

**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 **September 30, 2019**

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
(State or other jurisdiction of incorporation or organization)

73-1541378
(I.R.S. Employer Identification No.)

**100 Crescent Centre Parkway, Suite 1240
Tucker, GA 30084**
(Address of principal executive offices) (Zip code)

(770) 879-4400
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

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 every Interactive Data File required to be submitted 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 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 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 November 8, 2019, there were 19,057,195 shares of common stock of Williams Industrial Services Group Inc. outstanding.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. AND SUBSIDIARIES

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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)	September 30, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,004	\$ 4,475
Restricted cash	468	467
Accounts receivable, net of allowance of \$193 and \$140, respectively	30,514	22,724
Contract assets	12,377	8,218
Other current assets	3,653	1,735
Total current assets	49,016	37,619
Property, plant and equipment, net	285	335
Goodwill	35,400	35,400
Intangible assets	12,500	12,500
Other long-term assets	8,752	1,650
Total assets	\$ 105,953	\$ 87,504
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 10,969	\$ 2,953
Accrued compensation and benefits	9,233	10,859
Contract liabilities	5,317	3,278
Short-term borrowings	3,898	3,274
Current portion of long-term debt	700	525
Other current liabilities	9,807	5,518
Current liabilities of discontinued operations	342	640
Total current liabilities	40,266	27,047
Long-term debt, net	32,738	32,978
Deferred tax liabilities	2,614	2,682
Other long-term liabilities	4,736	1,396
Long-term liabilities of discontinued operations	4,466	5,188
Total liabilities	84,820	69,291
Commitments and contingencies (Note 9 and 11)		
Stockholders' equity:		
Common stock, \$0.01 par value, 170,000,000 shares authorized and 19,794,270 and 19,767,605 shares issued, respectively, and 19,057,195 and 18,660,218 shares outstanding, respectively	198	197
Paid-in capital	81,380	80,424
Accumulated other comprehensive loss	(27)	—
Accumulated deficit	(60,409)	(62,397)
Treasury stock, at par (737,075 and 1,107,387 common shares, respectively)	(9)	(11)
Total stockholders' equity	21,133	18,213
Total liabilities and stockholders' equity	\$ 105,953	\$ 87,504

See accompanying notes to condensed consolidated financial statements.

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

(in thousands, except share and per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenue	\$ 56,862	\$ 53,467	\$ 178,980	\$ 144,563
Cost of revenue	50,906	43,255	157,150	121,154
Gross profit	5,956	10,212	21,830	23,409
Selling and marketing expenses	63	397	468	1,299
General and administrative expenses	5,091	7,529	16,327	21,645
Restructuring charges	—	1,436	—	3,661
Depreciation and amortization expense	77	192	225	633
Total operating expenses	5,231	9,554	17,020	27,238
Operating income (loss)	725	658	4,810	(3,829)
Interest expense, net	1,511	3,622	4,504	7,397
Other (income) expense, net	(485)	(339)	(1,153)	(844)
Total other (income) expense, net	1,026	3,283	3,351	6,553
Income (loss) from continuing operations before income tax	(301)	(2,625)	1,459	(10,382)
Income tax (benefit) expense	62	215	141	720
Income (loss) from continuing operations	(363)	(2,840)	1,318	(11,102)
Loss from discontinued operations before income tax	(54)	(10,619)	(175)	(14,522)
Income tax (benefit) expense	(97)	17	(845)	(666)
Income (loss) from discontinued operations	43	(10,636)	670	(13,856)
Net income (loss)	\$ (320)	\$ (13,476)	\$ 1,988	\$ (24,958)
Basic earnings (loss) per common share				
Income (loss) from continuing operations	\$ (0.02)	\$ (0.16)	\$ 0.07	\$ (0.61)
Income (loss) from discontinued operations	—	(0.58)	0.04	(0.76)
Basic earnings (loss) per common share	\$ (0.02)	\$ (0.74)	\$ 0.11	\$ (1.37)
Diluted earnings (loss) per common share				
Income (loss) from continuing operations	\$ (0.02)	\$ (0.16)	\$ 0.07	\$ (0.61)
Income (loss) from discontinued operations	—	(0.58)	0.03	(0.76)
Diluted earnings (loss) per common share	\$ (0.02)	\$ (0.74)	\$ 0.10	\$ (1.37)

See accompanying notes to condensed consolidated financial statements.

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

<u>(in thousands)</u>	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net income (loss)	\$ (320)	\$ (13,476)	\$ 1,988	\$ (24,958)
Foreign currency translation adjustment	17	—	(27)	—
Comprehensive income (loss)	<u>\$ (303)</u>	<u>\$ (13,476)</u>	<u>\$ 1,961</u>	<u>\$ (24,958)</u>

See accompanying notes to condensed consolidated financial statements.

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

(in thousands, except share data)	Common Shares		Paid-in Capital	Accumulated Deficit	Treasury Shares		Total
	\$0.01 Per Share				Shares	Amount	
	Shares	Amount					
Balance, December 31, 2017	19,360,026	\$ 193	\$ 78,910	\$ (36,962)	(1,413,640)	\$ (14)	\$ 42,127
Issuance of restricted stock units	167,841	2	(2)	—	—	—	—
Tax withholding on restricted stock units	—	—	(186)	—	(23,161)	—	(186)
Stock-based compensation	—	—	753	—	—	—	753
Net loss	—	—	—	(3,988)	—	—	(3,988)
March 31, 2018	19,527,867	\$ 195	\$ 79,475	\$ (40,950)	(1,436,801)	\$ (14)	\$ 38,706
Issuance of restricted stock units	187,738	2	(2)	—	308,523	4	4
Tax withholding on restricted stock units	—	—	(140)	—	(100,569)	(2)	(142)
Stock-based compensation	—	—	490	—	—	—	490
Net loss	—	—	—	(7,494)	—	—	(7,494)
June 30, 2018	19,715,605	\$ 197	\$ 79,823	\$ (48,444)	(1,228,847)	\$ (12)	\$ 31,564
Issuance of restricted stock units	—	—	4	—	38,608	—	4
Tax withholding on restricted stock units	—	—	(31)	—	(10,421)	—	(31)
Stock-based compensation	—	—	250	—	—	—	250
Net loss	—	—	—	(13,476)	—	—	(13,476)
Balance, September 30, 2018	19,715,605	\$ 197	\$ 80,046	\$ (61,920)	(1,200,660)	\$ (12)	\$ 18,311

(in thousands, except share data)	Common Shares		Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Treasury Shares		Total
	\$0.01 Per Share			Shares		Amount		
	Shares	Amount						
Balance, December 31, 2018	19,767,605	\$ 197	\$ 80,424	\$ —	\$ (62,397)	(1,107,387)	\$ (11)	\$ 18,213
Issuance of restricted stock units	—	—	—	—	—	390,901	4	4
Tax withholding on restricted stock units	—	—	(123)	—	—	(50,738)	(2)	(125)
Stock-based compensation	—	—	408	—	—	—	—	408
Foreign currency translation	—	—	—	18	—	—	—	18
Net income	—	—	—	—	303	—	—	303
March 31, 2019	19,767,605	\$ 197	\$ 80,709	\$ 18	\$ (62,094)	(767,224)	\$ (9)	\$ 18,821
Issuance of restricted stock units	—	—	—	—	—	19,027	—	—
Tax withholding on restricted stock units	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	482	—	—	—	—	482
Foreign currency translation	—	—	—	(62)	—	—	—	(62)
Net income	—	—	—	—	2,005	—	—	2,005
June 30, 2019	19,767,605	\$ 197	\$ 81,191	\$ (44)	\$ (60,089)	(748,197)	\$ (9)	\$ 21,246
Issuance of restricted stock units	26,665	1	—	—	—	27,391	—	1
Tax withholding on restricted stock units	—	—	(34)	—	—	(16,269)	—	(34)
Stock-based compensation	—	—	223	—	—	—	—	223
Foreign currency translation	—	—	—	17	—	—	—	17
Net income	—	—	—	—	(320)	—	—	(320)
Balance, September 30, 2019	19,794,270	\$ 198	\$ 81,380	\$ (27)	\$ (60,409)	(737,075)	\$ (9)	\$ 21,133

See accompanying notes to condensed consolidated financial statements.

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

(in thousands)	Nine Months Ended September 30,	
	2019	2018
Operating activities:		
Net income (loss)	\$ 1,988	\$ (24,958)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Net (income) loss from discontinued operations	(670)	13,856
Deferred income tax provision (benefit)	(68)	608
Depreciation and amortization on plant, property and equipment	225	633
Amortization of deferred financing costs	462	1,475
Loss on disposals of property, plant and equipment	—	210
Bad debt expense	53	(90)
Stock-based compensation	1,114	697
Paid-in-kind interest	—	1,964
Restructuring charges	—	3,661
Changes in operating assets and liabilities, net of businesses sold:		
Accounts receivable	(7,843)	(2,860)
Contract assets	(4,159)	2,336
Other current assets	(1,918)	2,453
Other assets	1,404	(1,400)
Accounts payable	8,016	2,021
Accrued and other liabilities	(2,705)	3,643
Contract liabilities	2,039	(4,261)
Net cash provided by (used in) operating activities, continuing operations	(2,062)	(12)
Net cash provided by (used in) operating activities, discontinued operations	(350)	(6,685)
Net cash provided by (used in) operating activities	(2,412)	(6,697)
Investing activities:		
Purchase of property, plant and equipment	(178)	(123)
Net cash provided by (used in) investing activities, continuing operations	(178)	(123)
Net cash provided by (used in) investing activities, discontinued operations	—	319
Net cash provided by (used in) investing activities	(178)	196
Financing activities:		
Repurchase of stock-based awards for payment of statutory taxes due on stock-based compensation	(154)	(351)
Debt issuance costs	—	(1,520)
Proceeds from short-term borrowings	163,040	—
Repayments of short-term borrowings	(162,416)	—
Proceeds from long-term debt	—	33,679
Repayments of long-term debt	(350)	(31,154)
Net cash provided by (used in) financing activities, continuing operations	120	654
Net cash provided by (used in) financing activities, discontinued operations	—	—
Net cash provided by (used in) financing activities	120	654
Net change in cash, cash equivalents and restricted cash	(2,470)	(5,847)
Cash, cash equivalents and restricted cash, beginning of period	4,942	16,156
Cash, cash equivalents and restricted cash, end of period	\$ 2,472	\$ 10,309
Supplemental Disclosures:		
Cash paid for interest	\$ 3,527	\$ 3,555
Cash paid for income taxes, net of refunds	\$ —	\$ 16
Noncash amendment fee related to term loan	\$ —	\$ 4,000

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. (together with its wholly owned subsidiaries, “Williams,” the “Company,” “we,” “us” or “our,” unless the context indicates otherwise) to better align its name with the Williams business. Since March 19, 2019, the Company’s stock has traded on the OTCQX® Best Market under the 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 construction, maintenance and support services to customers in energy, power and industrial end markets. 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 of America (“GAAP”) on a basis consistent with that used in the Annual Report on Form 10-K for the year ended December 31, 2018, filed by the Company with the U.S. Securities and Exchange Commission (“SEC”) on April 1, 2019 (the “2018 Report”). In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments, including all normal recurring adjustments, necessary to present fairly the unaudited condensed consolidated balance sheets and statements of operations, comprehensive income (loss), stockholders’ equity and cash flows for the periods indicated. All significant intercompany transactions have been eliminated. The December 31, 2018 unaudited condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP. These unaudited condensed consolidated interim financial statements and accompanying notes should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the 2018 Report. Accounting measurements at interim dates inherently involve greater reliance on estimates than at year-end. The results of operations for any interim period are not necessarily indicative of operations 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	
	2019	2018
Three Months Ended March 31	January 1, 2019 to March 31, 2019	January 1, 2018 to April 1, 2018
Three Months Ended June 30	April 1, 2019 to June 30, 2019	April 2, 2018 to July 1, 2018
Three Months Ended September 30	July 1, 2019 to September 29, 2019	July 2, 2018 to September 30, 2018

NOTE 2—LIQUIDITY

The Company’s unaudited condensed consolidated financial statements have been prepared on a going concern basis, which assumes 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 nine months ended September 30, 2019 (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.

The MidCap Facility generally provides adequate liquidity for the Company’s working capital needs. However, due to certain borrowing base eligibility limitations and exclusions within the MidCap Facility, there are instances where the Company would not have sufficient availability under the MidCap Facility to meet its growth working capital requirements. The borrowing base eligibility limitations and exclusions that have the most impact on availability under the MidCap Facility are customer

concentration limits, exclusion of receivables from the Company's joint ventures, and exclusion of receivables related to projects on which there is an underlying surety bond.

As of the date of this Form 10-Q, management has concluded that its plan has alleviated the substantial doubt regarding the Company's ability to continue as a going concern. While management believes that the Company has sufficient resources to satisfy its 2019 working capital requirements, the Company is currently engaged in a process to refinance its existing credit facilities with Centre Lane and MidCap. In addition, the Company intends to file a registration statement on Form S-1 with the SEC for a rights offering to existing holders of the Company's common stock. However, the Company's liquidity will be periodically, and for certain intervals, significantly constrained due to the working capital requirements that will be needed to execute its plans to grow the business. In the event the Company is unable to close on the new credit facility through its refinancing process, and are unable to address potential liquidity shortfalls in the future, the Company will need to seek additional funding, which may not be available on reasonable terms, if at all, and may result in management concluding that our liquidity position raises substantial doubt about our ability to continue as a going concern. The risk factors described in the 2018 Report under the heading "Item 1A. Risk Factors," are still relevant to the Company's operations.

NOTE 3—RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-07, "Improvements to Nonemployee Share-Based Payment Accounting," which expands the scope of Accounting Standards Codification ("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 re-measure 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. In the first quarter of 2019, the Company adopted ASU 2018-07, which did not 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. The Company adopted ASU 2018-02 effective January 1, 2019 and elected not to reclassify the income tax effects stranded in accumulated other comprehensive income to retained earnings and, as a result, there was no impact on the Company's financial position, results of operations or cash flows.

