricted Share Units.

6. Dividend, Voting and Other Rights. The Grantee shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in the Shares underlying the Restricted Share Units until such Shares have been delivered to the Grantee in accordance with Section 4 hereof. The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver Shares in the future, subject to the terms and conditions of this Agreement and the Plan, and the rights of the Grantee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

7. Payment of Dividend Equivalents. Upon payment of a vested Restricted Share Unit, the Grantee shall be entitled to a cash payment (without interest) equal to the aggregate cash dividends declared and payable with respect to one (1) Share for each record date that occurs during the period beginning on the Date of Grant and ending on the date the vested Restricted Share Unit is paid (the "Dividend Equivalent"). The Dividend Equivalents shall be forfeited to the extent that the underlying Restricted Share Unit is forfeited and shall be paid to the Grantee, if at all, at the same time that the related vested Restricted Share Unit is paid to the Grantee in accordance with Section 4.

8. Non-Solicitation; Confidentiality; Ownership of Work Product. In the event that the Grantee is a party to one or more separately executed agreements with the Company, the terms of which restrict (w) the Grantee's ability to solicit customers of the Company, (x) the Grantee's ability to solicit employees of the Company, (y) the Grantee's ability to use or disclose confidential information or trade secrets of the Company, or (z) the ownership of works (collectively, the "Restrictive Covenants Agreement"), then the terms of such applicable restriction or restrictions in the Restrictive Covenants Agreement shall govern in lieu of the corresponding restriction or restrictions set forth in Sections 8(a), 8(b), 8(c) or 8(d) hereof, respectively. In consideration of, and as a condition to, the Grantee's employment by the Company, the grant of the Restricted Share Units, a portion of the compensation and other benefits to be paid to the Grantee during such employment, the potential disclosure to the Grantee of Confidential Information (as hereinafter defined) in connection with such employment and other good and valuable consideration, the Grantee and the Company agree as follows:

(a) Non-Solicitation of Customers. During the Grantee's employment by the Company and for one (1) year after the date the Grantee's employment ends for any reason (the "Restricted Period"), the Grantee hereby covenants and agrees that the Grantee shall not (in a capacity where the Grantee could use specialized knowledge, training, skill or expertise, Confidential Information (as defined herein), or customer contacts or information obtained from the Company to the detriment of the Company), either directly or indirectly, individually, on behalf of or in concert with others, or as an owner, a shareholder, partner, director, officer, employee, agent or advisor of any business or entity, undertake or engage in any of the following activities without the prior written consent of the Company: solicit, call on or in any manner cause or attempt to cause any Customer (as defined herein) to divert, terminate, limit, modify or fail to enter into any existing or potential business relationship with the Company. For purposes of this Section 8(a), "Customer" shall mean any customer or client of the Company that (i) the Grantee solicited during the 12-month period prior to termination of the Grantee's employment with the Company, (ii) the Grantee knows to have done business with the Company during the 12-month period prior to termination of the Grantee's employment, or (iii) the Grantee had been provided or had access to Confidential Information during the Grantee's employment with the Company.

(b) Non-Solicitation of Employees. During the Restricted Period, the Grantee hereby covenants and agrees that the Grantee shall not (either directly or indirectly, individually, on behalf of or in concert with others, or as an owner, shareholder, partner, director, officer, employee, agent or advisor of any business or entity) solicit, recruit, induce, entice, endeavor or assist in any effort to cause any person employed by the Company to end such person's employment with the Company (whether or not such person would commit a breach of contract by accepting such other employment).

(c) Confidentiality.

(i) The Grantee acknowledges that in the course of the Grantee's employment by the Company, the Grantee will be exposed to considerable proprietary, confidential and trade secret information relating to the business and operations of the Company. The Grantee understands that the Company has expended, and will continue to expend time, money, and effort to develop and maintain its confidential, proprietary and trade secret information which, if misused or disclosed, could be harmful to the Company's business and could cause the Company to lose its competitive edge in the marketplace. The Grantee understands that the Company desires to protect its business and to avoid competition with the Grantee in the event that the Grantee ever leaves the employ of the Company, whether voluntarily or involuntarily.

(ii) During the Grantee's employment by the Company, and after termination of the Grantee's employment with the Company, for any reason, whether voluntary or involuntary, the Grantee will hold in a fiduciary capacity for the benefit of the Company all information, knowledge or data relating to the Company or any of its businesses which the Company considers to be proprietary, trade secret or confidential that the Grantee obtains or has previously obtained during the Grantee's employment by the Company and that is not public knowledge (other than as a result of the Grantee's violation of this provision), including but not limited to the Company's technology, business plans, business processes, methods of operations, customer information, including contacts, preferences, requirements, pricing, and other customer information, vendor information, financial information, pricing information and strategies, and other business relationships ("Confidential Information"). The Grantee will not directly or indirectly use any Confidential Information for any purpose not associated with the activities of the Company, or communicate, divulge or disseminate Confidential Information to any person or entity not authorized by the Company to receive it at any time during or after the Grantee's employment with the Company, except with the prior written consent of the Company or as otherwise required by law or legal process.

(iii) Upon the request of the Company and, in any event, upon the termination of the Grantee's employment with the Company, the Grantee shall deliver to the Company all property in the Grantee's possession or control belonging to the Company, including but not limited to all keys, computers, credit cards, telephones, office equipment, software, and all Confidential Information of the Company. The Grantee shall return all such information, including all memoranda, notes, records, manuals, files or other documents in any form whatsoever (including information contained in computer or other electronic memory or on any computer or electronic storage device), including all copies, pertaining to the performance of the Grantee's services for the Company, the business of the Company, whether made or compiled by the Grantee or provided to or obtained by the Grantee at any time during the Grantee's employment with the Company. If the Company requests, the Grantee agrees to provide written confirmation that the Grantee has returned all such materials consistent with this provision.

(iv) The restrictions stated in this Section 8 are in addition to and not in lieu of protections afforded to trade secrets and confidential information under Applicable Laws. Nothing in this Agreement is intended to or shall be interpreted as diminishing or otherwise limiting the Company's right under Applicable Laws to protect its trade secrets and confidential information.

(d) Ownership of Work Product.

(i) The Company shall own all Work Product (as defined herein). All Work Product shall be considered work made for hire by the Grantee and owned by the Company. The Grantee hereby irrevocably relinquishes for the benefit of the Company any moral rights in and to the Work Product recognized by Applicable Law. If any of the Work Product may not, by operation of law, be considered work made for hire by the Grantee for the Company, or if ownership of all right, title, and interest in and to the intellectual property rights therein shall not otherwise vest exclusively in the Company, the Grantee hereby agrees to assign, and upon creation thereof automatically assigns, without further consideration, the ownership of all trade secrets, registered and unregistered copyrights under United States and international law, copyrightable material or works, patents, patentable inventions and other intellectual property rights therein to the Company, its successors and assigns. The Company shall have the right to obtain and hold in its own name copyright registrations, trademark registrations, patents and any other protection available in the foregoing.

(ii) The Grantee agrees to perform, upon the reasonable request of the Company, during or after employment such further acts as may be necessary or desirable to transfer, perfect, and defend the Company's ownership of the Work Product, including but not limited to: (A) executing, acknowledging, and delivering any requested affidavits and documents of assignment and conveyance; (B) assisting in the preparation, prosecution, procurement, maintenance and enforcement of all copyrights and, if applicable, patents with respect to the Work Product in any countries; (C) providing testimony in connection with any proceeding affecting the right, title, or interest of the Company in any Work Product; and (D) performing any other acts deemed necessary or desirable to carry out the purposes of this Agreement. The Company shall reimburse any reasonable out-of-pocket expenses incurred by the Grantee at the Company's request in connection with the foregoing, including (unless the Grantee is otherwise being compensated at the time) a reasonable and pre-agreed per diem or hourly fee for services rendered following termination of the Grantee's employment.

(iii) For purposes of this Section 8, "Work Product" means all intellectual property rights including all trade secrets, registered and unregistered copyrights under U.S. and international law, copyrightable material or works, patents, patentable inventions, discoveries and improvements, and other intellectual property rights, in any technology software, data files documentation, or other work product that relates to the business and interests of the Company and that the Grantee conceives, develops, creates or delivers to the Company at any time during the Grantee's employment with the Company.

(e) Miscellaneous.

(i) The Grantee acknowledges that the restrictions, prohibitions and other provisions in this Section 8 are reasonable, fair and equitable in scope, terms and duration, and are necessary to protect the legitimate business interests of the Company. The terms and provisions of this Section 8 are intended to be separate and divisible provisions and if, for any reason, any one or more of them is held to be invalid or unenforceable, neither the validity nor the enforceability of any other provision of this Agreement shall thereby be affected. It is the intention of the parties to this Agreement that the potential restrictions on the Grantee imposed by Sections 8(a) and (b) be reasonable in scope and in all other respects. If for any reason any court of competent jurisdiction shall find any provisions of this Section 8 unreasonable in scope or otherwise, the Grantee and the Company agree that the restrictions and prohibitions contained herein may be modified by a court of competent jurisdiction and shall be effective to the fullest extent allowed under Applicable Law in such jurisdiction. The Grantee agrees to disclose the existence of this Agreement to any subsequent employer.

