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, 2018

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

Williams Industrial Services 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)

Global Power Equipment Group Inc.
(Former name, former address and former fiscal year, if changed since last report)

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 August 9, 2018, there were 18,498,982 shares of common stock of Williams Industrial Services Group Inc. outstanding.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. AND SUBSIDIARIES

Table of Contents

Part I—FINANCIAL INFORMATION

Item 1. Financial Statements.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in thousands, except share data)	June 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,136	$ 4,594
Restricted cash	6,568	11,562
Accounts receivable, net of allowance of $1,014 and $1,568, respectively	21,613	26,060
Costs and estimated earnings in excess of billings	14,115	11,487
Other current assets	1,638	4,006
Current assets of discontinued operations	21,271	27,922
Total current assets	70,341	85,631
Property, plant and equipment, net	1,175	1,712
Goodwill	35,400	35,400
Intangible assets	12,500	12,500
Other long-term assets	1,545	573
Total assets	$ 120,961	$ 135,816
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 5,269	$ 5,080
Accrued compensation and benefits	10,516	7,481
Billings in excess of costs and estimated earnings	6,106	7,049
Other current liabilities	5,199	5,552
Current liabilities of discontinued operations	22,364	28,802
Total current liabilities	49,454	53,964
Long-term debt, net	25,717	24,304
Deferred tax liabilities	10,324	9,921
Other long-term liabilities	1,496	2,390
Long-term liabilities of discontinued operations	2,406	3,110
Total liabilities	89,397	93,689
Commitments and contingencies (Note 8 and 10)		
Stockholders' equity:		
Common stock, $0.01 par value, 170,000,000 shares authorized and 19,715,605 and 19,360,026 shares issued, respectively, and 18,486,758 and 17,946,386 shares outstanding, respectively	197	193
Paid-in capital	79,823	78,910
Retained earnings (deficit)	(48,444)	(36,962)
Treasury stock, at par (1,228,847 and 1,413,640 common shares, respectively)	(12)	(14)
Total stockholders' equity	31,564	42,127
Total liabilities and stockholders' equity	$ 120,961	$ 135,816

See accompanying notes to condensed consolidated financial statements.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(in thousands, except per share data)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Revenue	$ 47,975	$ 57,981	$ 91,096	$ 103,613
Cost of revenue	41,228	51,227	77,899	98,414
Gross profit	6,747	6,754	13,197	5,199
Selling and marketing expenses	476	717	902	1,284
General and administrative expenses	9,751	8,593	16,341	18,138
Depreciation and amortization expense	220	329	441	664
Total operating expenses	10,447	9,639	17,684	20,086
Operating loss	(3,700)	(2,885)	(4,487)	(14,887)
Interest expense, net	2,397	2,243	3,775	3,944
Gain on sale of business and net assets held for sale	—	—	—	(239)
Other (income) expense, net	(293)	1	(505)	—
Total other (income) expenses, net	2,104	2,244	3,270	3,705
Loss from continuing operations before income tax expense (benefit)	(5,804)	(5,129)	(7,757)	(18,592)
Income tax expense (benefit)	220	300	505	(1,538)
Loss from continuing operations	(6,024)	(5,429)	(8,262)	(17,054)
Loss from discontinued operations before income tax expense (benefit)	(2,195)	(4,523)	(3,903)	(8,767)
Income tax expense (benefit)	(725)	241	(683)	1,220
Loss from discontinued operations	(1,470)	(4,764)	(3,220)	(9,987)
Net loss	$ (7,494)	$ (10,193)	$ (11,482)	$ (27,041)
Basic loss per common share				
Loss from continuing operations	$ (0.33)	$ (0.31)	$ (0.46)	$ (0.97)
Loss from discontinued operations	(0.08)	(0.27)	(0.18)	(0.57)
Basic loss per common share	$ (0.41)	$ (0.58)	$ (0.64)	$ (1.54)
Diluted loss per common share				
Loss from continuing operations	$ (0.33)	$ (0.31)	$ (0.46)	$ (0.97)
Loss from discontinued operations	(0.08)	(0.27)	(0.18)	(0.57)
Diluted loss per common share	$ (0.41)	$ (0.58)	$ (0.64)	$ (1.54)

See accompanying notes to condensed consolidated financial statements.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2018	2017	2018	2017
Net loss	$ (7,494)	$ (10,193)	$ (11,482)	$ (27,041)
Foreign currency translation adjustment	—	1,507	—	2,096
Comprehensive loss	$ (7,494)	$ (8,686)	$ (11,482)	$ (24,945)

See accompanying notes to condensed consolidated financial statements.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)

(in thousands, except share data)	Common Shares $0.01 Per Share		Paid-in	Retained Earnings	Treasury Shares		
	Shares	Amount	Capital	(deficit)	Shares	Amount	Total
Balance, December 31, 2017	19,360,026	$ 193	$ 78,910	$ (36,962)	(1,413,640)	$ (14)	$ 42,127
Issuance of restricted stock units	355,579	4	(4)	—	308,523	4	4
Tax withholding on restricted stock units	—	—	(326)	—	(123,730)	(2)	(328)
Stock-based compensation	—	—	1,243	—	—	—	1,243
Net loss	—	—	—	(11,482)	—	—	(11,482)
Balance, June 30, 2018	19,715,605	$ 197	$ 79,823	$ (48,444)	(1,228,847)	$ (12)	$ 31,564

See accompanying notes to condensed consolidated financial statements.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands)	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Operating activities:		
Net loss	$ (11,482)	$ (27,041)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Net loss from discontinued operations	3,220	9,987
Deferred income tax expense (benefit)	403	(1,602)
Depreciation and amortization on plant, property and equipment and intangible assets	441	664
Amortization of deferred financing costs	219	81
Loss on disposals of property, plant and equipment	210	30
Gain on sale of business and net assets held for sale	—	(239)
Bad debt expense	(67)	45
Stock-based compensation	507	1,429
Payable-in-kind interest	1,301	531
Changes in operating assets and liabilities, net of business sold:		
Accounts receivable	4,514	(6,212)
Costs and estimated earnings in excess of billings	(2,628)	4,379
Other current assets	2,368	5,928
Other assets	(1,079)	2,572
Accounts payable	189	(1,008)
Accrued and other liabilities	2,608	(4,110)
Billings in excess of costs and estimated earnings	(943)	1,475
Net cash provided by (used in) operating activities, continuing operations	(219)	(13,091)
Net cash provided by (used in) operating activities, discontinued operations	(4,110)	7,374
Net cash provided by (used in) operating activities	(4,329)	(5,717)
Investing activities:		
Proceeds from sale of business, net of restricted cash and transaction costs	—	20,206
Purchase of property, plant and equipment	(114)	(11)
Other investing activities	—	3,286
Net cash provided by (used in) investing activities, continuing operations	(114)	23,481
Net cash provided by (used in) investing activities, discontinued operations	319	(573)
Net cash provided by (used in) investing activities	205	22,908
Financing activities:		
Repurchase of stock-based awards for payment of statutory taxes due on stock-based compensation	(328)	(223)
Debt issuance costs	—	(1,704)
Dividends paid	—	(9)
Proceeds from long-term debt	—	161,599
Payments of long-term debt	—	(165,515)
Net cash provided by (used in) financing activities, continuing operations	(328)	(5,852)
Net cash provided by (used in) financing activities, discontinued operations	—	—
Net cash provided by (used in) financing activities	(328)	(5,852)
Effect of exchange rate change on cash, continuing operations	—	25
Effect of exchange rate change on cash, discontinued operations	—	261
Effect of exchange rate change on cash	—	286
Net change in cash, cash equivalents and restricted cash	(4,452)	11,625
Cash, cash equivalents and restricted cash, beginning of period	16,156	11,570
Cash, cash equivalents and restricted cash, end of period	$ 11,704	$ 23,195
Supplemental Disclosures:		
Cash paid for interest	$ 1,498	$ 3,416
Cash paid for income taxes, net of refunds	$ 16	$ 992
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.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1—BUSINESS AND BASIS OF PRESENTATION

Business

Effective June 29, 2018, Global Power Equipment Group Inc. changed its name to Williams Industrial Services Group Inc. (“Williams,” the “Company,” “we,” “us” or “our”) to better align its name with the Williams business. The Company’s stock began trading on the OTC Pink® Marketplace under the new ticker symbol “WLMS.” Williams has been safely helping plant owners and operators enhance asset value for more than 50 years. The Company provides a broad range of general and specialty construction, maintenance and modification, and plant management support services to the nuclear, hydro and fossil power generation, pulp and paper, refining, petrochemical and other process and manufacturing industries. The Company’s mission is to be the preferred provider of construction, maintenance, and specialty services through commitment to superior safety performance, focus on innovation, and dedication to delivering unsurpassed value to its customers.

Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) on a basis consistent with that used in the Annual Report on Form 10-K for the year ended December 31, 2017 filed by the Company with the United States (the “U.S.”) Securities and Exchange Commission (“SEC”) on April 16, 2018 (the “2017 Report”) 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 and accompanying notes included in the 2017 Report. 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	
	2018	2017
Three Months Ended March 31	January 1, 2018 to April 1, 2018	January 1, 2017 to April 2, 2017
Three Months Ended June 30	April 2, 2018 to July 1, 2018	April 3, 2017 to July 2, 2017
Three Months Ended September 30	July 2, 2018 to September 30, 2018	July 3, 2017 to October 1, 2017

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 twelve-month period following the issuance of this Quarterly Report on Form 10-Q for the three and six months ended June 30, 2018 (this “Form 10-Q”). 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.

Management has assessed the Company’s financial condition and has concluded that the following factors, taken in the aggregate, raise substantial doubt regarding the Company’s ability to continue as a going concern for the twelve-month period following the issuance of this Form 10-Q:

- For the past several years, the Company has incurred both net losses and negative cash flows from operations.
- For the three and six months ended June 30, 2018, the Company had a net loss (including discontinued operations) of $7.5 million and $11.5 million, respectively.
- As of both June 30, 2018 and December 31, 2017, Koontz-Wagner Custom Controls Holdings LLC (“Koontz-Wagner”), a wholly owned subsidiary of the Company and the sole component of the Electrical Solutions

segment was presented as a discontinued operation. However, Koontz-Wagner has continued to incur operating losses resulting in its bankruptcy filing in July 2018. Please refer to "Note 12–Subsequent Events" for additional discussion on the bankruptcy filing.

- The Company's liquidity has been, and is currently projected to remain, very constrained. The Company's lack of access to readily available capital resources and unexpected delays in collecting projected cash receipts could create significant liquidity problems.

- Under the Centre Lane Facility (as defined below), tax refunds and/or any extraordinary receipts in excess of $0.5 million in the aggregate in any fiscal year, with the exception of $3.7 million of certain future cash receipts waived in the Fourth Amendment (as defined below), must be used to prepay amounts outstanding under the Centre Lane Facility.

- The Fourth Amendment to the Centre Lane Facility required prepayment of all outstanding amounts due and payable on the earlier of (i) May 31, 2019, (ii) the date Williams Industrial Services Group, LLC and its subsidiaries are sold or (iii) the date of acceleration of the loans pursuant to an additional event of default.

Management's mitigation plans, which aim to alleviate the factors that caused the substantial doubt, include the following:

- In July 2018, the Company entered into a Fifth Amendment to the Centre Lane Facility (as defined below) which extended the required prepayment of all outstanding amounts due and payable to the earlier of April 1, 2020 or the date of acceleration of loans pursuant to an additional event of default.

- The Fifth Amendment to the Centre Lane Facility also extended the first required date for the Company to satisfy the total leverage and fixed charge coverage ratios to June 30, 2020.

- In April 2018, as part of the Fourth Amendment to the Centre Lane Facility, the Company negotiated a $3.0 million Incremental Loan Commitment the Company can draw upon in minimum increments of $1.0 million. This Loan Commitment can provide emergency funding to the Company in the event of a cash shortfall.

- The Company aggressively pursued the sale of Koontz-Wagner while concurrently initiating the closure of one of Koontz-Wagner's leased facilities to streamline its operations in an effort to curtail further losses and negative cash flows. The Company was ultimately unsuccessful in completing the sale, and on July 11, 2018, Koontz-Wagner filed for bankruptcy protection under Chapter 7 of the U.S. Bankruptcy Code (the "Code"). Koontz-Wagner used $3.6 million of cash during the first six months of 2018. The Company could incur additional liabilities associated with the shutdown of Koontz-Wagner. Please refer to "Note 12–Subsequent Events" for additional discussion on the bankruptcy filing.

- With the more streamlined company structure resulting from the completed disposal of Mechanical Solutions and the bankruptcy of Koontz-Wagner, the Company accelerated plans to significantly reduce its corporate headquarters costs, including headcount.

While management believes its mitigation plans alleviate the substantial doubt regarding the Company's ability to continue as a going concern during the ensuing twelve-month period, there can be no assurances management will be successful, and investors could lose the full value of their investment in the Company's common stock if bankruptcy protection is ultimately sought.

NOTE 3—RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

In the first quarter of 2018, the Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("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. The Company adopted ASU 2016-18 on a retrospective basis, and net transfers of restricted cash of $5.0 million and $2.6 million have been presented in net change in cash and cash equivalents in the condensed consolidated statements of cash flows for the six months ended June 30, 2018 and 2017, respectively.

In the first quarter of 2018, the Company adopted ASU 2016-15, “Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments.” ASU 2016-15 requires an entity to classify distributions received from equity method investees in the statement of cash flows using either the cumulative earnings approach or the nature of distribution approach. The Company adopted ASU 2016-15 on a retrospective basis and elected to classify distributions received from its equity method investees using the cumulative earnings approach. The adoption of ASC 2016-15 did not have an impact on the condensed consolidated statements of cash flows for the six months ended June 30, 2018 and 2017, respectively.

In the first quarter of 2018, the Company adopted ASU 2014-09 (ASC Topic 606), “Revenue from Contracts with Customers,” and the related ASUs, which provided new guidance for revenue recognized from contracts with customers and replaced the previously existing revenue recognition guidance. ASU 2014-09 requires that revenue be 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. The Company adopted ASC Topic 606 using the modified retrospective method, and accordingly, the new guidance was applied retrospectively to contracts that were not completed as of December 31, 2017. Results for operating periods beginning after January 1, 2018 are presented under ASC Topic 606, while comparative information for prior periods has not been restated and continues to be reported in accordance with the accounting standards in effect for those periods. The adoption of ASC Topic 606 did not result in changes to the method or timing of revenue recognized and did not have a material impact on the Company’s financial position, results of operations and cash flows as of and for the three and six months ended June 30, 2018.

There was no material difference in the Company’s results for the three and six months ended June 30, 2018 with application of ASC Topic 606 on its contracts and what results would have been if such contracts had been reported using accounting standards previously in effect for such contracts. The Company elected to utilize the modified retrospective transition practical expedient that allows the Company to evaluate the impact of contract modifications as of January 1, 2018 rather than evaluating the impact of the modifications at the time they occurred. There was no material impact associated with the election of this practical expedient.

The Company also elected to utilize the practical expedient to recognize revenue in the amount to which it has a right to invoice for services performed when it has a right to consideration from a customer in an amount that corresponds directly with the value of its performance completed to date.

Please refer to “Note 5–Revenue” for additional discussion of the Company’s revenue recognition accounting policies and expanded disclosures required by ASC Topic 606.

Recently Issued Accounting Pronouncements Not Yet Adopted

In June 2018, the FASB issued ASU 2018-07, “Improvements to Nonemployee Share-Based Payment Accounting,” which expands the scope of ASC Topic 718, “Compensation–Stock Compensation” and applies to all share-based payment transactions to nonemployees in which a grantor acquires goods and services to be used or consumed in a grantor’s own operations by issuing share-based awards. Upon adoption of ASU 2018-07, an entity should only remeasure liability-classified awards that have not been settled by the date of adoption and equity-classified awards for which a measurement date has not been established through a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. ASU 2018-07 is effective for interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. The Company does not expect the adoption of ASU 2018-07 to have a material impact on its financial position, results of operations and cash flows.

In February 2018, the FASB issued ASU 2018-02, “Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income,” which gives entities the option to reclassify the tax effects stranded in accumulated other comprehensive income as a result of the enactment of comprehensive tax legislation in December 2017, commonly referred to as the Tax Cuts and Jobs Act of 2017 (the “Tax Act”), to retained earnings. ASU 2018-02 is effective for interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. The Company does not expect the adoption of ASU 2018-02 to have a material impact on its financial position, results of operations and cash flows.