In February 2016, the FASB issued ASU 2016-02, "Leases" (ASC Topic 842), which, together with its related clarifying ASUs (collectively, "ASU 2016-02"), amended the previous guidance for lease accounting and related disclosure requirements. The new guidance requires the recognition of right-of-use assets and lease liabilities on the balance sheet for leases with terms greater than twelve months or leases that contain a purchase option that is reasonably certain to be exercised. Lessees are required to classify leases as either finance or operating leases. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. For leases with a term of twelve months or less, a lessee can make an accounting policy election by class of underlying asset to not recognize an asset and corresponding liability. Lessees will also be required to provide additional qualitative and quantitative disclosures regarding the amount, timing and uncertainty of cash flows arising from leases. These disclosures are intended to supplement the amounts recorded in the financial statements and provide additional information about the nature of an organization's leasing activities. On January 1, 2019, the Company adopted ASU 2016-02 using the modified retrospective method, meaning it has been applied to leases that existed or have been entered into on or after January 1, 2019 without adjusting comparative periods in the financial statements. Please refer to "Note 4—Leases" for further discussion of the adoption and the impact on the Company's financial statements.

Recently Issued Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-15, "Intangibles—Goodwill and Other Internal-Use Software (Subtopic 350-40)." This update aligns the requirements for capitalizing costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal use software, including hosting arrangements that are service contracts, over the term of the hosting arrangement. Further, this update requires the presentation of the expense in the statement of income, the presentation of the costs on the statement of financial position and the

classification of payments in the statement of cash flows related to capitalized implementation costs to be treated the same as the fees of the associated hosting arrangement. The update is effective for annual periods beginning after December 15, 2019, and interim periods thereafter. Early adoption is permitted. The Company is currently evaluating the effect this ASU will have on its results of operations, financial position and cash flows.

In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820)." This amendment update modifies disclosure requirements related to fair value measurement and will be effective for fiscal years beginning after December 15, 2019 and interim periods thereafter. Implementation on a prospective or retrospective basis varies by specific disclosure requirement. Early adoption is permitted, and the standard allows for early adoption of any removed or modified disclosures upon issuance of the update, while delaying adoption of the additional disclosures until their effective date. The Company is currently evaluating this guidance to determine the impact it may have on its disclosures.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments". This update replaces the incurred loss methodology to record credit losses with a methodology which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss model which requires the use of forward-looking information to calculate credit loss estimates. The Company will be required to adopt ASU 2016-13 for its annual periods beginning after December 15, 2022, and interim periods within the fiscal years. Early adoption is permitted for periods beginning on or after January 1, 2019. The Company is currently evaluating the effect the adoption may have on its results of operations, financial condition and cash flows.

NOTE 4—LEASES

On January 1, 2019, the Company adopted ASU 2016-02, which amended the previous guidance for lease accounting and related disclosure requirements. The new guidance requires the recognition of right-of-use assets and lease liabilities on the balance sheet for leases with terms greater than twelve months or leases that contain a purchase option that is reasonably certain to be exercised. Lessees are required to classify leases as either finance or operating leases. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease.

The Company elected to utilize the package of practical expedients in ASC 842-10-65-1(f) that, upon adoption of ASU 2016-02, allowed entities to (1) not reassess whether any expired or existing contracts are or contain leases, (2) retain the classification of leases (e.g., operating or finance lease) existing as of the date of adoption and (3) not reassess initial direct costs for any existing leases.

The Company adopted ASU 2016-02 using the modified retrospective method, and accordingly, the new guidance was applied to leases that existed as of January 1, 2019. This resulted in the recognition of lease liabilities of \$8.7 million and right-of-use-assets of \$8.5 million on January 1, 2019, which included the impact of eliminating prior year deferred rent. The adoption of ASU 2016-02 did not have a material impact on the Company's results of operations or cash flows.

The Company primarily leases office space and related equipment, as well as equipment, modular units and vehicles directly used in providing services to our customers. The Company's leases have remaining lease terms of one to ten years. Most leases contain renewal options for varying periods, which are at the Company's sole discretion and included in the expected lease term if they are reasonably certain of being exercised. For leases beginning in 2019 and thereafter, the Company accounts for lease components, such as fixed payments including rent, real estate taxes, and insurance costs, separately from the non-lease components, such as common area maintenance costs.

For leases with terms greater than twelve months, the Company records the related right-of-use assets and lease liabilities at the present value of the fixed lease payments over the term at the commencement date. The Company uses its incremental borrowing rate to determine the present value of the lease as the rate implicit in the lease is typically not readily determinable.

Short-term leases (leases with an initial term of twelve months or less or leases that are cancelable by the lessee and lessor without significant penalties) are expensed on a straight-line basis over the lease term. The majority of the Company's short-term leases relate to equipment used in delivering services to its customers. These leases are entered into at agreed upon hourly, daily, weekly or monthly rental rates for an unspecified duration and typically have a termination for convenience provision. Such equipment leases are considered short-term in nature unless it is reasonably certain that the equipment will be leased for a term greater than twelve months.

The components of lease expense for the three and nine months ended September 30, 2019 were as follows:

Lease Cost/(Sublease Income) (in thousands)	Three Months Ended September 30, 2019		Nine Months Ended September 30, 2019	
Operating lease cost	\$	1,223	\$	3,669
Short-term lease cost		463		1,480
Sublease income		(38)		(86)
Total lease cost	\$	1,648	\$	5,063

Lease cost related to finance leases was not significant for the three and nine months ended September 30, 2019.

Information related to the Company's right-of-use assets and lease liabilities as of September 30, 2019 was as follows:

Lease Assets/Liabilities (in thousands)	Balance Sheet Classification	September 30, 2019
Lease Assets		
Right-of-use assets	Other long-term assets	\$ 6,349
Lease Liabilities		
Short-term lease liabilities	Other current liabilities	\$ 3,046
Long-term lease liabilities	Other long-term liabilities	3,495
Total lease liabilities		\$ 6,541

Supplemental information related to the Company's leases for the nine months ended September 30, 2019 was as follows:

(in thousands)	Nine Months Ended September 30, 2019	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash used by operating leases	\$	3,696
Right-of-use assets obtained in exchange for new operating lease liabilities		9,701
Right-of-use assets obtained in exchange for new finance lease liabilities		27
Weighted-average remaining lease term - operating leases		2.25 years
Weighted-average remaining lease term - finance leases		4.48 years
Weighted-average discount rate - operating leases		9%
Weighted-average discount rate - finance leases		9%

Total remaining lease payments under the Company’s operating and finance leases are as follows:

Year Ended December 31,	Operating Leases		Finance Leases	
		(in thousands)		
Remainder of 2019	\$	1,136	\$	1
2020		3,060		6
2021		2,208		6
2022		646		6
2023		144		6
Thereafter		1		1
Total lease payments	\$	7,195	\$	26
Less: interest		(678)		(1)
Present value of lease liabilities	\$	6,517	\$	25

NOTE 5—CHANGES IN BUSINESS

Restructuring Charges

In 2018, the Company made the decision to relocate its corporate headquarters to Tucker, Georgia and vacated its existing leased office space in Irving, Texas on September 30, 2018. The Company recorded exit costs related to the leased office space and the termination of certain personnel. The balance of the restructuring accrual is included in other current liabilities on the Company’s unaudited condensed consolidated balance sheets.

The following table shows the restructuring activities for the nine months ended September 30, 2019:

(in thousands)	September 30, 2019		
	Lease	Severance	Total
Balance, December 31, 2018	\$ 367	\$ 2,889	\$ 3,256
Payments for restructuring	(196)	(2,502)	(2,698)
Balance, September 30, 2019	\$ 171	\$ 387	\$ 558

In March 2019, the Company entered into a short-term sublease of its former headquarters facility in which the rental period is co-terminus with the primary lease, which ends in November 2019. Under the sublease arrangement, the sublessee is obligated to pay the Company sublease payments and the Company recognizes those payments as a reduction of the fixed lease costs. The sublease income was immaterial for each of the three and nine months ended September 30, 2019.

Discontinued Operations

Electrical Solutions

During the fourth quarter of 2017, the Company made the decision to exit and sell its Electrical Solutions segment (which was comprised solely of Koontz-Wagner Custom Controls Holdings LLC (“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. In connection with 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 non-recurring fair value re-measurements related to the Electrical Solutions segment during the year ended December 31, 2018 or the three and nine months ended September 30, 2019.

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 U.S. Bankruptcy 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 U.S. Bankruptcy 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.

As a result of the July 11, 2018 bankruptcy of Koontz-Wagner, the Company recorded \$11.4 million of exit costs, which were included in loss from discontinued operations in the Company's consolidated statements of operations for the year ended December 31, 2018. These charges consisted of a \$4.0 million fee related to a fifth amendment of the Initial Centre Lane Facility, a pension withdrawal liability of \$2.9 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, Texas facility lease agreement and a \$2.7 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 cost of health care at the time of their employment termination and the cost of continued benefits under the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). The Company satisfied the liability related to the lease guarantee settlement and substantially all of the salary and benefit continuation liability through cash payments by the end of 2018. The pension liability is expected to be satisfied by annual cash payments of \$0.3 million each, paid in quarterly installments, over the next twenty years.

Mechanical Solutions

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 unaudited condensed consolidated statement of operations for the nine months ended September 30, 2018.

In connection with the sale of its Mechanical Solutions segment during 2017, 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. During the three and nine months ended September 30, 2019, the Company did not provide services for the purchaser. For the three and nine months ended September 30, 2018, the Company provided less than \$0.1 million and \$0.3 million, respectively, in services for the purchaser, which was included in general and administrative expenses from continuing operations in the unaudited condensed consolidated statement of operations.

In April 2019, the purchaser of our former Mechanical Solutions segment went into receivership and in connection with this event, the Company recognized a write down to the estimated fair value of its amounts due of \$0.2 million in the three months ended March 31, 2019. This charge was included in general and administrative expenses from continuing operations in the unaudited condensed consolidated statement of operations for the nine months ended September 30, 2019. The Company has remaining balances of \$0.2 million and \$0.8 million included in other current assets and other current liabilities, respectively, on the September 30, 2019 unaudited condensed consolidated balance sheet. Management continues to monitor the status of the bankruptcy proceedings and believes the amounts recorded in its financial statements as of September 30, 2019 materially reflect the fair value of the related asset and liability.

As of September 30, 2019 and December 31, 2018, the Company did not have any assets related to its Electrical and Mechanical Solutions' discontinued operations. The following table presents a reconciliation of the carrying amounts of major classes of liabilities of Electrical and Mechanical Solutions' discontinued operations:

(in thousands)	September 30, 2019		December 31, 2018	
Liabilities:				
Accrued compensation and benefits	\$	—	\$	259
Other current liabilities		342		381
Current liabilities of discontinued operations		342		640
Liability for pension obligation		2,726		2,781
Liability for uncertain tax positions		1,740		2,407
Long-term liabilities of discontinued operations		4,466		5,188
Total liabilities of discontinued operations	\$	4,808	\$	5,828

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.

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenue				
Electrical Solutions	\$	—	\$	3,218
Total revenue		—		3,218
Cost of revenue				
Electrical Solutions		—		4,290
Total cost of revenue		—		4,290
Selling and marketing expenses		—		34
General and administrative expenses		1		268
Loss on disposal - Electrical Solutions		—		9,274
Loss on disposal - Mechanical Solutions		—		—
Other		53		(29)
Loss from discontinued operations before income tax		(54)		(10,619)
Income tax expense (benefit)		(97)		17
Income (loss) from discontinued operations	\$	43	\$	(10,636)
			\$	670
			\$	(13,852)

NOTE 6—REVENUE

Disaggregation of Revenue

Disaggregated revenue by type of contract was as follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Cost-plus reimbursement contracts	\$	47,128	\$	45,506
Fixed-price contracts		9,734		7,961
Total	\$	56,862	\$	53,467
			\$	178,980
			\$	144,563

Disaggregated revenue by the geographic area where the work was performed was as follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
United States	\$	51,858	\$	53,467
Canada		5,004		—
Total	\$	56,862	\$	53,467
			\$	167,960
			\$	144,563

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 as 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 unaudited condensed consolidated balance sheets as 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 unaudited condensed consolidated balance sheets as contract liabilities. At any point in time, each project in process could have either contract assets or contract liabilities.

The following table provides information about contract assets and contract liabilities from contracts with customers:

(in thousands)	September 30, 2019	December 31, 2018
Costs incurred on uncompleted contracts	\$ 157,211	\$ 160,368
Earnings recognized on uncompleted contracts	21,750	28,581
Total	178,961	188,949
Less—billings to date	(171,901)	(184,009)
Net	\$ 7,060	\$ 4,940
Contract assets	\$ 12,377	\$ 8,218
Contract liabilities	(5,317)	(3,278)
Net	\$ 7,060	\$ 4,940

For the three and nine months ended September 30, 2019, the Company recognized revenue of less than \$0.1 million and approximately \$1.0 million, respectively, that was included in the corresponding contract liability balance at December 31, 2018.

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) as of September 30, 2019:

(in thousands)	Remainder of 2019	2020	2021	Thereafter	Total
Remaining performance obligations	\$ 52,346	\$ 130,566	\$ 99,548	\$ 108,173	\$ 390,633

NOTE 7—EARNINGS (LOSS) PER SHARE

As of September 30, 2019, the Company's 19,057,195 shares outstanding included 307,164 shares of contingently issued but unvested restricted stock. As of September 30, 2018, the Company's 18,514,945 shares outstanding included 193,589 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 and stock options, if any.