(ii) The Grantee hereby agrees that any remedy at law for any breach or threatened breach of the provisions of this Section 8 will be inadequate and that the Company will be entitled to injunctive relief in addition to any other remedy the Company might have under this Agreement. The Grantee hereby expressly acknowledges that the harm which might result to the Company's business as a result of any noncompliance by the Grantee with the provisions of this Section 8 would be largely irreparable. The parties agree that if the Company pursues legal action to enforce the terms and conditions of this Section 8 and obtains all or part of the relief sought, the Grantee shall be responsible for the reasonable attorney's fees and costs of the Company in bringing such action.

(iii) Notwithstanding any other provision of this Agreement or the Plan, the rights and obligations of the parties hereto, and any claims or disputes relating to this Section 8 shall be governed by and construed in accordance with the laws of the State of Texas without giving effect to the principles of conflict of laws thereof. Each party agrees that any action arising out of or relating to this Section 8 shall be brought exclusively in the state courts located in Dallas County, Texas and the United States District Court for the Northern District of Texas (Dallas Division), accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts, and irrevocably waives any objection, including, without limitation, any objection to the laying of venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any action in those jurisdictions.

(iv) For purposes of this Section 8, the term "Company" shall be deemed to include Global Power Equipment Group Inc., its Subsidiaries and affiliates, and all of their respective successors and assigns.

9. No Employment Contract. Nothing contained in this Agreement shall confer upon the Grantee any right with respect to continuance of employment by the Company and its Subsidiaries, nor limit or affect in any manner the right of the Company and its Subsidiaries to terminate the employment or adjust the compensation of the Grantee, in each case with or without Cause.

10. Relation to Other Benefits. Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

11. Taxes and Withholding. The Grantee is responsible for any federal, state, local or other taxes with respect to the Restricted Share Units and the Dividend Equivalents. The Company does not guarantee any particular tax treatment or results in connection with the grant or vesting of the Restricted Share Units, the delivery of Shares or the payment of Dividend Equivalents. To the extent the Company or any Subsidiary is required to withhold any federal, state, local, foreign or other taxes in connection with the delivery of Shares under this Agreement, then, except as otherwise provided below, the Company or Subsidiary (as applicable) shall retain a number of Shares otherwise deliverable hereunder with a value equal to the required withholding (based on the Fair Market Value of the Shares on the date of delivery); provided that in no event shall the value of the Shares retained exceed the minimum amount of taxes required to be withheld or such other amount that will not result in a negative accounting impact. Notwithstanding the preceding sentence, the Grantee may elect, on a form provided by the Company and subject to any terms and conditions imposed by the Company, to pay or provide for payment of the required tax withholding. If the Company or any Subsidiary is required to withhold any federal, state, local or other taxes at any time other than upon delivery of the Shares under this Agreement, then the Company or Subsidiary (as applicable) shall have the right in its sole discretion to (a) require the Grantee to pay or provide for payment of the required tax withholding, or (b) deduct the required tax withholding from any amount of salary, bonus, incentive compensation or other amounts otherwise payable in cash to the Grantee (other than deferred compensation subject to Section 409A of the Code). If the Company or any Subsidiary is required to withhold any federal, state, local or other taxes with respect to Dividend Equivalents, then the Company or Subsidiary (as applicable) shall have the right in its sole discretion to reduce the cash payment related to the Dividend Equivalent by the applicable tax withholding.

12. Adjustments. The number and kind of shares of stock deliverable pursuant to the Restricted Share Units are subject to adjustment as provided in Section 16 of the Plan.

13. Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws and listing requirements with respect to the Restricted Share Units; provided that, notwithstanding any other provision of this Agreement, and only to the extent permitted under Section 409A of the Code, the Company shall not be obligated to deliver any Shares pursuant to this Agreement if the delivery thereof would result in a violation of any such law or listing requirement.

14. Section 409A of the Code. It is intended that the Restricted Share Units and any Dividend Equivalents provided pursuant to this Agreement shall be exempt from, or comply with, the requirements of Section 409A of the Code, and this Agreement shall be interpreted, administered and governed in accordance with such intent. To the extent necessary to give effect to such intent, the Grantee's termination of employment shall mean, for purposes of this Agreement, the Grantee's "separation from service" within the meaning of Section 409A of the Code. In particular, it is intended that the Restricted Share Units and any Dividend Equivalents shall be exempt from Section 409A of the Code, to the maximum extent possible, pursuant to the "short-term deferral" exception thereto. However, to the extent that the Restricted Share Units or any Dividend Equivalents constitute a deferral of compensation subject to the requirements of Section 409A of the Code (for example, because the Grantee's governing employment agreement defines "Good Reason" in a manner such that the Grantee's termination of employment for Good Reason would not be treated as an involuntary separation from service for purposes of Section 409A of the Code), then the following rules shall apply, notwithstanding any other provision of this Agreement to the contrary:

(a) The Company will deliver the Shares underlying any Restricted Share Units that become vested in accordance with Section 2(b) or 2(c) of this Agreement and pay any Dividend Equivalents with respect to those vested Restricted Share Units within seventy (70) days after the first to occur of (i) the Vesting Date; (ii) the occurrence of a Change in Control that is also a "change in the ownership," a "change in the effective control," or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code; or (iii) the Grantee's "separation from service" within the meaning of Section 409A of the Code; and

(b) If the Restricted Share Units (and any related Dividend Equivalents) become payable as a result of the Grantee's separation from service (other than as a result of the Grantee's death) and the Grantee is a "specified employee" at that time within the meaning of Section 409A of the Code (as determined pursuant to the Company's policy for identifying specified employees), the Company will deliver the Shares underlying the vested Restricted Share Units and pay any related Dividend Equivalents to the Grantee on the first business day that is at least six months after the date of the Grantee's separation from service (or upon the Grantee's death if the Grantee dies before the end of that six-month period).

15. Amendments. Subject to the terms of the Plan, the Committee may modify this Agreement upon written notice to the Grantee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. Notwithstanding the foregoing, no amendment of the Plan or this Agreement shall adversely affect in a material way the rights of the Grantee under this Agreement without the Grantee's consent unless the Committee determines, in good faith, that such amendment is required for the Agreement to either be exempt from the application of, or comply with, the requirements of Section 409A of the Code, or as otherwise may be provided in the Plan.

16. Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

17. Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. Except with respect to the provisions of the Restrictive Covenants Agreement and of any separately executed covenant not to compete with the Company expressly referenced herein, this Agreement and the Plan contain the entire agreement and understanding of the parties with respect to the subject matter contained in this Agreement, and supersede all prior written or oral communications, representations and negotiations in respect thereto. Except as otherwise provided in Section 8(e)(iii) hereof, in the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein, have the right to determine any questions that arise in connection with the grant of the Restricted Share Units.

18. Successors and Assigns. Without limiting Section 5, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

19. Governing Law. Except as otherwise provided in Section 8 hereof, the interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflict of laws thereof.

20. Use of Grantee's Information. Information about the Grantee and the Grantee's participation in the Plan may be collected, recorded and held, used and disclosed for any purpose related to the administration of the Plan. The Grantee understands that such processing of this information may need to be carried out by the Company and its Subsidiaries and by third-party administrators whether such persons are located within the Grantee's country or elsewhere, including the United States of America. The Grantee consents to the processing of information relating to the Grantee and the Grantee's participation in the Plan in any one or more of the ways referred to above.

21. Electronic Delivery. The Grantee hereby consents and agrees to electronic delivery of any documents that the Company may elect to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other award made or offered under the Plan. The Grantee understands that, unless earlier revoked by the Grantee by giving written notice to the Senior Vice President, Chief Administrative Officer, General Counsel and Secretary of the Company, this consent shall be effective for the duration of the Agreement. The Grantee also understands that he or she shall have the right at any time to request that the Company deliver written copies of any and all materials referred to above at no charge. The Grantee hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may elect to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature. The Grantee consents and agrees that any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the Plan.

22. No Fractional Shares. Fractional Shares or units will be subject to rounding conventions adopted by the Company from time to time; provided that in no event will the total shares issued exceed the total units granted under this award.

23. **Legend**. The Grantee understands that each certificate evidencing the Shares underlying any vested Restricted Share Units will bear a legend in substantially the following form, which the Grantee has read and understands:

> THESE SECURITIES HAVE NOT BEEN ISSUED PURSUANT TO A REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THESE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (WHICH TRANSACTION SHALL BE ACCOMPANIED BY AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR OTHER APPLICABLE LAWS) OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT RELATING TO SUCH SECURITIES UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS.

If the Shares are issued in uncertificated form, the Grantee agrees that such Shares may not be offered, sold, pledged, transferred or otherwise disposed of except in accordance with the terms set forth in the legend above.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Date of Grant.

GLOBAL POWER EQUIPMENT GROUP INC.

By: /s/ Terence J. Cryan
Name: Terence J. Cryan
Title: President and CEO

By executing this Agreement, you acknowledge that a copy of the Plan and the Company's most recent Annual Report and Proxy Statement either have been received by you or are available for viewing on the Company's internet site at www.globalpower.com, and you consent to receiving this information electronically, or, in the alternative, agree to contact Tracy Pagliara, the Company's Senior Vice President, Chief Administrative Officer, General Counsel and Secretary, at 214-574-2709, to request a paper copy of this information at no charge.