In February 2016, the FASB issued ASU 2016-02, “Leases.” The primary difference between the current requirement under GAAP 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.

NOTE 4—CHANGES IN BUSINESS

Discontinued Operations

During the fourth quarter of 2017, the Company made the decision to exit and sell its Electrical Solutions segment (which is comprised solely of Koontz-Wagner, a wholly owned subsidiary of the Company) in an effort to reduce the Company's outstanding term debt. The Company determined that the decision to exit this segment met the definition of a discontinued operation. As a result, this segment has been presented as a discontinued operation for all periods presented. As a result of the Company's decision to sell the Electrical Solutions segment, the Company performed an impairment analysis on this segment's finite- and indefinite-lived intangible assets (customer relationships and trade names, respectively) and determined that their carrying value exceeded their fair value. As a result, in the fourth quarter of 2017, the Company recorded an impairment charge of $9.7 million related to these intangible assets. After the impairment charge, the fair value of this segment's intangible assets was zero at December 31, 2017. Determining fair value is judgmental in nature and requires the use of significant estimates and assumptions, considered to be Level 3 inputs. There were no other non-recurring fair value remeasurements related to the Electrical Solutions segment during the year ended December 31, 2017 or three and six months ended June 30, 2018.

In spite of the Company's efforts, which included retaining financial advisors to sell all or part of Koontz-Wagner's operations, inside or outside of a federal bankruptcy or state court proceeding (including Chapter 11 of Title 11 of the Code), the proposed disposition did not progress as planned due, primarily, to the absence of viable bids in the sale process, the inability of Koontz-Wagner to fund its ongoing operations or obtain financing to do so, and Koontz-Wagner's deteriorating financial performance. As a result, on July 11, 2018, Koontz-Wagner filed a voluntary petition for relief under Chapter 7 of Title 11 of the Code with the U.S. Bankruptcy Court for the Southern District of Texas. The filing was for Koontz-Wagner only, not for the Company as a whole, and was completely separate and distinct from the Williams business and operations. Please refer to "Note 12 – Subsequent Events" for additional discussion on the bankruptcy filing.

During the third quarter of 2017, the Company made the decision to exit and sell substantially all of the operating assets and liabilities of its Mechanical Solutions segment in an effort to reduce the Company's outstanding term debt. The Company determined that the decision to exit this segment met the definition of a discontinued operation. As a result, this segment has been presented as a discontinued operation for all periods presented. The Mechanical Solutions and the Electrical Solutions segments were the only components of the business that qualified for discontinued operations for all periods presented.

On October 11, 2017, the Company sold substantially all of the operating assets and liabilities of its Mechanical Solutions segment for $43.0 million 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 (as defined below). 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 (as defined below). The remainder was used to fund working capital requirements. In the fourth quarter of 2017, the Company recorded a total gain of $6.3 million related to these sales.

The Company excluded an asset and liability from the sale of the Mechanical Solutions segment, which were comprised of the Company's office building located in Heerlen, Netherlands and its liability for uncertain tax positions. The liability was included in long-term liabilities of discontinued operations in the June 30, 2018 and December 31, 2017 condensed consolidated balance sheets. The asset was included in current assets of discontinued operations in the December 31, 2017 condensed consolidated balance sheet. At the time the Heerlen office building met the "asset held for sale" criteria, its carrying value was $0.5 million; however, the Company subsequently determined that the building's carrying value exceeded its fair value and, consequently, it recorded an impairment charge of $0.2 million during the fourth quarter of 2017. The impairment charge was included in loss from discontinued operations before income tax expense (benefit) in the consolidated statement of operations for the year ended December 31, 2017. After the impairment charge, the fair value of the Heerlen building was $0.3 million at December 31, 2017. Determining fair value is judgmental in nature and requires the use of significant estimates and assumptions, considered to be Level 3 inputs. There were no other non-recurring fair value remeasurements related to the

Mechanical Solutions segment during the year ended December 31, 2017.

On March 21, 2018, the Company closed on the sale of its office building in Heerlen, Netherlands for $0.3 million, resulting in an immaterial gain on sale, which was reflected in loss from discontinued operations before income tax expense (benefit) in the Company's condensed consolidated statement of operations for the six months ended June 30, 2018.

In connection with the sale of its Mechanical Solutions segment, the Company entered into a transition services agreement with the purchaser to provide certain accounting and administrative services for an initial period of nine months. For each of the three and six months ended June 30, 2018, the Company provided $0.1 million and $0.2 million, respectively, in services for the purchaser, which was included in general and administrative expenses from continuing operations in the condensed consolidated statement of operations.

The following table presents a reconciliation of the carrying amounts of major classes of assets and liabilities of discontinued operations:

(in thousands)	June 30, 2018	December 31, 2017
Assets:		
Accounts receivable	$ 5,465	$ 12,296
Inventories, net	483	178
Cost and estimated earnings in excess of billings	11,379	11,325
Other current assets	597	493
Property, plant and equipment, net	3,347	3,630
Current assets of discontinued operations*	$ 21,271	$ 27,922
Liabilities:		
Accounts payable	$ 8,927	$ 7,004
Accrued compensation and benefits	1,315	1,191
Billings in excess of costs and estimated earnings	1,519	948
Accrued warranties	1,109	1,166
Other current liabilities	9,494	18,493
Current liabilities of discontinued operations	22,364	28,802
Liability for uncertain tax positions	2,406	3,110
Long-term liabilities of discontinued operations	2,406	3,110
Total liabilities of discontinued operations	$ 24,770	$ 31,912

* The total assets of discontinued operations were classified as current on the June 30, 2018 and December 31, 2017 condensed consolidated balance sheets because it was probable that a sale will occur and proceeds will be collected within one year.

The following table presents a reconciliation of the major classes of line items constituting the net income (loss) from discontinued operations. In accordance with GAAP, the amounts in the table below do not include an allocation of corporate overhead.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2018**	**2017**	**2018**	**2017**
Revenue				
Electrical Solutions	$ 6,197	$ 10,532	$ 19,041	$ 24,079
Mechanical Solutions	—	17,901	—	34,579
Total revenue	6,197	28,433	19,041	58,658
Cost of revenue				
Electrical Solutions	6,868	12,560	20,323	27,730
Mechanical Solutions	—	14,963	—	28,493
Total cost of revenue	6,868	27,523	20,323	56,223
Selling and marketing expenses	234	1,141	173	2,410
General and administrative expenses	1,223	4,124	2,366	8,463
Gain on disposal - Mechanical Solutions	115	—	91	—
Other	(48)	168	(9)	329
Income (loss) from discontinued operations before income taxes	(2,195)	(4,523)	(3,903)	(8,767)
Income tax expense (benefit)	(725)	241	(683)	1,220
Income (loss) from discontinued operations	$ (1,470)	$ (4,764)	$ (3,220)	$ (9,987)

Disposition of Hetsco

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.

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 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. 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 before income taxes for the three and six months ended June 30, 2018 and 2017 was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2018**	**2017**	**2018**	**2017**
Income before income taxes	$ —	$ —	$ —	$ 489

NOTE 5—REVENUE

The Company provides a comprehensive range of maintenance, modification and construction support services for nuclear power plants and a wide range of utility and industrial customers in the fossil fuel, industrial gas, natural gas and petrochemical industries, as well as other industrial operations. The Company provides these services in the U.S. both on a constant presence basis and for discrete projects. The services the Company provides are designed to improve or sustain operating efficiencies and extend the useful lives of process equipment.

The Company's contracts are awarded on a competitively bid and negotiated basis and the timing of revenue recognition is impacted by the terms of such contracts. The Company enters into a variety of contract structures, including cost plus reimbursement contracts and fixed-price contracts. The determination of contract structure is based on the scope of work, complexity and project length, and customer preference of contract terms. Cost plus contracts represent the majority of the Company's contracts. There were no direct and incremental costs to the acquisition of a new contract that required a deferral of costs.

Performance obligations

A performance obligation is a contractual promise to transfer a distinct good or service to the customer. The transaction price of a contract is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. To the extent a contract is deemed to have multiple performance obligations, the Company allocates the transaction price of the contract to each performance obligation using its best estimate of the standalone selling price of each distinct good or service in the contract. In addition, certain contracts may be combined and deemed to be a single performance obligation.

The majority of the Company's contracts are in the form of master service agreements, basic ordering agreements and other similar agreements, and related subsequent purchase orders, contract work authorizations and other similar agreements. The Company's purchase orders, contract work authorizations and other similar agreements are generally deemed to be single performance obligations, and its contracts with multiple performance obligations were not material during the three and six months ended June 30, 2018. The Company's performance obligations are satisfied over time because the services provided create or enhance a customer-controlled asset. Therefore, the Company recognizes revenue in the same period the services are performed. For cost-plus reimbursement contracts, revenue is recognized when services are performed and contractually billable based on an agreed-upon price for the completed services or based on the agreed-upon hours incurred and agreed-upon hourly rates. Revenue on fixed-price contracts is recognized and invoiced over time using the cost-to-cost percentage-of-completion method. The Company does not adjust the price of the contract for the effects of a significant financing component. Change orders are generally not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as a modification of the existing contract and performance obligation.

Variable consideration

The Company's contracts may include several types of variable consideration, including unapproved change orders and claims, incentives, penalties and liquidated damages. The Company estimates the amount of revenue to be recognized on variable consideration using estimation methods that best predict the amount of consideration to which the Company expects to be entitled or expects to incur. The Company includes variable consideration in the estimated transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur or when the uncertainty associated with the variable consideration is resolved. The Company's estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of its anticipated performance and all information (historical, current and forecasted) that is reasonably available. The Company updates its estimate of the transaction price each reporting period and the effect of variable consideration on the transaction price is recognized as an adjustment to revenue on a cumulative catch-up basis.

The Company generally provides a limited warranty for a term of two years or less following completion of services performed under its contracts. Historically, warranty claims have not resulted in material costs incurred.

Disaggregation of revenue

Disaggregated revenue by type of contract was as follows.

(in thousands)	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
Cost-plus reimbursement contracts	$ 39,332	$ 73,109
Fixed-price contracts	8,643	17,987
Total	$ 47,975	$ 91,096

Contract balances

The Company enters into contracts that allow for periodic billings over the contract term that are dependent upon specific advance billing terms, as services are provided, or milestone billings based on completion of certain phases of work. Projects with performance obligations recognized over time that have costs and estimated earnings recognized to date in excess of cumulative billings are reported in the Company's condensed consolidated balance sheet as costs and estimated earnings in excess of billings (i.e., contract assets). Projects with performance obligations recognized over time that have cumulative billings in excess of costs and estimated earnings recognized to date are reported in the Company's condensed consolidated balance sheet as billings in excess of costs and estimated earnings (i.e., contract liabilities). At any point in time, each project in process could have either costs and estimated earnings in excess of billings or billings in excess of costs and estimated earnings.

The following table provides information about contract assets and contract liabilities from contracts with customers. The table also includes changes in the contract assets and the contract liabilities balances during the period.

	June 30, 2018		December 31, 2017 (1)	
(in thousands)	Asset	Liability	Asset	Liability
Costs and estimated earnings on contracts in progress	$ 45,735	$ (1,886)	$ 22,274	$ (422)
Billings on contracts in progress	(31,620)	(4,220)	(10,787)	(6,627)
Contracts in progress, net	$ 14,115	$ (6,106)	$ 11,487	$ (7,049)

(1) Prior period amounts have not been adjusted for the adoption of ASC Topic 606 under the modified retrospective method.

For the three and six months ended June 30, 2018, the Company recognized revenue of approximately $2.4 million and $6.9 million, respectively, that was included in the corresponding contracts in progress liability balance at December 31, 2017.

Transaction price allocated to the remaining performance obligations

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period.

(in thousands)	2019	2020	Thereafter	Total
Fixed-price contracts	$ 6,500	$ 6,500	$ 12,644	25,644

NOTE 6—EARNINGS (LOSS) PER SHARE

As of June 30, 2018, the Company's 18,486,758 shares outstanding included 193,589 shares of contingently issued but unvested restricted stock. As of June 30, 2017, the Company's 17,587,751 shares outstanding included 19,362 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 (loss) per common share are calculated by dividing net income (loss) by the weighted average common shares outstanding during the period. Diluted earnings (loss) 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 from continuing operations were calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except per share data)	2018	2017	2018	2017
Loss from continuing operations	$ (6,024)	$ (5,429)	$ (8,262)	$ (17,054)
Basic loss per common share:				
Weighted average common shares outstanding	18,233,226	17,551,664	18,087,368	17,511,232
Basic loss per common share	$ (0.33)	$ (0.31)	$ (0.46)	$ (0.97)
Diluted loss per common share:				
Weighted average common shares outstanding	18,233,226	17,551,664	18,087,368	17,511,232
Diluted effect:				
Unvested portion of restricted stock units and awards	—	—	—	—
Weighted average diluted common shares outstanding	18,233,226	17,551,664	18,087,368	17,511,232
Diluted loss per common share	$ (0.33)	$ (0.31)	$ (0.46)	$ (0.97)

The weighted average number of shares outstanding used in the computation of basic and diluted loss per common 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 loss per common share because the effect would have been anti-dilutive.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Unvested service-based restricted stock units and awards	1,515	45,464	1,515	32,413
Unvested performance- and market-based restricted stock units	279,304	861,758	279,304	861,758
Stock options	122,000	122,000	122,000	122,000

NOTE 7—INCOME TAXES

The effective income tax rate for continuing operations for the three and six months ended June 30, 2018 and 2017 was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Effective income tax rate for continuing operations	(3.8)%	(5.8)%	(6.5)%	8.3%

The effective income tax rate differs from the statutory federal income tax rate of 21% primarily because of the full valuation allowances recorded on the Company's deferred tax assets.

For the three and six months ended June 30, 2018, the Company recorded income tax expense from continuing operations of $0.2 million, or (3.8)% of pretax loss from continuing operations, and $0.5 million, or (6.5)% of pretax loss from continuing operations, respectively, compared with income tax expense from continuing operations of $0.3 million, or (5.8)% of pretax loss from continuing operations, and income tax benefit from continuing operations of $1.5 million, or 8.3% of pretax loss from continuing operations, respectively, in the corresponding periods of 2017. The difference between the Company's effective tax rate and the federal statutory tax rate for the three and six months ended June 30, 2018 and 2017 was primarily related to the full valuation allowance recorded on its deferred tax assets.

As of June 30, 2018 and 2017, the Company would have needed to generate approximately $259.7 million and $237.6 million, respectively, of future financial taxable income to realize its deferred tax assets.

As of June 30, 2018 and December 31, 2017, the Company provided for a total liability of $3.1 million and $3.3 million, respectively, of which $1.2 million and $1.4 million, respectively, was related to its discontinued operations, 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, 2018, the Company accrued approximately $2.1 million, of which $1.7 million was related to its discontinued operations, in other long-term liabilities for potential payment of interest and penalties related to uncertain income tax positions.

On December 22, 2017, the SEC staff issued Staff Accounting Bulletin 118 ("SAB 118"), "Income Tax Accounting Implications of the Tax Cuts and Jobs Act," which provides guidance on accounting for the impact of the Tax Act. SAB 118 was issued to address the application of GAAP in situations when a registrant does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Act. Pursuant to the disclosure provisions of SAB 118, as of June 30, 2018, the Company has completed its accounting for the tax effects of the Tax Act. The Company recorded a reasonable estimate of the impact from the Tax Act as of December 31, 2017, but is still analyzing the Tax Act and refining its calculations. Additionally, future guidance from the Internal Revenue Service, the SEC or the FASB could result in changes to the Company's accounting for the tax effects of the Tax Act.

NOTE 8—DEBT

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 its revolving credit facility (as amended or supplemented from time to time, the "Revolving Credit Facility"). The Company replaced the Revolving Credit Facility with a 4.5-year senior secured term loan facility (the "Initial Centre Lane

Facility") with an affiliate of Centre Lane Partners, LLC ("Centre Lane") as Administrative Agent and Collateral Agent, and the other lenders from time to time party thereto (collectively, the "Lenders"). The Initial Centre Lane Facility is governed by the terms of the Senior Secured Credit Agreement, dated June 16, 2017, as amended by the First Amendment, dated August 17, 2017 (the "First Centre Lane Amendment"), the Limited Waiver and Second Amendment, dated October 11, 2017, the Second Limited Waiver and Third Amendment, dated January 9, 2018, the Third Limited Waiver, dated March 30, 2018, the Fourth Amendment, dated April 13, 2018 (the "Fourth Amendment"), and the Consent and Fifth Amendment, dated July 11, 2018 (the "Fifth Amendment") (collectively, "the Centre Lane Facility"). 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 First Centre Lane Amendment, net cash proceeds were $15.3 million.