Basic and diluted earnings (loss) per common share from continuing operations were calculated as follows:

(in thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Income (loss) from continuing operations	\$ (363)	\$ (2,840)	\$ 1,318	\$ (11,102)
Basic earnings (loss) per common share:				
Weighted average common shares outstanding	18,732,402	18,315,180	18,653,301	18,164,141
Basic earnings (loss) per common share	\$ (0.02)	\$ (0.16)	\$ 0.07	\$ (0.61)
Diluted earnings (loss) per common share:				
Weighted average common shares outstanding	18,732,402	18,315,180	18,653,301	18,164,141
Diluted effect:				
Unvested portion of restricted stock units and awards	—	—	323,318	—
Weighted average diluted common shares outstanding	18,732,402	18,315,180	18,976,619	18,164,141
Diluted earnings (loss) per common share	\$ (0.02)	\$ (0.16)	\$ 0.07	\$ (0.61)

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 potentially 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 September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Unvested service-based restricted stock and restricted stock unit awards	196,910	425,036	211,243	1,515
Unvested performance- and market-based restricted stock unit awards	618,482	688,812	618,482	688,812
Stock options	122,000	122,000	122,000	122,000

NOTE 8—INCOME TAXES

The effective income tax rate for continuing operations for the three and nine months ended September 30, 2019 and 2018 was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Effective income tax rate for continuing operations	(20.6)%	(8.2)%	9.7%	(6.9)%

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 months ended September 30, 2019, the Company recorded income tax expense from continuing operations of less than \$0.1 million compared with income tax expense from continuing operations of \$0.2 million in the corresponding period in 2018. For the nine months ended September 30, 2019, the Company recorded income tax expense from continuing operations of \$0.2 million compared with income tax expense from continuing operations of \$0.7 million in the corresponding period in 2018. The decrease in income tax provision from continuing operations for the three and nine months ended September 30, 2019 compared with the corresponding periods in 2018 was primarily related to a \$0.6 million increase in indefinite-lived deferred tax assets related to an interest expense addback under Section 163(j) of the Internal Revenue Code and the post-2017 U.S. net operating loss that can be used to offset indefinitely-lived intangible deferred tax liabilities.

As of September 30, 2019 and 2018, the Company would have needed to generate approximately \$276.0 million and \$273.3 million, respectively, of future financial taxable income to realize its deferred tax assets.

The Company's foreign subsidiaries may generate earnings that are not subject to U.S. income taxes so long as they are permanently reinvested in its operations outside of the U.S. Pursuant to ASC Topic No. 740-30, undistributed earnings of

foreign subsidiaries that are no longer permanently reinvested would become subject to deferred income taxes. As of September 30, 2019 and 2018, the Company did not have any undistributed earnings in its foreign subsidiaries because all of their earnings were either taxed as deemed dividends or included with the provisional estimate of one-time transition tax as of December 31, 2017.

As of September 30, 2019 and December 31, 2018, the Company provided for a total liability of \$2.8 million and \$3.4 million, respectively, of which \$1.7 million and \$2.5 million, respectively, was related to discontinued operations, for unrecognized tax benefits related to various federal, foreign and state income tax matters, which was included in other long-term assets and deferred tax liabilities. If recognized, the entire amount of the liability would affect the effective tax rate. As of September 30, 2019, the Company accrued approximately \$1.2 million, of which \$0.7 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.

NOTE 9—DEBT

As of September 30, 2019 and December 31, 2018, the Company had the following debt, net of unamortized deferred financing costs:

<u>(in thousands)</u>	<u>September 30, 2019</u>	<u>December 31, 2018</u>
MidCap Facility	\$ 3,898	\$ 3,274
Current portion of New Centre Lane Facility	700	525
Current debt	<u>\$ 4,598</u>	<u>\$ 3,799</u>
New Centre Lane Facility	33,862	34,387
Unamortized deferred financing costs	(1,124)	(1,409)
Long-term debt, net	<u>\$ 32,738</u>	<u>\$ 32,978</u>
Total debt, net	<u>\$ 37,336</u>	<u>\$ 36,777</u>

MidCap Facility

On October 11, 2018, the Company entered into a three-year, \$15.0 million Credit and Security Agreement with MidCap Financial Trust (“MidCap”), as agent and as a lender, and other lenders that may be added as a party thereto (the “MidCap Facility”). The MidCap Facility is a secured asset-based revolving credit facility that provides borrowing availability against 85% of eligible accounts receivable and the lesser of 80% of eligible contract assets and \$1.0 million, after certain customary exclusions and reserves, and allows for up to \$6.0 million of non-cash collateralized letters of credit. The borrowing base eligibility limitations and exclusions that have the most impact on availability under the MidCap Facility are customer concentration limits, exclusion of receivables from the Company’s joint ventures, and exclusion of receivables related to projects on which there is an underlying surety bond. The Company can, if necessary, make daily borrowings under the MidCap Facility with same day funding. The outstanding loan balance under the MidCap Facility is reduced through the daily automated sweeping of the Company’s depository accounts to the lender’s account under the terms of deposit account control agreements. As of September 30, 2019 and December 31, 2018, the Company had \$3.9 million and \$3.3 million, respectively, outstanding under the MidCap Facility, which was included in short-term borrowings on the unaudited condensed consolidated balance sheets. As of September 30, 2019, the Company had \$6.4 million in available borrowings under the MidCap facility.

Borrowings under the MidCap Facility bear interest at the London Interbank Offered Rate (“LIBOR”) plus 6.0% per year, subject to a minimum LIBOR rate of 1.0%, and are payable in cash on a monthly basis.

The Company must pay a customary unused line fee equal to 0.5% per annum of the average unused portion of the commitments under the MidCap Facility, certain other customary administration fees and a minimum balance fee. In addition, while any letters of credit are outstanding under the MidCap Facility, the Company must pay a letter of credit fee equal to 6.0% per annum, in addition to any other customary fees required by the issuer of the letter of credit.

The Company’s obligations under the MidCap Facility are secured by first priority liens on substantially all of its assets, other than the Excluded Collateral (as defined in the MidCap Facility), subject to the terms of an intercreditor agreement, dated as of October 11, 2018 (the “Intercreditor Agreement”), entered into by an affiliate of Centre Lane, as a lender under the New Centre Lane Facility (as defined below), and MidCap, as agent, and to which the Company consented. The Intercreditor Agreement was entered into as required by the MidCap Facility and the New Centre Lane Facility. The first priority liens previously granted by the Company and certain of its wholly owned subsidiaries in favor of the Centre Lane affiliate in connection with

the New Centre Lane Facility are also subject to the Intercreditor Agreement, which, among other things, specifies the relative lien priorities of the secured parties under each of the MidCap Facility and the New Centre Lane Facility in the relevant collateral. It contains customary provisions regarding, among other things, the rights of the respective secured parties to take enforcement actions against the collateral and certain limitations on amending the documentation governing each of the MidCap Facility and the New Centre Lane Facility. Additionally, it provides secured parties under each of the MidCap Facility and the New Centre Lane Facility the option, in certain instances, to purchase all outstanding obligations of the Company under the other respective loan.

The Company may from time to time voluntarily prepay outstanding amounts under the MidCap Facility, in whole or in part, in a minimum amount of \$0.1 million. If at any time the amount outstanding under the MidCap Facility exceeds the borrowing base in effect at such time, the Company must repay the excess amount in cash, cash collateralize liabilities under letters of credit, or cause the cancellation of outstanding letters of credit (or any combination of the foregoing), in an aggregate amount equal to such excess. The Company is also required to repay certain amounts outstanding under the MidCap Facility upon the occurrence of certain events involving the assets upon which the borrowing base is calculated, including receipt of payments or proceeds from the Company's accounts receivable, certain casualty proceeds in excess of \$25,000, and receipt of proceeds following certain asset dispositions. The Company also has certain reimbursement obligations in the event of payments by the agent or a lender against draws under outstanding letters of credit.

In the event the MidCap Facility is terminated (by reason of an event of default or otherwise) 90 days or more prior to the maturity date, the Company will be required to pay a prepayment fee in an amount equal to the aggregate commitment under the MidCap Facility at the time of termination, multiplied by 2.0% in the first year following October 11, 2018, 1.5% in the second year, and 1.0% in the first nine months of the third year.

The MidCap Facility requires the Company to regularly provide financial information to the lenders, and, beginning on December 31, 2018, to maintain certain total leverage and fixed charge coverage ratios and meet minimum consolidated adjusted EBITDA and minimum liquidity requirements (each of which as defined in the MidCap Facility). The Company determined that it was not in compliance with these covenants as of the last day of its third quarter, and accordingly, on November 14, 2019, the Company entered into an amendment to the MidCap Facility that changed the required levels of both financial covenants so that the Company is now in compliance with the MidCap Facility as amended as of September 29, 2019. The Company's expense related to this amendment was \$0.1 million and will be reflected in the consolidated statement of operations for the year ended December 31, 2019.

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

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

Upon default, MidCap would have the right to declare all borrowings under the MidCap Facility to be immediately due and payable, together with accrued interest and fees, and exercise remedies under the other Financing Documents (as defined in the MidCap Facility).

Centre Lane Facilities

In June 2017, the Company refinanced and replaced its then-existing debt with a 4.5-year senior secured term loan 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 (as amended, the “Initial Centre Lane Facility”). The Initial Centre Lane Facility did not provide for working capital borrowings or access to additional letters of credit. These restrictions were addressed when the Company refinanced and replaced the Initial Centre Lane Facility with a new Centre Lane Facility and when it entered into the MidCap Facility discussed above.

On September 18, 2018, the Company refinanced and replaced the Initial Centre Lane Facility with a four-year, \$35.0 million senior secured credit agreement with an affiliate of Centre Lane as Administrative Agent and Collateral Agent, and the other lenders from time to time party thereto (the “New Centre Lane Facility”). The New Centre Lane Facility requires payment of an annual administration fee of \$25,000. Borrowings under the New Centre Lane Facility bear interest at LIBOR (with a minimum rate of 2.5%) plus 10.0% per year, payable monthly in cash. The Company must repay an amount equal to 0.25% of the original aggregate principal amount of the New Centre Lane Facility in consecutive quarterly installments, beginning on December 31, 2018 through June 30, 2019. The Company must repay an amount equal to 0.5% of the original aggregate principal amount of the New Centre Lane Facility in consecutive quarterly installments, beginning on September 30, 2019.

The Company’s obligations under the New 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 65% of the voting equity interests of other directly owned foreign subsidiaries, subject to customary exceptions.

Beginning on September 19, 2019, the Company may voluntarily prepay the New 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 principal amount 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
September 19, 2019 to September 18, 2021	1%
After September 18, 2021	0%

Subject to certain exceptions, the Company must prepay an aggregate principal amount equal to 75% of its Excess Cash Flow (as defined in the New 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 New 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 New 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 New Centre Lane Facility contains customary representations and warranties, as well as customary affirmative and negative covenants. The New 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 New 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 New 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. However,

in October 2018, the Company entered into the MidCap Facility, which provides for a secured asset-based revolving credit facility that provides borrowing availability against 85% of eligible accounts receivable and 80% of eligible contract assets; as such, the lenders under the MidCap Facility hold a first priority lien on the Company's accounts receivable and contract assets.

The Company's borrowing rate under the New Centre Lane Facility as of September 30, 2019 was 12.5%.

The New Centre Lane Facility requires the Company to regularly provide financial information to the lenders, and, beginning on December 31, 2018, to maintain certain total leverage and fixed charge coverage ratios and meet minimum consolidated adjusted EBITDA and minimum liquidity requirements (each of which as defined in the New Centre Lane Facility). The Company determined that it was not in compliance with these covenants as of the last day of its third quarter, and accordingly, on November 14, 2019, the Company entered into an amendment to the New Centre Lane Facility that changed the required levels of both financial covenants so that the Company is now in compliance with the New Centre Lane Facility as amended as of September 29, 2019. The Company's expense related to this amendment was \$0.3 million and will be reflected in the consolidated statement of operations for the year ended December 31, 2019.

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 MidCap Facility allows for up to \$6.0 million of non-cash collateralized letters of credit at 6.0% interest, of which the Company had \$2.9 million outstanding as of September 30, 2019. There were no amounts drawn upon these letters of credit.

In addition, as of September 30, 2019 and December 31, 2018, the Company had outstanding payment and performance surety bonds of \$52.8 million and \$51.1 million, respectively.

Deferred Financing Costs

Deferred financing costs are amortized over the terms of the related debt facilities using the effective yield method. The following table summarizes the amortization of deferred financing costs related to the Company's debt facilities and recognized in interest expense on the unaudited condensed consolidated statements of operations:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Initial Centre Lane Facility	\$ —	\$ 1,256	\$ —	\$ 1,475
New Centre Lane Facility	95	—	285	—
MidCap Facility	59	—	177	—
Total	\$ 154	\$ 1,256	\$ 462	\$ 1,475

The following table summarizes unamortized deferred financing costs on the Company's unaudited condensed consolidated balance sheets:

(in thousands)	Location	September 30, 2019	December 31, 2018
New Centre Lane Facility	Long-term debt, net	\$ 1,124	\$ 1,409
MidCap Facility	Other long-term assets	477	654
Total		\$ 1,601	\$ 2,063

NOTE 10—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 September 30, 2019 and December 31, 2018 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.

NOTE 11—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.

The Company prevailed in a putative shareholder class action, which was captioned *Budde v. Global Power Equipment Group Inc.* and filed 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. Following the District Court's dismissal with prejudice on September 11, 2018, Plaintiffs appealed the decision to the United States Court of Appeals for the Fifth Circuit. The Fifth Circuit held oral arguments on August 5, 2019. Just 18 days later, on August 23, 2019, the Fifth Circuit issued a per curiam decision affirming the District Court's dismissal. Plaintiffs have until November 21, 2019, to petition for certiorari review by the Supreme Court of the United States.

In previous periods, the Company reported that a former operating unit of the Company had 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. As of April 2019, all pending asbestos-related litigation against such former operating unit had been dismissed, and there are no longer any such claims outstanding against the unit. Such litigation did not have a material adverse effect on the Company's financial position, results of operations or liquidity.

NOTE 12—STOCK-BASED COMPENSATION PLANS

During the first nine months of 2019, the Company granted 21,500 service-based restricted stock units and 21,500 market-based restricted stock units, both out of treasury stock, at a grant date fair value of \$2.60 per share and \$0.75 per share, respectively. The service-based restricted stock units will vest ratably over a period of three years; the market-based restricted stock units will vest, in whole or in part, if the stock price goal is met on or before June 30, 2021. The fair value of the market-based restricted stock units is estimated using the Monte Carlo simulation model.