GRANTEE

____

Exhibit 10.2

GLOBAL POWER EQUIPMENT GROUP INC.
PERFORMANCE-BASED RESTRICTED SHARE UNIT AGREEMENT

Notice of Restricted Share Unit Award

Global Power Equipment Group Inc. (the "Company") grants to the Grantee named below, in accordance with the terms of the Global Power Equipment Group Inc. 2015 Equity Incentive Plan (the "Plan") and this Performance-Based Restricted Share Unit Agreement (the "Agreement"), the Target Number of Restricted Share Units set forth below, as of the Date of Grant set forth below. Capitalized terms used in this Agreement without definition shall have the meanings assigned to them in the Plan.

Name of Grantee:	[Name]
Date of Grant:	April 17, 2017
Target Number of Restricted Share Units:	[ ] Restricted Share Units
Performance Objectives:	Achievement of the Relative TSR Goal during the Performance Period, or achievement of the Stock Price Goal, each as determined in accordance with Exhibit A attached hereto.
Relative TSR Goal:	The Company's achievement of a percentile ranking between the 25th and 75th percentile among the companies in the Comparator Group (as defined in Exhibit B attached hereto) for total shareholder return for the Performance Period (as defined below), with total shareholder return calculated for the Company and each company in the Comparator Group based on the average closing share price per common share over the last five trading days prior to the Date of Grant compared to the average closing share price over the last five trading days in the Performance Period, plus deemed re-investment of dividends and assuming that any dividends with ex-dividend dates during the calculation period are reinvested on the ex-dividend date.
Performance Period:	The period beginning on the Date of Grant and ending on March 31, 2019
Stock Price Goal:	The Company's achievement of a trading price per Share greater than or equal to $6.00 for any period of 30 consecutive trading days during the three-year period ending on March 31, 2020.

Terms of Agreement

1. Grant of Restricted Share Units. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Plan, the Company hereby grants to the Grantee as of the Date of Grant, the Target Number of Restricted Share Units set forth above ("Restricted Share Units"). Each Restricted Share Unit shall represent the contingent right to receive one Share and shall at all times be equal in value to one Share. The Restricted Share Units shall be credited in a book entry account established for the Grantee until payment in accordance with Section 4 hereof (or forfeiture in accordance with Section 3 hereof).

2. Vesting of Restricted Share Units.

(a) In General. Subject to the Grantee's compliance with the restrictions of Section 8 hereof, or the terms of the Restrictive Covenants Agreement (as defined in Section 8) or of any separately executed covenant not to compete with the Company, as applicable, and the achievement of one or both of the Performance Objectives, all a portion or a multiple of the Target Number of Restricted Share Units shall become vested as follows:

(i) Relative TSR Goal Achieved during the Performance Period. If and to the extent that the Relative TSR Goal is achieved during the Performance Period, as certified by the Committee after the end of the Performance Period, then a percentage (between 25% and 150%) of the Target Number of Restricted Share Units shall become vested, effective as of the last day of the Performance Period, as determined in accordance with Exhibit A attached hereto, provided that the Grantee shall have remained in the continuous employ of the Company or a Subsidiary through the last day of the Performance Period.

(ii) Stock Price Goal Achieved. If the level of achievement of the Relative TSR Goal during the Performance Period is below the "target" performance level set forth on Exhibit A attached hereto but the Stock Price Goal is achieved, as certified by the Committee, then all or a portion of the Target Number of Restricted Share Units shall become vested, effective as of the later of the last day of the Performance Period or the date (not later than March 31, 2020) that the Stock Price Goal is achieved, as determined in accordance with Exhibit A attached hereto, provided that the Grantee shall have remained in the continuous employ of the Company or a Subsidiary through the last day of the Performance Period or, if later, the date that the Stock Price Goal is achieved.

(b) Continuous Employment. For purposes of this Section 2, the continuous employment of the Grantee with the Company and its Subsidiaries shall not be deemed to have been interrupted, and the Grantee shall not be deemed to have ceased to be an employee of the Company and its Subsidiaries, by reason of the transfer of his or her employment among the Company and its Subsidiaries.

(c) Involuntary Termination or Termination for Good Reason. If, prior to the date that a Performance Objective is achieved, the Grantee's employment with the Company or a Subsidiary is terminated (i) by the Company or a Subsidiary without Cause (as defined in the Plan) or by reason of the Grantee's Disability (as defined in the long-term disability plan of the Company or a Subsidiary applicable to the Grantee), (ii) by the Grantee for Good Reason (as defined in the Plan), or (iii) as a result of the Grantee's death, then, provided that, within forty-five (45) days after such termination, the Grantee (or the Grantee's estate, beneficiary or other successor) shall have executed and delivered a release of claims in a form provided by the Company and such release of claims shall have become effective and irrevocable in accordance with its terms, the Grantee shall become vested in a prorated portion of the Restricted Share Units equal to (x) the number of Restricted Share Units that would have become vested had the Grantee remained employed with the Company or a Subsidiary through the date that such Performance Objective is achieved, based upon the Company's actual achievement of the Performance Objectives, multiplied by (y) a fraction, the numerator of which is the number of days of continuous employment completed by the Grantee after the Date of Grant and the denominator of which is 713 (or such larger number of days in the period from the Date of Grant to the date that the Performance Objective is achieved).

(d) Change in Control. The provisions of Section 21 of the Plan shall apply in the event of a Change in Control.

3. Forfeiture of Restricted Share Units.

(a) Forfeiture of Unvested Award. The Restricted Share Units that have not yet vested pursuant to Section 2 (and any right to unpaid Dividend Equivalents under Section 7 with respect to the Restricted Share Units), shall be forfeited automatically without further action or notice if (i) the Grantee ceases to be employed by the Company or a Subsidiary prior to the last day of the Performance Period, except as otherwise provided in Section 2; (ii) the Grantee breaches any of the restrictions of Section 8 hereof, the Restrictive Covenants Agreement or of any separately executed covenant not to compete with the Company, as applicable; or (iii) the Company fails to achieve either of the Performance Objectives.

(b) Repayment of Award. The Restricted Share Units shall be subject to the provisions of Section 20 of the Plan regarding forfeiture and repayment of awards in the event of (i) the Grantee engaging in Detrimental Activity, (ii) the Grantee's breach of any of the restrictions of Section 8 hereof, the Restrictive Covenants Agreement (as defined herein) or of any separately executed covenant not to compete with the Company, as applicable, or (iii) as provided pursuant to the Company's Compensation Recovery Policy. Clause (iii) of the immediately preceding sentence shall be construed as a return of consideration due to your violation of your promises under Section 8 of this Agreement, the Restrictive Covenants Agreement or any separately executed covenant not to compete with the Company, as applicable, and not as a liquidated damages clause. Nothing contained herein shall eliminate, reduce or compromise (x) the Company's right to assert that the restrictions provided for in Section 8 of this Agreement, the Restrictive Covenants Agreement or any separately executed covenant not to compete with the Company, as applicable, are fully enforceable as written, or as modified by a court of competent jurisdiction as provided therein, (y) the application of temporary or permanent injunctive relief as a fully appropriate and applicable remedy to enforce the restrictions as provided therein, or (z) the Company's right to pursue other remedies at law or in equity. This Section 3(b) shall survive and continue in full force in accordance with its terms and the terms of the Plan notwithstanding any termination of the Grantee's employment or the payment of the Restricted Share Units as provided herein.

4. Payment of Vested Restricted Share Units. Except as otherwise provided in Section 14 of this Agreement, the Company shall deliver to the Grantee the Shares underlying any vested Restricted Share Units within seventy (70) days following the last day of the Performance Period (or within seventy (70) days following such later date as any Restricted Share Units become vested pursuant to this Agreement).

5. Transferability. The Restricted Share Units may not be transferred, assigned, pledged or hypothecated in any manner, or be subject to execution, attachment or similar process, by operation of law or otherwise, unless otherwise provided under the Plan. Any purported transfer or encumbrance in violation of the provisions of this Section 5 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Restricted Share Units.

6. Dividend, Voting and Other Rights. The Grantee shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in the Shares underlying the Restricted Share Units until such Shares have been delivered to the Grantee in accordance with Section 4 hereof. The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver Shares in the future, subject to the terms and conditions of this Agreement and the Plan, and the rights of the Grantee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

7. Payment of Dividend Equivalents. Upon payment of a vested Restricted Share Unit, the Grantee shall be entitled to a cash payment (without interest) equal to the aggregate cash dividends declared and payable with respect to one (1) Share for each record date that occurs during the period beginning on the Date of Grant and ending on the date the vested Restricted Share Unit is paid (the "Dividend Equivalent"). The Dividend Equivalents shall be forfeited to the extent that the underlying Restricted Share Unit is forfeited and shall be paid to the Grantee, if at all, at the same time that the related vested Restricted Share Unit is paid to the Grantee in accordance with Section 4.