The Initial Centre Lane Facility provided for an initial loan in an aggregate principal amount of $45.0 million, and the First Centre Lane Amendment provided for a first-out loan for an additional aggregate principal amount of $10.0 million (the "First-Out Loan"). The Initial Centre Lane Facility has a maturity date of December 16, 2021. However, the Fourth Amendment imposed a mandatory prepayment of all obligations then outstanding under the Centre Lane Facility on May 31, 2019. Had the First-Out Loan not been paid in full as a result of the sale of Mechanical Solutions in October 2017, described below, it would have matured on September 30, 2018.

The Initial Centre Lane Facility required 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 bore interest at a rate of the London Interbank Offered Rate ("LIBOR") plus 19% annual payable-in-kind ("PIK") interest. The upfront fee was 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 First Centre Lane Amendment also required the Company to pay an upfront fee equal to 7% of the First-Out Loan commitments, which bore 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 was payable upon the maturity date of the First-Out Loan.

Borrowings under the Centre Lane Facility 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.

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, including full repayment of the First-Out Loan and its related fees as well as the upfront fee on the Initial Centre Lane Facility. This payment satisfied the $25.0 million prepayment criteria necessary to avoid a PIK rate increase to 15% 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.

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.

Upon a default under the Centre Lane Facility, the Company's senior secured lenders would have the right to accelerate the then-outstanding amounts under such facility and to exercise their rights and remedies to collect such amounts, which would include foreclosing on collateral constituting substantially all of the Company's assets and those of its subsidiaries. During the third quarter of 2017, the Company made the decision to exit and sell substantially all of the operating assets and liabilities of its Mechanical Solutions segment in an effort to reduce the Company's outstanding term debt. As an initial step in this plan, the Company filed a certificate of dissolution and dissolved its wholly owned inactive subsidiary, Braden Construction Services, Inc., on September 5, 2017. As a result of this dissolution, the Company was in violation of one of its covenants under the Center Lane Facility as of December 31, 2017. On January 9, 2018, the Company entered into a second limited waiver and third amendment to the Centre Lane Facility, which waived the event of default caused by the dissolution and extended the first required date for the Company to satisfy the total leverage and fixed charge coverage ratios to March 31, 2019.

On March 30, 2018, the Company entered into a Third Limited Waiver to the Centre Lane Facility, which extended the delivery date of the 2017 Report and the time period for the required payment of the $0.3 million net cash proceeds from the sale of the office building in Heerlen, Netherlands, which was sold in March 2018, until May 31, 2018.

On April 13, 2018, the Company entered into the Fourth Amendment to the Centre Lane Facility, which:

- Extended the first required date for the Company to satisfy the total leverage and fixed charge coverage ratios to September 30, 2019.
- Waived the requirement under the Centre Lane Facility to prepay $3.7 million of certain future cash receipts and any event of default that would otherwise result from failure to pay such amounts (including the $0.3 million net cash proceeds from the sale of the Heerlen office building and $2.1 million cash proceeds from the sale of pre-petition receivables due from Westinghouse Electric Company LLC ("Westinghouse"), which filed for bankruptcy in March 2017).
- Provided a $3.0 million Incremental Loan Commitment, which can be drawn upon in minimum increments of $1.0 million, which, if utilized, bears interest at the greater of LIBOR plus 19% or 50%.
- Assessed a 1% unused line fee on the Incremental Loan Commitment.
- Required a payment of a $0.5 million exit fee, due and payable on May 31, 2019.
- Required a mandatory prepayment of all the obligations due and payable under the Centre Lane Facility on the earlier of (i) May 31, 2019, (ii) the date Williams Industrial Services Group, LLC and its subsidiaries are sold or (iii) the date of acceleration of the loans pursuant to an additional event of default.

On July 11, 2018, the Company entered into the Fifth Amendment to the Centre Lane Facility, which:

- Waived the event of default and other bankruptcy events of default (as defined in the Centre Lane Facility) that would otherwise have resulted from Koontz-Wagner filing for bankruptcy protection under Chapter 7 of the Code.
- Extended the required prepayment of all outstanding amounts due and payable to the earlier of April 1, 2020 or the date of acceleration of loans pursuant to an additional event of default.
- Extended the first required date for the Company to satisfy the total leverage and fixed charge coverage ratios to June 30, 2020.
- Assessed a $4.0 million amendment fee, which was capitalized and added to the outstanding principal balance of the term loan and is due and payable on April 1, 2020.

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

(in thousands)	As of June 30, 2018	
Term loan, due 2021	$	26,490
Unamortized deferred financing costs		(773)
Long-term debt, net	$	25,717

The Company's effective rate on its outstanding debt was 21.0% and 20.3% as of June 30, 2018 and December 31, 2017, respectively.

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 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.

As of June 30, 2018, the Company had $5.1 million outstanding standby letters of credit that were originally issued under the Revolving Credit Facility and there were no amounts drawn upon these letters of credit. As of June 30, 2018, the Company provided cash collateral of $5.5 million for letters of credit with expiry dates beyond the Revolving Credit Facility's original maturity date. In addition, as of June 30, 2018, 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. Total interest expense associated with the amortization of deferred financing costs on the Centre Lane Facility was $0.1 million and $0.2 million for the three and six months ended June 30, 2018, respectively. 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. 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.

As of June 30, 2018 and December 31, 2017, the Company had total unamortized deferred financing costs of $0.8 million and $0.9 million, respectively, related to the Centre Lane Facility, which were included in long-term debt, net on the accompanying condensed consolidated balance sheets. Additionally, as of June 30, 2018, the Company had unamortized deferred financing costs of $0.5 million, related to the exit fee under the Fourth Amendment of the Center Lane Facility, which was included in other long-term assets on the accompanying condensed consolidated balance sheet.

NOTE 9—FINANCIAL INSTRUMENTS

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, 2018 and 2017 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 foreign currency forward exchange contracts previously disclosed in the Company's Quarterly Report on Form 10-Q for the second quarter of 2017 were held by its discontinued operations.

NOTE 10—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 on May 13, 2015 and June 23, 2015, respectively, and on July 29, 2015 the court consolidated the two actions and appointed a lead plaintiff. 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, 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. On December 27, 2017, the court issued a memorandum opinion and order granting the motion to dismiss, allowing the plaintiffs until January 15, 2018 to file an amended complaint. The court found that, with respect to each of the defendants, plaintiffs failed to plead facts supporting a strong inference of scienter, or the required intent to deceive, manipulate or defraud, or act with severe recklessness. On January 15, 2018, the plaintiffs filed their third amended complaint, and in response the Company filed a renewed motion to dismiss. Plaintiffs subsequently filed a motion in opposition to the Company's motion to dismiss, and requested oral argument. Defendants filed their reply brief in further support of their motion on March 23, 2018, and oral argument was held on July 19, 2018 and the court has not yet issued a ruling. 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.

A former operating unit of the Company 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.

NOTE 11—STOCK-BASED COMPENSATION PLANS

During the second quarter of 2018, the Company granted 381,021 service-based restricted stock units to employees, out of treasury stock, at a grant date fair value of $2.94 per share. Restricted stock units granted to employees in 2018 vest ratably over a three-year period beginning on March 31, 2019. The fair value of service-based restricted stock units represents the closing price of the Company's common stock on the date of grant.

During the second quarter of 2018, the Company awarded 381,008 performance based restricted stock units to employees, out of treasury stock, at a grant date fair value of $1.27 per share. The 2018 units contain a performance condition based on a stock price goal. The stock price goal will be met if the Company's common stock price per share equals or exceeds $5.00 for any period of 30 consecutive trading days during a three-year period ending on March 31, 2021. These restricted stock units will vest ratably over a period of three years if the stock price goal is met on or before March 31, 2019. However, if the stock price goal is achieved after March 31, 2019 and on or prior to March 31, 2020, the restricted stock units will vest in three installments, with one-third vesting on the date the stock price goal is met, one-third vesting on March 31, 2020 and one-third vesting on March 31, 2021. Further, if the stock price goal is achieved after March 31, 2020 and on or prior to March 31, 2021, the restricted stock units will vest in two installments, with two-thirds vesting on the date the stock price goal is met and one-third vesting on March 31, 2021. If the stock price goal is met after March 31, 2021 and during the three-year performance period, the restricted stock units will vest in full on the date that the stock price goal is met. The fair value of the performance-based restricted stock units is estimated using the Monte Carlo simulation model.

On April 16, 2018, the Company granted 129,410 service-based restricted stock awards out of treasury stock to its four non-employee directors, at a grant date fair value of $2.33 per share with a vesting period of four years. Because the Company had not granted restricted stock awards to its directors since 2015, a portion of the total awards vested on the grant date. In addition, due to the resignation of six non-employee members of the Company's Board of Directors, on April 11, 2018, a total of 4,545 shares of previously granted restricted stock awards vested.

On May 16, 2018, the Company granted 109,192 service-based restricted stock awards out of treasury stock to its four non-employee directors, at a grant date fair value of $2.20 per share with a vesting period of four years.

Stock-based compensation expense for the three months ended June 30, 2018 and 2017 was $0.3 million and $0.7 million, respectively, and $0.5 million and $1.4 million for the six months ended June 30, 2018 and 2017, respectively, and was included in general and administrative expenses on the Company's condensed consolidated statements of operations.

NOTE 12—SUBSEQUENT EVENT

On July 11, 2018, Koontz-Wagner, a wholly owned subsidiary of the Company, filed a voluntary petition for relief under Chapter 7 of Title 11 of the Code with the U.S. Bankruptcy Court for the Southern District of Texas. The filing was for Koontz-Wagner only, not for the Company as a whole, and is completely separate and distinct from the Williams business and operations. Prior to the filing, the Company obtained a waiver of the event of default under the Centre Lane Facility that the filing created. Please refer to "Note 8–Debt" for additional discussion on the Fifth Amendment to the Centre Lane Facility.

Because the Company's Board of Directors approved the plan under which Koontz-Wagner would file for bankruptcy on July 9, 2018, the effects of the filing on the Company's financial statements will be recorded in the third quarter of 2018. In addition to writing off its net investment in Koontz-Wagner, the Company will record liabilities to reflect the $4.0 million Centre Lane Facility Fifth Amendment fee, our third-party consultant's preliminary estimate of the pension withdrawal liability of $4.3 million related to Koontz-Wagner's International Brotherhood of Electrical Workers Local Union 1392 multi-employer pension plan, a $1.8 million negotiated settlement of the Company's guarantee of Koontz-Wagner's Houston facility lease agreement and a $2.4 million liability as a result of the Company providing affected Koontz-Wagner employees with 60 days of salary continuation as well as the difference between each employee's current cost of health care and the cost of continued benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Payment of these wages and benefits is contingent upon the departing employee providing a general release of claims against the Company.

Based on our third-party consultant's preliminary estimate, the Company currently expects to pay the pension withdrawal liability over a period of 20 years via estimated payments of approximately $0.3 million per year. The actual withdrawal liability will be calculated by the plan trustees through a process which we expect they will initiate during the third quarter of 2018, and we will true-up to the actual when it becomes known. The lease guarantee settlement and salary and benefit continuation liabilities will be paid in full by the end of 2018. Subsequent to the July 11, 2018 filing, the Company submitted the required schedules to the trustee on July 30, 2018. During the course of the bankruptcy proceedings, it is possible that additional liabilities may arise that must be satisfied by the Company.

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

Cautionary Statement Regarding Forward-Looking Statements

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 2017 Report 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 financial and 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;
- 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;
- a failure to implement our business strategies, including our potential inability to successfully divest additional assets to reduce debt;
- a failure to realize liquidity, operating and growth initiatives and opportunities;
- our competitive position;
- market outlook and trends in our industry;
- 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;
- future liabilities resulting from the Koontz-Wagner bankruptcy filing;
- availability of materials, supplies and craft labor;
- plans and objectives of management;
- future income tax payments and utilization of net operating loss ("NOL") and foreign tax credit carryforwards, including any impact relating to the Tax Act;
- 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, including the bankruptcy filing by Koontz-Wagner; 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 the 2017 Report under the heading "Item 1A. 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 continuing operations, an overview of our liquidity and capital resources and other items related to our business. During the fourth quarter of 2017, we made the decision to exit and sell our Koontz-Wagner Business. On July 11, 2018, Koontz-Wagner filed a voluntary petition for relief under Chapter 7 of Title 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of Texas. In the third quarter of 2017, we made the decision to exit and sell substantially all of the operating assets and liabilities of our Mechanical Solutions segment. We determined that the decision to exit each of those segments met the definition of a discontinued operation. As a result, those segments have been presented as discontinued operations for all periods presented. 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 are as of and for the three and six months ended June 30, 2018 and are based on our continuing operations; they exclude any results of our discontinued operations. Please refer to “Note 4—Changes in Business” to the condensed consolidated financial statements included in this Form 10-Q for additional information on our discontinued operations.

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 the 2017 Report.

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 services we provide 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 only one succeeding year, 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 GAAP, 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:

(in thousands)	June 30, 2018	December 31, 2017
Backlog	$ 174,524	$ 137,691

Backlog as of June 30, 2018 increased $36.8 million from December 31, 2017. The increase was driven primarily by the renewal of an existing nuclear maintenance and modification contract and increased scope related to the construction activities at Plant Vogtle Units 3 & 4.

Results of Operations

The following summary and discussion of our results of operations is based on our continuing operations and excludes any results of our discontinued operations.

	Three Months Ended June 30,		Six Months Ended June 30, 2018	
(in thousands)	**2018**	**2017**	**2018**	**2017**
Revenue	$ 47,975	$ 57,981	$ 91,096	$ 103,613
Cost of revenue	41,228	51,227	77,899	98,414
Gross profit	6,747	6,754	13,197	5,199
Selling and marketing expenses	476	717	902	1,284
General and administrative expenses	9,721	7,880	16,181	15,705
Restatement expenses	30	713	160	2,433
Depreciation and amortization expense	220	329	441	664
Total operating expenses	10,447	9,639	17,684	20,086
Operating loss	(3,700)	(2,885)	(4,487)	(14,887)
Interest expense, net	2,397	2,243	3,775	3,944
Gain on sale of business and net assets held for sale	—	—	—	(239)
Other (income) expense, net	(293)	1	(505)	—
Loss from continuing operations before income tax expense (benefit)	(5,804)	(5,129)	(7,757)	(18,592)
Income tax expense (benefit)	220	300	505	(1,538)
Loss from continuing operations	$ (6,024)	$ (5,429)	$ (8,262)	$ (17,054)

Revenue for the three months ended June 30, 2018 decreased $10.0 million compared with the corresponding period in 2017 due primarily to the timing of a scheduled outage in 2017 related to a maintenance and modification contract. The timing of the scheduled outage resulted in an $18.0 million decrease in revenue for the three months ended June 30, 2018 compared with the corresponding period in 2017. Additionally, the substantial completion of three non-recurring fixed price contracts in 2017 resulted in a $9.2 million decrease in revenue for the three months ended June 30, 2018 compared with the corresponding period in 2017. These decreases in revenue were partially offset by an $11.8 million increase in revenue from construction activities at Plant Vogtle Units 3 & 4 and a $4.0 million increase related to new decommissioning work.

Gross profit for the three months ended June 30, 2018 was flat compared with the corresponding period in 2017, although there was a $10.0 million decrease in revenue. Of the $10.0 million decrease in revenue, $9.3 million was recognized on loss contracts for which we had previously accrued the estimated losses and, thus, had zero gross profit recognized in the second quarter of 2017. Gross margin for the second quarter of 2018 was 14.1%. Excluding the impact of the zero margin revenue recognized in the second quarter of 2017, the gross margin for the second quarter of 2017 was 13.9%.

Operating loss for the three months ended June 30, 2018 increased $0.8 million compared with the corresponding period in 2017 due to an increase in operating expenses. As discussed below, general and administrative expenses increased $1.8 million compared with the corresponding period in 2017. The increase in general and administrative expenses for the three months ended June 30, 2018 were partially offset by a $0.2 million decrease in selling and marketing expenses, due to a decrease in labor-related expenses, and a $0.7 million decrease in restatement expenses due to the wind-down of restatement activities in conjunction with the March 15, 2017 filing of the Annual Report on Form 10-K for the year ended December 31, 2015, which included the restatement of certain prior period financial results.