In addition, during the first nine months of 2019, the Company granted 358,613 service-based restricted stock units under the 2015 Equity Incentive Plan at a grant date fair value of \$2.35 per share. These service-based restricted stock units vest ratably over a three-year period beginning on March 31, 2020. 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 first nine months of 2019, the Company also granted cash-based performance awards under the 2015 Equity Incentive Plan valued at \$1.7 million. At the Company's discretion, these performance-based restricted stock awards can be settled in cash or shares. The performance objectives associated with these awards are established by the Compensation Committee of the Board of Directors (the "Compensation Committee") on an annual basis. For the 2019 performance period, the performance objective is based on the Company's backlog performance target as of December 31, 2019. Performance objectives for the two succeeding years will be established by the Compensation Committee in the respective performance period. Award payouts range from a threshold of 50% to a maximum of 200% for each respective annual performance period. Because the Company intends to settle the cash-based performance awards that are scheduled to vest on March 31, 2020 with shares, the fair value of the cash-based performance awards with an established 2019 performance objective represents the closing price of the Company's common stock on the date of grant. The fair value of the cash-based performance awards that are scheduled to vest on March 31, 2021 and 2022 will be measured in the year that the respective performance objective is established and approved by the Compensation Committee. The Company recognizes stock-based compensation expense related to its cash-based performance awards based on its determination of the likelihood of achieving the performance

objective. The Company reassesses the likelihood of meeting the specified performance objective at the end of each reporting period and adjusts compensation expense, as necessary, based on the likelihood of achieving the performance objective. As of September 30, 2019, the Company does not expect any of the unvested cash-based performance awards that are tied to the Company's December 31, 2019 backlog performance target to ultimately vest. Consequently, the Company reversed \$0.3 million of stock-based compensation expense for each of the three and nine months ended September 30, 2019.

During the first nine months of 2019, the Company granted service-based restricted stock awards out of treasury stock totaling 149,639 shares to its five non-employee directors, which vest in four equal annual installments on January 22 of each of 2020, 2021, 2022 and 2023.

Stock-based compensation expense for the three months ended September 30, 2019 and 2018 was \$0.1 million and \$0.2 million, respectively, and \$1.0 and \$0.7 million for the nine months ended September 30, 2019 and 2018, respectively, and was included in general and administrative expenses on the Company's unaudited condensed consolidated statements of operations.

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 2018 Report under the heading “Item 1A. Risk Factors,” to reflect new information, the occurrence of future events or circumstances or otherwise. The forward-looking statements in this Form 10-Q do not constitute guarantees or promises of future performance. Forward-looking statements may include information concerning the following, among other items:

- our level of indebtedness and our ability to successfully refinance our existing credit facilities;
- our ability to make interest and principal payments on our debt and satisfy the financial and other covenants contained in the New Centre Lane Facility and the MidCap Facility;
- our ability to engage in certain transactions and activities due to limitations and covenants contained in the New Centre Lane Facility and the MidCap Facility;
- our ability to enter into new lending facilities, if needed, and to obtain adequate surety bonding and letters of credit;
- our ability to generate sufficient cash resources to continue funding operations, including investments in working capital required to support growth-related commitments that we make to our customers, and the possibility that we will continue to incur further losses from operations in the future;
- the possibility that our independent registered public accounting firm may include an explanatory paragraph in its audit opinion that accompanies our financial statements for the year ended December 31, 2019, indicating that our debt covenants and liquidity position raise substantial doubt about our ability to continue as a going concern or that such firm fails to stand for reappointment;
- exposure to market risks from changes in interest rates, including changes to LIBOR;
- the possibility we may be required to write down additional amounts of goodwill and other indefinite-lived assets;
- our material weaknesses in internal control over financial reporting and our ability to implement and maintain effective controls over financial reporting in the future;
- changes in our senior management and financial reporting and accounting teams, the ability of such persons to successfully perform their roles, and our ability to attract and retain qualified personnel, skilled workers and key officers;
- a failure to successfully implement or realize our business strategies, plans and objectives of management, and liquidity, operating and growth initiatives and opportunities, including our ability to successfully expand our business outside of the U.S., such as our expansion into Canada;
- the loss of one or more of our significant customers;
- our competitive position;
- market outlook and trends in our industry, including the possibility of reduced investment in, or increased regulation of, nuclear power plants;
- costs exceeding estimates we use to set fixed-price contracts;
- harm to our reputation or profitability due to, among other things, internal operational issues, poor subcontractor performances or subcontractor insolvency;
- potential insolvency or financial distress of third parties, including our customers and suppliers;
- our contract backlog and related amounts to be recognized as revenue;
- our ability to maintain our safety record;
- changes in our credit profile and market conditions affecting our relationships with suppliers, vendors and subcontractors;
- compliance with environmental, health, safety and other related laws and regulations;
- expiration of the Price-Anderson Act’s indemnification authority;
- our expected financial condition, future cash flows, results of operations and future capital and other expenditures;
- the impact of general economic conditions;
- information technology vulnerabilities and cyberattacks on our networks;

- our failure to comply with applicable laws and regulations, including, but not limited to, those relating to privacy and anti-bribery;
- our participation in multiemployer pension plans;
- the impact of any disruptions resulting from the expiration of collective bargaining agreements;
- availability of raw materials and inventories;
- the impact of natural disasters and other severe catastrophic events;
- future income tax payments and utilization of net operating loss and foreign tax credit carryforwards, including any impact relating to the Tax Act or other tax changes;
- future compliance with orders of and agreements with regulatory agencies;
- volatility of the market price for our common stock and our stockholders' ability to resell their shares of common stock;
- our ability to pay cash dividends in the future;
- the impact of activist shareholder actions;
- the impact of future offerings or sales of our common stock on the market price of such stock;
- expected outcomes of legal or regulatory proceedings and their expected effects on our results of operations, including future liabilities, fees and expenses resulting from the Koontz-Wagner bankruptcy filing; 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 2018 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. Unless otherwise specified, the financial information and discussion in this Form 10-Q are as of and for the three and nine months ended September 30, 2019 and are based on our continuing operations; they exclude any results of our discontinued operations. Please refer to "Note 5—Changes in Business" to the unaudited 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 2018 Report.

Backlog

The services we provide are typically carried out under construction contracts, long-term maintenance contracts and master service agreements. Total backlog represents the dollar amount of revenue expected to be recorded in the future for work performed under awarded contracts. Previously, we reported backlog as orders from fixed-price contracts plus the amount of revenue we expected to receive in the next twelve-month period from cost-plus contracts, regardless of the remaining life of the cost-plus contract. However, we believe that reporting the total revenue expected under awarded contracts is more representative of our expected future revenue.

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 to be recognized 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 estimated backlog when we reach an agreement with the customer as to the scope and pricing of that additional work. Backlog is reduced 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)	September 30, 2019		December 31, 2018	
Cost plus	\$	367,560	\$	487,033
Lump sum		23,073		14,571
Total	\$	390,633	\$	501,604

	Three Months Ended September 30, 2019		Nine Months Ended September 30, 2019	
Backlog - beginning of period	\$	409,019	\$	501,604
New awards		11,661		30,844
Adjustments and cancellations, net		26,815		37,165
Revenue recognized		(56,862)		(178,980)
Backlog - end of period	\$	390,633	\$	390,633

Total backlog as of September 30, 2019 was \$390.6 million, compared with \$501.6 million at December 31, 2018. The decrease in backlog was primarily due to work that was completed during a nuclear outage and the completion of several projects during the first nine months of 2019. We estimate that approximately \$151.3 million, or 38.7% of total backlog at September 30, 2019, will be converted to revenue within the next twelve months. As of December 31, 2018, we estimated that approximately \$173.3 million, or 34.6% of total backlog, would convert to revenue in 2019.

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:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenue	\$ 56,862	\$ 53,467	\$ 178,980	\$ 144,563
Cost of revenue	50,906	43,255	157,150	121,154
Gross profit	5,956	10,212	21,830	23,409
Selling and marketing expenses	63	397	468	1,299
General and administrative expenses	5,091	7,529	16,327	21,485
Restructuring charges	—	1,436	—	3,661
Restatement expenses	—	—	—	160
Depreciation and amortization expense	77	192	225	633
Total operating expenses	5,231	9,554	17,020	27,238
Operating income (loss)	725	658	4,810	(3,829)
Interest expense, net	1,511	3,622	4,504	7,397
Other (income) expense, net	(485)	(339)	(1,153)	(844)
Income (loss) from continuing operations before income tax	(301)	(2,625)	1,459	(10,382)
Income tax (benefit) expense	62	215	141	720
Income (loss) from continuing operations	\$ (363)	\$ (2,840)	\$ 1,318	\$ (11,102)

Revenue for the three months ended September 30, 2019 increased \$3.4 million, or 6.3%, compared with the corresponding period in 2018. The increase was driven primarily by our recent entry into the nuclear industry in Canada, which contributed \$5.0 million in new business revenue. This increase in new business revenue was partially offset by a \$1.4 million decrease in revenue generated from our decommissioning projects.

Revenue for the nine months ended September 30, 2019 increased \$34.4 million, or 23.8%, compared with the corresponding period in 2018. The increase was driven primarily by a planned utility outage related to our long term maintenance and modification contracts of \$16.7 million and \$17.5 million from our nuclear project contracts, partially offset by a decrease of

\$10.8 million in revenue from our decommissioning projects and fossil fuel power generation projects. Additionally, our recent entry into the nuclear industry in Canada contributed \$11.0 million in new business revenue.

Gross profit for the three months ended September 30, 2019 decreased \$4.3 million, or 41.7%, compared with the corresponding period in 2018, while gross margin declined to 10.5% from 19.1%. The decrease in gross margin reflects the impact of the completion of a fixed-price nuclear project in 2018 that contributed \$3.3 million in gross profit and the recognition of a \$1.3 million loss on a fixed-price fossil fuel project in 2019.

Gross profit for the nine months ended September 30, 2019 decreased \$1.6 million, or 6.7%, compared with the corresponding period in 2018, while gross margin declined to 12.2% from 16.2%. The decrease in gross margin was due primarily to the completion of a fixed-price nuclear project in 2018 which contributed \$3.4 million in gross profit and the recognition of a \$1.3 million loss on a fixed-price fossil project in 2019. These declines were partially offset by gross profits earned from a planned utility outage related to our long term maintenance and modification contracts and other nuclear project contracts.

Operating income for the three months ended September 30, 2019 was relatively unchanged compared with the corresponding period in 2018. The change in operating income was due to a \$4.3 million decrease in operating expenses, which was offset by the decrease in gross profit discussed above. For the three months ended September 30, 2019, general and administrative expenses and restructuring charges decreased \$2.4 million and \$1.4 million, respectively, due to the restructuring efforts undertaken in 2018. Additionally, selling and marketing expenses decreased \$0.3 million, as a result of our cost control efforts, and depreciation expense decreased \$0.1 million.

Operating income for the nine months ended September 30, 2019 increased \$8.6 million compared with the corresponding period in 2018. The increase in operating income was due to a \$10.2 million decrease in operating expenses, which was partially offset by the decrease in gross profit discussed above. For the nine months ended September 30, 2019, general and administrative expenses and restructuring charges decreased \$5.2 million and \$3.7 million, respectively, due to the restructuring efforts undertaken in 2018. Furthermore, selling and marketing expenses decreased \$0.8 million, as a result of our cost control efforts, and depreciation expense decreased \$0.4 million. The Company also benefited from a \$0.2 million decrease in costs related to restatement expenses recognized in 2018 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.

General and Administrative Expenses

(\$ in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Employee-related expenses	\$ 2,910	\$ 4,316	\$ 8,345	\$ 11,986
Stock-based compensation expense	120	222	1,011	687
Professional fees	1,052	1,262	2,366	4,621
Other expenses	1,009	1,729	4,605	4,191
Total	\$ 5,091	\$ 7,529	\$ 16,327	\$ 21,485

Total general and administrative expenses for the three months ended September 30, 2019 decreased \$2.4 million, or 32.4%, compared with the corresponding period in 2018. For the three months ended September 30, 2019, employee-related expenses decreased \$1.4 million due primarily to an overall decrease in ongoing employee and employee-related expenses and a reduction in headcount compared with the corresponding period in 2018. Stock-based compensation expense decreased \$0.1 million for the three months ended September 30, 2019, compared with the corresponding period in 2018. Professional fees decreased \$0.2 million for the three months ended September 30, 2019, compared with the corresponding period in 2018, primarily because of the completion of our restructuring initiatives. Further, other expenses decreased \$0.7 million for the three months ended September 30, 2019, compared with the corresponding period in 2018 primarily due to a \$0.2 million decrease in general liability insurance, a \$0.1 million decrease in bad debt expense and other cost decreases, none of which were individually significant, compared with the corresponding period in 2018.

Total general and administrative expenses for the nine months ended September 30, 2019 decreased \$5.2 million, or 24.0%, compared with the corresponding period in 2018. Employee-related expenses decreased \$3.6 million due primarily to our ongoing employee and employee-related expense management efforts and a reduction in headcount compared with the corresponding period in 2018. The decrease in employee-related expenses was partially offset by costs recognized in connection with the retirement of our former Chief Financial Officer in June 2019, pursuant to the terms of his employment agreement. For the nine months ended September 30, 2019, professional fees decreased \$2.3 million compared with the corresponding period in 2018, primarily because of the completion of our restructuring initiatives and becoming current with our SEC reporting obligations. These decreases were partially offset by a \$0.3 million increase in stock-based compensation expense and a \$0.4 million increase in other expenses. The increase in other expenses was primarily related to a \$0.7 million increase in computer equipment expenses, a \$0.1 million increase in bad debt expense, a \$0.1 million increase in property and other business related taxes and a \$0.1 million increase in employee training expenses. These increases in other expenses were partially offset by a \$0.2 million decrease in computer software expenses, a \$0.3 million decrease in rental expense and other cost decreases, none of which were individually significant, compared with the corresponding period in 2018.