8. Non-Solicitation; Confidentiality; Ownership of Work Product. In the event that the Grantee is a party to one or more separately executed agreements with the Company, the terms of which restrict (w) the Grantee's ability to solicit customers of the Company, (x) the Grantee's ability to solicit employees of the Company, (y) the Grantee's ability to use or disclose confidential information or trade secrets of the Company, or (z) the ownership of works (collectively, the "Restrictive Covenants Agreement"), then the terms of such applicable restriction or restrictions in the Restrictive Covenants Agreement shall govern in lieu of the corresponding restriction or restrictions set forth in Sections 8(a), 8(b), 8(c) or 8(d) hereof, respectively. In consideration of, and as a condition to, the Grantee's employment by the Company, the grant of the Restricted Share Units, a portion of the compensation and other benefits to be paid to the Grantee during such employment, the potential disclosure to the Grantee of Confidential Information (as hereinafter defined) in connection with such employment and other good and valuable consideration, the Grantee and the Company agree as follows:

(a) Non-Solicitation of Customers. During the Grantee's employment by the Company and for one (1) year after the date the Grantee's employment ends for any reason (the "Restricted Period"), the Grantee hereby covenants and agrees that the Grantee shall not (in a capacity where the Grantee could use specialized knowledge, training, skill or expertise, Confidential Information (as defined herein), or customer contacts or information obtained from the Company to the detriment of the Company), either directly or indirectly, individually, on behalf of or in concert with others, or as an owner, a shareholder, partner, director, officer, employee, agent or advisor of any business or entity, undertake or engage in any of the following activities without the prior written consent of the Company: solicit, call on or in any manner cause or attempt to cause any Customer (as defined herein) to divert, terminate, limit, modify or fail to enter into any existing or potential business relationship with the Company. For purposes of this Section 8(a), "Customer" shall mean any customer or client of the Company that (i) the Grantee solicited during the 12-month period prior to termination of the Grantee's employment with the Company, (ii) the Grantee knows to have done business with the Company during the 12-month period prior to termination of the Grantee's employment, or (iii) the Grantee had been provided or had access to Confidential Information during the Grantee's employment with the Company.

(b) Non-Solicitation of Employees. During the Restricted Period, the Grantee hereby covenants and agrees that the Grantee shall not (either directly or indirectly, individually, on behalf of or in concert with others, or as an owner, shareholder, partner, director, officer, employee, agent or advisor of any business or entity) solicit, recruit, induce, entice, endeavor or assist in any effort to cause any person employed by the Company to end such person's employment with the Company (whether or not such person would commit a breach of contract by accepting such other employment).

(c) Confidentiality.

(i) The Grantee acknowledges that in the course of the Grantee's employment by the Company, the Grantee will be exposed to considerable proprietary, confidential and trade secret information relating to the business and operations of the Company. The Grantee understands that the Company has expended, and will continue to expend time, money, and effort to develop and maintain its confidential, proprietary and trade secret information which, if misused or disclosed, could be harmful to the Company's business and could cause the Company to lose its competitive edge in the marketplace. The Grantee understands that the Company desires to protect its business and to avoid competition with the Grantee in the event that the Grantee ever leaves the employ of the Company, whether voluntarily or involuntarily.

(ii) During the Grantee's employment by the Company, and after termination of the Grantee's employment with the Company, for any reason, whether voluntary or involuntary, the Grantee will hold in a fiduciary capacity for the benefit of the Company all information, knowledge or data relating to the Company or any of its businesses which the Company considers to be proprietary, trade secret or confidential that the Grantee obtains or has previously obtained during the Grantee's employment by the Company and that is not public knowledge (other than as a result of the Grantee's violation of this provision), including but not limited to the Company's technology, business plans, business processes, methods of operations, customer information, including contacts, preferences, requirements, pricing, and other customer information, vendor information, financial information, pricing information and strategies, and other business relationships ("Confidential Information"). The Grantee will not directly or indirectly use any Confidential Information for any purpose not associated with the activities of the Company, or communicate, divulge or disseminate Confidential Information to any person or entity not authorized by the Company to receive it at any time during or after the Grantee's employment with the Company, except with the prior written consent of the Company or as otherwise required by law or legal process.

(iii) Upon the request of the Company and, in any event, upon the termination of the Grantee's employment with the Company, the Grantee shall deliver to the Company all property in the Grantee's possession or control belonging to the Company, including but not limited to all keys, computers, credit cards, telephones, office equipment, software, and all Confidential Information of the Company. The Grantee shall return all such information, including all memoranda, notes, records, manuals, files or other documents in any form whatsoever (including information contained in computer or other electronic memory or on any computer or electronic storage device), including all copies, pertaining to the performance of the Grantee's services for the Company, the business of the Company, whether made or compiled by the Grantee or provided to or obtained by the Grantee at any time during the Grantee's employment with the Company. If the Company requests, the Grantee agrees to provide written confirmation that the Grantee has returned all such materials consistent with this provision.

(iv) The restrictions stated in this Section 8 are in addition to and not in lieu of protections afforded to trade secrets and confidential information under Applicable Laws. Nothing in this Agreement is intended to or shall be interpreted as diminishing or otherwise limiting the Company's right under Applicable Laws to protect its trade secrets and confidential information.

(d) Ownership of Work Product.

(i) The Company shall own all Work Product (as defined herein). All Work Product shall be considered work made for hire by the Grantee and owned by the Company. The Grantee hereby irrevocably relinquishes for the benefit of the Company any moral rights in and to the Work Product recognized by Applicable Law. If any of the Work Product may not, by operation of law, be considered work made for hire by the Grantee for the Company, or if ownership of all right, title, and interest in and to the intellectual property rights therein shall not otherwise vest exclusively in the Company, the Grantee hereby agrees to assign, and upon creation thereof automatically assigns, without further consideration, the ownership of all trade secrets, registered and unregistered copyrights under United States and international law, copyrightable material or works, patents, patentable inventions and other intellectual property rights therein to the Company, its successors and assigns. The Company shall have the right to obtain and hold in its own name copyright registrations, trademark registrations, patents and any other protection available in the foregoing.

(ii) The Grantee agrees to perform, upon the reasonable request of the Company, during or after employment such further acts as may be necessary or desirable to transfer, perfect, and defend the Company's ownership of the Work Product, including but not limited to: (A) executing, acknowledging, and delivering any requested affidavits and documents of assignment and conveyance; (B) assisting in the preparation, prosecution, procurement, maintenance and enforcement of all copyrights and, if applicable, patents with respect to the Work Product in any countries; (C) providing testimony in connection with any proceeding affecting the right, title, or interest of the Company in any Work Product; and (D) performing any other acts deemed necessary or desirable to carry out the purposes of this Agreement. The Company shall reimburse any reasonable out-of-pocket expenses incurred by the Grantee at the Company's request in connection with the foregoing, including (unless the Grantee is otherwise being compensated at the time) a reasonable and pre-agreed per diem or hourly fee for services rendered following termination of the Grantee's employment.

(iii) For purposes of this Section 8, "Work Product" means all intellectual property rights including all trade secrets, registered and unregistered copyrights under U.S. and international law, copyrightable material or works, patents, patentable inventions, discoveries and improvements, and other intellectual property rights, in any technology software, data files documentation, or other work product that relates to the business and interests of the Company and that the Grantee conceives, develops, creates or delivers to the Company at any time during the Grantee's employment with the Company.

(e) Miscellaneous.

(i) The Grantee acknowledges that the restrictions, prohibitions and other provisions in this Section 8 are reasonable, fair and equitable in scope, terms and duration, and are necessary to protect the legitimate business interests of the Company. The terms and provisions of this Section 8 are intended to be separate and divisible provisions and if, for any reason, any one or more of them is held to be invalid or unenforceable, neither the validity nor the enforceability of any other provision of this Agreement shall thereby be affected. It is the intention of the parties to this Agreement that the potential restrictions on the Grantee imposed by Sections 8(a) and (b) be reasonable in scope and in all other respects. If for any reason any court of competent jurisdiction shall find any provisions of this Section 8 unreasonable in scope or otherwise, the Grantee and the Company agree that the restrictions and prohibitions contained herein may be modified by a court of competent jurisdiction and shall be effective to the fullest extent allowed under Applicable Law in such jurisdiction. The Grantee agrees to disclose the existence of this Agreement to any subsequent employer.

(ii) The Grantee hereby agrees that any remedy at law for any breach or threatened breach of the provisions of this Section 8 will be inadequate and that the Company will be entitled to injunctive relief in addition to any other remedy the Company might have under this Agreement. The Grantee hereby expressly acknowledges that the harm which might result to the Company's business as a result of any noncompliance by the Grantee with the provisions of this Section 8 would be largely irreparable. The parties agree that if the Company pursues legal action to enforce the terms and conditions of this Section 8 and obtains all or part of the relief sought, the Grantee shall be responsible for the reasonable attorney's fees and costs of the Company in bringing such action.

(iii) Notwithstanding any other provision of this Agreement or the Plan, the rights and obligations of the parties hereto, and any claims or disputes relating to this Section 8 shall be governed by and construed in accordance with the laws of the State of Texas without giving effect to the principles of conflict of laws thereof. Each party agrees that any action arising out of or relating to this Section 8 shall be brought exclusively in the state courts located in Dallas County, Texas and the United States District Court for the Northern District of Texas (Dallas Division), accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts, and irrevocably waives any objection, including, without limitation, any objection to the laying of venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any action in those jurisdictions.

(iv) For purposes of this Section 8, the term "Company" shall be deemed to include Global Power Equipment Group Inc., its Subsidiaries and affiliates, and all of their respective successors and assigns.