Revenue for the six months ended June 30, 2018 decreased $12.5 million compared with the corresponding period in 2017. The primary drivers of the decrease were: a $20.0 million decrease due to the timing of a nuclear outage; a $9.5 million decrease related to the substantial completion of four non-recurring fixed price contracts in 2017; the non-recurrence of the first quarter 2017 release to revenue of a $4.4 million liquidated damages contingent liability; a $3.9 million decrease related to non-recurring nuclear, fossil fuel and other industrial projects; and a $1.2 million decrease due to the divestiture of Hetsco, Inc. in January 2017. These decreases in revenue were partially offset by a $20.1 million increase from construction activities at Plant Vogtle Units 3 & 4 and a $6.4 million increase related to new decommissioning work.

Gross profit for the six months ended June 30, 2018 increased $8.0 million compared with the corresponding period in 2017 due to the non-recurrence of $12.3 million of losses recognized on three non-recurring fixed price contracts in 2017, which was partially offset by the non-recurrence of the release of a $4.4 million liquidated damages contingent liability in 2017.

Operating loss for the six months ended June 30, 2018 decreased $10.4 million compared with the corresponding period in 2017 due to the increase in gross profit and a $2.4 million decrease in operating expenses. The decrease in operating expenses for the six months ended June 30, 2018 compared with the corresponding period in 2017 was due primarily to a $2.3 million decrease in restatement expenses due to the wind-down of restatement activities in conjunction with the March 15, 2017 filing of the Annual Report on Form 10-K for the year ended December 31, 2015, which included the restatement of certain prior period financial results. In addition, for the six months ended June 30, 2018, selling and marketing expenses decreased $0.4 million, due to a $0.3 million decrease in labor-related expenses, and travel and entertainment expenses decreased $0.1 million compared with the corresponding period in 2017.

General and Administrative Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2018**	**2017**	**2018**	**2017**
Labor-related expenses	$ 6,075	$ 4,036	$ 9,895	$ 8,549
Stock-based compensation expense	304	681	465	1,372
Professional fees	1,893	1,264	3,359	2,139
Other expenses	1,449	1,899	2,462	3,645
Total	$ 9,721	$ 7,880	$ 16,181	$ 15,705

Total general and administrative expenses for the three months ended June 30, 2018 increased $1.8 million compared with the corresponding period in 2017. For the three months ended June 30, 2018, total labor-related expenses increased $2.0 million due primarily to a $2.2 million increase in severance expense compared with the corresponding period in 2017. The increase in severance expense for the three months ended June 30, 2018 was partially offset by a decrease in on-going labor and labor-related expenses compared with the corresponding period in 2017. For the three months ended June 30, 2018, professional fees increased $0.6 million due to strategic alternative activities compared with the corresponding period in 2017. These increases in general and administrative expenses for the three months ended June 30, 2018 were partially offset by a $0.4 million decrease in stock-based compensation expense and a $0.5 million decrease in other expenses compared with the corresponding period in 2017.

Total general and administrative expenses for the six months ended June 30, 2018 increased $0.5 million compared with the corresponding period in 2017. For the six months ended June 30, 2018, total labor-related expenses increased $1.3 million due primarily to a $2.2 million increase in severance expense compared with the corresponding period in 2017. The increase in severance expense for the six months ended June 30, 2018 was partially offset by a decrease in on-going labor and labor-related expenses compared with the corresponding period in 2017. For the six months ended June 30, 2018, professional fees increased $1.2 million due to strategic alternative activities compared with the corresponding period in 2017. These increases in general and administrative expenses for the six months ended June 30, 2018 were partially offset by a $0.9 million decrease in stock-based compensation expense compared with the corresponding period in 2017. Furthermore, other expenses decreased $1.2 million compared with the corresponding period in 2017 due to a $0.1 million decrease in travel and entertainment expense, a $0.3 million decrease in computer software expense, a $0.2 million decrease in bank fees and a $0.1 million decrease in bad debt expense compared with the corresponding period in 2017.

Other (Income) Expense, Net

	Three Months Ended June 30		Six Months Ended June 30,	
(in thousands)	**2018**	**2017**	**2018**	**2017**
Interest expense, net	$ 2,397	$ 2,243	$ 3,775	$ 3,944
(Gain) loss on sale of business and net assets held for sale	—	—	—	(239)
Other (income) expense, net	(293)	1	(505)	—
Total	$ 2,104	$ 2,244	$ 3,270	$ 3,705

Total other expense, net, for the three and six months ended June 30, 2018 decreased $0.1 million and $0.4 million, respectively, compared with the corresponding periods in 2017 due primarily to income from the Company’s 25% interest in an equity method investment.

Income Tax Expense (Benefit)

(in thousands)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Income tax expense (benefit)	$ 220	$ 300	$ 505	$ (1,538)

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, 2018, we recorded income tax expense from continuing operations of $0.2 million, or (3.8)% of pretax loss from continuing operations, and $0.5 million, or (6.5)% of pretax loss from continuing operations, respectively, compared with income tax expense from continuing operations of $0.3 million, or (5.8)% of pretax loss from continuing operations, and income tax benefit from continuing operations of $1.5 million, or 8.3% of pretax loss from continuing operations, respectively, in the corresponding periods of 2017. The difference between our effective tax rate and the federal statutory tax rate for the three and six months ended June 30, 2018 and 2017 was primarily related to the full valuation allowance recorded on our deferred tax assets.

Discontinued Operations

See "Note 4—Changes in Business" to the unaudited condensed consolidated financial statements included in this Form 10-Q for information regarding discontinued operations.

Liquidity and Capital Resources

During the three and six months ended June 30, 2018, we continued to have significant liquidity constraints. Our principal sources of liquidity were releases of restricted cash. Our principal uses of cash were to pay for customer contract-related material, labor and subcontract labor, operating expenses and interest expense on the Centre Lane Facility. See discussion in "Note 2—Liquidity" to the unaudited condensed consolidated financial statements included in this Form 10-Q.

Net Cash Flows

Our net consolidated cash flows, including cash flows related to discontinued operations, consisted of the following:

Statement of Cash Flow Data (in thousands)	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Cash flows provided by (used in):		
Operating activities	$ (4,329)	$ (5,717)
Investing activities	205	22,908
Financing activities	(328)	(5,852)
Effect of exchange rate change on cash	—	286
Net change in cash, cash equivalents and restricted cash	$ (4,452)	$ 11,625

Cash and Cash Equivalents

As of June 30, 2018, our operating unrestricted cash and cash equivalents increased $0.5 million to $5.1 million from $4.6 million as of December 31, 2017. As of June 30, 2018, the operating cash balance of $5.1 million was held in U.S. bank accounts.

Operating Activities

Cash flows from operating activities result primarily from earnings sources and are affected by changes in operating assets and liabilities, which consist primarily of working capital balances related to our projects. For the six months ended June 30, 2018, cash used by operating activities decreased $1.4 million to $4.3 million. The $4.3 million usage of cash during the first six months of 2018 was attributed to our discontinued operations, which used $4.1 million of cash in its operating activities.

During the six months ended June, 2018, our working capital decreased $10.8 million, or 34%, from December 31, 2017. Current assets decreased $15.3 million during the first six months of 2018, due primarily to a $6.7 million decrease in current assets of discontinued operations, a $5.0 million decrease in restricted cash, a $4.4 million decrease in accounts receivable, net, and a $2.4 million decrease in other current assets. These decreases were partially offset by a $2.6 million increase in cost and estimated earnings in excess of billings. Current liabilities decreased $4.5 million during the first six months of 2018 due primarily to a $6.4 million decrease in current liabilities of discontinued operations, partially offset by a $3.0 million increase in accrued compensation and benefits.

Investing Activities

For the six months ended June 30, 2018, net cash provided by investing activities decreased $22.7 million due primarily to $20.2 million in net proceeds received as a result of the divestiture of Hetsco in January 2017. No significant divestitures occurred during the six months ended June 30, 2018.

Financing Activities

For the six months ended June 30, 2018, net cash used in financing activities decreased $5.5 million. During the first six months of 2017, repayment of our previously outstanding Revolving Credit Facility used $165.5 million of cash, while proceeds from the Revolving Credit Facility and the Centre Lane Facility provided $161.6 million of cash. The Revolving Credit Facility was refinanced and replaced with the Centre Lane Facility in June 2017. We used $1.7 million in cash during the first half of 2017 in connection with the refinancing of our long-term debt. During the six months ended June 30, 2018, we did not borrow against or make any repayments of principal under the Centre Lane Facility. For additional information, please refer to “Note 8—Debt” to the condensed consolidated financial statements included in this Form 10-Q.

Effect of Exchange Rate Changes on Cash

For the six months ended June 30, 2018, our cash flows were not impacted by fluctuations in foreign currency. For the six months ended June 30, 2017, the effect of exchange rate changes increased cash by $0.3 million, primarily resulting from fluctuations in the Euro and the Mexican Peso 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, 2018, 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 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

In April 2018, as part of the Fourth Amendment to the Centre Lane Facility, we negotiated a $3.0 million Incremental Loan Commitment that can be drawn upon in minimum increments of $1.0 million. This Loan Commitment can provide us with emergency funding in the event of a cash shortfall. However, the Centre Lane Facility does not provide us with the ability to issue new letters of credit.

In July 2018, as part of the Fifth Amendment to the Centre Lane Facility, the required prepayment of all outstanding amounts due and payable was extended to the earlier of April 1, 2020 or the date of acceleration of loans pursuant to an additional event of default. Additionally the first required date for the Company to satisfy the total leverage and fixed charge coverage ratios was extended to June 30, 2020.

On July 11, Koontz-Wagner, the Company’s wholly owned subsidiary which comprised substantially all of current year discontinued operations, filed for Chapter 7 bankruptcy. As a result, the Company will no longer need to fund Koontz-Wagner’s operations, which used $3.6 million of cash during the first six months of 2018.

The Company is negotiating the terms of a new loan with Centre Lane which will refinance and replace the current Centre Lane Facility. We are concurrently negotiating the terms of an asset-based loan (“ABL”) with another lender to provide additional liquidity and a letter of credit sub-facility. Both of these negotiations are being made pursuant to exclusivity agreements which expire on September 15, 2018. The successful completion of these negotiations cannot be assured by the Company.

Restricted cash balances have decreased $5.0 million since the beginning of the year primarily as a result of the cancellation of a $3.5 million cash collateralized letter of credit. We expect that restricted cash balances will continue to decline during the remainder of 2018 as additional letters of credit are cancelled upon satisfaction of the underlying conditions.

Although we are aggressively executing our plan to reduce general and administrative expenses, our 2018 results of operations have been and will continue to be impacted by severance and other restructuring expenses. Additionally, the cash flow requirements of executing the reduction plan will continue into 2019.

For additional information, please refer to “Note 2— Liquidity” to the condensed consolidated financial statements included in this Form 10-Q.

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, 2018, 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, 2018, we had $5.1 million of outstanding standby letters of credit that were originally issued under the Revolving Credit Facility and there were no amounts drawn upon these letters of credit. In addition, as of June 30, 2018, 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

On January 1, 2018, we adopted ASC Topic 606, “Revenue from Contracts with Customers.” In connection with the adoption, we implemented certain changes to our accounting policies and processes related to revenue recognition. For additional information on changes to our revenue recognition accounting policy, please refer to “Note 5—Revenue” to the condensed consolidated financial statements included in this Form 10-Q. There were no other 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 2017 Report, during the three and six months ended June 30, 2018.

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 Chief Executive Officer and Chief Financial Officer, the effectiveness of its disclosure controls and procedures as of June 30, 2018. 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 Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures were not effective as of June 30, 2018, due to the material weaknesses described in “Item 9A. Controls and Procedures” of the Company’s 2017 Report.

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 GAAP.

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 GAAP.

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 2017 Report, 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 six months ended June 30, 2018 and will continue throughout the remainder of 2018.

On January 1, 2018, we adopted ASC Topic 606, "Revenue from Contracts with Customers." In connection with the adoption, we implemented certain changes to our processes and controls related to revenue recognition. These changes included the development of new policies and practices based on the five-step model outlined in ASC Topic 606, new contract review requirements and new processes and controls related to the additional disclosure requirements. In April 2018, we closed our internal audit department and reassigned that department's responsibilities to other departments throughout the organization. While we continue to implement remediation efforts and design enhancements to our internal control procedures, we believe there were no other changes to our internal control over financial reporting that occurred during the six months ended June 30, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II—OTHER INFORMATION

Item 1. Legal Proceedings.

The information included in "Note 10—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.

Our business faces significant risks and uncertainties. Certain important factors may have a material adverse effect on our business prospects, financial condition and results of operations, and you should carefully consider them. Due to the bankruptcy filing by Koontz-Wagner, the Company has added the following risk factor that should be considered:

The Company could incur future liabilities as a result of the Koontz-Wagner bankruptcy filing.

There have not been any other material changes to our risk factors from those reported in our 2017 Report.

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
3.1	Second Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Global Power Equipment Group Inc., as filed with the Secretary of State of the State of Delaware on June 27, 2018 (filed as Exhibit 3.1 to our Form 8-K filed with the Commission on June 29, 2018 and incorporated herein by reference).
3.2	Fourth Amended and Restated By-Laws of Williams Industrial Services Group Inc. (filed as Exhibit 3.2 to our Form 8-K filed with the Commission on June 29, 2018 and incorporated herein by reference).
4.1	Form of Common Stock Certificate of Williams Industrial Services Group Inc. (filed as Exhibit 4.1 to our Form 8-K filed with the Commission on June 29, 2018 and incorporated herein by reference).
10.1	Fourth Amendment to Senior Secured Credit Agreement, dated April 13, 2018, by and among Global Power Equipment Group Inc., as Borrower, the Lenders party thereto, and Centre Lane Partners Master Credit Fund II, L.P., as Administrative Agent and Collateral Agent (filed as Exhibit 10.59 to our Form 10-K filed with the Commission on April 16, 2018 and incorporated herein by reference).
10.2	Consent and Fifth Amendment to Senior Secured Credit Agreement, dated July 11, 2018, by and among Williams Industrial Services Group Inc. (f/k/a Global Power Equipment Group Inc.), as Borrower, the Lenders party thereto, and Centre Lane Partners Master Credit Fund II, L.P., as Administrative Agent and Collateral Agent. ♦
10.3	Separation Agreement, dated April 13, 2018, by and between Craig Holmes and Global Power Equipment Group Inc. (filed as Exhibit 10.65 to our Form 10-K filed with the Commission on April 16, 2018 and incorporated herein by reference).
10.4	Separation Agreement, dated May 29, 2018, by and between Global Power Equipment Group Inc. and Erin Gonzalez (filed as Exhibit 10.1 to our Form 8-K filed with the Commission on June 4, 2018 and incorporated herein by reference).
10.5	Employment Agreement, dated June 20, 2018, by and between Global Power Equipment Group Inc. and Tracy D. Pagliara (filed as Exhibit 10.1 to our Form 8-K filed with the Commission on June 26, 2018 and incorporated herein by reference).
10.6	Employment Agreement, dated July 31, 2018, by and between Williams Industrial Services Group Inc. and Timothy M. Howsman.♦
31.1	Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.♦
31.2	Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.♦
32.1	Certification by the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certification by the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
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♦

♦ Filed herewith.

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.

	WILLIAMS INDUSTRIAL SERVICES GROUP INC.
Date: August 14, 2018	By: /s/ Timothy M. Howsman
	Timothy M. Howsman, Chief Financial Officer (Duly authorized officer and principal financial and accounting officer of the registrant)

Exhibit 10.2

Execution Version

CONSENT AND FIFTH AMENDMENT
TO SENIOR SECURED CREDIT AGREEMENT

This CONSENT AND FIFTH AMENDMENT TO SENIOR SECURED CREDIT AGREEMENT, dated as of July 11, 2018 (this "Fifth Amendment"), is entered into by and among Williams Industrial Services Group Inc. (f/k/a Global Power Equipment Group Inc.) ("Borrower"), each financial institution from time to time party hereto as lender (each, a "Lender" and collectively, the "Lenders"), and CENTRE LANE PARTNERS MASTER CREDIT FUND II, L.P. , a Delaware limited partnership, as administrative agent for the Lenders (in such capacity, and together with its successors and assigns, the "Administrative Agent") and as collateral agent for the Lenders (in such capacity, and together with its successors and assigns, the "Collateral Agent").