Restructuring Charges

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Lease	\$ —	\$ 418	\$ —	\$ 418
Severance	—	1,018	—	3,243
Total	\$ —	\$ 1,436	\$ —	\$ 3,661

During 2018, we initiated our plan to significantly reduce corporate overhead and staff by consolidating all our administrative activities in our Tucker, Georgia offices. As a result of our restructuring efforts, we incurred \$1.0 million and \$3.2 million in severance charges for the three and nine months ended September 30, 2018, respectively. We completed our restructuring initiative in December 2018; therefore, we did not incur any restructuring charges for the three and nine months ended September 30, 2019.

Other (Income) Expense, Net

(\$ in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Interest expense, net	\$ 1,511	\$ 3,622	\$ 4,504	\$ 7,397
Other income, net	(485)	(339)	(1,153)	(844)
Total	\$ 1,026	\$ 3,283	\$ 3,351	\$ 6,553

Total other expense, net, for the three months ended September 30, 2019 decreased \$2.3 million, or 68.7%, compared with the corresponding period in 2018. Interest expense, net, decreased \$2.1 million due to a lower weighted average interest rate on our long-term borrowings, partially offset by higher outstanding debt obligations. The weighted average interest rate on borrowings under the New Centre Lane Facility for the three months ended September 30, 2019 was 12.5% compared with the weighted average interest rate on the Initial Centre Lane Facility of 21.4% in the corresponding period in 2018. The decrease in interest expense was partially offset by a slight increase in other income, net, due to income from our 25% investment in an equity method investment and a foreign currency exchange translation gain related to our Canada operations.

Total other expense, net, for the nine months ended September 30, 2019 decreased \$3.2 million, or 48.9%, compared with the corresponding period in 2018. Interest expense, net decreased \$2.9 million due to a lower weighted average interest rate on our long-term borrowings, partially offset by higher outstanding debt obligations. The weighted average interest rate on borrowings under the New Centre Lane Facility for the nine months ended September 30, 2019 was 12.5% compared with the weighted average interest rate on the Initial Centre Lane Facility of 21.0% in the corresponding period in 2018. The decrease in interest expense was partially offset by a \$0.3 million increase in other income, net, due to income from our 25% investment in an equity method investment and a foreign currency exchange translation gain related to our Canada operations.

Income Tax Expense (Benefit)

(\$ in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Income tax expense (benefit)	\$ 62	\$ 215	\$ 141	\$ 720

Income tax expense for the interim reporting periods is based on estimates of the annual effective tax rate based upon the estimated income during the calendar year, the estimated composition of the income in different jurisdictions, adjusted to reflect the effects of any significant or unusual items which are required to be discretely recognized within the current interim period, 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 months ended September 30, 2019, the Company recorded income tax expense from continuing operations of less than \$0.1 million compared with income tax expense from continuing operations of \$0.2 million in the corresponding period in 2018. For the nine months ended September 30, 2019, the Company recorded income tax expense from continuing operations of \$0.1 million compared with income tax expense from continuing operations of \$0.7 million in the corresponding period in 2018. The difference between our effective tax rate and the federal statutory tax rate for the three and nine months ended September 30, 2019 and 2018 was primarily related to the partial valuation allowance recorded on our U.S. deferred tax assets. The decrease in income tax provision from continuing operations for the three and nine months ended September 30, 2019 compared with the corresponding periods in 2018 was primarily related to the \$0.6 million increase in indefinite-lived deferred tax assets related to the interest expense addback under Section 163(j) of the Internal Revenue Code and the post-2017 U.S. net operating loss that can be used to offset indefinitely-lived intangible deferred tax liabilities.

Discontinued Operations

See “Note 5—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 nine months ended September 30, 2019, we continued to have significant liquidity constraints. Our principal sources of liquidity are borrowings under the MidCap Facility (as MidCap has dominion over our accounts receivable collection depository bank accounts) and effective management of our working capital. Our principal uses of cash were to pay for labor and subcontract labor, customer contract-related material, operating expenses, restructuring charges from our 2018 restructuring plan, and interest expense on the New Centre Lane Facility and MidCap 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:

(in thousands)	Nine Months Ended September 30,	
	2019	2018
Cash flows provided by (used in):		
Operating activities	\$ (2,412)	\$ (6,697)
Investing activities	(178)	196
Financing activities	120	654
Net change in cash, cash equivalents and restricted cash	\$ (2,470)	\$ (5,847)

Cash and Cash Equivalents

As of September 30, 2019, our operating unrestricted cash and cash equivalents decreased by \$2.5 million to \$2.0 million from \$4.5 million as of December 31, 2018. As of September 30, 2019, with the exception of \$0.1 million, the operating cash balance of \$2.0 million was held in U.S. bank accounts.

Operating Activities

Cash flows used in operating activities were \$2.4 million for the nine months ended September 30, 2019, a decrease of \$4.3 million compared with the corresponding period in 2018. The improvement in the operating activities use of cash arose primarily from the increased earnings sources and the reduced requirements to support our discontinued operations. Net working capital assets and liabilities were impacted by the timing of customer billings and the effective control of our working capital requirements.

Investing Activities

Currently, our investing activities do not have a significant impact on our net cash flows.

Financing Activities

The MidCap Facility grants the lender dominion over our depository bank accounts. As such, our weekly borrowings under the MidCap Facility are our primary source of liquidity. During the first nine months of 2019, our borrowings under the MidCap Facility exceeded our repayments from customer cash receipts by \$0.6 million. At any point in time, the outstanding balance under the MidCap Facility is a function of the timing of collections of our customer cash receipts and the timing of our cash expenditure needs for the following week for payment of trade payable obligations and payroll and related tax obligations.

Both the MidCap Facility and New Centre Lane Facility require the Company to maintain, among other things, a maximum total leverage ratio and minimum consolidated adjusted EBITDA. The Company determined that it was not in compliance with those covenants as of the last day of its third quarter, and accordingly, on November 14, 2019, the Company entered into amendments to both facilities that changed the required levels of both financial covenants so that the Company is now in compliance with both agreements as amended as of September 29, 2019. The Company's cumulative expense related to these amendments was \$0.4 million and will be reflected in the consolidated statement of operations for the year ended December 31, 2019.

For additional information about our outstanding debt, including our outstanding term loan, please refer to "Note 9—Debt" to the unaudited condensed consolidated financial statements included in this Form 10-Q.

Effect of Exchange Rate Changes on Cash

For the three and nine months ended September 30, 2019, the effect of Canadian foreign exchange rate changes on our cash balances was not material.

Dividends

We have not paid dividends to holders of our common stock since March 2015, and the terms of the New Centre Lane Facility currently restrict our ability to pay dividends. In addition, declaration and payment of future dividends would depend on many factors, including, but not limited to, our earnings, financial condition, business development needs, regulatory considerations and the terms of the New Centre Lane Facility, and is at the discretion of our Board of Directors. We currently have no plan in place to pay cash dividends.

Liquidity Outlook

As noted in our 2018 Form 10-K, overall, we expect liquidity to improve through 2019 as a result of exiting our former loss-generating businesses and reducing our ongoing operating expenses. However, we may experience periodic short-term constraints on our liquidity as a result of the cash flow requirements of specific projects. A high percentage of our cost of service comes from weekly craft labor payrolls, and the lag between incurrence of those payrolls and the subsequent collection of the resulting customer billings results in negative cash flows for that lag period. Although we utilize the MidCap Facility to address those lag period negative cash flows, contract terms restricting customer invoicing frequency, delays in customer payments, and underlying surety bonds negatively impact our availability under the MidCap Facility. Additionally, we anticipate the remaining 2019 cash expenditures related to our 2018 restructuring plan (including payments related to the Koontz-Wagner bankruptcy) will be approximately \$0.5 million.

While we believe that we have sufficient resources to satisfy our 2019 working capital requirements, we are currently engaged in a process to refinance our existing credit facilities with Centre Lane and MidCap. The debt refinancing process is expected to be completed by the end of 2019. In addition, we intend to file a registration statement on Form S-1 with the SEC for a rights offering (the "Rights Offering") to existing holders of our common stock. The Rights Offering is supported by a commitment (the "Backstop Agreement") with Wynnefield Capital, Inc. (referred to, along with its affiliates, as "Wynnefield"), our largest shareholder, to purchase all unsubscribed shares of common stock in the Rights Offering. We expect to receive aggregate gross proceeds of \$7.0 million before fees and expenses from the Rights Offering, supported by the Backstop Agreement, if necessary. We intend that the combined net proceeds from our debt refinancing process and the Rights Offering, after the repayment or refinancing of our existing credit facilities, will be used for working capital to fund certain of our strategic growth initiatives and for general corporate purposes. A condition to the obligations of Wynnefield in the Backstop Agreement will be

that the Company has consummated the refinancing of its existing credit facilities. In the event that we are unable close on the new credit facility through our refinancing process, do not consummate the Rights Offering, and are unable to address potential liquidity shortfalls in the future, management will need to seek additional funding, which may not be available on reasonable terms, if at all, and may result in management concluding that our liquidity position raises substantial doubt about our ability to continue as a going concern.

Restricted cash balances have remained constant at \$0.5 million since the beginning of the year.

For additional information, please refer to “Note 2—Liquidity” to the unaudited 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 September 30, 2019, we had a contingent liability for issued and outstanding standby letters of credit, generally issued to secure performance on customer contracts. As of September 30, 2019, we had \$2.9 million of outstanding standby letters of credit and there were no amounts drawn upon these letters of credit. In addition, as of September 30, 2019, we had outstanding surety bonds of \$52.8 million. Our subsidiaries also provide financial guarantees for certain contractual obligations in the ordinary course of business.

Critical Accounting Policies

On January 1, 2019, we adopted ASU 2016-02. In connection with the adoption, we implemented certain changes to our accounting policies and processes related to lease accounting. For additional information on changes to financial statements, please refer to “Note 3—Recent Accounting Pronouncements” to the unaudited 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 2018 Report, during the three and nine months ended September 30, 2019.

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 September 30, 2019. 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 September 30, 2019, due to the material weaknesses described in “Item 9A. Controls and Procedures” of the Company’s 2018 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 unaudited 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 Control over Financial Reporting

Under the applicable SEC rules, management is required to evaluate any changes in internal control over financial reporting that occurred during each fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

As discussed in “Item 9A. Controls and Procedures” of the 2018 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 three months ended September 30, 2019 and will continue throughout the remainder of 2019.

On January 1, 2019, we adopted ASU 2016-02. In connection with the adoption, we implemented certain changes to our processes and controls related to lease accounting. 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 three months ended September 30, 2019 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 5—Changes in Business—Discontinued Operations—Electrical Solutions” and “Note 11—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. There have not been any material changes to our risk factors from those reported in our 2018 Report.

Item 5. Other Information

None.

Item 6. Exhibit s.

Exhibit	Description
10.1	Employment Agreement, dated August 12, 2019, between the Company and Charles E. Wheelock (filed as Exhibit 10.5 to our Form 10-Q for the quarter ended June 30, 2019, filed with the Commission on August 14, 2019).*
10.2	Employment Agreement, dated September 30, 2019, between the Company and Randall R. Lay.*♦
10.3	Time-Based Restricted Share Unit Agreement (Inducement Grant), dated September 30, 2019, between the Company and Randall R. Lay.*♦
10.4	Performance-Based Restricted Share Unit Agreement (Inducement Grant), dated September 30, 2019, between the Company and Randall R. Lay.*♦
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♦

*Indicates a management contract or compensatory plan or arrangement.

♦ Filed herewith.

SIGNATURE S

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: November 14, 2019

By: /s/ Randall R. Lay
Randall R. Lay
Senior Vice President and Chief Financial Officer
(Duly authorized officer and principal financial and accounting officer of
the registrant)

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement") is effective as of the 30th day of September 2019, between Williams Industrial Services Group Inc. (the "Company") and Randall R. Lay ("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 September 30, 2019 (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 Senior Vice President, 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 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 an 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 Section 7 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 Tucker, Georgia;

provided that Executive may be required under reasonable business circumstances to travel outside of such location in connection with performing his duties under this Agreement.

(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 his 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 \$325,000, 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 increased to \$350,000, effective as of April 1, 2020 (subject to a satisfactory performance review by the Board) and thereafter 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"); and provided further, that Executive's short-term incentive opportunity for 2019 shall be pro-rated. 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. 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 2019, Executive shall be granted an award of restricted share units in respect of 150,000 shares of the Company's common stock, 2/3 of which shall be subject to time-based vesting conditions (with vesting in equal annual installments on each of

March 31, 2020, 2021 and 2022) and 1/3 of which shall be subject to performance-based vesting conditions, in each case as approved by the Board or a committee thereof in 2020 and 2021, and shall otherwise be granted upon the terms, and subject to the conditions, of the award agreements issued to Executive. 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 residence in Connecticut or Florida; (ii) Executive shall be reimbursed for reasonable expenses incurred during the Term in renting an apartment in Atlanta, Georgia (or an extended stay hotel arrangement), the related utilities, and renting furnishings, as applicable, for such lodging; and (iii) Executive shall be reimbursed for the cost of leasing an automobile while living in Georgia during the Term (or may be permitted to use a Company owned or leased vehicle), 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 11 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 CEO or 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 Company which specifically identifies the manner in which the CEO or the Board believes that Executive has not substantially performed Executive's duties or disregarded a directive; (ii) willful material misrepresentation at any time by Executive to the CEO or 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 or 9 of this Agreement that is not cured (if curable) by Executive within 20 calendar days after written demand for such cure is delivered to Executive by the Company which specifically identifies the manner in which the Company 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 as set forth 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 11. 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 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")), 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, 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)(v) shall cease.

(vi) 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(f) 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, 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) and (v), 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. Restrictive Covenants. Executive acknowledges and agrees that he shall at all times be subject to, and obligated to comply with, the restrictive covenants contained in the equity award agreements issued under a Company equity plan, as amended from time-to-time. Executive agrees that in the event of a breach by Executive of this Section 7, the Company, in addition and supplementary to other rights and remedies existing in its favor, may (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 under Section 5 hereof and/or vesting of equity awards.