9. No Employment Contract. Nothing contained in this Agreement shall confer upon the Grantee any right with respect to continuance of employment by the Company and its Subsidiaries, nor limit or affect in any manner the right of the Company and its Subsidiaries to terminate the employment or adjust the compensation of the Grantee, in each case with or without Cause.

10. Relation to Other Benefits. Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

11. Taxes and Withholding. The Grantee is responsible for any federal, state, local or other taxes with respect to the Restricted Share Units and the Dividend Equivalents. The Company does not guarantee any particular tax treatment or results in connection with the grant or vesting of the Restricted Share Units, the delivery of Shares or the payment of Dividend Equivalents. To the extent the Company or any Subsidiary is required to withhold any federal, state, local, foreign or other taxes in connection with the delivery of Shares under this Agreement, then, except as otherwise provided below, the Company or Subsidiary (as applicable) shall retain a number of Shares otherwise deliverable hereunder with a value equal to the required withholding (based on the Fair Market Value of the Shares on the date of delivery); provided that in no event shall the value of the Shares retained exceed the minimum amount of taxes required to be withheld or such other amount that will not result in a negative accounting impact. Notwithstanding the preceding sentence, the Grantee may elect, on a form provided by the Company and subject to any terms and conditions imposed by the Company, to pay or provide for payment of the required tax withholding. If the Company or any Subsidiary is required to withhold any federal, state, local or other taxes at any time other than upon delivery of the Shares under this Agreement, then the Company or Subsidiary (as applicable) shall have the right in its sole discretion to (a) require the Grantee to pay or provide for payment of the required tax withholding, or (b) deduct the required tax withholding from any amount of salary, bonus, incentive compensation or other amounts otherwise payable in cash to the Grantee (other than deferred compensation subject to Section 409A of the Code). If the Company or any Subsidiary is required to withhold any federal, state, local or other taxes with respect to Dividend Equivalents, then the Company or Subsidiary (as applicable) shall have the right in its sole discretion to reduce the cash payment related to the Dividend Equivalent by the applicable tax withholding.

12. Adjustments. The number and kind of shares of stock deliverable pursuant to the Restricted Share Units are subject to adjustment as provided in Section 16 of the Plan.

13. Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws and listing requirements with respect to the Restricted Share Units; provided that, notwithstanding any other provision of this Agreement, and only to the extent permitted under Section 409A of the Code, the Company shall not be obligated to deliver any Shares pursuant to this Agreement if the delivery thereof would result in a violation of any such law or listing requirement.

14. Section 409A of the Code. It is intended that the Restricted Share Units and any Dividend Equivalents provided pursuant to this Agreement shall be exempt from, or comply with, the requirements of Section 409A of the Code, and this Agreement shall be interpreted, administered and governed in accordance with such intent. To the extent necessary to give effect to such intent, the Grantee's termination of employment shall mean, for purposes of this Agreement, the Grantee's "separation from service" within the meaning of Section 409A of the Code. In particular, it is intended that the Restricted Share Units and any Dividend Equivalents shall be exempt from Section 409A of the Code, to the maximum extent possible, pursuant to the "short-term deferral" exception thereto. However, to the extent that the Restricted Share Units or any Dividend Equivalents constitute a deferral of compensation subject to the requirements of Section 409A of the Code (for example, because the Grantee's governing employment agreement defines "Good Reason" in a manner such that the Grantee's termination of employment for Good Reason following a Change in Control would not be treated as an involuntary separation from service for purposes of Section 409A of the Code), then the following rules shall apply, notwithstanding any other provision of this Agreement to the contrary, to the extent necessary to comply with Section 409A of the Code:

(a) The Company will deliver the Shares underlying any Restricted Share Units that become vested in accordance with this Agreement and pay any Dividend Equivalents with respect to those vested Restricted Share Units within seventy (70) days after the first to occur of (i) March 31, 2020; (ii) the occurrence of a Change in Control that is also a "change in the ownership," a "change in the effective control," or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code; or (iii) the Grantee's "separation from service" within the meaning of Section 409A of the Code; and

(b) If the Restricted Share Units (and any related Dividend Equivalents) become payable as a result of the Grantee's separation from service (other than as a result of the Grantee's death) and the Grantee is a "specified employee" at that time within the meaning of Section 409A of the Code (as determined pursuant to the Company's policy for identifying specified employees), the Company will deliver the Shares underlying the vested Restricted Share Units and pay any related Dividend Equivalents to the Grantee on the first business day that is at least six months after the date of the Grantee's separation from service (or upon the Grantee's death if the Grantee dies before the end of that six-month period).

15. Amendments. Subject to the terms of the Plan, the Committee may modify this Agreement upon written notice to the Grantee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. Notwithstanding the foregoing, no amendment of the Plan or this Agreement shall adversely affect in a material way the rights of the Grantee under this Agreement without the Grantee's consent unless the Committee determines, in good faith, that such amendment is required for the Agreement to either be exempt from the application of, or comply with, the requirements of Section 409A of the Code, or as otherwise may be provided in the Plan.

16. Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

17. Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. Except with respect to the provisions of the Restrictive Covenants Agreement and of any separately executed covenant not to compete with the Company expressly referenced herein, this Agreement and the Plan contain the entire agreement and understanding of the parties with respect to the subject matter contained in this Agreement, and supersede all prior written or oral communications, representations and negotiations in respect thereto. Except as otherwise provided in Section 8(e)(iii) hereof, in the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein, have the right to determine any questions that arise in connection with the grant of the Restricted Share Units.

18. Successors and Assigns. Without limiting Section 5, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

19. Governing Law. Except as otherwise provided in Section 8 hereof, the interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflict of laws thereof.

20. Use of Grantee's Information. Information about the Grantee and the Grantee's participation in the Plan may be collected, recorded and held, used and disclosed for any purpose related to the administration of the Plan. The Grantee understands that such processing of this information may need to be carried out by the Company and its Subsidiaries and by third-party administrators whether such persons are located within the Grantee's country or elsewhere, including the United States of America. The Grantee consents to the processing of information relating to the Grantee and the Grantee's participation in the Plan in any one or more of the ways referred to above.

21. Electronic Delivery. The Grantee hereby consents and agrees to electronic delivery of any documents that the Company may elect to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other award made or offered under the Plan. The Grantee understands that, unless earlier revoked by the Grantee by giving written notice to the Senior Vice President, Chief Administrative Officer, General Counsel and Secretary of the Company, this consent shall be effective for the duration of the Agreement. The Grantee also understands that he or she shall have the right at any time to request that the Company deliver written copies of any and all materials referred to above at no charge. The Grantee hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may elect to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature. The Grantee consents and agrees that any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the Plan.

22. No Fractional Shares. Fractional Shares or units will be subject to rounding conventions adopted by the Company from time to time; provided that in no event will the total shares issued exceed the total units granted under this award.

23. Legend. The Grantee understands that each certificate evidencing the Shares underlying any vested Restricted Share Units will bear a legend in substantially the following form, which the Grantee has read and understands:

THESE SECURITIES HAVE NOT BEEN ISSUED PURSUANT TO A REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THESE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (WHICH TRANSACTION SHALL BE ACCOMPANIED BY AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR OTHER APPLICABLE LAWS) OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT RELATING TO SUCH SECURITIES UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS.

If the Shares are issued in uncertificated form, the Grantee agrees that such Shares may not be offered, sold, pledged, transferred or otherwise disposed of except in accordance with the terms set forth in the legend above.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Date of Grant.

GLOBAL POWER EQUIPMENT GROUP INC.

By: /s/ Terence J. Cryan
Name: Terence J. Cryan
Title: President and CEO

By executing this Agreement, you acknowledge that a copy of the Plan and the Company’s most recent Annual Report and Proxy Statement either have been received by you or are available for viewing on the Company’s internet site at www.globalpower.com, and you consent to receiving this information electronically, or, in the alternative, agree to contact Tracy Pagliara, the Company’s Senior Vice President, Chief Administrative Officer, General Counsel and Secretary, at 214-574-2709, to request a paper copy of this information at no charge.

GRANTEE

____

EXHIBIT A

Determination of Restricted Share Units Earned Based on Achievement of Relative TSR Goal

The number of Restricted Share Units, if any, earned based on the achievement of the Relative TSR Goal shall be a percentage (in no event exceeding 150%) of the Grantee's Target Number of Restricted Share Units determined by the Committee (after the conclusion of the Performance Period and prior to payment of any vested Restricted Share Units) in accordance with the performance matrix below and the other applicable provisions of this Exhibit A:

Performance Matrix

Performance Level	The Company's Relative Total Shareholder Return Percentile Rank	Percentage of Target Number of Restricted Share Units Earned
Maximum	75th %ile or above	150%
Target	50th %ile	100%
Threshold	25th %ile	25%
Below Threshold	< 25th %ile	0%

The payout for performance between threshold and target or between target and maximum will determined based on straight-line interpolation.

Notwithstanding the foregoing, if the Company's total shareholder return for the Performance Period is negative, then the number of Restricted Share Units earned hereunder shall not exceed the Grantee's Target Number of Restricted Share Units.