RECITALS

WHEREAS, the Borrower, the Lenders identified on signatures pages thereto, the Administrative Agent and the Collateral Agent are parties to that certain Senior Secured Credit Agreement, dated as of June 16, 2017, as amended by that certain First Amendment to Senior Secured Credit Agreement, dated as of August 17, 2017, that certain Limited Waiver and Second Amendment to Senior Secured Credit Agreement, dated as of October 11, 2017, that certain Second Limited Waiver and Third Amendment, dated as of January 9, 2018, that certain Third Limited Waiver to Senior Secured Credit Agreement, dated as of March 30, 2018 and that certain Fourth Amendment to Senior Secured Credit Agreement, dated as of April 13, 2018 (the "Existing Credit Agreement"; the Existing Credit Agreement, as amended by this Fifth Amendment, the "Credit Agreement");

WHEREAS, the Borrower has requested that the Lenders (i) consent to Koontz-Wagner Custom Controls Holdings LLC ("Koontz-Wagner"), a Subsidiary of the Borrower, filing for bankruptcy protection under Chapter 7 of the Bankruptcy Code and (ii) extend the date of a certain mandatory prepayment under the Existing Credit Agreement;

WHEREAS, the Lenders are willing to (i) consent to Koontz-Wagner filing for bankruptcy protection under Chapter 7 of the Bankruptcy Code, (ii) extend the date of a certain mandatory prepayment under the Existing Credit Agreement and (iii) make certain other changes to the Existing Credit Agreement, in each case subject to the terms and conditions of this Fifth Amendment.

NOW THEREFORE, in consideration of the premises and the mutual covenants and the agreements herein set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I
Definitions

Section 1.1. Certain Definitions. Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement.

ARTICLE II
Consent and Waiver

Section 2.1. Consent and Waiver. Subject to satisfaction of the conditions set forth in Article V hereof, and in reliance upon (a) the representations and warranties of the Loan Parties set forth herein and in the Credit Agreement and the other Loan Documents and (b) the agreements of the Loan Parties set forth herein, effective as of the date hereof, the Lenders hereby (a) consent to Koontz-Wagner filing for bankruptcy protection under Chapter 7 of the Bankruptcy Code, (b) waive the Event of Default that would otherwise result from such bankruptcy filing (the "Bankruptcy Default"), (c) waive, to the extent applicable to Koontz-Wagner, the representations and warranties in Sections 5.01, 5.03(c) and (d), 5.06 and 5.11, (d) waive the notice requirements under Sections 6.03(a), (b) and (c) with respect to the Bankruptcy Default, and (e) waive compliance by Koontz-Wagner with Sections 2.02(b), 6.05. 6.06, 6.16. 7.04, 7.05, 7.09 and 7.11 (the items set forth in clauses (c), (d) and (e), collectively, the "Bankruptcy-Related Defaults").

Section 2.2. General. Nothing in this Fifth Amendment, nor any communications among any Loan Party, any Agent, or any Lender, shall be deemed a waiver with respect to any Events of Default, other than the Bankruptcy Default and the Bankruptcy-Related Defaults, or any future failure of the Loan Parties to comply fully with any provision of the Credit Agreement or any provision of any other Loan Document, and in no event shall this waiver be deemed to be a waiver of enforcement of any of the Agents' or Lenders' rights or remedies under the Credit Agreement and the other Loan Documents, at law (including under the UCC), in equity, or otherwise including, without limitation, the right to declare all Obligations immediately due and payable pursuant to Section 8.02 of the Credit Agreement, with respect to any other Defaults or Events of Default now existing or hereafter arising, other than the Bankruptcy Default and the Bankruptcy-Related Defaults. Except as expressly provided herein, each Agent and each Lender hereby reserves and preserves all of its rights and remedies against the Borrower and each other Loan Party under the Credit Agreement and the other Loan Documents, at law (including under the UCC), in equity, or otherwise including, without limitation, the right to declare all Obligations immediately due and payable pursuant to Section 8.02 of the Credit Agreement. The waivers and consents in this Article II shall be effective only in this specific instance and for the specific purposes set forth herein and does not allow for any other or further departure from the terms and conditions of the Credit Agreement or any other Loan Document, which terms and conditions shall remain in full force and effect.

ARTICLE III
Amendment

Section 3.1. Amendments to Credit Agreement. Upon satisfaction of the conditions set forth in Article V hereof, the Existing Credit Agreement is hereby amended as follows:

(a) Section 1.01 of the Existing Credit Agreement is hereby amended to add the following new definition in the appropriate alphabetical order:

> "Fifth Amendment" means the Consent and Fifth Amendment to Senior Secured Credit Agreement, dated as of July 11, 2018, among the Borrower, the other Loan Parties party thereto, the Administrative Agent and the Lenders party thereto.
>
> "Fifth Amendment Effective Date" means the date all the conditions precedent to effectiveness of the Fifth Amendment as set forth therein are satisfied or waived in accordance therewith.
>
> "Fifth Amendment Fee" means $4,000,000.
>
> "Koontz-Wagner" means Koontz-Wagner Custom Controls Holdings LLC, an Indiana limited liability company, a wholly-owned Subsidiary of the Borrower.

(b) Section 1.01 of the Existing Credit Agreement is hereby amended to amend and restate the definitions set forth below:

> "Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party or other Subsidiary arising under any Loan Document or otherwise with respect to any Loan Document entered into with a Lender, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any other Subsidiary of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Obligations of the Loan Parties under the Loan Documents (and of any of their Subsidiaries to the extent they have obligations under the Loan Documents) include (1) the obligation (including Guarantee Obligations) to pay principal, interest, reimbursement obligations, charges, expenses, fees (including, without limitation, the Unused Line Fee, the Minimum Incremental Loan Interest Amount, the Upfront First-Out Fee, the Upfront Initial Fee and any accrued and uncapitalized Upfront First-Out Fee PIK Amounts and Upfront Initial Fee PIK Amounts), premiums (including, without limitation, any Prepayment Premium), the Exit Fee, the Fourth Amendment Fee, **the Fifth Amendment Fee,** Attorney Costs, indemnities and other amounts payable by any Loan Party or any other Subsidiary under any Loan Document and (2) the obligation of any Loan Party or any other Subsidiary to reimburse any amount in respect of any of the foregoing that any Lender, in its sole discretion, may elect to pay or advance on behalf of such Loan Party or such Subsidiary."

(c) Section 2.02(b)(vii) of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

> "(vii) On April 1, 2020, the Borrower shall prepay all of the Obligations due and payable hereunder."

(d) Section 2.05(d) of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

"(d) The Borrower shall pay to the Administrative Agent for distribution to the Lenders in accordance with each Lender's Pro Rata Share the Fourth Amendment Fee, which shall be fully earned in all respects on the Fourth Amendment Effective Date and shall be due and payable on April 1, 2020."

(e) Section 2.05 of the Existing Credit Agreement is hereby amended to insert a new clause (e) after the end of clause (d), therein, which shall read as set forth below, and to renumber the existing clause (e) as clause (f).

"(e) On the Fifth Amendment Effective Date, as consideration for the Lenders' and the Agents' consent to permit Koontz-Wagner to file for protection under Chapter 7 of the Bankruptcy Code and waiver of the Events of Default related thereto, the Borrower shall pay to the Administrative Agent for distribution to the Lenders in accordance with each Lender's Pro Rata Share the Fifth Amendment Fee, which shall be fully earned in all respects on the Fifth Amendment Effective Date; *provided* that, to the extent the Borrower is unable to pay the Fifth Amendment Fee in full in immediately available cash on the Fifth Amendment Effective Date, the amount that is not so paid shall be capitalized and added to the outstanding principal balance of the Loans as of the Fifth Amendment Effective Date and shall constitute a Loan for all purposes under the Credit Agreement."

(f) Section 7.12(a) of the Existing Credit Agreement is hereby deleted in its entirety and replaced by the following:

(a) Total Leverage Ratio. Commencing on June 30, 2020, permit the Total Leverage Ratio for the Borrower and its Subsidiaries on a consolidated basis for any Test Period ending on and as of the last day of a fiscal quarter set forth below to be greater than the ratio set forth opposite such Test Period below:

Fiscal Quarter Ending	**Total Leverage Ratio**
June 30, 2020	1.75:1.00
September 30, 2020	1.75:1.00
December 31, 2020	1.50:1.00
March 31, 2021	1.50:1.00
September 30, 2021	1.50:1.00

(g) Section 7.12(b) of the Existing Credit Agreement is hereby deleted in its entirety and replaced by the following:

Fixed Charge Coverage Ratio. Commencing on June 30, 2020, permit the Fixed Charge Coverage Ratio for the Borrower and its Subsidiaries on a consolidated basis for any Test Period ending on and as of the last day of a fiscal quarter set forth below to be less than the ratio set forth opposite such Test Period below:

Fiscal Quarter Ending	Fixed Charge Coverage Ratio
June 30, 2020	2.25:1.00
September 30, 2020	2.50:1.00
December 31, 2020	2.75:1.00
March 31, 2021	3.00:1.00
June 30, 2021	3.00:1.00
September 30, 2021	3.00:1.00

(h) Clause Second of Section 8.03 of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

"Second, to payment that portion of the Obligations constituting the Unused Line Fee, the Fourth Amendment Fee and the Fifth Amendment Fee, ratably among the Lenders in proportion to the respective amounts described in this clause Second payable to them;"

(i) Section 8.04 of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

"Section 8.04 Other Amounts Due. In the event of repayment of the Obligations at any time prior to the Maturity Date, for any reason, including (a) upon an acceleration of the Obligations under this Agreement whether pursuant to the actions of the Required Lenders or automatically, (b) foreclosure and sale of the Collateral, (c) sale of the Collateral in any proceeding under any Debtor Relief Law or (d) pursuant to any restructuring, reorganization or compromise of the Obligations by the confirmation of a plan of reorganization or any other plan of compromise, restructure or arrangement in any proceeding under any Debtor Relief Law, then in view of the impracticability and extreme difficulty of ascertaining the actual amount of damages to the Administrative Agent and the Lenders or profits lost by the Administrative Agent and the Lenders as a result of such early termination, and by mutual agreement of the parties as to a reasonable estimate and calculation of the lost profits or damages of the Administrative Agent and the Lenders, there shall be an amount due and payable to the Lenders equal to the full amount of (i) the Prepayment Premium that would have been payable pursuant to Section 2.02(a)(ii) hereof as if the Obligations were voluntarily repaid upon such repayment date, (ii) the Unused Line Fee, the Fourth Amendment Fee, the Fifth Amendment Fee, the

Upfront Initial Fee, the Upfront First-Out Fee, all accrued and uncapitalized Upfront Initial Fee PIK Amounts and all accrued and uncapitalized Upfront First-Out Fee PIK Amounts, (iii) the Minimum Incremental Loan Interest Amount and (iv) the Exit Fee, in each case of clauses (ii) and (iii), to the extent due and payable hereunder and not previously paid in cash by the Borrower."

ARTICLE IV
Representations and Warranties

Section 4.1. Representations and Warranties. In order to induce the Agents and the Lenders to enter into this Fifth Amendment, each Loan Party hereby represents and warrants to the Agents and each Lender as follows:

(a) After giving effect to this Fifth Amendment, the representations and warranties of the Borrower and each other Loan Party contained in Article V of the Existing Credit Agreement or any other Loan Document shall be true and correct in all material respects on and as of the date hereof; provided that to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided further that any representation and warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates (except in the case of the representation contained in Section 5.05(b) of the Existing Credit Agreement, such representation shall be true and correct as of December 31, 2017).

(b) The execution, delivery and performance of this Fifth Amendment have been duly authorized by all necessary action on the part of, and duly executed and delivered by each of the Loan Parties.

(c) After giving effect to this Fifth Amendment and the consents and waivers contained herein, the Loan Parties are in full compliance with each of the Loan Documents.

(d) No Material Adverse Effect has occurred since the Closing Date.

(e) After giving effect to this Fifth Amendment and the consents and waivers contained herein, no Default or Event of Default currently exists or shall be in existence immediately after giving effect to this Fifth Amendment.

ARTICLE V
Effectiveness

Section 5.1. Effectiveness. This Fifth Amendment shall become effective as of the date set forth above on which each of the following conditions is satisfied:

(a) The Administrative Agent shall have received duly executed signature pages to this Fifth Amendment signed by each Loan Party, the Administrative Agent and the Lenders.

(b) The Borrower shall have paid to Chapman and Cutler LLP, counsel to the Administrative Agent, all reasonable and documented out-of-pocket legal fees and expenses incurred in connection with this Fifth Amendment and any outstanding invoices in respect of reasonable legal fees and expenses of the Administrative Agent incurred in connection with the Loan Documents.

ARTICLE VI
Miscellaneous

Section 6.1. Reference to and Effect on the Loan Documents .

(a) On and after the date hereof, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Existing Credit Agreement after giving effect to this Fifth Amendment.

(b) Except as specifically set forth in this Fifth Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(c) Except as specifically set forth in this Fifth Amendment, the execution, delivery and performance of this Fifth Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent, the Collateral Agent or any Lender under the Existing Credit Agreement or any of the other Loan Documents.

Section 6.2. Release. As a material part of the consideration for the Administrative Agent, the Collateral Agent and the Lenders entering into this Fifth Amendment, the Borrower and each other Loan Party (collectively, the "Releasors") agree as follows (the " Release Provision"):

(a) Other than with respect to the agreements of the Lenders specifically set forth herein, the Releasors, jointly and severally, hereby release and forever discharge the Administrative Agent, the Collateral Agent, each Lender and the Administrative Agent's, the Collateral Agent's and each Lender's predecessors, successors, assigns, participants, officers, managers, directors, shareholders, partners, employees, agents, attorneys and other professionals, representatives, parent corporations, subsidiaries, and affiliates (hereinafter all of the above collectively referred to as the "Lender Group"), from any and all claims, counterclaims, demands, damages, debts, agreements, covenants, suits, contracts, obligations, liabilities, accounts, offsets, rights, actions, and causes of action of any nature whatsoever and whether arising at law or in equity, presently possessed, whether known or unknown, whether liability be direct or indirect, liquidated or unliquidated, presently accrued, whether absolute or contingent, foreseen or unforeseen, and whether or not heretofore asserted arising out of, arising under or related to the Loan Documents (collectively, the "Claims"), that Releasors may have or allege to have against any or all of the Lender Group and that arise from events occurring before the date hereof.

(b) The Releasors agree not to sue any of the Lender Group nor in any way assist any other person or entity in suing the Lender Group with respect to any of the Claims released herein. The Release Provision may be pleaded as a full and complete

defense to, and may be used as the basis for an injunction against, any action, suit, or other proceeding which may be instituted, prosecuted, or attempted in breach of the release contained herein.

(c) The Releasors acknowledge, warrant, and represent to Lender Group that:

(i) The Releasors have read and understand the effect of the Release Provision. The Releasors have had the assistance of independent counsel of their own choice, or have had the opportunity to retain such independent counsel, in reviewing, discussing, and considering all the terms of the Release Provision; and if counsel was retained, counsel for Releasors has read and considered the Release Provision and advised Releasors with respect to the same. Before execution of this Fifth Amendment, the Releasors have had adequate opportunity to make whatever investigation or inquiry they may deem necessary or desirable in connection with the subject matter of the Release Provision.

(ii) The Releasors are not acting in reliance on any representation, understanding, or agreement not expressly set forth herein. The Releasors acknowledge that Lender Group has not made any representation with respect to the Release Provision except as expressly set forth herein.

(iii) The Releasors have executed this Fifth Amendment and the Release Provision thereof as a free and voluntary act, without any duress, coercion, or undue influence exerted by or on behalf of any person or entity.

(iv) The Releasors are the sole owners of the Claims released by the Release Provision, and the Releasors have not heretofore conveyed or assigned any interest in any such Claims to any other person or entity.

(d) The Releasors understand that the Release Provision was a material consideration in the agreement of the Administrative Agent, the Collateral Agent and each Lender to enter into this Fifth Amendment.

(e) It is the express intent of the Releasors that the release and discharge set forth in the Release Provision be construed as broadly as possible in favor of Lender Group so as to foreclose forever the assertion by the Releasors of any Claims released hereby against Lender Group.

(f) If any term, provision, covenant, or condition of the Release Provision is held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the remainder of the provisions shall remain in full force and effect.