8. Executive's Representations. Executive hereby represents and warrants to the Company that Executive is not a party to any contract, understanding, agreement or policy, whether or not written, with his current employer (or any other previous employer) or otherwise, that would be breached by Executive's entering into, or performing services under, this Agreement. Executive further represents that he has disclosed to the Company in writing all material threatened, pending, or actual claims against Executive that are unresolved and still outstanding as of the Effective Date, in each case of which he is aware, resulting or arising from his service with his current employer (or any other previous employer) or his membership on any boards of directors.

9. 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). Executive agrees that in the event of a breach by Executive of this Section 9, the

Company, in addition and supplementary to other rights and remedies existing in its favor, may (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 under Section 5 hereof and/or vesting of equity awards.

10. 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, 17, 18, 19, 20 and 21 shall survive and continue in full force in accordance with their terms notwithstanding any termination of the Term or this Agreement.

11. 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: Chief Executive Officer. Any notice under this Agreement will be deemed to have been given when so delivered, sent or mailed.

12. 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.

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

14. Complete Agreement. This Agreement (along with the other documents referenced herein) 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 the Consulting Agreement between Executive and the Company, which shall be considered null and void as of the Effective Date. The parties hereby acknowledge that the payments and benefits provided under Section 5 shall be in full satisfaction of the Company's obligations to Executive upon his termination of employment and in no event shall Executive be entitled to severance benefits (or other damages in respect of a termination of employment or claim for breach of this Agreement) beyond those specified in Section 5 hereof.

15. 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.

16. 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.

17. 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 17(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.

18. 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.

19. 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.

20. 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.

21. 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

By: Tracy D. Pagliara

Its: Chief Executive Officer

/s/ Randall R. Lay

Randall R. Lay

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 Randall R. Lay ("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) and (v) of the Employment Agreement between Executive and the Company dated as of __, 2019 (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, "Releasers") 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 Section 7 and 9 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 11 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.**

[Form of release – Do not sign]

By:
Its:

EXECUTIVE

[Form of release – Do not sign]

Randall R. Lay

**WILLIAMS INDUSTRIAL SERVICES GROUP INC.
TIME-BASED RESTRICTED SHARE UNIT AGREEMENT
(INDUCEMENT GRANT)**

Notice of Restricted Share Unit Award

As an inducement material to the decision by the grantee listed below (the “Grantee”) to accept employment with Williams Industrial Services Group Inc. (the “Company”), and pursuant to that certain term sheet negotiated by and between the Grantee and the Company, the Company grants to the Grantee, in accordance with the terms of this Time-Based Restricted Share Unit Agreement (the “Agreement”), the Restricted Share Units set forth herein, as of the Date of Grant set forth below. This grant of Restricted Share Units is made and granted as a stand-alone award and is not granted under or pursuant to the Williams Industrial Services Group Inc. 2015 Equity Incentive Plan (the “Plan”). However, capitalized terms used but not defined in the Agreement shall have the meanings given to those terms in the Plan.

Name of Grantee:	Randall R. Lay
Date of Grant:	September 30, 2019
Number of Restricted Share Units:	100,000
Vesting Dates:	March 31, 2020, March 31, 2021, and March 31, 2022

Terms of Agreement

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

2. Vesting of Restricted Share Units.

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

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

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

(b) Involuntary Termination or Termination for Good Reason. If, prior to a Vesting Date, the Grantee’s employment with the Company or a Subsidiary is terminated (x) by the Company or a Subsidiary without Cause (as defined in the Plan) or by reason of the Grantee’s Disability (as defined in the long-term disability plan of the Company or a Subsidiary applicable to the Grantee), (y) by the Grantee for Good Reason (as defined in the Plan), or (z) as a result of the Grantee’s death, then, provided that, within forty-five (45) days after such termination, the Grantee (or the Grantee’s estate, beneficiary or other

successor) shall have executed and delivered a release of claims in a form provided by the Company and such release of claims shall have become effective and irrevocable in accordance with its terms, the Grantee shall become vested in a prorated portion of the Restricted Share Units equal to (i) the number of Restricted Share Units that would have become vested under this Agreement had the Grantee remained employed with the Company or a Subsidiary through the Vesting Date immediately following the date on which the Grantee's employment terminated, multiplied by (ii) a fraction, the numerator of which is the number of days of continuous employment completed by the Grantee since the last Vesting Date (or if no Vesting Date has occurred, since March 31, 2019) and the denominator of which is 365.

(c) Change in Control. The provisions of Section 21 of the Plan shall apply in the event of a Change in Control and are incorporated herein by reference.

3. Forfeiture of Restricted Share Units.

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

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

4. Payment of Vested Restricted Share Units. Except as otherwise provided in Section 14 of this Agreement, the Company shall deliver to the Grantee the Shares underlying the vested Restricted Share Units (if any) within thirty (30) days following the applicable Vesting Date (or within thirty (30) days following such earlier date as the Restricted Share Units become vested pursuant to this Agreement).

5. Transferability. The Restricted Share Units may not be transferred, assigned, pledged or hypothecated in any manner, or be subject to execution, attachment or similar process, by operation of law or otherwise. Any purported transfer or encumbrance in violation

of the provisions of this Section 5 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Restricted Share Units.

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

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

8. Non-Solicitation; Confidentiality; Ownership of Work Product. In the event that the Grantee is a party to one or more separately executed agreements with the Company, the terms of which restrict (w) the Grantee's ability to solicit customers of the Company, (x) the Grantee's ability to solicit employees of the Company, (y) the Grantee's ability to use or disclose confidential information or trade secrets of the Company, or (z) the ownership of works (collectively, the "Restrictive Covenants Agreement"), then the terms of such applicable restriction or restrictions in the Restrictive Covenants Agreement shall govern in lieu of the corresponding restriction or restrictions set forth in Sections 8.1-8.17 hereof, respectively. In consideration of, and as a condition to, the Grantee's employment by the Company, the grant of the Restricted Share Units, a portion of the compensation and other benefits to be paid to the Grantee during such employment, the potential disclosure to the Grantee of Confidential Information (as hereinafter defined) in connection with such employment and other good and valuable consideration, the Grantee and the Company agree as follows:

8.1 Non-solicitation of or provision of competitive activities or services to Customers. During the Restricted Period, subject to (e) below, the Grantee hereby covenants and agrees that the Grantee shall not (either directly or indirectly, individually, on behalf of or in concert with others, or as an owner, a shareholder, partner, director, officer, employee, agent, or advisor of any business or entity) undertake or engage in any of the following activities without the prior written consent of the Company:

(a) Solicit (or assist in soliciting), provide, or offer to provide activities or services that are competitive with the Business of the Company to any customer (past or current) or actively sought prospective customer (or any owner, shareholder, partner, employee, agent or advisor of any past, current or prospective customer) with whom the Grantee had material contact at any time during the Grantee's employment with the Company; and/or

(b) Ask, suggest, intimate or imply to any customer (past or current) or actively sought prospective customer of the Company with whom Grantee had any material contact during the Grantee's employment with the Company, that such customer consider placing or moving an order for services that are competitive with the Business of the Company, or all or any portion of such customer's business relating to services that are competitive with the Business of the Company, to any other supplier or service provider that provides services that are competitive with the Business of the Company;

(c) Solicit, induce or attempt to induce any customer, supplier, distributor, franchisee, licensee, or other individual or entity with whom Grantee had any material contact during the Grantee's employment with the Company that has any business relationship with the Company or any of its affiliates to cease doing business with the Company or any of 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; and/or

(d) Disparage, criticize, derogate, denigrate, or deprecate the Company or any of its products services or employees to any past, current or prospective customer of the Company; provided, however,

(e) If the Company does not provide Grantee with a Severance Payment, then the Grantee may undertake the activities described in Sections 8.1 (a) and (b) on behalf of himself/herself or a competing business or entity provided that such activities relate to projects, bids, or jobs that are not related (directly or indirectly) to past or existing projects, bids, jobs, or opportunities for which, on behalf of the Company, Grantee performed services, worked on, was involved with, or about which Grantee had access to confidential information.

Nothing in this Agreement shall be construed to prohibit the conduct described in Section 8.1 by Grantee on behalf of and for the benefit of the Company during the term of Grantee's employment by the Company.

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

8.3 Tolling. In the event that a court of competent jurisdiction determines that Grantee has violated, or is in violation of, Grantee's obligations under Sections 8.1-8.17, the Restricted Period shall be deemed tolled for an amount of time equal to the amount of time a court finds that Grantee was or acted in violation of this section. Moreover, in the event the enforceability of any of the terms of Sections 8.1-8.17 shall be challenged in court and as a result, Grantee is not enjoined from breaching any of this Section 7, and a court of competent jurisdiction (including appellate courts) subsequently finds that the challenged covenant is enforceable and orders compliance with the covenant, the Restricted Period shall be deemed tolled for an amount of time equal to the time from entry of an order finding that the covenant is not enforceable through such time as Grantee is ordered by a court to comply with the covenant.

8.4 "Restricted Period." For purposes of this Sections 8.1-8.17, if the Grantee terminates his or her employment with the Company for any reason other than Good Reason, or if the Company terminates Grantee's employment with the Company for Cause, both as defined below, the term Restricted Period means the duration of the Grantee's employment with the Company and a period of one (1) year following the last date that the Grantee is employed by the Company. If the Company terminates Grantee's employment without Cause or the Grantee terminates his or her employment with the Company for Good Reason, then the term Restricted Period means the duration of the Grantee's employment with the Company and a period of time equal to the Grantee's employment with the Company, but in any event not to exceed six (6) months, following the last date that the Grantee is employed by the Company.

8.5 “Severance Payment” for purposes of Sections 8.1-8.17, means the payment, if any, provided by the Company to the Grantee as part of an agreement regarding the termination of the employer-employee relationship which provides or a severance payment, or other compensation, as the result of termination of employment.

8.6 For purposes of Sections 8.1-8.17, “Cause” as a reason for the termination of Grantee’s employment means Grantee’s (a) continued failure to meet deadlines or to perform substantially Grantee’s duties with the Company or any of its affiliates or Grantee’s disregard of the directives of Grantee’s supervisor (in each case other than any such failure resulting from any medically determined physical or mental impairment); (b) willful material misrepresentation at any time by Grantee to the Company or an affiliate; (c) Grantee’s commission of any act of fraud, misappropriation or embezzlement against or in connection with the Company or any of its affiliates or their respective businesses or operations; (d) Grantee’s conviction, guilty plea or plea of nolo contendere for any crime involving dishonesty or for any felony; (e) Grantee’s material breach of any fiduciary duties of loyalty or care to the Company or any of its affiliates or Grantee’s material violation of the Company’s Code of Business Conduct and Ethics or any other Company policy, as the same may be amended from time to time; (f) Grantee’s illegal conduct, gross misconduct, gross insubordination or gross negligence that is materially and demonstrably injurious to the Company’s business or financial condition; or, (g) excessive absenteeism.

8.7 “Good Reason” for purposes of Sections 8.1-8.17 means the Grantee’s termination of employment as the result of the occurrence of any of the following: (i) Grantee’s annual base salary is reduced by more than 10% below Grantee’s annual base salary as in effect immediately prior to the termination of employment, (ii) Grantee’s duties or responsibilities are materially reduced from the Grantee’s duties or responsibilities immediately prior to the termination of employment, or (iii) continued employment would require the relocation of Grantee’s principal place of employment more than 50 miles outside of the metropolitan area in which Grantee’s principal place of employment is located immediately prior to the termination of employment. For purposes of clarity, in no event will any termination of Grantee’s employment under circumstances in which the Company has Cause to terminate Grantee’s employment constitute Good Reason. Further, Grantee may be required to travel on business to the extent necessary to efficiently perform Grantee’s duties of employment, and such business travel shall not in any case constitute grounds to terminate Grantee’s employment for Good Reason.

8.8 Trade Secrets.

(a) The Grantee shall hold in confidence all Trade Secrets of the Company and/or its

customers (the “Associated Companies”) that have or will come into the Grantee’s knowledge or possession during the Grantee’s employment by the Company and shall not disclose, publish or make use of such Trade Secrets at any time without the prior written consent of the Company for so long as the Trade Secret remains a trade secret.

(b) Notice of Immunity under Defend Trade Secrets Act. Grantee is hereby notified

that the following immunities exist under the U.S. Defend Trade Secrets Act of 2016: (1) 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—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) 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 (2) 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.

8.9 Confidential Information. The Grantee shall hold in confidence all Confidential Information of the Company or of the Associated Companies that have or will come into the Grantee's knowledge or possession during the Grantee's employment by the Company and shall not disclose, publish or make use of such Confidential Information without the prior written consent of the Company for so long as the Confidential Information remains confidential.

8.10 Return of Company Property. Upon the request of the Company or, in any event with or without a request upon the termination of the Grantee's employment with the Company, the Grantee shall deliver to the Company all memoranda, notes, records, manuals or other documents (including, but not limited to, written instruments, voice or data recordings, or computer tapes, disks or files of any nature), including all copies of such materials and all documentation prepared or produced in connection therewith, pertaining to the performance of the Grantee's services for the Company, the Business of the Company or of the Associated Companies, or containing Trade Secrets or Confidential Information of the Company or pertaining to the Company's Business or the Associated Companies' business, whether made or compiled by the Grantee or furnished to the Grantee. Upon the request of the Company and, in any event, upon the termination of the Grantee's employment with the Company, the Grantee shall also deliver to the Company all computers, credit cards, telephones, office equipment, software, and other property the Company furnished to or in the possession of the Grantee.

8.11 Interpretation. The restrictions stated in Sections 8.1-8.17 are in addition to and not in lieu of protections afforded to trade secrets and confidential information under applicable law. Nothing in this Agreement is intended to or shall be interpreted as diminishing or otherwise limiting the Company's right under applicable law to protect its trade secrets and confidential information.

8.12 "Trade Secret" means information 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 customers or suppliers or other information similar to any of the foregoing, which (a) 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 (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

8.13 "Confidential Information" means any data or information, other than Trade Secrets, that is valuable to the Company (and/or its customers) and not generally known to the public or to competitors of the Company.