Further notwithstanding the foregoing, if the Company's relative total shareholder return percentile ranking as of March 31, 2018 (with ending values determined based on the average closing share price over the last five trading days through and including March 31, 2018) is at or above the 25th percentile of the companies in the Comparator Group, then the percentage of the number of Restricted Share Units earned hereunder shall not be less than the threshold performance level (25% of the Grantee's Target Number of Restricted Share Units).

Any Restricted Share Units earned in accordance with the foregoing are subject to vesting and forfeiture in accordance with the terms and conditions of the Agreement.

Determination of Restricted Share Units Earned Based on Achievement of Stock Price Goal

If the level of achievement of the Relative TSR Goal, as determined by the Committee in accordance with the foregoing provisions of this Exhibit A is below the target performance level, but the Stock Price Goal is achieved, as determined and certified by the Committee prior to payment of any vested Restricted Share Units, then a number of Restricted Share Units will be earned hereunder equal to the excess (if any) of the Grantee's Target Number of Restricted Share Units over the number of Restricted Share Units (if any) earned under this Agreement based on the Company's achievement of the Relative TSR Goal.

Any Restricted Share Units earned in accordance with the foregoing are subject to vesting and forfeiture in accordance with the terms and conditions of the Agreement.

<u>EXHIBIT B</u>
Comparator Group

For purposes of this Agreement, the "<u>Comparator Group</u>" shall consist of those companies set forth in the table below; provided that any such company that ceases to have shares publicly traded on a U.S. securities exchange before the end of the Performance Period as a result of an acquisition or going-private transaction will be automatically removed from the Comparator Group, and any such company that ceases to have shares publicly traded on a U.S. securities exchange before the end of the Performance Period in connection with a filing for bankruptcy protection will remain in the Comparator Group and will be deemed to have a total shareholder return (for purposes of determining the Company's achievement of the Relative TSR Goal) of negative 100%.

COMPARATOR GROUP COMPANIES
AEROVIRONMENT INC
AROTECH CORP
ASTRONICS CORP
CPI AEROSTRUCTURES INC
DIGITALGLOBE INC
DUCOMMUN INC
KEYW HOLDING CORP
KRATOS DEFENSE & SECURITY
LMI AEROSPACE INC
MERCURY SYSTEMS INC
NATIONAL PRESTO INDS INC
SIFCO INDUSTRIES
SPARTON CORP
TASER INTERNATIONAL INC
AAON INC
BURNHAM HOLDINGS INC
CONTINENTAL BUILDING PRODS
CSW INDUSTRIALS INC
INSTEEL INDUSTRIES

COMPARATOR GROUP COMPANIES
PGT INC
QUANEX BUILDING PRODUCTS
SIMPSON MANUFACTURING
TREX CO INC
AMERESCO INC
ARGAN INC
GOLDFIELD CORP
GREAT LAKES DREDGE & DOCK CP
IES HOLDINGS INC
LAYNE CHRISTENSEN CO
NORTHWEST PIPE CO
NV5 GLOBAL INC
ORION GROUP HOLDINGS INC
STERLING CONSTRUCTION CO INC
ALLIED MOTION TECHNOLOGIES
AMERICAN SUPERCONDUCTOR CP
ENCORE WIRE
ENPHASE ENERGY INC
FUELCELL ENERGY INC
INTERNATIONAL WIRE GRP HLDGS
LSI INDUSTRIES INC
ORION ENERGY SYSTEMS INC
PLUG POWER INC
POWELL INDUSTRIES INC
PREFORMED LINE PRODUCTS CO

COMPARATOR GROUP COMPANIES
REVOLUTION LIGHTING TECHNLGS
SUNRUN INC
THERMON GROUP HOLDINGS INC
ULTRALIFE CORP
VICOR CORP
AZZ INC
BROADWIND ENERGY INC
PIONEER POWER SOLUTIONS INC
TPI COMPOSITES INC
RAVEN INDUSTRIES INC
LINDSAY CORP
ALAMO GROUP INC
AMERICAN RAILCAR INDS INC
BLUE BIRD CORP
COMMERCIAL VEHICLE GROUP INC
CONRAD INDUSTRIES INC
DOUGLAS DYNAMICS INC
FEDERAL SIGNAL CORP
FREIGHTCAR AMERICA INC
MANITEX INTERNATIONAL INC
MILLER INDUSTRIES INC/TN
SUPREME INDUSTRIES INC
TWIN DISC INC
ALBANY INTL CORP -CL A
ALTRA INDUSTRIAL MOTION CORP

COMPARATOR GROUP COMPANIES
ARC GROUP WORLDWIDE INC
CHART INDUSTRIES INC
CIRCOR INTL INC
COLUMBUS MCKINNON CORP
DMC GLOBAL INC
EASTERN CO
ENERGY RECOVERY INC
ESCO TECHNOLOGIES INC
FOSTER (LB) CO
FRANKLIN ELECTRIC CO INC
GENCOR INDUSTRIES INC
GORMAN-RUPP CO
GRAHAM CORP
HARDINGE INC
HURCO COMPANIES INC
KADANT INC
KEY TECHNOLOGY INC
LYDALL INC
MFRI INC
NN INC
OMEGA FLEX INC
PROTO LABS INC
RBC BEARINGS INC
STANDEX INTERNATIONAL CORP
STARRETT (L.S.) CO -CL A

COMPARATOR GROUP COMPANIES
SUN HYDRAULICS CORP
TENNANT CO
TRIMAS CORP
XERIUM TECHNOLOGIES INC
CAI INTERNATIONAL INC
CENTRAL STEEL & WIRE CO
ENVIROSTAR INC
FORTRESS TRANS INFRASTR INVS
GENERAL FINANCE CORP/DE
H&E EQUIPMENT SERVICES INC
HOUSTON WIRE & CABLE CO
HUTTIG BUILDING PRODUCTS INC
LAWSON PRODUCTS
NEFF CORP
TRANSCAT INC
WILLIS LEASE FINANCE CORP

Exhibit 10.3

GLOBAL POWER EQUIPMENT GROUP INC.
CASH-BASED AWARD AGREEMENT

Notice of Cash-Based Award

Global Power Equipment Group Inc. (the "Company") grants to the Grantee named below, in accordance with the terms of the Global Power Equipment Group Inc. 2015 Equity Incentive Plan (the "Plan") and this Cash-Based Award Agreement (the " Agreement"), the opportunity to earn the Cash Award Amount set forth below, as a cash-based award ("Award") under the Plan. Capitalized terms used in this Agreement without definition shall have the meanings assigned to them in the Plan.

Name of Grantee:	[Name]
Date of Grant:	April 17, 2017
Cash Award Amount:	**$**
Vesting Date:	March 31, 2019

Terms of Agreement

1. Grant of Cash-Based Award. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Plan, the Company hereby grants to the Grantee, as of the Date of Grant set forth above, the opportunity to earn the Cash Award Amount set forth above. The Cash Award Amount shall be credited, without any interest or earnings, in a book entry account established for the Grantee until payment in accordance with Section 4 hereof (or forfeiture in accordance with Section 3 hereof).

2. Vesting of Award.

(a) In General. Subject to the Grantee's compliance with the restrictions of Section 7 hereof, or the terms of the Restrictive Covenants Agreement (as defined in Section 7) or of any separately executed covenant not to compete with the Company, as applicable:

(i) Cash-Based Award. The Grantee's right to receive the Cash Award Amount set forth above shall vest on the Vesting Date set forth above, provided that the Grantee shall have remained in the continuous employ of the Company or a Subsidiary through the Vesting Date.

(ii) Continuous Employment. For purposes of this Section 2, the continuous employment of the Grantee with the Company and its Subsidiaries shall not be deemed to have been interrupted, and the Grantee shall not be deemed to have ceased to be an employee of the Company and its Subsidiaries, by reason of the transfer of his or her employment among the Company and its Subsidiaries.

(b) Involuntary Termination or Termination for Good Reason. If, prior to the Vesting Date, the Grantee's employment with the Company or a Subsidiary is terminated (x) by the Company or a Subsidiary without Cause (as defined in the Plan) or by reason of the Grantee's Disability (as defined in the long-term disability plan of the Company or a Subsidiary applicable to the Grantee), (y) by the Grantee for Good Reason (as defined in the Plan), or (z) as a result of the Grantee's death, then, provided that, within forty-five (45) days after such termination, the Grantee (or the Grantee's estate, beneficiary or other successor) shall have executed and delivered a release of claims in a form provided by the Company and such release of claims shall have become effective and irrevocable in accordance with its terms, the Grantee shall become vested in the right to receive a prorated portion of the Cash Award Amount, determined by multiplying the Cash Award Amount by a fraction, the numerator of which is the number of days of continuous employment completed by the Grantee after the Date of Grant and the denominator of which is 713.

(c) Change in Control. The provisions of Section 21 of the Plan shall apply in the event of a Change in Control.

3. Forfeiture of Award.

(a) Forfeiture of Unvested Award. The Grantee's opportunity to receive the Cash Award Amount shall be forfeited automatically without further action or notice if (i) the Grantee ceases to be employed by the Company or a Subsidiary prior to the Vesting Date, except as otherwise provided in Section 2(b) or 2(c), or (ii) the Grantee breaches any of the restrictions of Section 7 hereof, the Restrictive Covenants Agreement or of any separately executed covenant not to compete with the Company, as applicable.