(g) The Releasors acknowledge that they may hereafter discover facts in addition to or different from those that they now know or believe with respect to the Claims released herein, but the Releasors expressly shall have and intend to fully, finally and forever have released and discharged any and all such Claims. The Releasors expressly waive any provision of statutory or decisional law to the effect that a general

release does not extend to Claims that the releasing party does not know or suspect to exist in such party's favor at the time of executing the release.

Section 6.3. Guarantor's Acknowledgement and Agreement. By signing below, each Guarantor (a) acknowledges, consents and agrees to this Fifth Amendment, (b) acknowledges and agrees that its obligations in respect of the Guarantee, the Security Agreement and the other Collateral Documents are not released, diminished, waived, modified or impaired in any manner by this Fifth Amendment or any of the provisions contemplated herein, (c) ratifies and confirms its obligations under the Guarantee, the Security Agreement and the other Collateral Documents, and (d) acknowledges and agrees that it has no claims or offsets against, or defenses or counterclaims to, the Guarantee, the Security Agreement, any other Collateral Documents or any other Loan Documents or Obligations.

Section 6.4. Fees. The Borrower hereby affirms its obligation under the Credit Agreement to reimburse the Administrative Agent, the Collateral Agent and the Lenders for all reasonable and documented out-of-pocket costs and expenses incurred in connection with the preparation, negotiation, execution and delivery of this Fifth Amendment, including but not limited to all Attorney Costs.

Section 6.5. Headings. The headings in this Fifth Amendment are included for convenience of reference only and will not affect in any way the meaning or interpretation of this Fifth Amendment.

Section 6.6. Governing Law. This Fifth Amendment, and all claims, disputes and matters arising hereunder or thereunder or related hereto or thereto, will be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed entirely within that state.

Section 6.7. Counterparts. This Fifth Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Fifth Amendment. Delivery of an executed counterpart of this Fifth Amendment by facsimile or a scanned copy by electronic mail shall be equally as effective as delivery of an original executed counterpart of this Fifth Amendment.

Section 6.8. Severability. If any term or other provision of this Fifth Amendment is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Fifth Amendment will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Fifth Amendment so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

Section 6.9. Binding Effect. This Fifth Amendment will be binding upon and inure to the benefit of and is enforceable by the respective successors and permitted assigns of the parties hereto.

[Remainder of page intentionally left blank; signatures on following pages.]

IN WITNESS WHEREOF, the parties hereto have caused this Fifth Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. (f/k/a GLOBAL POWER EQUIPMENT GROUP INC.),
as Borrower

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

Acknowledged and agreed:

GLOBAL POWER PROFESSIONAL SERVICES INC.
WILLIAMS GLOBAL SERVICES, INC.
WILLIAMS INDUSTRIAL SERVICES GROUP, L.L.C.
WILLIAMS INDUSTRIAL SERVICES, LLC
WILLIAMS SPECIALTY SERVICES, LLC
WILLIAMS PLANT SERVICES, LLC
CONSTRUCTION & MAINTENANCE PROFESSIONALS, LLC
BRADEN HOLDINGS, LLC
STEAM ENTERPRISES, L.L.C.
GPEG, LLC
each as Guarantor

By: /s/ Tracy D. Pagliara
Tracy D. Pagliara
Vice President

KOONTZ-WAGNER CUSTOM CONTROLS HOLDINGS LLC
as Guarantor

By: /s/ Tracy D. Pagliara
Tracy D. Pagliara
Vice President

CENTRE LANE PARTNERS MASTER CREDIT FUND II, L.P., as Administrative Agent and Collateral Agent, and as a Lender

By: /s/ Luke Gosselin
Name: Luke Gosselin
Title: Managing Director

CENTRE LANE PARTNERS IV, L.P., as Lender

By: /s/ Kenneth Lau
Name: Kenneth Lau
Title: Managing Director

[Signature Page to Fifth Amendment]

Exhibit 10.6

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement") is effective as of the 31st day of July, 2018 (the "Effective Date"), between Williams Industrial Services Group Inc. (the " Company") and Timothy M. Howsman ("Executive"). In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment Term. The Company shall continue to employ Executive, and Executive accepts continued employment with the Company, upon the terms and subject to the conditions set forth in this Agreement, for the period beginning on the Effective Date and ending on the first anniversary of the Effective Date, unless terminated earlier pursuant to the provisions of this Agreement (the "Term"). The Term shall be automatically renewed for successive one-year periods on the terms and subject to the conditions of this Agreement commencing on the first anniversary of the Effective Date, and on each anniversary date thereafter, unless terminated earlier pursuant to the provisions of this Agreement or unless either the Company or Executive gives the other party written notice, at least 90 calendar days prior to the end of such initial or extended Term, of its or his intention not to renew this Agreement or the employment of Executive. For purposes of this Agreement, any reference to the "Term" of this Agreement shall include the original term and any extension thereof.

2. Position and Duties; Location.

(a) Position and Duties. During the Term, Executive shall be employed by the Company as Chief Financial Officer. Executive shall report solely to the Chief Executive Officer ("CEO") and the Board of Directors of the Company (the "Board") and shall have such duties, responsibilities and authorities as are customarily associated with his position (including, but not limited to, the general management of the affairs of the Company) and such additional duties and responsibilities consistent with his positions as may, from time to time, be properly and lawfully assigned to him.

(b) Engaging in Other Activities. During the Term, Executive shall devote substantially all of his business time, energies and talents to serving as Chief Financial Officer of the Company, and shall perform his duties conscientiously and faithfully, subject to the reasonable and lawful directions of the CEO and the Board and in accordance with the policies, rules and decisions adopted from time to time by the Company and the Board. During the Term, it shall not be a violation of this Agreement for Executive, subject to the requirements of Sections 7, 8 and 9 hereof, to (i) serve on civic or charitable boards, (ii) with the consent of the Board, which consent shall not be unreasonably withheld, serve on corporate boards unrelated to the Company (and retain all compensation in whatever form for such service), (iii) deliver lectures and fulfill speaking engagements, and (iv) manage personal investments, so long as such activities (individually or in the aggregate) do not significantly interfere with the performance of Executive's responsibilities as set forth in Section 2(a) of this Agreement or Executive's fiduciary duties to the Company.

(c) Location. Executive shall perform his duties and responsibilities hereunder principally at the Company's corporate headquarters, which currently is in Irving, Texas and is expected to move to Tucker, Georgia; provided that (i) Executive may be required under reasonable business circumstances to travel outside of such location in connection with performing his duties under this Agreement, and (ii) commencing September 1, 2018, Executive shall perform his duties and responsibilities hereunder principally in Tucker, Georgia.

(d) Affiliates. Executive agrees to serve, without additional compensation, as an officer and director of each of the other members of the Company's affiliates, as determined by the Board, provided that such service is covered by Section 3(g) of this Agreement. As used in this Agreement, the term "affiliate" shall mean any entity controlled by, controlling, or under common control with, the Company.

(e) Stock Ownership Guidelines. Executive acknowledges and agrees to comply with the Company's stock ownership guidelines for the Chief Financial Officer position, as the same may be amended from time to time.

(f) Compensation Recovery Policy. Executive acknowledges that, notwithstanding any provision of this Agreement to the contrary, any incentive compensation or performance-based compensation paid or payable to Executive hereunder shall be subject to repayment or recoupment obligations arising under applicable law or the Company's Compensation Recovery Policy, as the same may be amended from time to time.

3. Compensation and Benefits.

(a) Base Salary. During the Term, the Company shall pay Executive an annualized base salary ("Annual Base Salary") at a rate of $300,000 U.S., effective as of the Effective Date, and payable in regular installments in accordance with the Company's normal payroll practices. During the Term, the Annual Base Salary shall be reviewed by the Board at such time as the salaries of other senior executives of the Company are reviewed generally. The Annual Base Salary shall not be reduced other than in connection with an across-the-board salary reduction which applies in a comparable manner to other senior executives of the Company. If so increased or reduced, then such adjusted salary will thereafter be the Annual Base Salary for all purposes under this Agreement.

(b) Annual Incentive. For each fiscal year during the Term, Executive shall be eligible to participate in the Company's Short-Term Incentive Plan, or any successor plan (the "STIP"), under terms and conditions no less favorable than other senior executives of the Company; provided that Executive's "target" short-term incentive opportunity shall not be less than 65% of his Annual Base Salary as of the last day of the fiscal year (the "Target STI"). Executive's payment under the STIP for any fiscal year during the Term shall be based on the extent to which the predetermined performance objectives established by the Board or a committee thereof have been achieved for that year; *provided* that, (i) the amount of Executive's annual incentive bonus for the 2018 fiscal year shall be not less than the Target STI, and (ii) Executive shall have an opportunity to earn more than the Target STI based on the extent to which the Company achieves performance goals established by the Board or a committee thereof. The annual incentive for any fiscal year, if earned, will be paid to Executive by the Company in accordance with the terms, and subject to the conditions, of the STIP.

(c) Long-Term Incentive. For 2018, Executive shall be granted an award of restricted share units in respect of 85,000 shares of the Company's common stock, 50% of which shall be subject to time-based vesting conditions and 50% of which shall be subject to performance-based vesting conditions, in each case as approved by the Board or a committee thereof under the 2018 Long-Term Incentive Plan applicable to other senior executives of the Company. During the Term, the Company may, but shall have no obligation to, grant additional equity compensation awards to Executive under the Long-Term Incentive Plan or any successor equity plan.

(d) Vacation. During the Term, Executive shall be eligible for paid vacation in accordance with the Company's policies, as may be in effect from time to time, for its senior executives generally; provided that Executive shall be entitled to paid vacation time at a rate of no less than four (4) weeks per calendar year. Executive shall use such vacation time at such reasonable time or times each year as he may determine after consultation with the CEO.

(e) Expense Reimbursement. Executive shall be reimbursed for all reasonable travel and other out-of-pocket expenses actually and properly incurred by Executive during the Term in connection with carrying out his duties hereunder in accordance with the Company's policies, as may be in effect from time to time, for its senior executives generally. Notwithstanding anything contained in those policies to the contrary, (i) Executive shall be reimbursed for the reasonable cost of his airline tickets (and related ground transportation and parking) for trips actually taken during the Term between Atlanta, Georgia (or, if Executive is traveling outside of such location in connection with performing his duties under this Agreement, such other location) and his primary residence in Arkansas and (ii) Executive shall be reimbursed for reasonable expenses incurred during the Term in renting an apartment in Atlanta, Georgia, the related utilities, and renting furnishings for such apartment, in each case as approved in advance by the Chief Executive Officer.

(f) Benefits. During the Term, and except as otherwise provided in this Agreement, Executive shall be eligible to participate in all welfare, perquisites, fringe benefit, insurance, retirement and other benefit plans, practices, policies and programs, maintained by the Company and its affiliates applicable to senior executives of the Company generally, in each case as amended from time to time.

(g) Indemnification and Insurance. The Company shall indemnify Executive to the full extent provided for in its corporate charter, bylaws or any other indemnification policy or procedure as in effect from time to time and applicable to its other directors and senior executives and to the maximum extent that the Company indemnifies any of its other directors and senior executives, and he will be entitled to the protection of any insurance policies the Company may elect to maintain generally for the benefit of its directors and senior executives against all costs, charges, liabilities and expenses incurred or sustained by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director, officer or employee of the Company or any of its affiliates or his serving or having served any other enterprise, plan or trust as a director, officer, employee or fiduciary at the request of the Company or any of its affiliates (other than any dispute, claim or controversy arising under or relating to this Agreement).

4. Termination of Employment.

(a) Death and Disability. Executive's employment shall terminate automatically upon Executive's death. If the Company determines in good faith that the Disability (as defined below) of Executive has occurred during the Term, it may give to Executive written notice in accordance with Section 13 of this Agreement of its intention to terminate Executive's employment; provided that such notice is provided no later than 150 calendar days following the determination of Executive's Disability. In such event, Executive's employment shall terminate effective on the 30th calendar day after receipt of such notice by Executive (the "Disability Effective Date"), provided that, within the 30 calendar days after such receipt, Executive shall not have returned to full-time performance of Executive's duties. For purposes of this Agreement, "Disability" shall mean the inability of Executive to perform the essential duties of the position held by Executive by reason of any medically determined physical or mental impairment that is reasonably expected to result in death or lasts for 120 consecutive calendar days in any one-year period, all as determined by an independent licensed physician mutually acceptable to the Company and Executive or Executive's legal representative.

(b) Cause. Executive's employment with the Company may be terminated by the Company with or without Cause. For purposes of this Agreement, "Cause" shall mean: (i) the continued failure of Executive to perform substantially Executive's duties with the Company or any of its affiliates or Executive's material disregard of the directives of the Board (in each case other than any such failure resulting from any medically determined physical or mental impairment) that is not cured by Executive within 20 calendar days after a written demand for substantial performance is delivered to Executive by the Board which specifically identifies the manner in which the Board believes that Executive has not substantially performed Executive's duties or disregarded a directive of the Board; (ii) willful material misrepresentation at any time by Executive to the Board; (iii) Executive's commission of any act of fraud, misappropriation (other than misappropriation of a de minimis nature) or embezzlement against or in connection with the Company or any of its affiliates or their respective businesses or operations; (iv) a conviction, guilty plea or plea of *nolo contendere* of Executive for any crime involving dishonesty or for any felony; (v) a material breach by Executive of his fiduciary duties of loyalty or care to the Company or any of its affiliates or a material violation of the Company's Code of Business Conduct and Ethics or any other material breach of a Company policy, as the same may be amended from time to time; (vi) the engaging by Executive in illegal conduct, gross misconduct, gross insubordination or gross negligence that is materially and demonstrably injurious to the Company's business or financial condition; or (vii) a material breach by Executive of his obligations under Section 7, 8, 9 or 11 of this Agreement that, in the case of Sections 7, 8 or 11, is not cured (if curable) by Executive within 20 calendar days after written demand for such cure is delivered to Executive by the Board which specifically identifies the manner in which the Board believes that Executive has materially breached his obligations.

(c) Good Reason. Executive's employment with the Company may be terminated by Executive with or without Good Reason. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following without Executive's consent: (i) a material reduction by the Company of Executive's title, duties, responsibilities or reporting relationship set forth in Section 2(a); (ii) a material reduction by the Company of Executive's Annual Base Salary (other than as permitted in Section 3(a) of this Agreement) or Executive's Target STI; (iii) the relocation of Executive's principal place of employment other than as contemplated in Section 2(c) of this Agreement; or (iv) any other material breach of this Agreement by the Company. A termination of Executive's employment by Executive shall not be deemed to be for Good Reason unless (x) Executive gives notice to the Company of the existence of the event or condition constituting Good Reason within 30 calendar days after such event or condition initially occurs or exists, and (y) the Company fails to cure such event or condition within 30 calendar days after receiving such notice. Additionally, Executive must terminate his employment within 120 calendar days after the initial occurrence of the circumstance constituting Good Reason for such termination to be "Good Reason" hereunder.

(d) Notice of Termination. Any termination by the Company for Cause, or by Executive for Good Reason, shall be communicated by Notice of Termination to the other party in accordance with Section 13. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 calendar days after the giving of such notice). The failure by the Company or Executive to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause or Good Reason shall not waive any right of the Company or Executive, respectively, hereunder or preclude the Company or Executive, respectively, from asserting such fact or circumstance in enforcing the Company's or Executive's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if Executive's employment is terminated by the Company for Cause, or by Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein within 30 calendar days after such notice, as the case may be, (ii) if Executive's employment is terminated by the Company other than for Cause or Disability, or if Executive voluntarily resigns without Good Reason, the date on which the terminating party notifies the other party that such termination shall be effective, provided that on a voluntary resignation without Good Reason, the Company may, in its sole discretion, make such termination effective on any date it elects in writing between the date of the notice and the proposed date of termination specified in the notice, (iii) if Executive's employment is terminated by reason of death, the date of death of Executive, or (iv) if Executive's employment is terminated by the Company due to Disability, the Disability Effective Date.

(f) Resignation from All Positions. Notwithstanding any other provision of this Agreement, upon the termination of Executive's employment by the Company for any reason, Executive shall immediately resign from all positions that he holds or has ever held with the Company and its affiliates. Executive hereby agrees to execute any and all documentation to effectuate such resignations upon request by the Company, but he shall be treated for all purposes as having so resigned upon termination of his employment, regardless of when or whether he executes any such documentation.