8.14 The Company shall own all Work Product. "Work Product" means all intellectual property rights including all Trade Secrets, registered and unregistered copyrights under U.S. and international law, copyrightable material or works, patents, patentable inventions, discoveries and improvements, and other intellectual property rights, in any technology software, data files documentation, or other work product or material that relates to the business and/or interests of the Company and that the Employee conceives, develops, creates or delivers (whether individually or working with others) to the Company at any time during the Employee's employment with the Company. All Work Product shall be considered work made for hire by the Grantee and owned by the Company. The Grantee hereby irrevocably relinquishes for the benefit of the Company and its assigns any moral rights in and to the Work Product recognized by applicable law.

8.15 If any of the Work Product may not, by operation of law, be considered work made for hire by the Grantee for the Company, or if ownership of all right, title, and interest in and to the intellectual property rights therein shall not otherwise vest exclusively in the Company, the Grantee hereby agrees to assign, and upon creation thereof automatically assigns, without further consideration, the ownership of all Trade Secrets, registered and unregistered copyrights under United States and international law, copyrightable material or works, patents, patentable inventions; and other intellectual property rights therein to the Company, its successors and assigns.

8.16 The Company, its successors and assigns, shall have the right to obtain and hold in its or their own name copyright registrations, trademark registrations, patents and any other protection available in the foregoing.

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

8.18 Miscellaneous.

(i) The Grantee acknowledges that the restrictions, prohibitions and other provisions in Sections 8.1-8.17 are reasonable, fair and equitable in scope, terms and duration, and are necessary to protect the legitimate business interests of the Company. The terms and provisions of Sections 8.1-8.17 are intended to be separate and divisible provisions and if, for any reason, any one or more of them is held to be invalid or unenforceable, neither the validity nor the enforceability of any other provision of this Agreement shall thereby be affected. It is the intention of the parties to this Agreement that the potential restrictions on the Grantee imposed by Sections 8.1-8.17 be reasonable in scope and in all other respects. If for any reason any court of competent jurisdiction shall find any provisions of Sections 8.1-8.17 unreasonable in scope or otherwise, the Grantee and the Company agree that the restrictions and prohibitions contained herein may be modified by a court of competent jurisdiction and shall be effective to the fullest extent allowed under Applicable Law in such jurisdiction. The Grantee agrees to disclose the existence of this Agreement to any subsequent employer.

(ii) The Grantee hereby agrees that any remedy at law for any breach or threatened breach of the provisions of Sections 8.1-8.17 will be inadequate and that the Company will be entitled to injunctive relief in addition to any other remedy the Company might have under this Agreement. The Grantee hereby expressly acknowledges that the harm which might result to the Company's business as a result of any noncompliance by the Grantee with the provisions of this Section 8 would be largely irreparable. The parties agree that if the Company pursues legal action to enforce the terms and conditions of this Sections 8.1-8.17 and obtains all or part of the relief sought, the Grantee shall be responsible for the reasonable attorney's fees and costs of the Company in bringing such action.

(iii) Notwithstanding any other provision of this Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating to this Section 8 shall be

governed by and construed in accordance with the laws of the State of Georgia without giving effect to the principles of conflict of laws thereof. Each party agrees that any action arising out of or relating to this Section 8 shall be brought in the Superior Court of Dekalb County, Georgia or the United States District Court for the Northern District of Georgia, or if the action is brought by the Company and if Grantee resides in Georgia, the Superior Court of the Georgia county in which Grantee resides in Georgia if so required by law, and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts, and irrevocably waives any objection, including, without limitation, any objection to the laying of venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any action in those jurisdictions.

(iv) For purposes of Sections 8.1-8.17, the term “Company” shall be deemed to include Williams Industrial Services Group Inc., its Subsidiaries and affiliates, and all of their respective successors and assigns.

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

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

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

12. Adjustments. The number and kind of shares of stock deliverable pursuant to the Restricted Share Units are subject to adjustment as provided in Section 16 of the Plan, which is incorporated herein by reference.

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

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

(a) The Company will deliver the Shares underlying any Restricted Share Units that become vested in accordance with Section 2(b) or 2(c) of this Agreement and pay any Dividend Equivalents with respect to those vested Restricted Share Units within thirty (30) days after the first to occur of (i) the applicable Vesting Date; (ii) the occurrence of a Change in Control that is also a "change in the ownership," a "change in the effective control," or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code; or (iii) the Grantee's "separation from service" within the meaning of Section 409A of the Code; and

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

15. Amendments. The Compensation Committee of the Board (the "Committee") may modify this Agreement upon written notice to the Grantee. Notwithstanding the foregoing, no amendment of this Agreement shall adversely affect in a material way the rights of the Grantee under this Agreement without the Grantee's consent unless the Committee determines, in good faith, that such amendment is required for the Agreement to either be exempt from the application of, or comply with, the requirements of Section 409A of the Code.

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

17. Administration. This Agreement shall be administered by the Committee. The Committee shall have full and final authority in its discretion to take all actions determined by the Committee to be necessary in the administration of the Agreement. All determinations and decisions made by the Committee pursuant to the provisions of this Agreement and all related orders and resolutions of the Committee shall be final, conclusive and binding on all persons, including the Grantee, his estate and beneficiaries. By accepting any benefit under this Agreement, the Grantee and each person claiming under or through the Grantee shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of this Agreement and any action taken under the Agreement by the Committee or the Company, in any case in accordance with the terms and conditions of the Agreement.

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

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

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

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

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

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

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

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

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

WILLIAMS INDUSTRIAL SERVICES GROUP INC.

By: s/ Tracy D. Pagliara

Name: Tracy D. Pagliara

Title: President and Chief Executive Officer

By executing this Agreement, you acknowledge that a copy of the Company's most recent Annual Report and Proxy Statement either have been received by you or are available for viewing on the Company's internet site at <https://www.wisgrp.com>, and you consent to receiving this information electronically, or, in the alternative, agree to contact the Company to request a paper copy of this information at no charge.

GRANTEE

/s/ Randall R. Lay

Randall R. Lay

**WILLIAMS INDUSTRIAL SERVICES GROUP INC.
PERFORMANCE-BASED RESTRICTED SHARE UNIT AGREEMENT
(INDUCEMENT GRANT)**

Notice of Restricted Share Unit Award

As an inducement material to the decision by the grantee listed below (the “Grantee”) to accept employment with Williams Industrial Services Group Inc. (the “Company”), and pursuant to that certain term sheet negotiated by and between the Grantee and the Company, the Company grants to the Grantee, in accordance with the terms of this Performance-Based Restricted Share Unit Agreement (the “Agreement”), the opportunity to earn all, a portion or a multiple of the target number of Restricted Share Units set forth herein. This grant of Restricted Share Units is made and granted as a stand-alone award and is not granted under or pursuant to the Williams Industrial Services Group Inc. 2015 Equity Incentive Plan (the “Plan”). However, capitalized terms used but not defined in the Agreement shall have the meanings given to those terms in the Plan.

Name of Grantee:	Randall R. Lay
Date of Grant:	September 30, 2019
Target Number of Restricted Share Units:	50,000
Vesting Dates:	March 31, 2021 and March 31, 2022
Performance Periods:	The 2020 and 2021 fiscal years of the Company
Performance Objectives:	The Performance Objective for the 2020 and 2021 Performance Periods will be established by the Committee on an annual basis and will be communicated to the Grantee within 30 days after establishment by the Committee and set forth in an amendment to Exhibit A.

Terms of Agreement

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

2. Vesting of Restricted Share Units.

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

(i) Restricted Share Units. The Target Number of Restricted Share Units shall be allocated in two equal portions to each of the two Performance Periods identified above. The Grantee's right to receive all, a portion, or a multiple of the portion of the Restricted Share Units allocated to a Performance Period shall be contingent upon the extent to which the Company achieves the Performance Objective established for that Performance Period in accordance with the payout levels set forth in Exhibit A. Following the commencement of each Performance Period, the Compensation Committee of the Board (the "Committee") shall establish in writing the Performance Objective applicable to that Performance Period, which shall be based upon the achievement of specified performance measures and set forth in the attached Exhibit A, as amended from time to time. After the end of each Performance Period, the Committee shall determine in writing the extent, if any, to which the Performance Objective for that Performance Period has been satisfied and shall determine the percentage, if any, of the Restricted Share Units allocated to that Performance Period that shall be payable to Grantee, subject to the vesting requirements set forth below. The earned portion of the Restricted Share Units for a Performance Period shall vest on the Vesting Date immediately following the end of that Performance Period, provided that the Grantee shall have remained in the continuous employ of the Company or a Subsidiary through the that Vesting Date.

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

(b) Involuntary Termination or Termination for Good Reason. If, during a Performance Period, the Grantee's employment with the Company or a Subsidiary is terminated (x) by the Company or a Subsidiary without Cause (as defined in the Plan) or by reason of the Grantee's Disability (as defined in the long-term disability plan of the Company or a Subsidiary applicable to the Grantee), (y) by the Grantee for Good Reason (as defined in the Plan), or (z) as a result of the Grantee's death, then, except as otherwise provided in paragraph (c) below (collectively, a "Qualified Termination"), and provided that, within forty-five (45) days after such termination, the Grantee (or the Grantee's estate, beneficiary or other successor) shall have executed and delivered a release of claims in a form provided by the Company and such release of claims shall have become effective and irrevocable in accordance with its terms, the Grantee shall become vested in the portion of the Restricted Share Units allocated to that Performance Period equal to the product of: (i) the portion of the Restricted Share Units that would have become vested under this Agreement for that Performance Period had the Grantee remained employed with the Company or a Subsidiary through the Vesting Date immediately following the date on which the Grantee's employment terminated (based on actual performance results for the entire Performance Period), multiplied by (ii) a fraction, the numerator of which is the number of days of continuous employment completed by the Grantee during that Performance Period and the denominator of which is 365. In addition to the Restricted Share Units that that may become vested in accordance with the prior sentence, if the Grantee's Qualified Termination occurs between January 1 and March 30 of a calendar year, then subject to the release requirement described above the Grantee shall become vested in the unvested Restricted Share Units, if any, that were earned for the immediately preceding Performance Period (if any) and that would have become vested had the Grantee remained employed with the Company or a Subsidiary through March 31 of that calendar year (without pro-ration).

(c) Change in Control. The provisions of Section 21 of the Plan shall apply in the event of a Change in Control and are incorporated herein by reference.

3. Forfeiture of Restricted Share Units.

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

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

4. Payment of Vested Restricted Share Units. Except as otherwise provided in Section 14 of this Agreement, the Company shall deliver to the Grantee the Shares underlying the vested Restricted Share Units (if any) within thirty (30) days following the applicable Vesting Date (or within thirty (30) days following such earlier date as the Restricted Share Units become vested pursuant to this Agreement).

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

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

7. Payment of Dividend Equivalents. Upon payment of a vested Restricted Share Unit, the Grantee shall be entitled to a cash payment (without interest) equal to the aggregate cash dividends declared and payable with respect to one (1) Share for each record date, if any, that occurs during the period beginning on the Date of Grant and ending on the date the vested Restricted Share Unit is paid (the

“Dividend Equivalent”). The Dividend Equivalents shall be forfeited to the extent that the underlying Restricted Share Unit is forfeited and shall be paid to the Grantee, if at all, at the same time that the related vested Restricted Share Unit is paid to the Grantee in accordance with Section 4.

8. Non-Solicitation; Confidentiality; Ownership of Work Product. In the event that the Grantee is a party to one or more separately executed agreements with the Company, the terms of which restrict (w) the Grantee’s ability to solicit customers of the Company, (x) the Grantee’s ability to solicit employees of the Company, (y) the Grantee’s ability to use or disclose confidential information or trade secrets of the Company, or (z) the ownership of works (collectively, the “Restrictive Covenants Agreement”), then the terms of such applicable restriction or restrictions in the Restrictive Covenants Agreement shall govern in lieu of the corresponding restriction or restrictions set forth in Sections 8.1-8.17 hereof, respectively. In consideration of, and as a condition to, the Grantee’s employment by the Company, the grant of the Restricted Share Units, a portion of the compensation and other benefits to be paid to the Grantee during such employment, the potential disclosure to the Grantee of Confidential Information (as hereinafter defined) in connection with such employment and other good and valuable consideration, the Grantee and the Company agree as follows:

8 . 1 Non-solicitation of or provision of competitive activities or services to Customers. During the Restricted Period, subject to (e) below, the Grantee hereby covenants and agrees that the Grantee shall not (either directly or indirectly, individually, on behalf of or in concert with others, or as an owner, a shareholder, partner, director, officer, employee, agent, or advisor of any business or entity) undertake or engage in any of the following activities without the prior written consent of the Company:

(a) Solicit (or assist in soliciting), provide, or offer to provide activities or services that are competitive with the Business of the Company to any customer (past or current) or actively sought prospective customer (or any owner, shareholder, partner, employee, agent or advisor of any past, current or prospective customer) with whom the Grantee had material contact at any time during the Grantee’s employment with the Company; and/or

(b) Ask, suggest, intimate or imply to any customer (past or current) or actively sought prospective customer of the Company with whom Grantee had any material contact during the Grantee’s employment with the Company, that such customer consider placing or moving an order for services that are competitive with the Business of the Company, or all or any portion of such customer’s business relating to services that are competitive with the Business of the Company, to any other supplier or service provider that provides services that are competitive with the Business of the Company;

(c) Solicit, induce or attempt to induce any customer, supplier, distributor, franchisee, licensee, or other individual or entity with whom Grantee had any material contact during the Grantee’s employment with the Company that has any business relationship with the Company or any of its affiliates to cease doing business with the Company or any of 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; and/or

(d) Disparage, criticize, derogate, denigrate, or deprecate the Company or any of its products services or employees to any past, current or prospective customer of the Company; provided, however,

(e) If the Company does not provide Grantee with a Severance Payment, then the Grantee may undertake the activities described in Sections 8.1 (a) and (b) on behalf of himself/herself or a competing business or entity provided that such activities relate to projects, bids, or jobs that are not related (directly or indirectly) to past or existing projects, bids, jobs, or opportunities for which, on behalf of the

Company, Grantee performed services, worked on, was involved with, or about which Grantee had access to confidential information.