(b) Repayment of Award. This Award shall be subject to the provisions of Section 20 of the Plan regarding forfeiture and repayment of awards in the event of (i) the Grantee engaging in Detrimental Activity, (ii) the Grantee's breach of any of the restrictions of Section 7 hereof, the Restrictive Covenants Agreement (as defined herein) or of any separately executed covenant not to compete with the Company, as applicable, or (iii) as provided pursuant to the Company's Compensation Recovery Policy. Clause (iii) of the immediately preceding sentence shall be construed as a return of consideration due to your violation of your promises under Section 7 of this Agreement, the Restrictive Covenants Agreement or any separately executed covenant not to compete with the Company, as applicable, and not as a liquidated damages clause. Nothing contained herein shall eliminate, reduce or compromise (x) the Company's right to assert that the restrictions provided for in Section 7 of this Agreement, the Restrictive Covenants Agreement or any separately executed covenant not to compete with the Company, as applicable, are fully enforceable as written, or as modified by a court of competent jurisdiction as provided therein, (y) the application of temporary or permanent injunctive relief as a fully appropriate and applicable remedy to enforce the restrictions as provided therein, or (z) the Company's right to pursue other remedies at law or in equity. This Section 3(b) shall survive and continue in full force in accordance with its terms and the terms of the Plan notwithstanding any termination of the Grantee's employment or the payment of the Cash Award Amount as provided herein.

4. Payment of Vested Award. Except as otherwise provided in Section 11 of this Agreement, the Company, upon vesting of this Award, the Company shall pay the Cash Award Amount (without any interest or earnings) to the Grantee in a single lump sum payment in cash within ten (10) days following the Vesting Date (or within seventy (70) days following such earlier date as the Grantee's right to receive the Cash Award Amount becomes vested pursuant to this Agreement).

5. Transferability. This Award may not be transferred, assigned, pledged or hypothecated in any manner, or be subject to execution, attachment or similar process, by operation of law or otherwise, unless otherwise provided under the Plan. Any purported transfer or encumbrance in violation of the provisions of this Section 5 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in the Cash Award Amount.

6. Unfunded, Unsecured Award Opportunity. The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to pay the Cash Award Amount in the future, subject to the terms and conditions of this Agreement and the Plan, and the rights of the Grantee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

7. Non-Solicitation; Confidentiality; Ownership of Work Product. In the event that the Grantee is a party to one or more separately executed agreements with the Company, the terms of which restrict (w) the Grantee's ability to solicit customers of the Company, (x) the Grantee's ability to solicit employees of the Company, (y) the Grantee's ability to use or disclose confidential information or trade secrets of the Company, or (z) the ownership of works (collectively, the "Restrictive Covenants Agreement"), then the terms of such applicable restriction or restrictions in the Restrictive Covenants Agreement shall govern in lieu of the corresponding restriction or restrictions set forth in Sections 7(a), 7(b), 7(c) or 7(d) hereof, respectively. In consideration of, and as a condition to, the Grantee's employment by the Company, the grant of this Award, a portion of the compensation and other benefits to be paid to the Grantee during such employment, the potential disclosure to the Grantee of Confidential Information (as hereinafter defined) in connection with such employment and other good and valuable consideration, the Grantee and the Company agree as follows:

(a) Non-Solicitation of Customers. During the Grantee's employment by the Company and for one (1) year after the date the Grantee's employment ends for any reason (the "Restricted Period"), the Grantee hereby covenants and agrees that the Grantee shall not (in a capacity where the Grantee could use specialized knowledge, training, skill or expertise, Confidential Information (as defined herein), or customer contacts or information obtained from the Company to the detriment of the Company), either directly or indirectly, individually, on behalf of or in concert with others, or as an owner, a shareholder, partner, director, officer, employee, agent or advisor of any business or entity, undertake or engage in any of the following activities without the prior written consent of the Company: solicit, call on or in any manner cause or attempt to cause any Customer (as defined herein) to divert, terminate, limit, modify or fail to enter into any existing or potential business relationship with the Company. For purposes of this Section 7(a), "Customer" shall mean any customer or client of the Company that (i) the Grantee solicited during the 12-month period prior to termination of the Grantee's employment with the Company, (ii) the Grantee knows to have done business with the Company during the 12-month period prior to termination of the Grantee's employment, or (iii) the Grantee had been provided or had access to Confidential Information during the Grantee's employment with the Company.

(b) Non-Solicitation of Employees. During the Restricted Period, the Grantee hereby covenants and agrees that the Grantee shall not (either directly or indirectly, individually, on behalf of or in concert with others, or as an owner, shareholder, partner, director, officer, employee, agent or advisor of any business or entity) solicit, recruit, induce, entice, endeavor or assist in any effort to cause any person employed by the Company to end such person's employment with the Company (whether or not such person would commit a breach of contract by accepting such other employment).

(c) Confidentiality.

(i) The Grantee acknowledges that in the course of the Grantee's employment by the Company, the Grantee will be exposed to considerable proprietary, confidential and trade secret information relating to the business and operations of the Company. The Grantee understands that the Company has expended, and will continue to expend time, money, and effort to develop and maintain its confidential, proprietary and trade secret information which, if misused or disclosed, could be harmful to the Company's business and could cause the Company to lose its competitive edge in the marketplace. The Grantee understands that the Company desires to protect its business and to avoid competition with the Grantee in the event that the Grantee ever leaves the employ of the Company, whether voluntarily or involuntarily.

(ii) During the Grantee's employment by the Company, and after termination of the Grantee's employment with the Company, for any reason, whether voluntary or involuntary, the Grantee will hold in a fiduciary capacity for the benefit of the Company all information, knowledge or data relating to the Company or any of its businesses which the Company considers to be proprietary, trade secret or confidential that the Grantee obtains or has previously obtained during the Grantee's employment by the Company and that is not public knowledge (other than as a result of the Grantee's violation of this provision), including but not limited to the Company's technology, business plans, business processes, methods of operations, customer information, including contacts, preferences, requirements, pricing, and other customer information, vendor information, financial information, pricing information and strategies, and other business relationships ("Confidential Information"). The Grantee will not directly or indirectly use any Confidential Information for any purpose not associated with the activities of the Company, or communicate, divulge or disseminate Confidential Information to any person or entity not authorized by the Company to receive it at any time during or after the Grantee's employment with the Company, except with the prior written consent of the Company or as otherwise required by law or legal process.

(iii) Upon the request of the Company and, in any event, upon the termination of the Grantee's employment with the Company, the Grantee shall deliver to the Company all property in the Grantee's possession or control belonging to the Company, including but not limited to all keys, computers, credit cards, telephones, office equipment, software, and all Confidential Information of the Company. The Grantee shall return all such information, including all memoranda, notes, records, manuals, files or other documents in any form whatsoever (including information contained in computer or other electronic memory or on any computer or electronic storage device), including all copies, pertaining to the performance of the Grantee's services for the Company, the business of the Company, whether made or compiled by the Grantee or provided to or obtained by the Grantee at any time during the Grantee's employment with the Company. If the Company requests, the Grantee agrees to provide written confirmation that the Grantee has returned all such materials consistent with this provision.

(iv) The restrictions stated in this Section 7 are in addition to and not in lieu of protections afforded to trade secrets and confidential information under Applicable Laws. Nothing in this Agreement is intended to or shall be interpreted as diminishing or otherwise limiting the Company's right under Applicable Laws to protect its trade secrets and confidential information.

(d) Ownership of Work Product.

(i) The Company shall own all Work Product (as defined herein). All Work Product shall be considered work made for hire by the Grantee and owned by the Company. The Grantee hereby irrevocably relinquishes for the benefit of the Company any moral rights in and to the Work Product recognized by Applicable Law. If any of the Work Product may not, by operation of law, be considered work made for hire by the Grantee for the Company, or if ownership of all right, title, and interest in and to the intellectual property rights therein shall not otherwise vest exclusively in the Company, the Grantee hereby agrees to assign, and upon creation thereof automatically assigns, without further consideration, the ownership of all trade secrets, registered and unregistered copyrights under United States and international law, copyrightable material or works, patents, patentable inventions and other intellectual property rights therein to the Company, its successors and assigns. The Company shall have the right to obtain and hold in its own name copyright registrations, trademark registrations, patents and any other protection available in the foregoing.

(ii) The Grantee agrees to perform, upon the reasonable request of the Company, during or after employment such further acts as may be necessary or desirable to transfer, perfect, and defend the Company's ownership of the Work Product, including but not limited to: (A) executing, acknowledging, and delivering any requested affidavits and documents of assignment and conveyance; (B) assisting in the preparation, prosecution, procurement, maintenance and enforcement of all copyrights and, if applicable, patents with respect to the Work Product in any countries; (C) providing testimony in connection with any proceeding affecting the right, title, or interest of the Company in any Work Product; and (D) performing any other acts deemed necessary or desirable to carry out the purposes of this Agreement. The Company shall reimburse any reasonable out-of-pocket expenses incurred by the Grantee at the Company's request in connection with the foregoing, including (unless the Grantee is otherwise being compensated at the time) a reasonable and pre-agreed per diem or hourly fee for services rendered following termination of the Grantee's employment.