5. Severance Payments.

(a) Good Reason, Other than for Cause. If the Company shall terminate Executive's employment other than for Disability or Cause (including by reason of not renewing the Term), or if Executive shall terminate employment for Good Reason:

(i) The Company shall pay, or cause to be paid, to Executive the sum of: (A) the portion of Executive's Annual Base Salary earned through the Date of Termination, to the extent not previously paid; and (B) any accrued vacation pay, to the extent not previously paid (the sum of the amounts described in clauses (A) and (B) shall be referred to as the "Accrued Benefits"). The Accrued Benefits shall be paid in a single lump sum within 30 calendar days after the Date of Termination.

(ii) Subject to Section 6 hereof, the Company shall continue to pay, or cause to be paid, to Executive, continued Annual Base Salary (without taking into account any reduction to the Annual Base Salary that constitutes Good Reason for Executive's termination), for the 12-month period commencing on the Date of Termination (such period, the "Severance Period"), payable over the Severance Period in equal semi-monthly or other installments (not less frequently than monthly), commencing with the first regular payroll date occurring after the Release required by Section 6 becomes effective and irrevocable in accordance with its terms (and with the first such installment including any such Annual Base Salary amount that otherwise would have been paid earlier in the Severance Period, and the remaining installments being paid as otherwise scheduled assuming payments had begun immediately after the Date of Termination). Notwithstanding the foregoing, if the termination described in this Section 5(a) occurs on or prior to December 31, 2019, or within 90 calendar days prior to, or within 2 years following, a Change in Control (as defined in the Company's 2015 Equity Incentive Plan (the "Equity Incentive Plan"), provided that, for the avoidance of doubt, for purposes of this Agreement, a "Business Combination", which may constitute a Change in Control as defined in the Equity Incentive Plan, shall be deemed to include any disposition of two or more of the Company's business segments and the completion of any related corporate restructuring or transition identified by the Board, then, in addition to the amounts described in the first sentence of this Section 5(a)(ii): (A) the Company shall pay or cause to be paid to Executive, in lieu of any Pro-Rated Annual Incentive under Section 5(a)(iv), a lump sum payment equal to Executive's Target STI under the STIP for the year in which the Date of Termination occurs (without pro-ration), payable on the first regular payroll date occurring after the Release required by Section 6 becomes effective and irrevocable in accordance with its terms; and (B) to the extent that the same treatment is not otherwise provided under the Equity Incentive Plan and the applicable award agreements, each of Executive's then outstanding equity incentive awards shall become vested in full (without pro-ration), with any specified performance objectives with respect to such outstanding awards deemed to be satisfied at the "target" level.

(iii) Subject to Section 6 hereof, the Company shall pay to Executive the amount of any annual incentive that has been earned by Executive under the STIP for a completed fiscal year or other measuring period preceding the Date of Termination (or that would have been earned by Executive had his employment continued through the date such annual incentive is paid to other senior executives), but has not yet been paid to Executive (the "Prior Year Annual Incentive"), payable in a single lump sum no later than the date that annual incentives are payable to other participants in the STIP for that fiscal year (pursuant to the terms of the STIP).

(iv) Subject to Section 6 hereof, if and only if Executive's Date of Termination occurs at least three (3) full calendar months after the beginning of the Company's fiscal year, and except as otherwise provided in Section 5(a)(ii), Executive will be eligible to receive an annual incentive under the STIP for the fiscal year during which the Date of Termination occurs, determined as if Executive had remained employed for the entire year (and any additional period of time necessary to be eligible to receive the annual incentive for the year), based on actual Company performance during the entire fiscal year and without regard to any discretionary adjustments that have the effect of reducing the amount of the annual incentive (other than discretionary adjustments applicable to all senior executives who did not terminate employment), and assuming that any individual goals applicable to Executive were satisfied at the "target" level, pro-rated based on the number of days in the Company's fiscal year through (and including) the Date of Termination (the "Pro-Rated Annual Incentive"). The Pro-Rated Annual Incentive shall be payable in a single lump sum at the same time that payments are made to other participants in the STIP for that fiscal year (pursuant to the terms of the STIP).

(v) Subject to Section 6 hereof, the Company shall reimburse Executive for the reasonable expenses incurred in terminating his apartment lease, which reimbursement shall be payable within 30 days after receiving supporting documentation, provided that the Company receives all documentation no later than 180 days after the Date of Termination.

(vi) Subject to Section 6 hereof, if Executive timely elects continued health and dental coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company will pay Executive's full COBRA premiums to continue his coverage (including coverage for his eligible dependents, if applicable) (the "COBRA Premiums") for the 12-month period commencing on the Date of Termination (the "COBRA Premium Period"). The COBRA Premium Period runs concurrently with the Severance Period. During the COBRA Premium Period, an amount equal to the applicable COBRA Premiums (or such other amounts as may be required by law) will be included in Executive's income for tax purposes to the extent required by applicable law and the Company may withhold taxes from Executive's other compensation for this purpose. Notwithstanding the foregoing, if Executive becomes re-employed with another employer and is eligible to receive substantially equivalent health benefits under another employer-provided plan, then the Company's payment obligations and Executive's right to the subsidized premium payments as described in this Section 5(a)(vi) shall cease.

(vii) To the extent not theretofore paid or provided, the Company shall pay or provide, or cause to be paid or provided, to Executive (or his estate) any other amounts, benefits or equity awards required to be paid or provided or which Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company, including any benefits to which Executive is entitled under Part 6 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits") in accordance with the terms and normal procedures of each such plan, program, policy or practice or contract or agreement, based on accrued and vested benefits through the Date of Termination.

(b) Cause; Other than for Good Reason. If, during the Term, Executive's employment is terminated for Cause, or if Executive voluntarily terminates his employment without Good Reason, then the Company shall pay or provide to Executive the Accrued Benefits, payable in accordance with Section 5(a)(i) of this Agreement, and the Other Benefits, and no further amounts shall be payable to Executive under this Section 5 after the Date of Termination.

(c) Disability and Death. If, during the Term, Executive's employment is terminated for Disability or Executive dies, then the Company shall pay or provide to Executive (or his estate) (i) the Accrued Benefits, payable in accordance with Section 5(a)(i) of this Agreement, (ii) the Other Benefits, (iii) subject to Section 6 hereof, the Prior Year Annual Incentive, payable in accordance with Section 5(a)(iii) of this Agreement, (iv) subject to Section 6 hereof, and if and only if Executive's Date of Termination occurs at least 3 full calendar months after the beginning of the Company's fiscal year, the Pro-Rated Annual Incentive, payable in accordance with Section 5(a)(iv) of this Agreement, and (v) in the case of termination for Disability, and subject to Section 6 hereof, an amount equal to the excess, if any, of Executive's Annual Base Salary for 6 months, over the amounts payable to Executive under the Company's short-term disability insurance program, which amount shall be payable in equal semi-monthly or other installments (not less frequently than monthly) over the period commencing on the Date of Termination and ending 6 months thereafter, with the installments that otherwise would be paid within the first 60 calendar days after the Date of Termination being paid in a lump sum (without interest) on the 60th day after the Date of Termination and the remaining installments being paid as otherwise scheduled assuming payments had begun immediately after the Date of Termination.

(d) Full Settlement; Offset. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company or any of its affiliates may have against Executive or others, except as otherwise may be provided in this Section or Section 2(g) or Section 10 hereof. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Executive obtains other employment.

(e) Section 280G. In the event it shall be determined that any payment or distribution by the Company or any of its affiliates to or for the benefit of Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (the "Total Payments"), is or will be subject to the excise tax (the "Excise Tax") imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), then the Total Payments shall be reduced to the maximum amount that could be paid to Executive without giving rise to the Excise Tax (the "Safe Harbor Cap"), if the net after-tax benefit to Executive after reducing Executive's Total Payments to the Safe Harbor Cap is greater than the net after-tax (including the Excise Tax) benefit to Executive without such reduction. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing first the cash payments made pursuant to Section 5(a)(ii) of this Agreement, then to the payment made pursuant to Section 5(a)(iii) of this Agreement, then to any payment made pursuant to Section 5(a)(iv) of this Agreement, then to any payment made pursuant to Section 5(a)(v) of this Agreement, then to the benefits provided pursuant to Section 5(a)(vi) of this Agreement, and then to any other payment that triggers such Excise Tax in the following order: (i) reduction of cash payments; (ii) cancellation of accelerated vesting of performance-based equity awards (based on the reverse order of the date of grant); (iii) cancellation of accelerated vesting of other equity awards (based on the reverse order of the date of grant); and (iv) reduction of any other payments due to Executive (with benefits or payments in any group having different payment terms being reduced on a pro-rata basis). All mathematical determinations, and all determinations as to whether any of the Total Payments are "parachute payments" (within the meaning of Section 280G of the Code), that are required to be made under this paragraph, including determinations as to whether the Total Payments to Executive shall be reduced to the Safe Harbor Cap and the assumptions to be utilized in arriving at such determinations, shall be made at the Company's expense by a nationally recognized accounting firm mutually acceptable to the Company and Executive.

6. **Release**. Notwithstanding anything contained herein to the contrary, the Company shall not be obligated to make any payment or provide any benefit under Sections 5(a)(ii), (iii), (iv), (v) and (vi), or Sections 5(c)(iii), (iv) and (v) hereof unless: (a) Executive or Executive's legal representative first executes within 50 calendar days after the Date of Termination a release of claims agreement in the form attached hereto as Exhibit A, with such changes as the Company, after consulting with Executive or Executive's legal representative, may determine to be required or reasonably advisable in order to make the release enforceable and otherwise compliant with applicable law (the "Release"), (b) Executive does not revoke the Release, and (c) the Release becomes effective and irrevocable in accordance with its terms.

7. **Work Product**. Executive agrees that all inventions, drawings, improvements, developments, methods, processes, programs, designs and all similar or related information which relates to the Company's or any of its affiliates' actual or anticipated business or research and development or existing or future products or services and which are conceived, developed, contributed to or made by Executive (either solely or jointly with others) while employed by or serving as a consultant to the Company or any of its affiliates ("Work Product") shall be the sole and exclusive property of the Company or any such affiliate. Executive will promptly disclose such Work Product to the Company and perform all actions requested by the Company (whether during or after employment) to establish and confirm such ownership (including, without limitation, assignments, consents, powers of attorney and other instruments).

8. **Confidential Information.**

(a) "Confidential Information" means information disclosed to Executive or known by Executive as a result of employment by the Company, not generally known to the trade or industry in which the Company or its affiliates are engaged, about products, processes, technologies, machines, customers, clients, employees, services and strategies of the Company and its affiliates, including, but not limited to, inventions, research, development, manufacturing, purchasing, financing, computer software, computer hardware, automated systems, engineering, marketing, merchandising, selling, sales volumes or strategies, number or location of sales representatives, names or significance of the Company's customers or clients or their employees or representatives, preferences, needs or requirements, purchasing histories, or other customer or client-specific information. Such Confidential Information is and shall continue to be the property of the Company.

(b) "Trade Secret" means information disclosed to Executive or known by Executive as a result of employment by the Company without regard to form, including but not limited to any technical or nontechnical data, formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, financial plan, product plan, list of actual or potential clients or customers or suppliers or other information similar to any of the foregoing, which (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can derive economic value from its disclosure or use, and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(c) Executive recognizes that the Company's Confidential Information and Trade Secrets are of great value to the Company, that the Company has legitimate business interests in protecting its confidential information and trade secrets, and that the disclosure to anyone not authorized to receive such information will cause immediate and irreparable injury to the Company. Except as required by law or in the performance of his duties for the Company, unless Executive first secures the Company's written consent, Executive will not divulge, disclose, use, copy, disseminate, lecture upon or publish Confidential Information or Trade Secrets. Executive understands and agrees that the obligations not to disclose, use, disseminate, lecture upon or publish Confidential Information or Trade Secrets shall continue after termination of employment for any reason and for so long as the Confidential Information remains confidential. Further, Executive will use his best efforts and diligence to safeguard and to protect the Confidential Information against disclosure, misuse, espionage, loss or theft.

(d) Executive acknowledges that during the course of the Executive's employment the Executive has received or will receive and has had or will have access to Confidential Information and Trade Secrets of the Company. Executive agrees that upon the Date of Termination, or at any other time that the Company may request, for whatever reason, Executive shall deliver (and in the event of Executive's death or Disability, his representative shall deliver) to the Company all computer equipment or backup files of or relating to the Company or its affiliates, all memoranda, correspondence, customer data, notes, plans, records, reports, manuals, photographs, computer tapes and software and other documents and data (and all copies thereof) relating to Confidential Information, Work Product, or the business of the Company or its affiliates which Executive has in his possession, custody or control. If the Company requests, Executive (or his representative) agrees to provide written confirmation that Executive has returned all such materials.

(e) Executive agrees that upon the Date of Termination, or at any other time that the Company may request, for whatever reason, Executive shall assign all rights, title and interest in the Confidential Information, Trade Secrets, Work Product, all computer equipment or backup files of or relating to the Company or its affiliates, all memoranda, correspondence, customer data, notes, plans, records, reports, manuals, photographs, computer tapes and software and other documents and data (and all copies thereof) relating to Confidential Information, Trade

Secrets, Work Product, or the business of the Company or its affiliates which Executive has in his possession, custody or control.

(f) Executive is hereby notified that the following immunities exist under the U.S. Defend Trade Secrets Act of 2016: (i) An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret that (A) is made—(1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the Trade Secret to the attorney of the individual and use the Trade Secret information in the court proceeding, if the individual (A) files any document containing the Trade Secret under seal; and (B) does not disclose the Trade Secret, except pursuant to court order.

9. Non-compete; Non-solicitation.

(a) Executive agrees that during the Term and thereafter during the Protection Period (as defined in Section 9(f) below), Executive will not directly or indirectly (by himself or in association with any individual or entity) own, operate, manage, control, be employed by, participate in, consult with, advise, provide services for, or in any manner engage in any business which provides activities, products, or services that are of the type conducted,. authorized, offered, or provided by the Company within two years of the end of Executive’s employment with the Company or its affiliates, or otherwise competes in any way with any business activity that the Company or its affiliates is conducting , or has active plans to conduct, as of the Date of Termination. This restriction shall apply to any geographic area in which the Company, or any affiliate for which Executive had any responsibilities during the last two years of his employment, engaged in business, or had active plans to engage in business, during the term of Executive’s employment. The restrictions contained herein shall not prohibit Executive from being a passive owner of not more than 5% of the outstanding stock of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation. Notwithstanding the foregoing, with respect to an entity which is engaged in both a competing business and a non-competing business, Executive may provide services to the non-competing business, provided that Executive does not render any services or advice, directly or indirectly, to the competing business.

(b) Executive agrees that during the Term and thereafter during the Protection Period, Executive will not directly or indirectly: (i) solicit or induce, or attempt to solicit or induce, any employee, consultant or independent contractor of the Company or of any affiliate to terminate his or her employment or relationship with the Company or affiliate; (ii) hire any person who Executive knows was an employee, consultant or independent contractor of the Company or of any affiliate during the last 6 months of Executive’s employment by the Company; (iii) solicit or induce, or attempt to solicit or induce any customer, supplier, distributor, franchisee, licensee, or other individual or entity that has any business relationship with the Company or any of its affiliate with whom the Executive had material contact with at any time during the Executive’s employment with the Company to cease doing business with the Company or any of its affiliates, or consider placing or moving all or any portion of their business to any service provider that provides activities, products and/or services that are competitive with the Company's or its affiliates', or in any way interfere with the relationship between any such customer, supplier, distributor, franchisee, licensee, or any other individual or entity and the Company or any of its affiliates; or (iv) disparage, criticize, derogate, or deprecate the Company or any of its products, services or employees to any past, current or prospective customer or client of the Company

(c) To enable the Company to monitor Executive's compliance with the obligations imposed by this Agreement, Executive agrees to inform the Company, upon the Date of Termination, of the identity of any new employer and of Executive's new job title. Executive will continue to so inform the Company, in writing, any time Executive changes employment during the Protection Period.

(d) In the event that any of these provisions are deemed invalid or unenforceable under applicable law, that shall not affect the validity or enforceability of the remaining provisions. To the extent any provision is unenforceable because it is overbroad, that provision shall be limited to the extent required by applicable law and enforced as so limited.