Nothing in this Agreement shall be construed to prohibit the conduct described in Section 8.1 by Grantee on behalf of and for the benefit of the Company during the term of Grantee's employment by the Company.

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

8.3 Tolling. In the event that a court of competent jurisdiction determines that Grantee has violated, or is in violation of, Grantee's obligations under Sections 8.1-8.17, the Restricted Period shall be deemed tolled for an amount of time equal to the amount of time a court finds that Grantee was or acted in violation of this section. Moreover, in the event the enforceability of any of the terms of Sections 8.1-8.17 shall be challenged in court and as a result, Grantee is not enjoined from breaching any of this Section 7, and a court of competent jurisdiction (including appellate courts) subsequently finds that the challenged covenant is enforceable and orders compliance with the covenant, the Restricted Period shall be deemed tolled for an amount of time equal to the time from entry of an order finding that the covenant is not enforceable through such time as Grantee is ordered by a court to comply with the covenant.

8.4 "Restricted Period." For purposes of this Sections 8.1-8.17, if the Grantee terminates his or her employment with the Company for any reason other than Good Reason, or if the Company terminates Grantee's employment with the Company for Cause, both as defined below, the term Restricted Period means the duration of the Grantee's employment with the Company and a period of one (1) year following the last date that the Grantee is employed by the Company. If the Company terminates Grantee's employment without Cause or the Grantee terminates his or her employment with the Company for Good Reason, then the term Restricted Period means the duration of the Grantee's employment with the Company and a period of time equal to the Grantee's employment with the Company, but in any event not to exceed six (6) months, following the last date that the Grantee is employed by the Company.

8.5 "Severance Payment" for purposes of Sections 8.1-8.17, means the payment, if any, provided by the Company to the Grantee as part of an agreement regarding the termination of the employer-employee relationship which provides or a severance payment, or other compensation, as the result of termination of employment.

8.6 For purposes of Sections 8.1-8.17, "Cause" as a reason for the termination of Grantee's employment means Grantee's (a) continued failure to meet deadlines or to perform substantially Grantee's duties with the Company or any of its affiliates or Grantee's disregard of the directives of Grantee's supervisor (in each case other than any such failure resulting from any medically determined physical or mental impairment); (b) willful material misrepresentation at any time by Grantee to the Company or an affiliate; (c) Grantee's commission of any act of fraud, misappropriation or embezzlement against or in connection with the Company or any of its affiliates or their respective businesses or operations; (d) Grantee's conviction, guilty plea or plea of nolo contendere for any crime involving dishonesty or for any felony; (e) Grantee's material breach of any fiduciary duties of loyalty or care to the Company or any of its affiliates or Grantee's material violation of the Company's Code of Business Conduct and Ethics or any other Company policy, as the same may be amended from time to time; (f) Grantee's illegal conduct, gross

misconduct, gross insubordination or gross negligence that is materially and demonstrably injurious to the Company's business or financial condition; or, (g) excessive absenteeism.

8.7 "Good Reason" for purposes of Sections 8.1-8.17 means the Grantee's termination of employment as the result of the occurrence of any of the following: (i) Grantee's annual base salary is reduced by more than 10% below Grantee's annual base salary as in effect immediately prior to the termination of employment, (ii) Grantee's duties or responsibilities are materially reduced from the Grantee's duties or responsibilities immediately prior to the termination of employment, or (iii) continued employment would require the relocation of Grantee's principal place of employment more than 50 miles outside of the metropolitan area in which Grantee's principal place of employment is located immediately prior to the termination of employment. For purposes of clarity, in no event will any termination of Grantee's employment under circumstances in which the Company has Cause to terminate Grantee's employment constitute Good Reason. Further, Grantee may be required to travel on business to the extent necessary to efficiently perform Grantee's duties of employment, and such business travel shall not in any case constitute grounds to terminate Grantee's employment for Good Reason.

8.8 Trade Secrets.

(a) The Grantee shall hold in confidence all Trade Secrets of the Company and/or its customers (the "Associated Companies") that have or will come into the Grantee's knowledge or possession during the Grantee's employment by the Company and shall not disclose, publish or make use of such Trade Secrets at any time without the prior written consent of the Company for so long as the Trade Secret remains a trade secret.

(b) Notice of Immunity under Defend Trade Secrets Act. Grantee is hereby notified that the following immunities exist under the U.S. Defend Trade Secrets Act of 2016: (1) 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—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) 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 (2) 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.

8.9 Confidential Information. The Grantee shall hold in confidence all Confidential Information of the Company or of the Associated Companies that have or will come into the Grantee's knowledge or possession during the Grantee's employment by the Company and shall not disclose, publish or make use of such Confidential Information without the prior written consent of the Company for so long as the Confidential Information remains confidential.

8.10 Return of Company Property. Upon the request of the Company or, in any event with or without a request upon the termination of the Grantee's employment with the Company, the Grantee shall deliver to the Company all memoranda, notes, records, manuals or other documents (including, but not limited to, written instruments, voice or data recordings, or computer tapes, disks or files of any nature), including all copies of such materials and all documentation prepared or produced in connection therewith, pertaining to the performance of the Grantee's services for the Company, the Business of the Company or of the Associated Companies, or containing Trade Secrets or Confidential Information of the Company or pertaining to the Company's Business or the Associated Companies' business, whether made or compiled by the Grantee or furnished to the Grantee. Upon the request of the Company and, in any event, upon the

termination of the Grantee's employment with the Company, the Grantee shall also deliver to the Company all computers, credit cards, telephones, office equipment, software, and other property the Company furnished to or in the possession of the Grantee.

8.11 Interpretation. The restrictions stated in Sections 8.1-8.17 are in addition to and not in lieu of protections afforded to trade secrets and confidential information under applicable law. Nothing in this Agreement is intended to or shall be interpreted as diminishing or otherwise limiting the Company's right under applicable law to protect its trade secrets and confidential information.

8.12 "Trade Secret" means information 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 customers or suppliers or other information similar to any of the foregoing, which (a) 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 (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

8.13 "Confidential Information" means any data or information, other than Trade Secrets, that is valuable to the Company (and/or its customers) and not generally known to the public or to competitors of the Company.

8.14 The Company shall own all Work Product. "Work Product" means all intellectual property rights including all Trade Secrets, registered and unregistered copyrights under U.S. and international law, copyrightable material or works, patents, patentable inventions, discoveries and improvements, and other intellectual property rights, in any technology software, data files documentation, or other work product or material that relates to the business and/or interests of the Company and that the Employee conceives, develops, creates or delivers (whether individually or working with others) to the Company at any time during the Employee's employment with the Company. All Work Product shall be considered work made for hire by the Grantee and owned by the Company. The Grantee hereby irrevocably relinquishes for the benefit of the Company and its assigns any moral rights in and to the Work Product recognized by applicable law.

8.15 If any of the Work Product may not, by operation of law, be considered work made for hire by the Grantee for the Company, or if ownership of all right, title, and interest in and to the intellectual property rights therein shall not otherwise vest exclusively in the Company, the Grantee hereby agrees to assign, and upon creation thereof automatically assigns, without further consideration, the ownership of all Trade Secrets, registered and unregistered copyrights under United States and international law, copyrightable material or works, patents, patentable inventions: and other intellectual property rights therein to the Company, its successors and assigns.

8.16 The Company, its successors and assigns, shall have the right to obtain and hold in its or their own name copyright registrations, trademark registrations, patents and any other protection available in the foregoing.

8.17 The Grantee agrees to perform, upon the reasonable request of the Company, during or after employment such further acts as may be necessary or desirable to transfer, perfect, and defend the Company's ownership of the Work Product, including but not limited to: (a) executing, acknowledging, and delivering any requested affidavits and documents of assignment and conveyance; (b) assisting in the preparation, prosecution, procurement, maintenance and enforcement of all copyrights and, if applicable, patents with respect to the Work Product in any countries; (c) providing testimony in connection with any proceeding affecting the right, title, or interest of the Company in any Work Product; and (d) performing

any other acts deemed necessary or desirable to carry out the purposes of this Agreement. The Company shall reimburse any reasonable out-of-pocket expenses incurred by the Grantee at the Company's request in connection with the foregoing, including (unless the Grantee is otherwise being compensated at the time) a reasonable and pre-agreed per diem or hourly fee for services rendered following termination of the Grantee's employment.

8.18 Miscellaneous.

(i) The Grantee acknowledges that the restrictions, prohibitions and other provisions in Sections 8.1-8.17 are reasonable, fair and equitable in scope, terms and duration, and are necessary to protect the legitimate business interests of the Company. The terms and provisions of Sections 8.1-8.17 are intended to be separate and divisible provisions and if, for any reason, any one or more of them is held to be invalid or unenforceable, neither the validity nor the enforceability of any other provision of this Agreement shall thereby be affected. It is the intention of the parties to this Agreement that the potential restrictions on the Grantee imposed by Sections 8.1-8.17 be reasonable in scope and in all other respects. If for any reason any court of competent jurisdiction shall find any provisions of Sections 8.1-8.17 unreasonable in scope or otherwise, the Grantee and the Company agree that the restrictions and prohibitions contained herein may be modified by a court of competent jurisdiction and shall be effective to the fullest extent allowed under Applicable Law in such jurisdiction. The Grantee agrees to disclose the existence of this Agreement to any subsequent employer.

(ii) The Grantee hereby agrees that any remedy at law for any breach or threatened breach of the provisions of Sections 8.1-8.17 will be inadequate and that the Company will be entitled to injunctive relief in addition to any other remedy the Company might have under this Agreement. The Grantee hereby expressly acknowledges that the harm which might result to the Company's business as a result of any noncompliance by the Grantee with the provisions of this Section 8 would be largely irreparable. The parties agree that if the Company pursues legal action to enforce the terms and conditions of this Sections 8.1-8.17 and obtains all or part of the relief sought, the Grantee shall be responsible for the reasonable attorney's fees and costs of the Company in bringing such action.

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

(iv) For purposes of Sections 8.1-8.17, the term "Company" shall be deemed to include Williams Industrial Services Group Inc., its Subsidiaries and affiliates, and all of their respective successors and assigns.

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

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

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

12. Adjustments. The number and kind of shares of stock deliverable pursuant to the Restricted Share Units are subject to adjustment as provided in Section 16 of the Plan, which is incorporated herein by reference.

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

14. Section 409A of the Code. It is intended that the Restricted Share Units and any Dividend Equivalents provided pursuant to this Agreement shall be exempt from, or comply with, the requirements of Section 409A of the Code, and this Agreement shall be interpreted, administered and governed in accordance with such intent. To the extent necessary to give effect to such intent, the Grantee's termination of employment shall mean, for purposes of this Agreement, the Grantee's "separation from service" within the meaning of Section 409A of the Code. In particular, it is intended that the Restricted Share Units and any Dividend Equivalents shall be exempt from Section 409A of the Code, to the maximum extent possible, pursuant to the "short-term deferral" exception thereto. However, to the extent that the Restricted Share Units or any Dividend Equivalents constitute a deferral of compensation subject to the requirements of Section 409A of the Code (for example, because the Grantee's governing employment agreement defines "Good Reason" in a manner such that the Grantee's termination of employment for Good Reason would

not be treated as an involuntary separation from service for purposes of Section 409A of the Code), then the following rules shall apply, notwithstanding any other provision of this Agreement to the contrary:

(a) The Company will deliver the Shares underlying any Restricted Share Units that become vested in accordance with Section 2(b) or 2(c) of this Agreement and pay any Dividend Equivalents with respect to those vested Restricted Share Units within thirty (30) days after the first to occur of (i) the applicable Vesting Date; (ii) the occurrence of a Change in Control that is also a “change in the ownership,” a “change in the effective control,” or a “change in the ownership of a substantial portion of the assets” of the Company within the meaning of Section 409A of the Code; or (iii) the Grantee’s “separation from service” within the meaning of Section 409A of the Code; and

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

15. Amendments. The Compensation Committee of the Board (the “Committee”) may modify this Agreement upon written notice to the Grantee. Notwithstanding the foregoing, no amendment of this Agreement shall adversely affect in a material way the rights of the Grantee under this Agreement without the Grantee’s consent unless the Committee determines, in good faith, that such amendment is required for the Agreement to either be exempt from the application of, or comply with, the requirements of Section 409A of the Code.

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

17. Administration. This Agreement shall be administered by the Committee. The Committee shall have full and final authority in its discretion to take all actions determined by the Committee to be necessary in the administration of the Agreement. All determinations and decisions made by the Committee pursuant to the provisions of this Agreement and all related orders and resolutions of the Committee shall be final, conclusive and binding on all persons, including the Grantee, his estate and beneficiaries. By accepting any benefit under this Agreement, the Grantee and each person claiming under or through the Grantee shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of this Agreement and any action taken under the Agreement by the Committee or the Company, in any case in accordance with the terms and conditions of the Agreement.

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

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

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

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

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

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

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

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

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

WILLIAMS INDUSTRIAL SERVICES GROUP INC.

By: /s/ Tracy D. Pagliara

Name: Tracy D. Pagliara

Title: President and Chief Executive Officer

By executing this Agreement, you acknowledge that a copy of the Company's most recent Annual Report and Proxy Statement either have been received by you or are available for viewing on the Company's internet site at <https://www.wisgrp.com>, and you consent to receiving this information electronically, or, in the alternative, agree to contact the Company to request a paper copy of this information at no charge.

GRANTEE

/s/ Randall R. Lay

Randall R. Lay

EXHIBIT A
PERFORMANCE OBJECTIVE FOR THE
2020 PERFORMANCE PERIOD

**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: November 14, 2019

By: /s/ Tracy D. Pagliara

Tracy D. Pagliara
President and Chief Executive Officer

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

I, Randall R. Lay, 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: November 14, 2019

By: /s/ Randall R. Lay

Randall R. Lay
Senior Vice President and Chief Financial Officer

**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 September 30, 2019 (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: November 14, 2019

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.

**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, Randall R. Lay, the Senior Vice President and 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 September 30, 2019 (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: November 14, 2019

By: /s/ Randall R. Lay
Randall R. Lay
Senior Vice President and 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.