(iii) For purposes of this Section 7, "Work Product" means all intellectual property rights including all trade secrets, registered and unregistered copyrights under U.S. and international law, copyrightable material or works, patents, patentable inventions, discoveries and improvements, and other intellectual property rights, in any technology software, data files documentation, or other work product that relates to the business and interests of the Company and that the Grantee conceives, develops, creates or delivers to the Company at any time during the Grantee's employment with the Company.

(e) Miscellaneous.

(i) The Grantee acknowledges that the restrictions, prohibitions and other provisions in this Section 7 are reasonable, fair and equitable in scope, terms and duration, and are necessary to protect the legitimate business interests of the Company. The terms and provisions of this Section 7 are intended to be separate and divisible provisions and if, for any reason, any one or more of them is held to be invalid or unenforceable, neither the validity nor the enforceability of any other provision of this Agreement shall thereby be affected. It is the intention of the parties to this Agreement that the potential restrictions on the Grantee imposed by Sections 7(a) and (b) be reasonable in scope and in all other respects. If for any reason any court of competent jurisdiction shall find any provisions of this Section 7 unreasonable in scope or otherwise, the Grantee and the Company agree that the restrictions and prohibitions contained herein may be modified by a court of competent jurisdiction and shall be effective to the fullest extent allowed under Applicable Law in such jurisdiction. The Grantee agrees to disclose the existence of this Agreement to any subsequent employer.

(ii) The Grantee hereby agrees that any remedy at law for any breach or threatened breach of the provisions of this Section 7 will be inadequate and that the Company will be entitled to injunctive relief in addition to any other remedy the Company might have under this Agreement. The Grantee hereby expressly acknowledges that the harm which might result to the Company's business as a result of any noncompliance by the Grantee with the provisions of this Section 7 would be largely irreparable. The parties agree that if the Company pursues legal action to enforce the terms and conditions of this Section 7 and obtains all or part of the relief sought, the Grantee shall be responsible for the reasonable attorney's fees and costs of the Company in bringing such action.

(iii) Notwithstanding any other provision of this Agreement or the Plan, the rights and obligations of the parties hereto, and any claims or disputes relating to this Section 7 shall be governed by and construed in accordance with the laws of the State of Texas without giving effect to the principles of conflict of laws thereof. Each party agrees that any action arising out of or relating to this Section 7 shall be brought exclusively in the state courts located in Dallas County, Texas and the United States District Court for the Northern District of Texas (Dallas Division), accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts, and irrevocably waives any objection, including, without limitation, any objection to the laying of venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any action in those jurisdictions.

(iv) For purposes of this Section 7, the term "Company" shall be deemed to include Global Power Equipment Group Inc., its Subsidiaries and affiliates, and all of their respective successors and assigns.

8. No Employment Contract. Nothing contained in this Agreement shall confer upon the Grantee any right with respect to continuance of employment by the Company and its Subsidiaries, nor limit or affect in any manner the right of the Company and its Subsidiaries to terminate the employment or adjust the compensation of the Grantee, in each case with or without Cause.

9. Relation to Other Benefits. Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

10. Taxes and Withholding. The Grantee is responsible for any federal, state, local or other taxes with respect to this Award, and the Company does not guarantee any particular tax treatment or results in connection with this Award. The Company and its Subsidiaries will have the right to deduct from any payment of the Cash Award Amount (or any other cash payment to the Grantee) any federal, state, local or other taxes which, in the opinion of the Company or an applicable Subsidiary are required to be withheld with respect to this Award.

11. Section 409A of the Code. It is intended that the Award shall be exempt from, or comply with, the requirements of Section 409A of the Code, and this Agreement shall be interpreted, administered and governed in accordance with such intent. To the extent necessary to give effect to such intent, the Grantee's termination of employment shall mean, for purposes of this Agreement, the Grantee's "separation from service" within the meaning of Section 409A of the Code. In particular, it is intended that the Award shall be exempt from Section 409A of the Code, to the maximum extent possible, pursuant to the "short-term deferral" exception thereto. However, to the extent that the Award constitutes a deferral of compensation subject to the requirements of Section 409A of the Code (for example, because the Grantee's governing employment agreement defines "Good Reason" in a manner such that the Grantee's termination of employment for Good Reason would not be treated as an involuntary separation from service for purposes of Section 409A of the Code), then the following rules shall apply, notwithstanding any other provision of this Agreement to the contrary:

(a) The Company will pay any Cash Award Amount that becomes vested in accordance with Section 2(b) or 2(c) of this Agreement within seventy (70) days after the first to occur of (i) the Vesting Date; (ii) the occurrence of a Change in Control that is also a "change in the ownership," a "change in the effective control," or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code; or (iii) the Grantee's "separation from service" within the meaning of Section 409A of the Code; and

(b) If the Cash Award Amount becomes payable as a result of the Grantee's separation from service (other than as a result of the Grantee's death) and the Grantee is a "specified employee" at that time within the meaning of Section 409A of the Code (as determined pursuant to the Company's policy for identifying specified employees), the Company will pay any vested Cash Award Amount to the Grantee on the first business day that is at least six months after the date of the Grantee's separation from service (or upon the Grantee's death if the Grantee dies before the end of that six-month period).

12. Amendments. Subject to the terms of the Plan, the Committee may modify this Agreement upon written notice to the Grantee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. Notwithstanding the foregoing, no amendment of the Plan or this Agreement shall adversely affect in a material way the rights of the Grantee under this Agreement without the Grantee's consent unless the Committee determines, in good faith, that such amendment is required for the Agreement to either be exempt from the application of, or comply with, the requirements of Section 409A of the Code, or as otherwise may be provided in the Plan.

13. Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

14. Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. Except with respect to the provisions of the Restrictive Covenants Agreement and of any separately executed covenant not to compete with the Company expressly referenced herein, this Agreement and the Plan contain the entire agreement and understanding of the parties with respect to the subject matter contained in this Agreement, and supersede all prior written or oral communications, representations and negotiations in respect thereto. Except as otherwise provided in Section 7(e)(iii) hereof, in the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein, have the right to determine any questions that arise in connection with this Agreement.

15. Successors and Assigns. Without limiting Section 5, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

16. Governing Law. Except as otherwise provided in Section 7 hereof, the interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflict of laws thereof.

17. Use of Grantee's Information. Information about the Grantee and the Grantee's participation in the Plan may be collected, recorded and held, used and disclosed for any purpose related to the administration of the Plan. The Grantee understands that such processing of this information may need to be carried out by the Company and its Subsidiaries and by third-party administrators whether such persons are located within the Grantee's country or elsewhere, including the United States of America. The Grantee consents to the processing of information relating to the Grantee and the Grantee's participation in the Plan in any one or more of the ways referred to above.

18. Electronic Delivery. The Grantee hereby consents and agrees to electronic delivery of any documents that the Company may elect to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other award made or offered under the Plan. The Grantee understands that, unless earlier revoked by the Grantee by giving written notice to the Senior Vice President, Chief Administrative Officer, General Counsel and Secretary of the Company, this consent shall be effective for the duration of the Agreement. The Grantee also understands that he or she shall have the right at any time to request that the Company deliver written copies of any and all materials referred to above at no charge. The Grantee hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may elect to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

The Grantee consents and agrees that any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the Plan.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Date of Grant.

GLOBAL POWER EQUIPMENT GROUP INC.

By: /s/ Terence J. Cryan
Name: Terence J. Cryan
Title: President and CEO

By executing this Agreement, you acknowledge that a copy of the Plan and the Company's most recent Annual Report and Proxy Statement either have been received by you or are available for viewing on the Company's internet site at www.globalpower.com, and you consent to receiving this information electronically, or, in the alternative, agree to contact Tracy Pagliara, the Company's Senior Vice President, Chief Administrative Officer, General Counsel and Secretary, at 214-574-2709, to request a paper copy of this information at no charge.

GRANTEE

____

EXHIBIT 31.1

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Craig E. Holmes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Power Equipment Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 19, 2017

By: /s/ Craig E. Holmes
Craig E. Holmes,
Co-President and Co-Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Tracy D. Pagliara, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Power Equipment Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 19, 2017

By: /s/ Tracy D. Pagliara
Tracy D. Pagliara,
Co-President and Co-Chief Executive Officer

EXHIBIT 31.3

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Erin Gonzalez, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Power Equipment Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: December 19, 2017

By: /s/ Erin Gonzalez
Erin Gonzalez,
Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Craig E. Holmes, the Co-President and Co-Chief Executive Officer of Global Power Equipment Group Inc. (the " **Company** "), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the period ended June 30, 2017 (the " **Report** ") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 19, 2017

By: /s/ Craig E. Holmes
Craig E. Holmes,
Co-President and Co-Chief Executive Officer

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Tracy D. Pagliara, the Co-President and Co-Chief Executive Officer of Global Power Equipment Group Inc. (the " **Company** "), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the period ended June 30, 2017 (the " **Report** ") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 19, 2017

By: /s/ Tracy D. Pagliara
Tracy D. Pagliara,
Co-President and Co-Chief Executive Officer

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.3

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Erin Gonzalez, the Chief Financial Officer of Global Power Equipment Group Inc. (the " **Company** "), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the period ended June 30, 2017 (the " **Report** ") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 19, 2017	By: /s/ Erin Gonzalez
	Erin Gonzalez,
	Chief Financial Officer

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.