(e) Executive has carefully considered the nature and extent of the restrictions upon him and the rights and remedies conferred upon the Company under this Section 9, and hereby acknowledges and agrees that the same are reasonable in time and territory, are designed to eliminate business activities that otherwise would be unfair to the Company, do not stifle the inherent skill and experience of Executive, would not operate as a bar to Executive's sole means of support, are fully required to protect the legitimate interests of the Company, and do not confer a benefit upon the Company disproportionate to the detriment to Executive.

(f) For purposes of this Section 9, the term " Protection Period" shall mean the period commencing on Executive's last day of employment with the Company and ending on the date 12 months after Executive's last day of employment with the Company, provided, however, that such period shall be extended by any length of time during which Executive is in breach of the covenants contained in this Section 9.

10. Remedies. Executive recognizes and affirms that in the event of his breach of any provision of Sections 7, 8 or 9 hereof, money damages would be inadequate and the Company would have no adequate remedy at law. Accordingly, Executive agrees that in the event of a breach or a threatened breach by Executive of any of the provisions of Sections 7, 8 or 9, the Company, in addition and supplementary to other rights and remedies existing in its favor, may (a) apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce or prevent any violations of the provisions hereof (without posting a bond or other security), and (b) with the sole exception of the Accrued Benefits, Other Benefits or any other payments that may be required by state or federal law (if any), cease any further payments and/or vesting of equity awards. Executive understands and acknowledges that the Company can bar him from disclosing or using Confidential Information and/or Trade Secrets, bar him from accepting or continuing prohibited employment or rendering prohibited services, or bar him from soliciting certain individuals and entities for the periods specified in Sections 7, 8 and 9 above. In the event that the Company institutes legal action to enforce Sections 7, 8 or 9 of this Agreement, Executive agrees that the

Company shall be entitled to recover from him its costs of any action (including reasonable attorneys' and expert fees and expenses). Nothing in this Section 10 will be deemed to limit the Company's remedies at law or in equity for any breach by Executive of any of the provisions of Sections 7, 8 or 9 that may be pursued or availed of by the Company.

11. Cooperation in Investigations and Proceedings. During the Term and for a period of 5 years thereafter, Executive shall cooperate with the Company and its affiliates, upon the Company's reasonable request, with respect to any internal investigation or administrative, regulatory or judicial proceeding involving matters occurring, in whole or in part, during such employment with the Company and within the scope of Executive's duties and responsibilities to the Company during his employment with the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's reasonable request to give testimony without requiring service of a subpoena or other legal process, and turning over to the Company all relevant Company documents which are or may have come into Executive's possession during his employment). In requesting Executive's cooperation, the Company shall take into account his other personal and professional obligations. Executive shall be reimbursed for the reasonable expenses Executive incurs in connection with any such cooperation and/or assistance and shall receive from the Company hourly compensation equal to the Annual Base Salary immediately prior to the Date of Termination divided by 1,800 hours, in each case in connection with any assistance or cooperation that occurs after the Date of Termination. Any such reimbursements or *per diem* compensation shall be paid to Executive no later than the 15th day of the month immediately following the month in which such expenses were incurred or such cooperation and/or assistance was provided (subject to Executive's timely submission to the Company of proper documentation with respect thereto).

12. Survival. Subject to any limits on applicability contained therein, Sections 2(f), 3(g), 4(f), 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 22 and 23 shall survive and continue in full force in accordance with their terms notwithstanding any termination of the Term or this Agreement.

13. Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, sent by reputable overnight carrier or mailed by first class mail, return receipt requested, to the recipient. Notices to Executive shall be sent to the address of Executive most recently provided to the Company. Notices to the Company should be sent to Williams Industrial Services Group Inc., 100 Crescent Centre Parkway, Suite 1240, Tucker, GA 30084, Attention: General Counsel. Any notice under this Agreement will be deemed to have been given when so delivered, sent or mailed.

14. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

15. Source of Payment. Any payments to Executive under this Agreement shall be paid from the Company's general assets.

16. Complete Agreement. This Agreement embodies the complete agreement and understanding between the parties with respect to the subject matter hereof and effective as of its date supersedes and preempts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way (including, but not limited to, any offer letter from the Company to Executive, which the parties acknowledge is hereby superseded, replaced in its entirety and considered null and void as of the Effective Date).

17. Withholding of Taxes. The Company and its affiliates may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as the Company and its affiliates are required to withhold pursuant to any law or government regulation or ruling.

18. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and both of which taken together shall constitute one and the same agreement.

19. Successors and Assigns.

(a) This Agreement is personal to Executive, and, without the prior written consent of the Company, shall not be assignable by Executive other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Except as provided in Section 19(c), without the prior written consent of Executive this Agreement shall not be assignable by the Company, except to an affiliate.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. "Company" means the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid that assumes and agrees to perform this Agreement by operation of law or otherwise.

20. Choice of Law; Jurisdiction; Venue. This Agreement shall be governed, construed, interpreted and enforced in accordance with the substantive laws of the State of Georgia, without regard to conflicts of law principles. Executive agrees and consents to jurisdiction, and agrees that venue is proper, in the state courts of or federal courts in the State of Georgia. Any action seeking an order, ruling, declaratory judgment, or similar relief that this Agreement, or any section, paragraph or subpart thereof, is unenforceable in whole or in part, shall be brought in the Superior Court of Dekalb County, Georgia or the United States District Court for the Northern District of Georgia, or, if Executive resides in Georgia, the Superior Court of the Georgia county in which Executive resides, which courts shall be the sole and exclusive venues for any such action, unless such claim is raised as a counterclaim or defense against an action seeking enforcement of any section, paragraph or subpart of this Agreement.

21. Voluntary Agreement. Executive and the Company represent and agree that each has reviewed all aspects of this Agreement, has carefully read and fully understands all provisions of this Agreement, and is voluntarily entering into this Agreement. Each party represents and agrees that such party has had the opportunity to review any and all aspects of this Agreement with legal, tax or other adviser(s) of such party's choice before executing this Agreement.

22. Amendment and Waiver . The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

23. Section 409A Compliance.

(a) In General. Section 409A of the Internal Revenue Code of 1986, as amended (" Section 409A"), imposes payment restrictions on "nonqualified deferred compensation" (*i.e.,* potentially including payments owed to Executive upon termination of employment). Failure to comply with these restrictions could result in negative tax consequences to Executive, including immediate taxation, interest and a 20% additional income tax. It is the Company's intent that this Agreement be exempt from the application of, or otherwise comply with, the requirements of Section 409A. Specifically, any taxable benefits or payments provided under this Agreement are intended to be separate payments that qualify for the "short-term deferral" exception to Section 409A to the maximum extent possible, and to the extent they do not so qualify, are intended to qualify for the involuntary separation pay exceptions to Section 409A, to the maximum extent possible. If neither of these exceptions applies, and if Executive is a "specified employee" within the meaning of Section 409A, then notwithstanding any provision in this Agreement to the contrary and to the extent required to comply with Section 409A, all amounts that would otherwise be paid or provided during the first 6 months following the Date of Termination shall instead be accumulated through and paid or provided (without interest) on the first business day following the 6-month anniversary of the Date of Termination.

(b) Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and Executive is no longer providing services (at a level that would preclude the occurrence of a "separation from service" within the meaning of Section 409A) to the Company or its affiliates as an employee or consultant, and for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service" within the meaning of Section 409A. Notwithstanding any other provision of this Agreement to the contrary, but only to the extent necessary to comply with Section 409A, if the period in which the Release required by Section 6 of this Agreement must be provided and become effective and irrevocable in accordance with its terms begins in one calendar year and ends in a second calendar year, payment of any nonqualified deferred compensation shall be made or commence on the later of (i) the first payroll date of the second calendar year, or (ii) the first payroll date after the date that the Release becomes effective and irrevocable in accordance with its terms

(c) Reimbursements. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A: (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, and (iii) such payments shall be made on or before the last business day of Executive's taxable year following the taxable year in which the expense occurred, or such earlier date as required hereunder.

[Signatures On Next Page]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

WILLIAMS INDUSTRIAL SERVICES GROUP INC.	**EXECUTIVE**
/S/ TRACY D. PAGLIARA	/S/ TIMOTHY M. HOWSMAN
By: Tracy D. Pagliara Its: Chief Executive Officer	Timothy M. Howsman

EXHIBIT A

GENERAL RELEASE

This General Release (this "Release") is made and entered into as of this [•] day of [•], 20[•], by and between Williams Industrial Services Group Inc. (the "Company") and Timothy M. Howsman ("Executive").

1. Employment Status. Executive's employment with the Company and its affiliates terminated effective as of [•], 20[•] (the "Separation Date").

2. Payments and Benefits. Upon the effectiveness of the terms set forth herein, the Company shall provide Executive with the benefits set forth in Sections 5(a)(ii), (iii), (iv) (if applicable), (v) and (vi) of the Employment Agreement between Executive and the Company dated as of ____________ ___, 2018 (the "Employment Agreement"), upon the terms, and subject to the conditions, of the Employment Agreement.

3. No Liability. This Release does not constitute an admission by the Company or its affiliates or their respective officers, directors, partners, agents, or employees, or by Executive, of any unlawful acts or of any violation of federal, state or local laws.

4. Release. In consideration of the payments and benefits set forth in Section 2 of this Release, Executive for himself, his heirs, administrators, representatives, executors, successors and assigns (collectively, "Releasors") does hereby irrevocably and unconditionally release, acquit and forever discharge the Company, its respective affiliates and their respective successors and assigns (the "Company Group") and each of its officers, directors, partners, agents, and former and current employees, including without limitation all persons acting by, through, under or in concert with any of them (collectively, "Releasees"), and each of them, from any and all claims, demands, actions, causes of action, costs, expenses, attorney fees, and all liability whatsoever, whether known or unknown, fixed or contingent, which Executive has, had, or may ever have against the Releasees relating to or arising out of Executive's employment or separation from employment with the Company Group, from the beginning of time and up to and including the date Executive executes this Release. This Release includes, without limitation: (a) law or equity claims; (b) contract (express or implied) or tort claims; (c) claims for wrongful discharge, retaliatory discharge, whistle blowing, libel, slander, defamation, unpaid compensation, intentional infliction of emotional distress, fraud, public policy contract or tort, and implied covenant of good faith and fair dealing; (d) claims under or associated with any of the Company Group's incentive compensation plans or arrangements; (e) claims arising under any federal, state, or local laws of any jurisdiction that prohibit age, sex, race, national origin, color, disability, religion, veteran, military status, sexual orientation, or any other form of discrimination, harassment, or retaliation (including without limitation under the Age Discrimination in Employment Act of 1967 as amended by the Older Workers Benefit Protection Act ("ADEA"), Title VII of the Civil Rights Act of 1964 as amended by the Civil Rights Act of 1991, the Equal Pay Act of 1963, and the Americans with Disabilities Act of 1990, the Rehabilitation Act, the Family and Medical Leave Act, the Sarbanes-Oxley Act, the Employee Polygraph Protection Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Genetic Information Nondiscrimination Act of 2008 ("GINA"), the Fair Labor

Standards Act ("FLSA"), the Lilly Ledbetter Fair Pay Act or any other foreign, federal, state or local law or judicial decision); (f) claims arising under the Employee Retirement Income Security Act; and (g) any other statutory or common law claims related to Executive's employment with the Company Group or the separation of Executive's employment with the Company Group.

Without limiting the foregoing paragraph, Executive represents that he understands that this Release specifically releases and waives any claims of age discrimination, known or unknown, that Executive may have against the Company Group as of the date he signs this Release. This Release specifically includes a waiver of rights and claims under the Age Discrimination in Employment Act of 1967, as amended, and the Older Workers Benefit Protection Act. Executive acknowledges that as of the date he signs this Release, he may have certain rights or claims under the Age Discrimination in Employment Act, 29 U.S.C. §626 and he voluntarily relinquishes any such rights or claims by signing this Release.

Notwithstanding the foregoing provisions of this Section 4, nothing herein shall release the Company Group from (i) any obligation under the Employment Agreement; (ii) any obligation to provide benefit entitlements under any Company benefit or welfare plan that were vested as of the Separation Date; and (iii) from any rights or claims that relate to events or circumstances that occur after the date that the Executive executes this Release.

5. **Bar**. Executive acknowledges and agrees that if he should hereafter make any claim or demand or commence or threaten to commence any action, claim or proceeding against the Releasees with respect to any cause, matter or thing which is the subject of the release under Section 4 of this Release, this Release may be raised as a complete bar to any such action, claim or proceeding, and the applicable Releasee may recover from Executive all costs incurred in connection with such action, claim or proceeding, including attorneys' fees, along with the benefits set forth in Section 2 of the Release.

6. **Right to Engage in Protected Activity**. Nothing contained in this Release limits Executive's ability to file a charge or complaint with any federal, state or local governmental agency or commission (a "Government Agency"). In addition, nothing in this Release or the Employment Agreement or any other Company agreement, policy, practice, procedure, directive or instruction shall prohibit Executive from reporting possible violations of federal, state or local laws or regulations to any Government Agency or making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. Executive does not need prior authorization of any kind to make any such reports or disclosures and Executive is not required to notify the Company that Executive has made such reports or disclosures. If Executive files any charge or complaint with any Government Agency, and if the Government Agency pursues any claim on Executive's behalf, or if any other third party pursues any claim on Executive's behalf, Executive waives any right to monetary or other individualized relief (either individually, or as part of any collective or class action) from the Releasees that arises out of alleged facts or circumstances on or before the effective date of this Release; provided that nothing in this Release or the Separation Agreement limits any right Executive may have to receive a whistleblower award or bounty for information provided to the Securities and Exchange Commission or other Government Agency.

7. **Governing Law**. This Release shall be governed by and construed in accordance with the laws of the State of Georgia, without regard to conflicts of laws principles.

8. **Acknowledgment**. Executive has read this Release, understands it, and voluntarily accepts its terms, and Executive acknowledges that he has been advised by the Company to seek the advice of legal counsel (at Executive's cost) before entering into this Release. Executive acknowledges that he was given a period of 21 calendar days within which to consider and execute this Release, and to the extent that he executes this Release before the expiration of the 21-day period, he does so knowingly and voluntarily and only after consulting his attorney. Executive acknowledges and agrees that the promises made by the Company Group hereunder represent substantial value over and above that to which Executive would otherwise be entitled. Executive acknowledges and reconfirms the promises in Sections 7, 8, 9, 10 and 11 of the Employment Agreement.

9. **Revocation**. Executive has a period of 7 calendar days following the execution of this Release during which Executive may revoke this Release by delivering written notice to the Company pursuant to Section 13 of the Employment Agreement, and this Release shall not become effective or enforceable until such revocation period has expired. Executive understands that if he revokes this Release, it will be null and void in its entirety, and he will not be entitled to any payments or benefits provided in this Release, including without limitation under Section 2 of the Release.

10. **Miscellaneous**. This Release is the complete understanding between Executive and the Company Group in respect of the subject matter of this Release and supersedes all prior agreements relating to Executive's employment with the Company Group, except as specifically excluded by this Release. Executive has not relied upon any representations, promises or agreements of any kind except those set forth herein in signing this Release. In the event that any provision of this Release should be held to be invalid or unenforceable, each and all of the other provisions of this Release shall remain in full force and effect. If any provision of this Release is found to be invalid or unenforceable, such provision shall be modified as necessary to permit this Release to be upheld and enforced to the maximum extent permitted by law. Executive agrees to execute such other documents and take such further actions as reasonably may be required by the Company Group to carry out the provisions of this Release.

11. **Counterparts**. This Release may be executed by the parties hereto in counterparts, which taken together shall be deemed one original.

WILLIAMS INDUSTRIAL SERVICES GROUP INC.	**EXECUTIVE**
[Form of release – Do not sign]	***[Form of release – Do not sign]***
By: Its:	Timothy M. Howsman

Exhibit 31.1

**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 Williams Industrial Services 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: August 14, 2018

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

Exhibit 31.2

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

I, Timothy M. Howsman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Williams Industrial Services 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: August 14, 2018

By: /s/ Timothy M. Howsman
Timothy M. Howsman
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, Tracy D. Pagliara, the President and Chief Executive Officer of Williams Industrial Services Group Inc. (the "**Company**"), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the period ended June 30, 2018 (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: August 14, 2018

By: /s/ Tracy D. Pagliara
Tracy D. Pagliara
President and 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, Timothy M. Howsman, the Chief Financial Officer of Williams Industrial Services Group Inc. (the "**Company**"), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the period ended June 30, 2018 (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: August 14, 2018

By: /s/ Timothy M. Howsman
Timothy M. Howsman
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.